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## New BUBB Contracts Maintain Old Benefits

Even though insurance companies will be charging much higher rates, benefits provided to state employees by the Bargaining Unit Benefit Board (BUBB) will remain the same or be slightly improved for the 12 months beginning Aug. 1, 1981.

By unanimous vote, BUBB Board members chose to continue insurance coverage at present levels with the eight companies who presently provide benefits to BUBB.

"While the cost of contracts between BUBB and the insurers will be higher than last year, the Board is doing everything possible to maximize the State's contributions to the program," said BUBB Chairman Chuck Mendenhall. "The Board could have voted to reduce benefits in order to hold down costs, but they decided not to, because they know employees want to maintain their present benefit levels."

BUBB Administrator Cindy Parrish added that staying with the same insurance companies—rather than putting the program up for bids from any interested company—will provide long-term savings for employees.

"When an insurance program like ours goes to bid each year, the insurance industry views you as a group that cannot be counted on for contract renewal," she said. "This contract continuity results in lower costs for the program and higher returns for the insurance companies."

Parrish also pointed out that should BUBB ever feel it necessary to ask for industry-wide bids, it is much more likely to receive bids from a wide range of companies because it has maintained this program continuity.

By contrast, the State Employees Benefit Board (SEBB), which provides insurance to another group of state employees, only received a bid from one company this year. Sources in the insurance industry say this is largely due to their policy of asking for industry-wide bids each year.

These sources say that one reason companies are reluctant to bid on insurance programs that do not maintain their continuity, is that responding to bid requests from groups the size of BUBB and SEBB costs approximately \$40,000.

Improved benefits will be received by state employees enrolled in BUBB's Oregon Dental Service (ODS), Selectcare, Kaiser Foundation and Klamath Medical Services Bureau (KMSB) programs.

Coverage on basic dental services will increase from 80 percent to 90 percent for all employees who are enrolled in ODS and who visited the dentist prior to Aug. 1, 1981.

Employees who are enrolled in the Kaiser Foundation will have the option to add dependent dental coverage under the new contract and employees enrolled in KMSB will have the option to increase dependent dental coverage from present levels.

Employees enrolled in Selectcare will have a percentage of their prescription drugs paid for under the new contract.

Coverage will remain the same for employees enrolled in Capitol Health Care (CHC), Continental National Assurance (CNA), Health Maintenance of Oregon, Inc. (HMO) and Physicians Association of Clackamas County (PACC).

## Walkout . . .

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Labor Relations Division administrator, told the Oregonian, that "as far as the State is concerned, there will be no contract after the existing one expires June 30."

"We will start from zero," he said. "This means the State and the union (OPEU) will have to rehash every benefit contained in the old contract. And the State will not give back some of those benefits because it needs to save money."

The May 28 walkout was preceded by a show of support from over 100 OPEU members who crowded into the small room where mediation was in process. Approximately 80 members packed the room four rows deep behind the OPEU side of the negotiating table.

Members who could not get into the room stood by outside windows on the union side of the room and pressed placards against the windows.

The State refused to negotiate with the large number of employees in the room, saying that it was against fire codes to have so many people in the room. Hearing these objections, some employees immediately called to reserve an auditorium within walking distance. Talks resumed within an hour, but lasted for less than an hour before OPEU walked out.

The revised economic package that OPEU offered the State calls for a \$100 salary increase for all employees in the first year of the new contract. In

the second year of the contract, employees would receive quarterly cost of living adjustments (COLA). These COLAs would be a maximum of three percent each quarter and a minimum of 10 percent for the year.

In addition, OPEU asked for selective salary adjustments totaling between \$5 million and \$6 million dollars. This is a major compromise from OPEU's original position.

Originally, OPEU asked the State for \$100, plus a five percent wage increase for all employees in the first year of the new contract. For the second year, OPEU proposed an uncapped COLA that would pay a minimum of eight percent.

Selective salary adjustments in this first proposal totaled approximately \$25 million.

The factfinding process will be a long one.

A fact finder must be agreed upon by both OPEU and the State by June 8. It is then up to the fact finder to schedule the factfinding hearing—probably the end of June.

The hearing itself should take approximately a week. Thirty days after the hearing, the fact finder is required to issue recommendations for settlement on all proposals that were presented in the factfinding hearing.

Dale estimated that approximately 40 proposals will be reviewed in the hearing and that it will take the fact finder the full 30 days to issue a report.