

BEFORE THE ARBITRATOR

In the Matter of the Arbitration :
of a Dispute Between :
ROCK COUNTY :
and : AWARD AND OPINION
ROCK COUNTY ASSOCIATION OF :
MENTAL HEALTH SPECIALISTS :

Case No. LXXVIII
No. 22792 MED/ARB - 70
Decision No. 16371-A

Hearing Date September 6, 1978

Appearances:

For the County MR. BRUCE K. PATTERSON

For the Association Bolgrien & Ruth, S.C.,
Attorneys at Law, by
MR. WILLIAM W. RENTZ

Arbitrator ROBERT J. MUELLER

Date of Award November 17, 1978

BACKGROUND

The above named parties were unable to reach a negotiated settlement of their Labor Agreement for the year 1978. Mediation-arbitration was thereafter instituted pursuant to the Wisconsin Statutes. The Wisconsin Employment Relations Board appointed the undersigned to serve as mediator-arbitrator on May 30, 1978.

No petitions for public hearing were filed in this matter. By mutual agreement of the parties, a mediation meeting was conducted on September 6, 1978. Mediation efforts were unsuccessful in obtaining a mutually agreeable resolution of the unresolved issue. The undersigned thereupon served written notice of intent to arbitrate upon both parties. No modifications or amendments to final offers, previously submitted, were offered by either party. By mutual agreement of the parties, the matter was then presented in arbitration on said same date.

Both parties presented oral and written testimony and evidence intended to support their respective final offers. Each party was given full opportunity to present such evidence and arguments as they deemed relevant. Post-hearing briefs were exchanged through the mediator-arbitrator.

FINAL OFFERS

EMPLOYER'S FINAL OFFER:

The County proposes to increase the wage appendix by four percent effective January 1, 1978, and by an additional two percent effective July 1, 1978.

ASSOCIATION'S FINAL OFFER:

The Association of Mental Health Specialists hereby requests an across the board wage increase of six and one-half percent, retroactive to January 1, 1978.

POSITIONS OF THE PARTIES AND
DISCUSSION

The County predicated the majority of its argument along the following lines. First, they contend that the County's offer of four percent and two percent, when converted to an actual annual dollar increase attributable to these higher paid professional employees, is comparable to and in fact is in excess of that increase granted to other County employees, many of whom were covered by Collective Bargaining Agreements and whose settlements were reached through negotiations. The County entered as County Exhibit No. 2, a listing of other groups, representing nine in number, which exhibit indicates settlements for 1978 being from a low of five percent to a high of 6.67 percent, with the majority thereof being at six percent. The County computes out the gross cost of the Association and County offers which would include the roll-up costs as being 7.4 percent for the County's final offer and being 8.9 percent for the Association offer. In computing the roll-up cost, the County included the amounts that would be received by employees who progressed from one step to a higher step in the three-step salary schedule and indicated that such total sum would be in the approximate amount of \$3,600.00.

The Association contends that the offer of the parties that is made on a percentage basis should be properly compared to those other increases that have also been settled on a percentage basis. As such, they contend that the 6.5 percent increase which the Association is proposing, compares much more favorably to the six percent increase that was settled upon with the majority of the other groups of employees. They contend that the salary levels of the various groups should not have a bearing on the matter for the reason that the higher salary levels of professional employees is only normal because of the higher level of services and professional skills required of the professional positions. In addition, they contend that the County's offer of four percent and two percent, while mathematically constituting five percent for a calendar year, constitutes less than that as part of such increase is postponed for part of the year. In addition, they contend that the mathematical five percent increase being offered is less than that level of settlement reached with any other group of employees.

The Association also presented evidence with respect to the cost of living increase and indicated that for the calendar year 1977, the CPI increased 6.45 percent, and that such CPI increase is very close to that increase proposed by the Association.

The Association further argues that the step increases that will be received by employees should not be considered as part of the settlement. They point out that a new employee receives a step increase after six months of employment and then goes to the top step of the three-step plan at the end of an additional one year of employment. They contend that the work force of approximately 25 employees is very short in length of service and that of such number 13 employees will not receive step increases during the calendar year 1978, while 12 employees will receive step increases. They contend that the step increases are more in the form of merit increases which recognize an employee's greater competence on the job after having worked six months and twelve months respectively at the two salary steps. They contend that the top step pay range recognizes what the proper rate should be for such fully qualified employee performing duties in that particular classified job.

Finally, they contend that to utilize step increases where almost one-half of the employees in the computed group receive step increases, serves to distort the comparisons of the two offers to the extent that it is not realistic.

The undersigned has considered the final offers of each of the parties and the evidence and arguments submitted thereon by reference to and application of the statutory criteria expressed in Section 111.70 (4) (cm) 7 of the Wisconsin Statutes. First, the undersigned would find that the Association's contention that the comparative analysis of the offers to those settlements reached with other employee units is more appropriate and should more appropriately and reasonably be made on a percentage basis. While it is recognized that when one applies a percentage increase to a higher salaried employee, one finds that the gross dollar increase is greater, one must also recognize that such higher level employee, being at a higher salary

level, would have such larger gross dollar amount eroded to a greater extent by Social Security and particularly by federal and state taxes thereon by virtue of being in a higher percentage tax bracket. The end result may very well be that such employee may receive in net spendable dollars after deduction of such higher sums attributable to such areas no more net spendable dollars than does an employee at a lower earning level. In such event, the cost of living impact upon such employee is equal to the impact upon a lower wage employee.

County Exhibit No. 2 reveals that social workers who are represented in a different bargaining unit were granted an increase of 6.67 percent on wages for 1978. The group of employees in this unit is engaged in a comparable area of service as is the other unit in which the social workers are members. It would appear that the Association offer of 6.5 percent is therefore favored under such comparison. In addition, County Exhibit 2 reveals that the majority of other groups of employees were given a six percent increase on wage. Again, the Association proposal of 6.5 percent is more comparable than is the County's offer of four percent and two percent, being an annual yield of five percent.

The evidence reveals that the percentage change in the CPI for the calendar year 1977, amounted to 6.45 percent. On the basis of comparing the two final offers to the CPI percentage increase, one must conclude that the Association's offer is the more consistent with the CPI increase.

The undersigned does not deem it necessary to resolve the opposing contention of the parties with respect to whether or not step increase amounts should be given consideration in this case. Clearly, from a County standpoint, such amounts are clearly costs which must be considered in the overall budgetary process of the County. On the other hand, the Association has made some persuasive arguments against giving such factor a large degree of consideration in this case. Clearly, the makeup of the work force is such that it becomes a fairly large factor that contributes to a substantial variation in the computations. Additionally, while such step increases must be given some consideration from a cost standpoint, the Union's argument with respect thereto also contains merit. In essence, the first two salary steps may be viewed as being salary levels where employees in a classification are working at a rate lower than the normal full rate of such classification during an 18-month learning and training period. The undersigned is not saying that the step increase amounts should be disregarded, but does state that in this case, and under the special and specific circumstances which involves only a three-step procedure and involves a large group of employees that are very short term within the plan, that such consideration is not herein considered as a substantial consideration sufficient to detract from the findings otherwise expressed with respect to the comparison to settlements of other groups of employees or to the application of the CPI percentage increase.

It therefore follows on the basis of the above facts and discussion thereon, that the undersigned issues the following decision and

AWARD

That the final offer of the Association is found to be the more reasonable and the parties are directed to incorporate such final offer into the Labor Agreement for 1978 along with such other provisions agreed to or tentatively agreed to prior hereto.

Dated at Madison, Wisconsin, this 17th day of November, 1978.

Robert J. Mueller /s/

Robert J. Mueller
Arbitrator