STATE OF WISCONSIN

BEFORE THE ARBITRATOR

In the Matter of the Petition of CLARK COUNTY SOCIAL SERVICES LOCAL 546-A, WCCME, AFSCME, AFL-CIO To Initiate Mediation-Arbitration Between Said Petitioner and CLARK COUNTY (DEPARTMENT OF SOCIAL SERVICES)	Case XX No. 30926 MED/ARB-2085 Decision No. 20659-A

Appearances:

Mr. Daniel J. Barrington, Representative, Wisconsin Council 40, AFSCME, appearing on behalf of Union.

Mulcahy & Wherry, S. C., Attorneys at Law, by Mr. Stephen L. Weld, appearing on behalf of Employer.

ARBITRATION AWARD:

On June 15, 1983, the Wisconsin Employment Relations Commission appointed the undersigned as Mediator-Arbitrator, pursuant to 111.70 (4)(cm) 6. b. of the Municipal Employment Relations Act, in the matter of a dispute existing between Clark County Social Services Local 546-A, WCCME, AFSCME, AFL-CIO, referred to herein as the Union, and Clark County (Department of Social Services), referred to herein as the Employer, with respect to certain issues as specified below.

On June 13, 1983, Counsel for the Employer, in written statement to the Arbitrator proposed waiver of mediation efforts by the Mediator-Arbitrator and of arbitration hearing. Counsel's letter states:

> Mr. Barrington and I have, in reviewing this matter, come to the joint conclusion that mediation will not be successful in this matter because of the nature of the dispute: disagreement about the Employer's contribution to health insurance. Accordingly, it is our joint recommendation that you consider, as arbitrator, the possibility of submittal of this matter to you through exhibits and written argument rather than face-to-face mediation and arbitration. Your thoughts on this approach would be appreciated. Perhaps we can arrange a conference call between Mr. Barrington, you and me to discuss the approach and scheduling of this matter.

On June 21, 1983, telephone conference call was attempted between the undersigned, Mr. Barrington and Mr. Weld, however, Mr. Barrington was not available for conference conversation on that date. Subsequently, on June 27, 1983, the undersigned, by written communication to Messrs. Weld and Barrington, advised the parties as follows:

> I have advised Mr. Weld, and by this letter am advising Mr. Barrington, that waiver of mediation and hearing in this matter is acceptable to me. As I suggested to Mr. Weld, I think it would be appropriate and necessary for Mr. Barrington to confirm his agreement to waiver of mediation and arbitration hearing.

Thereafter, on July 3, 1983, Mr. Barrington provided his written confirmation to the undersigned of waiver of mediation and hearing as follows: "By copy of this letter to Mr. Weld, I am confirming our discussions as to waiver of mediation and hearing as well as the establishment of schedule for submission to Arbitrator Kerkman."

On July 26, 1983, the undersigned received the exhibits furnished by both the Employer and Union in this matter. Thereafter, the parties filed briefs and reply briefs. Final briefs from the parties were received by September 20, 1983.

THE ISSUE:

The issue involved in this arbitration proceeding is one of rate of contribution for family premiums to health insurance by the Employer. The Union proposes as follows: "Effective October 1, 1983, increase Employer contribution of family premium, of group health insurance, to 85%."

The Employer proposes no improvement in the rate of Employer contribution to group health insurance beyond the level set forth in the predecessor Collective Bargaining Agreement, i.e., 80%.

DISCUSSION:

The statute directs that the Mediator-Arbitrator, in considering which party's final offer should be adopted, give weight to the factors found at 111.70 (4)(cm) 7, a through h of the statute. The undersigned, in evaluating the parties' offers, will consider the offers in light of the foregoing statutory criteria, based on the evidence submitted by the parties, and the arguments advanced by the parties in their briefs.

At the outset it should be noted that the monetary dispute involved here is extremely narrow. From Employer Exhibit No. 31, it is established that if the Employer offer is adopted, the Employer will pay $88.00 per month for family coverage. If the Union final offer is adopted, the Employer will pay $94.35 per month. The difference between the offers of the parties, then, is $5.55 per month per employee opting for family coverage. Employer Exhibit No. 6 establishes that there are eight employees opting for single coverage and 9.5 employees opting for family coverage. Therefore, approximately one-half of this unit will be unaffected by the outcome of this decision, since both parties propose 100% premium payment by the Employer for single plan health insurance coverage. As noted, the amount at issue here is minimal. Comparing the value of the dispute to the earnings of employees as set forth in Appendix A of the Employer exhibits stating monthly salaries, the $5.55 differential, when compared to the rate of pay for a Social Worker III at the 18 month step calculates to .33% of wages. In making the same comparison of the lowest wage rate, i.e., Typist I, again at the 18 month step, the percentage of wage rate represented by the difference in the parties' offers on health insurance calculates to .63%. Viewed from a different perspective, the $5.55 per month differential in the parties' offers represents the equivalent of 3.2¢ if all employees in the unit were affected, based on an assumption that employees here work a work month of 173 hours. The 3.2¢ per hour, however, assumes that all employees within the unit are opting for family coverage. Since Employer Exhibit No. 6 reveals that approximately one-half of the employees in the unit are covered by single plans rather than family plans, the 3.2¢ per hour when spread across the unit averages to a dispute over 1.6¢ per hour between these parties. The foregoing analysis is significant in the eyes of the undersigned because it highlights the narrow difference keeping these parties from an agreement. Furthermore, it is also significant in the eyes of the undersigned, because the amount of contribution to health insurance premium on the part of the Employer is, in the undersigned's view, nothing more than wages paid to the employees in the form of health insurance contribution.

Employer in this matter cites arbitration awards holding that in matters of fringe benefits internal comparables carry great weight. The undersigned has

no quarrel with the theories of the cited awards setting forth that internal comparables carry great weight when considering fringe benefits. Here, however, there is a distinction in that the levels of the fringe benefits themselves are not disputed between the parties. That is, there is no dispute as to whether a new fringe benefit should be created, such as dental insurance or other coverages of that type. Here, it is solely a matter of the amount of dollar contribution which in the final analysis translates to the equivalent of a wage question. Notwithstanding the distinction, even relying upon the Employer position that internal comparables should carry great weight, the evidence reveals that all employees of this Employer are not treated identically with respect to the amount of health insurance contribution by the Employer. Employer Exhibit No. 24 reveals that the Employer family contributions in the Highway Department are 100% of premium, and Forestry Department employees now included in a newly organized non-professional courthouse unit, receive 100% of family health insurance premium contribution by the Employer. The record reveals that the Highway Department employees have enjoyed 100% contribution for family plan coverage since 1973, and that the Forestry Department employees have enjoyed 100% premium coverage since 1976. Employer Exhibit No. 24 further reveals that the law enforcement bargaining unit has agreed for the year 1982 and 1983 to an 80% contribution rate for family health insurance premium; as do the courthouse units of professional and non-professional employees for the year 1982. For 1983 the courthouse units have not settled as of the time of submission of evidence, however, Union Exhibit No. 2 reveals that final offers in arbitration in the courthouse units were called for effective August 1, 1983, and that the Union, in its final offer was proposing 85% family premium contribution by the Employer in those units.

From the facts set forth in the preceding paragraph, it is clear that there is not consistency in the amount of family premium contribution by the Employer for all employees of the Employer. It is equally clear that what the Union is seeking in these proceedings it is also seeking for two of the other units that are at the 80% level. Furthermore, the Sheriff's Department unit is locked into a two year agreement covering the years 1982 and 1983 and is not bargaining for the year in dispute here. Thus, when considering the level of insurance payments by the Employer among all of the employees, the Employer cannot claim 100% consistency. Based solely on the consideration of percentage of premium contributed by the Employer for family health insurance for Highway Department and Forestry Department employees, the Union position here seeking 85% of family premium is justifiable.

Employer, however, argues that the Highway Department and Forestry Department employees, when they achieved 100% contribution by the Employer for family health insurance premium, paid a price at the bargaining table in doing so. The Employer asserts that in 1973, when the Highway Department contribution rate for health insurance went to 100% they took less of a wage increase than other County employees in exchange for fully paid health insurance premiums. Similarly, the Employer asserts that when the Forestry Department employees achieved 100% of family paid insurance premium in 1976, by reason of their benefits having paralleled those of the Highway Department, Highway Department employees received a wage increase of 55¢ per hour, while Forestry Department employees received a wage increase of 30¢ per hour. Employer then argues that Union's offer here should be rejected because, in departments where the Employer is now paying 100% of family insurance premium, the employees in those units achieved that goal by taking a quid pro quo of a lesser wage increase, and the Union here has proposed no such quid pro quo for its proposed increase in Employer contributions towards family health insurance. The undersigned has evaluated the wage increases granted the Highway Department effective January 1, 1983, and notes from Union Exhibit No. 3, the Collective Bargaining Agreement for the Highway Department employees, that effective January 1, 1983, all wages and rates in that Contract were increased by a sum of 65¢ per hour. The percentage increase on the wage rates calculates to a low of 8.08% for the shovel operator to a high of 8.43% to the laborer and patrolman helper. By contrast, the stipulated wage agreement effective January 1, 1983, in this dispute is 5% (stipulation of the parties). The highest paid monthly salary in this unit is Social Worker III at the rate of $1,670.68 per month after 18 months of service. Converting the $1,670.68 to an

hourly equivalent by dividing it by the customary 173 hours in a work month, establishes an hourly rate for that position as of December 31, 1982, of $9.66 per hour. Applying the 5% increase stipulated to by the parties, which becomes effective January 1, 1983, to the foregoing hourly rate, establishes that the highest hourly rate increase in this unit will be 48¢ per hour. This compares to 65¢ per hour increase for all Highway Department unit employees effective January 1, 1983. In the opinion of the undersigned, the differential between the amount of wage increase granted the Highway Department January 1, 1983, whether it is expressed either as a percentage or cents per hour as compared to the amount of the wage increase stipulated to in this unit, more than establishes a quid pro quo in this unit when comparing it to the Highway Department increases this year. The undersigned recognizes in making the foregoing comparison that the Highway Department contract wage increases effective January 1, 1983, were bargained a year earlier. Notwithstanding the foregoing, and the fact that the Contract was bargained in a different economic climate, the undersigned concludes that the quid pro quo to which the Employer speaks has been paid in this unit. Consequently, when considering whether employees employed in this unit have paid a quid pro quo as did the Highway Department employees, the undersigned concludes that the Union's offer is preferable.

Employer has submitted documentation in support of his argument that employee participation in health insurance premiums facilitatates the cost containment efforts by helping to decelerate the rate at which premium costs increase. In view of the conclusions reached by the undersigned in the earlier sections of this opinion, the Employer's argument with respect to cost containment is less cogent where certain employees of the Employer continue to enjoy 100% funding of their family health insurance premiums. Notwithstanding the foregoing, however, the undersigned has read and considered the exhibits with respect to health costs and premium containment submitted by the Employer in his exhibits 7 through 23. While some of the exhibits speak to higher participation in health insurance premiums by employees as a means of controlling escalating hospitalization costs, a review of the relevant exhibits satisfies the undersigned that premium contributions by employees are not the primary controls recommended within the framework of the exhibits introduced in this matter. Irrespective, however, of whether cost containment can be achieved by employees' participation in health insurance premiums, the fact remains that the Employer here is providing 100% premium payment for health insurance to several groups of employees. The undersigned is unable to justify an effort in cost containment which places the burden on only a group of employees within certain bargaining units while other employees in other bargaining units do not share the same burden.

Therefore, based on the record in its entirety, and the discussion set forth above, after considering the arguments of Counsel, the undersigned makes the following:

AWARD

The final offer of the Union, along with the stipulations of the parties, as well as the terms of the predecessor Collective Bargaining Agreement which remain unchanged throughout the bargaining process, are to be incorporated into the written Collective Bargaining Agreement of the parties.

Dated at Fond du Lac, Wisconsin, this 23rd day of January, 1984.

Jos. B. Kerkman,
Mediator-Arbitrator

JBK:rr