STATE OF WISCONSIN
BEFORE THE ARBITRATOR

In the Matter of the Interest Arbitration between

ST. CROIX COUNTY

and

HUMAN SERVICES PROFESSIONAL UNION
AFSCME LOCAL 576-A

Case No. 174
No. 58587 INT/ARB-8955
Dec. No. 30230-A

APPEARANCES:

Weld, Riley, Prenn & Ricci, S.C. by **Stephen L. Weld**, appearing on behalf of St. Croix County and it Human Services Department

Steven Hartmann, Staff Representative, Wisconsin Council 40, AFSCME, AFL-CIO, appearing on behalf of the Human Services Professional Union, AFSCME, Local 576-A.

JURISDICTION:

On November 15, 2001, the Wisconsin Employment Relations Commission, pursuant to Section 111.70 (4)(cm) (6) and (7) of the Municipal Employment Relations Act, appointed the undersigned to serve as the arbitrator in a dispute between St. Croix County, hereinafter referred to as the Employer or the County, and AFSCME Human Services Professional Union, Local 576-A, A, hereinafter referred to as the Union. A hearing was held in Hudson, Wisconsin on December 19, 2001. At that time, the parties, both present, were given full opportunity to present oral and written evidence and to make relevant argument. Post hearing briefs and reply briefs were filed in this dispute, the last of which was received by the Arbitrator on March 30, 2002.

THE ISSUES:

The issues in dispute concern wages and the implementation date of a reduced employee contribution for health insurance. The difference in the offers, as reflected in the final offers, is as follows:

Wages: The Employer proposes the follows wage increases:

APPENDIX A – WAGES – All Human Services Professional Union classifications shall receive wage increases across-the-board as follows:

January 1, 2000	6%		
January 1, 2001	3%	July 1, 2001	1%
January 1, 2002	3%	July 1, 2002	1%

The wages which result shall be as set out in the attached Appendix A.

Classification	Start	After 6 mo	After 18 mo	After 24 mo	After 30 mo
Senior Social Worker					
Eff. 1/1/00	18.27	19.56	20.87	21.05	21.27
Eff. 1/1/01	18.82	20.15	21.50	21.68	21.91
Eff. 7/1/01	19.01	20.35	21.72	21.90	22.13
Eff. 1/1/02	19.58	20.96	22.37	22.56	22.79
Eff. 7/1/02	19.78	21.17	22.59	22.79	23.02
Social Worker					
Eff. 1/1/00	15.85	16.76	17.78	18.94	19.99
Eff. 1/1/01	16.33	17.26	18.31	19.51	20.59
Eff. 7/1/01	16.49	17.43	18.49	19.71	20.80
Eff. 1/1/02	16.98	17.95	19.04	20.30	21.42
Eff. 7/1/02	17.15	18.13	19.23	20.50	21.63

The Union, however, seeks the following:

Revise Appendix A:

Appendix A

		Start	After 6 mo	After 18 mo	After 24 mo	After 30 mo
Social Worker	2000	16.67	17.76	18.85	19.94	21.05
	2001	17.81	18.98	20.14	21.31	22.47
	2002	19.01	20.26	21.50	22.75	23.99
Senior Social Worker	2000	19.25	20.03	20.82	21.60	22.38
	2001	20.56	21.40	22.24	23.07	23.91
	2002	21.96	22.85	23.75	24.64	25.53

Health Insurance: The Employer proposes the following revision to the first paragraph in Article 14, Section 14.02

> Effective November 1999, full time employees working an average of thirty-five (35) or more hours per week will pay $64.76 per month toward the applicable health insurance premium for the PPO plan and $82.66 per month toward the applicable health insurance premium for the standard plan. ***Effective on the first of the month following a full calendar month after ratification,*** (emphasis supplied) the County agrees to pay up to $566.50 per month toward the applicable health insurance premium plus assume ninety percent (90%) of any health insurance premium over $566.50 in the years 2000, 2001, and 2002. The employee agrees to assume ten percent (10%) of any health insurance premium above $566.50 per month in the years 2000, 2001 and 2002. This is applicable to all health insurance plans offered by the County. At the termination of the contract, the cost of any health insurance increases will be equally split between the parties until a successor agreement is reached. A successor agreement may include terms to provide for retroactive payment of insurance contributions. The County may, at its option, decide not to withhold payment for the premiums. No employee shall make any claims against the County for additional compensation in lieu of his/her cost of coverage because s/he does not qualify for the family plan.

In contrast, the Union seeks to amend the first paragraph of Article 14, Section 14.02 as follows:

> Effective November 1999, full time employees working an average of thirty-five (35) or more hours per week will pay $64.76 per month toward the applicable health insurance premium for the PPO plan and $82.66 per month toward the applicable health insurance premium for the standard plan. ***Effective on October 1, 2000*** (emphasis supplied) the County agrees to pay up to $566.50 per month toward the applicable health insurance premium plus assume ninety percent (90%) of any health insurance premium over $566.50 in the years 2000, 2001, and 2002. The employee agrees to assume ten percent (10%) of any health insurance premium above $566.50 per month in the years 2000, 2001 and 2002. This is applicable to all health insurance plans offered by the County. At the termination of the contract, the cost of any health insurance increases will be equally split between the parties until a successor agreement is reached. A successor agreement may include terms to provide for retroactive payment of insurance contributions. The County may, at its option, decide not to withhold payment for the premiums. No employee shall make any claims against the County for additional compensation in lieu of his/her cost of coverage because s/he does not qualify for the family plan.

STATUTORY CRITERIA:

Wis. Stats. 111.70(4) (cm) (7) directs the Arbitrator to consider the factors cited there in deciding this dispute. Accordingly, this arbitration award will be rendered after considering these factors and the evidence and arguments advanced by the parties as it relates to these factors.

POSITIONS OF THE PARTIES AND DISCUSSION:

The Employer asserts and the Union agrees that the **"greatest weight"** factor addressed in Wis. Stats. 111.70(4)(cm)(7) is not relevant to this dispute. As a result, it will not given weight in determining the reasonableness of the final offers. The Employer asserts further that the "**greater weight**" factor is also not relevant to this dispute. The Union, however, believes that this factor should be considered in weighing the reasonableness of the offers since the County's economic

conditions are favorable and unique in that its economy is affected by its relationship with the Twin Cities metropolitan area. A review of the evidence does demonstrate that the County is in good economic condition and that neither offer will significantly affect the County's economic condition. Consequently, as both parties urge, the reasonableness of their final offers will be determined based upon other criteria including the comparison of wages, hours and conditions of work within the County and among external comparables; the stipulation of the parties; the cost of living and the interest and welfare of the public.

External Comparables:

While both parties declare that the most important comparisons are internal ones, both also address external comparables and differ over what constitutes an appropriate set of external comparables. The County maintains that the seventeen counties considered comparable by Arbitrator Yaffe in the parties' only other interest arbitration in 1981 is the appropriate set of comparables. The Union, on the other hand, seeks a comparison with those counties approved as comparables by the County's Personnel Committee in 1999 and a comparison with two geographically proximate counties in Minnesota. The Union also proposes a statewide comparison.

Although there is merit in relying upon comparables previously established either through arbitration or through agreement between the parties since such reliance provides stability to the bargaining process, there is no evidence that the parties in this dispute relied upon the comparables selected by Arbitrator Yaffe while bargaining over this contract. At hearing, the County, when questioned, admitted that it did not know whether the Yaffe set of comparables had been discussed with the Union during negotiations. Based upon this admission, it is apparent that the County did not rely upon this set of comparables during negotiations. Further, support for a change in comparables lies in the fact that a demographic analysis shows that the counties considered comparable in 1981 are less comparable today and that the counties considered comparable by the County's Personnel Committee in 1999 and used for the Hay study are more similar. Based upon this evidence and the fact that the Union seeks their inclusion in the comparables, it is concluded that the primary comparables should be those counties considered comparable in the Hay study. In reaching this conclusion, it is recognized that these counties are no more geographically proximate

to this county than the previous set of comparables were but it is also apparent that neither party to this dispute considers the adjacent counties comparable to this county in this dispute.

Finally, although the Union argues that two geographically proximate counties in Minnesota should be included in the comparisons since St. Croix County is considered part of the Twin Cities labor market and also urges a statewide comparison. neither comparison was made. While it is obvious that St. Croix County is affected by its relationship with the Twin Cities, it is not appropriate to make comparisons with counties located in Minnesota since they are funded under a different governmental structure than counties in Wisconsin are. Further, since there is sufficient evidence available concerning the economic condition of the counties used in the Hay study to determine not only that the counties are similar to this county but that the wages, hours and conditions of work pertaining to employees who perform similar types of work in those counties are similar to this county, there is no need for a statewide comparison to determine the reasonableness of the offers.

Wages:

Although the County asserts that its offer is reasonable when compared to the external comparables, it and the Union declare that the most important comparisons are those made internally. The Employer supports such a comparison stating that between 1994 and 2000 all of the County's bargaining units voluntarily agreed to similar annual wage rate increases and that the pattern of consistent wage settlements continued with the settlement of the 2000-2002 contracts. As proof of its assertion, the County states that the General Government Support Services unit (GGSS) and the Human Services Non-Professional unit agreed to a 6% increase in 2000, a 3%/1% increase in 2001 and a 3%/1% increase in 2002 while the Highway unit agreed to a $1.00 increase in 2000 and the same percentages as the other two units in 2001 and 2002. In addition, it states that the Law Enforcement unit agreed to a 3% plus pay grade adjustments in both 2000 and 2001 and the same percentage increase as the other units in 2002. The Union, however, charges that while the County correctly states the across-the-board percentages, several positions in each unit received wage adjustments and that with the wage adjustments, the settlements of the other units are much closer to the Union's offer than the County's offer in this dispute.

The Union continues that its most important issue in this dispute is maintaining the differential between the represented and non-represented social workers that was negotiated at the start of the 1997-99 contract and that the most appropriate comparisons are with employees performing the same work in the County and at times working across the desk from each other. According to the Union, comparison with the County's non-represented social workers is most relevant since there are no labor market questions; since four employees represented by the Union have taken non-represented positions with the County since July 31, 2000 and since one classification has both represented and non-represented employees. It adds that these comparisons are even more compelling when the record shows an overlap in the performance of "identical" work, not just "similar" work.

In response to the Union's argument, the County maintains that the Union "conveniently forgets" that its voluntarily negotiated 1998 and 1999 differentials between the represented and non-represented social workers exceeded 51 cents per hour and that the represented senior social workers are paid more than the non-represented social workers. It also states that under a 1996 agreement negotiated by the parties the social workers in the long term support group that the Union relies upon as support for its position will all become represented social workers when the current non-union positions are vacated. Further, it declares that the majority of non-represented social workers perform more demanding work than other social workers and that a Masters degree and 1500 hours of experienced is preferred for these workers.

Discussion: While the Union correctly states that the pattern of internal settlements is quite different from the County's offer when wage adjustments for certain positions within the units is factored into the actual wage increases experienced by some bargaining unit members, the across-the-board percentage increase settlements are, indeed, quite similar to the County's offer in this dispute. Further, although the Union has shown that certain employees did receive substantially higher increases than the across-the-board settlements indicate and although this Arbitrator concurs with other arbitrators that the value of such individual adjustments should be factored into determining the reasonableness of the final offers, it is concluded that the Union's proposed wage increase is no more reasonable than the County's offer since it creates different inequities for employees who perform the same work. Under the Union's wage proposal represented social workers and represented senior social workers performing identical work would be paid at different

rates of pay due to the senior social worker educational degree requirement. Further, the rate paid represented senior social workers would exceed the rate paid the CSP non-represented social workers even though both classifications have the same educational requirement and the CSP social workers have a greater experience requirement than the senior social workers. Finally, when the wage rates paid the represented workers are compared with the wage rates paid others performing similar work among the comparable counties and with the cost of living increases it becomes apparent that County's offer is more reasonable.

Although there are two social worker positions within the County, the above conclusion regarding the reasonableness of the offers when compared with the external comparables is based upon an analysis of the rates paid the social worker position since there is no way one can tell whether the senior social worker position performs the same or similar work of those with whom the comparisons in other counties were made and since it is appears that the difference in pay between the social worker and the senior social worker is an acceptable difference based upon the fact that no effort was made by either party to make any adjustment to that rate other than a percentage increase. When the rate paid the social worker classification is compared with the rate paid the social worker position among the comparables, the County's offer not only improves upon the rate paid at both the social worker start and maximum pay positions but improves its rank among the comparables.

Its wage offer is also reasonable when it is compared to the cost of living index whether or not one considers the Minneapolis - St. Paul labor market. The CPI-U and the CPI-W for the index that covers the Minneapolis-St. Paul labor market indicates that the cost of living had increased by 3.6% and 3.7% in January 2000 and by 4.2% in both indexes in January 2001. These increases are favorably reflected in the County's across-the-board wage offer of 6% in 2000 and 3%/1% in 2001.

Finally, while the Union argues that the most important issue is to maintain the fifty-one cent differential between the County's represented and non-represented social workers that was negotiated at the start of the 1997-99 contract and that employees performing the same work in the County and at times working across the desk from each other should be compensated at the same rate of pay, this argument fails. While this Arbitrator certainly agrees that employees performing the same work within the same work area should be compensated at the same rates of pay, the rate increases needed to accomplish that goal creates a percentage increase in wages for all represented

employees that is not justified by either the comparisons of employees performing similar work in similar communities; by a comparison of the percentage increase other employees performing similar work in similar communities received, and by a comparison with the increase in the cost of living over this period of time. These facts demonstrate that the Union, rather than seeking an across-the-board increase that would result in such disparities should have sought wage rate adjustments for those employees within its unit who are performing the same work as the non-represented employees in the County.

Insurance:

Asserting that the County seeks to penalize this unit for attempting to maintain the wage differential by proposing that the health insurance premium contribution not occur until at least one full calendar month after ratification of the contract, the Union argues that the County's proposal would result in this unit's members paying at least $1,231.49 more in out-of-pocket premium contributions than any other County employee. As proof of its assertion it declares that the implementation date contained in the County's offer differs from the manner in which the insurance was implemented by those reaching a voluntary agreement and requires employees in this unit to wait an extra month for the premiums to change while no other employee in the County did so. The Union adds that "if the County had any other motive than to penalize these employees in their attempt to continue to maintain some minimal level of internal wage equity the County could have taken the Union up on its offer" to implement all insurance changes, including the withdrawal of the grievances, in early February and that it chose not to. Finally, the Union states that the County's health insurance offer is flawed since it states that the insurance will become effective after "ratification" rather than "after the decision of the interest arbitrator" and argues that if either party, for some reason, does not "ratify" the agreement, the members of this unit would have to continue to pay a different premium "until the next round of bargaining is completed or another interest arbitrator rules on a subsequent interest arbitration."

The County, however, refutes the Union's assertion that the *quid pro quo* for a reduced employee contribution toward health insurance was the Union's dropping of insurance grievances and argues instead that implementing co-pays in the health insurance coverage was "critical to the 'deal'" and that the timing of the reduced premium contribution was tied to the implementation of the co-pays for prescriptions and office and emergency room visits. The County also refutes the

Union's assertion that the County's offer is an attempt to penalize this unit for attempting to maintain the wage differential negotiated in 1997-98 stating that it is required to maintain the status quo during the hiatus period between contracts and the status quo required not only that the higher premium be paid but that no co-pays be implemented. The County also states that while it could have implemented the health insurance aspects of its proposal in February 2001 it was not interested in a "piecemeal implementation of the final offers."

The County also refutes the Union's assertion that the language in its health insurance proposal adds an extra month to the period this unit must wait for implementation of the reduced premium contribution stating that the language was "intended to better explain the timing of the implementation" of the language for the other AFSCME units and reflects the County's actual practice in implementing the changed premium contributions for the other units. Further, it rejects the Union's contention that the language in the County's proposal is flawed because it requires "ratification" stating the Union's argument is "much ado about nothing" since the words "after ratification" does "nothing more than address the practice of municipalities" represented by the firm representing the County and, in reality, is only a procedural issue since the County has no choice but to ratify the award issued by the interest arbitrator.

Discussion: While the language in the County's proposal regarding the health insurance issue does differ from the language incorporated in the contracts of the other AFSCME units that reached voluntary agreement, the evidence does establish that this proposal is consistent with the manner in which the language was implemented for the other bargaining units, that is, the actual reduction in premiums negotiated with the other bargaining units did not occur until a full month after the contracts had been ratified.[1] Based upon this evidence, it is concluded that since the County's offer with regard to implementation of the proposal is no different that the agreement that had been reached with the other bargaining units within the County and since the premium reduction and proposed co-pays are identical to the agreements reached with the other bargaining units, it is reasonable and should be adopted.

Further, although the Union correctly states that the health insurance changes for this unit could have been implemented by the County in October 2001, the County cannot be blamed for refusing to do so since the health insurance proposal was a part of the County's final offer and

[1] Although the Union argued otherwise, it provided no evidence to contradict the assertion made by the County.

agreement had not been reached on the remaining issue in dispute also covered under the final offer and there is no statutory requirement that agreement reached on issues covered in a final offer must be implemented at the time agreement is reached.

CONCLUSIONS:

Following is a summary of the conclusions reached in this dispute:

The appropriate set of comparables is that set of counties determined comparable by the County Board in 1999 and used by the Hay study since the demographics indicate that these counties are more similar to this county than those used in the 1981 interest arbitration.

Based upon the internal settlement pattern, a comparison of wages that would be paid to these employees with the wages received by other employees performing similar work in similar counties, and the parties' offers compared to the cost-of-living establishes that the County's wage proposal is more reasonable than that proposed by the Union.

Finally, based upon the health insurance settlement pattern within the County and the fact that the County's proposed language regarding implementation of the changes does not differ from the manner in which the other agreements were implemented it is concluded that the County's offer pertaining to changes in health insurance is more reasonable than the Union's proposal.

AWARD

Having given consideration to the statutory criteria set forth in Wis. Stats. 111.70(4) (cm) (7); having considered the arguments and evidence advanced by both parties, and having reached the above conclusions, it is determined that the final offer of the County, together with the stipulations of the parties and those terms of the predecessor collective bargaining agreement which remained unchanged thoughout the course of bargaining shall be incorporated into the 2000-2002 collective bargaining agreement.

Dated June 25, 2002 at La Crosse, Wisconsin.

Sharon K. Imes

Sharon K. Imes, Arbitrator

SKI:ms