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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

* * * * *
In the Matter of the Petition of
OUTAGAMIE COUNTY HEALTH CENTER
EMPLOYEES, LOCAL 980, AFSCME,
AFL-CIO
To Initiate Mediation-Arbitration
Between Said Petitioners and
OUTAGAMIE COUNTY (HEALTH CARE)
* * * * *

Case XCVIII
No. 30928 MED/ARB-2087
Decision No. 20418-A

APPEARANCES:

Mr. Gregory N. Spring, Staff Representative, appearing on behalf
of the Union.

Lindner, Honzik, Marsack, Hayman & Walsh, Attorneys at Law, by
Mr. Roger E. Walsh, appearing on behalf of the Company.

Arbitration Award

Pursuant to Section 111.70(4)(cm)6.b. of the Municipal Employment
Relations Act, the Wisconsin Employment Relations Commission appointed the
Undersigned, by Order dated April 18, 1983, to serve as Mediator-Arbitrator
in a collective bargaining dispute between Outagamie County (Health Center),
hereinafter the County or Employer, and Outagamie County Health Center
Employees, Local 980, AFSCME, AFL-CIO, hereinafter the Union. Mediation,
as contemplated by the statute, was conducted by the undersigned at
Appleton, Wisconsin, on July 14, 1983. The dispute was not resolved in
mediation and, by prior arrangements of the parties, an arbitration hearing
was thereafter convened that same date to take testimony and evidence in
the dispute. The parties filed post-hearing briefs. The testimony, evidence
and arguments of the parties have been considered by the undersigned in
rendering the Award herein.

ISSUES:

The issues at dispute between the parties are:

1. Health Insurance
2. Reclassification of Health Records Clerk
3. Wages

The parties' final offers appear below by issue. The statute requires
that the arbitrator adopt without modification the final offer of one of the
parties on all unresolved issues.

Health Insurance.

County offer

For pro-ration purposes, the County will pay the full premium of a single plan for a part-time employee who works an average of at least twenty-four (24) hours per week and the following amounts toward the cost of the family plan:

- a) If the part-time employee works an average of from 60% to 75% of a full-time position - \$106.50 per month.
- b) If the part-time employee works an average of from 76% to 90% of a full-time position - \$128.00 per month.
- c) If the part-time employee works an average of from 91% to 99% of a full-time position - \$142.00 per month.

Union offer

Effective January 1, 1983, for permanent part-time employees who work an average of twenty (20) or more hours per week, the County shall pay the full premium of a single plan and the following amounts per month toward the premium cost of a family plan:

- a) \$106.50 for employees who work an average of twenty (20) or more hours per week but less than thirty (30) hours per week.
- b) \$128.00 for employees who work an average of thirty (30) or more hours per week but less than thirty-six (36) hours per week.
- c) \$142.00 for employees who work an average of thirty-six (36) or more hours per week.

Reclassification of Health Records Clerk.

County offer

Classify in "Custodial Worker I, etc." level.
(Grade 7)

Union offer

Classify at same level as "Baker and Cook."
(Grade 8)

Wages.

County offer

Increase all wages on Appendix A by 2.5% effective 1/1/83.

Union offer

Add 5% to all rates effective January 1, 1983.

Section 111.70(4)(cm)7, provides that the arbitrator is to consider the following criteria in determining which of the two final offers is the most reasonable:

- "A. The lawful authority of the municipal employer.
- B. Stipulations of the parties.
- C. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.

- D. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally in public employment in the same community and in comparable communities and in private employment in the same community and in comparable communities.
- E. The average consumer prices for goods and services, commonly known as the cost-of-living.
- F. The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- G. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- H. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment."

BACKGROUND AND POSITIONS OF THE PARTIES:

The instant bargaining dispute between the parties arose under the second year reopener of their 1982-83 contract. The Union is the exclusive collective bargaining representative of all employees of the Health Center excluding professional, supervisory, managerial and confidential employees. In 1982, the Center employed 162 full-time and 56 part-time unit employees. At the time of the arbitration hearing, the Health Center employed 84 full-time and 138 part-time bargaining unit employees. Cutbacks were effectuated by the layoff of the equivalent of 15 full-time employees in September, 1982, and the equivalent of another 6 full-time employees in April, 1983.

The Employer states that health insurance has been a key issue in the instant dispute as a result of a 37% increase in health insurance premiums in 1983. The County argues that premium increases resulted in an additional cost to the County of \$40,595 in order to maintain 1982 levels of coverage. The County states that 1983 premium increases among comparable counties and cities averaged 15.6% for single coverage and 16.4% for family coverage. The Employer contends that it has incurred a health insurance premium increase 2 1/2 times greater than the average increase experienced in other municipalities. The County argues that the significant increase in health insurance premiums affects the amount of funds available for a wage increase.

The County asserts that its final offer is supported by the status of the economy for the period of time subject to reopener negotiations. The Employer states that the Consumer Price Index rose at an annual rate of 3.4% in the first six months of 1983 and was at an annual rate of 2.4% in August, 1983. The Employer contends that its total package cost (wages, pension, insurance) represents an increase of 4.4% while the Union package provides a 6.94% increase. The County reasons that its final offer is more reasonable and realistic when compared to increases in the CPI for the period. The Employer further argues that the County's unemployment rate and anticipated, continued reductions in state and federal aid support the County's position.

The County argues that during 1983, mediator-arbitrators have given important weight to the state of the economy in considering proposed wage increases and urges the same consideration herein.

The Employer states that the reduction in state aid for 1983 has created a shortage of funds from which to pay the increased costs proposed in the

Union offer. The County argues that in October and November, 1982, it prepared a budget in anticipation of a 5% aid rate increase but realized only a 2.186% rate increase as a result of poor state fiscal conditions. The County states that to remedy such sizable deficit, services have been cut and full-time employees have been laid off. Such efforts according to the Employer, resulted in an actual shortage of \$291 for the first half of 1983 with a year long shortage of \$602 projected without consideration of the costs of the 1983 settlement. The County claims that selection of its final offer will result in an additional shortage of \$5,789 compared to an additional deficit of \$73,769 under the Union proposal.

The County argues that other county employee groups have accepted compensation packages similar to that proposed by the Employer herein. The Employer cites the 1983 settlement with County deputies and the 1983 compensation increases granted unrepresented county employees in support of its position.

The County asserts that compensation levels at the Health Center are very comparable to those paid in surrounding counties. The Employer argues that under its proposal, the Center's rates would continue to be generally above average when compared to the rates paid in nine surrounding counties. The County states that under its offer, the Employer's rank among comparables would improve for Food Service Worker, remain about the same for Nursing Assistant and slip slightly for Custodial Worker I and LPN. However, the County notes the significant increase in health insurance costs for the same period and emphasizes that 55% of the employees are in the Nursing Assistant classification.

The County further argues that the rates proposed by the Employer compare favorably to the rates paid by private health care facilities in the area. The County contends that comparison to private sector facilities is appropriate where, as here, comparable work is performed.

With respect to the issue of health insurance for part-time employees, the Employer states that its offer is consistent with the type of benefits provided other part-time employees in the County. The Employer asserts that the Union is attempting to gain through arbitration a better insurance program for this unit than it has been able to negotiate for other County units.

The County offer proposes continuation of current part-time insurance benefits and is, according to the Employer, already better than benefits available to part-time employees in other units.

The Employer states that the issue of the reclassification of the Health Records Clerk can be considered a part of the wage issue. In October, 1982, the medical records department was reorganized. Two positions of Medical Records/Statistician and three positions of Unit Clerk were revised to one Medical Records Statistician/Transcriber and one Health Records Clerk. The County determined that the duties of the newly created position of Health Records Clerk were similar to those of the previous Unit Clerk position and classified the new job at the same level (Custodial Worker-grade 7). The County contends that the classification was based on the position evaluation performed by the Center's Personnel Director and is appropriate.

The County argues that its final offer is the more reasonable of the two and urges its adoption by the arbitrator.

The Union argues that the basic difference between the parties' proposals on health insurance premiums concerns the eligibility for coverage of employees who work between 20 and 24 hours per week. Five employees, representing an additional cost of \$6,390 to the County for 1983, are affected by the difference in the proposals.

The Union contends that the County is fully able to extend eligibility to such individuals as the number of full-time employees has dropped from 162 to 84. The Union asserts that the County has realized substantial savings as a result of the shift to a predominantly part-time work force. The Union states that the Employer has laid off the equivalent of 21 full-time employees since September, 1982, partially through the reduction of

hours of 78 formerly full-time employees. Such employees, according to the Union, suffer less pay and are required to pay a higher proportion of insurance costs. The Union further contends that the Employer, having substantially decreased its premium payments by the reduction in employees' hours, should not be given additional incentive to further reduce hours by allowing the County to pay nothing toward health insurance for employees working less than 24 hours per week.

In addressing the issue of the classification of the position of Health Records Clerk, the Union offers the following. Mrs. Harriet Olson held the position of Medical Records/Statistician (grade 8) until the fall of 1982, when the position was eliminated. She signed a job posting for the new position of Health Records Clerk for which the County initially set the wage rate at grade 7. The parties were unable to negotiate a wage rate for the position. During the period Mrs. Olson filled the position, the County continued to pay her at grade 8. The position of Health Records Clerk was eliminated in March, 1983. Under bumping provisions of the contract which prohibit bumping to a higher classification, she was required to bump into the kitchen at a grade 6 rather than being allowed to bump to a Steno Clerk III at grade 8.

The Union claims that the County has attempted to subvert the agreement by eliminating Mrs. Olson's grade 8 position, creating a grade 7 position for a few months, then eliminating it and refusing to allow her to bump to another grade 8 position. The Union states that the matter is pending in a grievance arbitration and that the decision of the arbitrator herein will not involve the payment of any backpay to Mrs. Olson.

The Union argues that a review of the relevant job descriptions indicates that the qualifications for the positions of Health Records Clerk and of Medical Records/Statistician are similar and warrant the same pay grade.

The Union contends that despite the County's 1983 reduction in Medicaid reimbursement, the Employer has not demonstrated an inability to pay the Union's proposal or shown that an adverse impact upon the public will result if the Union's final offer is implemented. Furthermore, the Union asserts that it has demonstrated that the County is financially sound and able to fund the modest increase proposed by the Union.

The Union asserts that for the purposes of comparison, five counties of similar size and resources and three other adjacent counties are the most relevant. The Union argues that its position on health insurance is supported by the fact that six out of seven comparable counties, for which data was available, make health insurance contributions for part-time employees who work 20 hours or more per week.

The Union states that it is not valid to compare other county units which do not contribute toward health insurance premiums for employees working less than 25 hours per week to part-time employees at the Health Center. The Union argues that the number of part-time employees at the Center far exceeds the number employed in other county units. The Union states that in other represented units, part-time employees make up approximately 6.3% of the work force, while part-time employees comprise 59.3% of the Health Center unit. Accordingly, the Union claims that the issue of insurance for part-time employees is of substantial importance.

The Union states that the County contributes toward health insurance for non-represented part-time employees who work no more than 20 hours per week and argues that the County cannot object to the Union's proposal on precedential grounds.

The Union contends that it is inappropriate to regard the settlement with County sheriffs and the wage increase granted unrepresented County employees as establishing a pattern of settlements in County units. The Union states that there are approximately 1,000 County employees, 77 of whom are deputy sheriffs, and that unrepresented employees had no recourse but to accept the County offer. The Union cites settlements among twelve City of Appleton bargaining units, each providing at least a 4% wage increase, as support for its 5% proposal in contrast to the County's 2.5% offer. The Union contends that 1983 wage increases for similar employees of comparable employers have averaged 4.6%, or 5.11% with roll ups.

The Union argues that in terms of overall compensation, the County pays a smaller percentage (78%) of family health insurance premiums than any other comparable county (90-100%). The Union reasons that its wage proposal is, accordingly, more appropriate to help defray the employees' cost of participation in the insurance program.

The Union contends that its final offer is the most appropriate and asks that the arbitrator direct its incorporation into the parties' agreement.

DISCUSSION:

The impact of the parties' final offers on the issue of the classification of the position of Health Records Clerk will affect only one employee's ability to bump to another position. The undersigned notes that the position of Health Records Clerk no longer exists. The issue of the appropriate classification of the position is actually moot. The arbitrator is further of the opinion that the record before her, consisting of testimony with respect to the events of the department's reorganization and the evidence of various job descriptions, is insufficient upon which to determine the appropriate classification of the previous position.

Moreover, the Union has alleged that the County has attempted to subvert the collective bargaining agreement by eliminating the position of Health Records Clerk and has made the County's action the subject of a grievance. The undersigned is satisfied that such allegation cannot be resolved in this proceeding and would be more appropriately considered in another forum. Accordingly, the issue of the classification of Health Records Clerk herein will be decided on the basis of the other issues at dispute between the parties.

The issue of health insurance is of major importance to the parties as a result of the increased 1983 premium costs and the increased numbers of part-time employees who are affected by the contractual eligibility limits. Furthermore, 1983 economic conditions made cost containment a primary concern among health care providers. The Employer has contended that increases in insurance costs have significantly affected the amount of money available for a general wage increase. The Union has claimed that the reduction in employees' hours has lessened the impact of the premium increase upon the Employer.

It is the aforementioned considerations which make the parties' final offers particularly difficult to evaluate where significant changes have occurred in the composition of the work force. As aid revenue has decreased, full-time employment has been cut almost in half through layoffs and the reductions of hours since late 1982. Accordingly, it is difficult to compare 1982 expenditures to those for 1983 in a highly fluid environment.

While the insurance premium for the County increased by 37% in 1983, employees previously employed full-time were reduced in work hours. In view of the numbers of employees now working less than full-time, savings to the Employer must certainly have occurred. The level of savings has not been ascertained but cannot be ignored in reviewing the County's costing of expenditures and estimates of the impact of the final offers.

For that reason, the arbitrator is reluctant to rely upon the County's costing of the respective packages (4.4% vs 6.94%) as the basis for accepting or rejecting a particular offer. The undersigned is satisfied that an evaluation of the percentage wage increases, in view of economic conditions and wages paid in comparable settings, provides a suitable method of analysis.

Economic conditions which must be given weight include the CPI as well as the reduction in aid received by the Center for 1983. Decreased revenues are reflected in staff reductions already undertaken and there is no reason for optimism that such revenues will be restored. However, the Center's represented employees cannot be expected to bear the entire brunt

of such cutbacks. The Union submitted its final offer in the knowledge that further employment reductions could occur as a result of the outcome of 1983 negotiations.

The arbitrator is persuaded that it is appropriate to look at the wages paid in comparable employing units which have also been affected by the economic conditions affecting this Employer. Although some of the 1983 settlements relied upon by the parties were the result of previously negotiated second year terms of a two year agreement, the undersigned is of the opinion that the hourly rates contained in such agreements provide useful comparisons.

The parties offered basically the same set of comparables in their exhibits. The County included Washington County whereas the Union included the City of Appleton. The County also provided hourly rates paid for similar work by area private sector health care providers. The data, however, did not indicate whether the rates were starting or experienced levels.

On the following page appears a summary of comparable hourly rates after three years' employment. The table was presented in the County's brief. The undersigned has attempted to verify those figures by comparison to data contained in Union exhibits. The undersigned has noted on the document that selection of the Union offer would result in the County ranking fourth for the LPN hourly rate for 1983. In the three remaining classifications, selection of either the County or Union offer would result in the same 1983 ranking as indicated.

Of particular interest, is the comparison of rates between Outagamie County and Winnebago County. Winnebago County is not only proximate to Outagamie County, but has similar population, size, valuation, unemployment levels and insurance rates.

For 1982, the variation in hourly rates between Outagamie and Winnebago counties for four employee classifications with three years' experience was as follows:

	<u>Food Service Worker</u>	<u>Nursing Assistant</u>	<u>Custodial Worker I</u>	<u>LPN</u>
Winnebago	\$5.93	\$6.34	\$5.93	\$6.83
Outagamie	5.90	6.03	6.03	6.71
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	\$-.03	\$-.31	+\$+.10	\$-.12

Under the parties' respective final offers, the differentials for 1983 would be as follows:

	<u>Food Service Worker</u>	<u>Nursing Assistant</u>	<u>Custodial Worker I</u>	<u>LPN</u>
Winnebago	\$6.41	\$6.82	\$6.41	\$7.51
Outagamie (County offer)	6.05	6.18	6.18	6.88
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	\$-.35	\$-.64	\$-.23	\$-.63
Winnebago	\$6.41	\$6.82	\$6.41	\$7.51
Outagamie (Union offer)	6.20	6.33	6.33	7.05
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	\$-.21	\$-.49	\$-.08	\$-.46

1982

	<u>Food Service Worker</u>	<u>Rank</u>	<u>Nursing Assistant</u>	<u>Rank</u>	<u>Custodial Worker I</u>	<u>Rank</u>	<u>LPN</u>	<u>Rank</u>
Brown	\$6.24	(1)	\$6.77	(1)	\$6.28	(1)	\$7.15	(1)
Fond du Lac	5.62	(6)	5.99	(5)	6.03	(3)	6.65	(7)
Manitowoc	5.97	(2)	6.16	(3)	6.10	(2)	6.90	(2)
Sheboygan	5.63	(5)	5.80	(6)	5.97	(5)	6.86	(3)
Washington	5.28	(7)	5.10	(10)	5.88	(7)	Not Applicable	
Winnebago	5.93	(3)	6.34	(2)	5.93	(6)	6.83	(4)
Waupaca	5.02	(9)	5.13	(9)	5.02	(9)	6.66	(6)
Shawano	5.25	(8)	5.25	(8)	5.25	(8)	Not Applicable	
Calumet	4.82	(10)	5.42	(7)	4.82	(10)	6.53	(8)
Average	5.53		5.77		5.70		6.80	
Outagamie	5.90	(4)	5.03	(4)	6.03	(3)	6.71	(5)

1983

	<u>Food Service Worker</u>	<u>Rank</u>	<u>Nursing Assistant</u>	<u>Rank</u>	<u>Custodial Worker I</u>	<u>Rank</u>	<u>LPN</u>	<u>Rank</u>
Brown	\$6.53-(C) 6.66-(U)	(1)	\$7.06-(C) 7.19-(U)	(1)	\$6.57-(C) 6.70-(U)	(1)	\$7.44-(C) 7.57-(U)	(1)
Fond du Lac	5.62-1/1 } 5.99-1/15 } \$5.99	(4)	5.99-1/1 } 6.36-1/15 } \$6.34	(3)	6.03-1/1 } 6.40-1/15 } \$6.38	(3)	6.65-1/1 } 7.02-1/15 } \$7.00	(4)
Manitowoc	5.97	(4)	6.16	(5)	6.10	(7)	6.90	(6)
Sheboygan	5.78-1/1 } 5.88 7/1 } \$5.83	(6)	5.95-1/1 } 6.05 7/1 } \$6.00	(6)	6.12-1/1 } 6.22-7/1 } \$6.17	(6)	7.01-1/1 } 7.11-7/1 } \$7.06	(3)
Washington	5.70.	(7)	5.51	(8)	6.35	(4)	Not Applicable	
Winnebago	6.41	(2)	6.82	(2)	6.41	(2)	7.51	(2)
Waupaca	5.37	(9)	5.47	(9)	5.37	(9)	7.00	(4)
Shawano	5.47	(8)	5.47	(9)	5.47	(8)	Not Applicable	
Calumet	5.07	(10)	5.70	(7)	5.07	(10)	6.86	(8)
Average	5.83		6.07		6.00		7.13	
Outagamie	6.05-(C) 6.20-(U)	(3)	6.18-(C) 6.33-(U)	(4)	6.18-(C) 6.33-(U)	(5)	6.88-(C) 7.05-(U)	(7) 4

The undersigned is persuaded that implementation of the Union's final offer would minimize the degree of historical wage disparity between the two counties for similar employees. While the arbitrator appreciates that the Winnebago County settlement was negotiated at an earlier point of time, she is also aware that the settlement awarded herein and the basis for same will be given full consideration in subsequent rounds of negotiations between the parties.

Based on the above and foregoing, the undersigned is satisfied that the final offer of the Union is preferable, and makes the following

AWARD

The final offer of the Union, along with the previously agreed upon stipulations of the parties, shall be incorporated into the terms of the agreement as required by statute.

Given this 24th day of January, 1984 at Madison, Wisconsin.

By: Kay B. Hutchison
Kay B. Hutchison
Mediator-Arbitrator