

RECEIVED

FEB 05 1985

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of Mediation/Arbitration

between

DANE COUNTY

and

DANE COUNTY PROFESSIONAL SOCIAL WORKERS,
LOCAL 2634, AFSCME, AFL-CIO

CASE XCIV
NO. 32637
MED/ARB - 2557

Decision No. 21694-A

Hearing Held

August 23, 1984
Dane County Garage
2302 Fish Hatchery Road
Madison, WI

Appearances

For the County:

John T. Coughlin, Esq.
Mulcahy & Wherry, S.C.
131 Wilson Street,
Suite 202
Madison, WI 53701-1110

Mediator-Arbitrator

Steven Briggs
3612 N. Hackett Ave.
Milwaukee, WI 53211

For the Union:

Darold O. Lowe
Staff Representative
AFSCME, WI Council 40
5 Odana Court
Madison, WI 53701-1110

BACKGROUND

The undersigned was notified by a June 13, 1984, letter from the Wisconsin Employment Relations Commission of his selection as Mediator/Arbitrator in an interest dispute between Dane County (hereinafter County) and AFSCME, Local 2634 (hereinafter Union). The dispute concerns certain items to be included in the successor to the parties' 1981-1983 Agreement covering professional social workers.

Pursuant to statutory responsibilities, mediation was conducted on August 23, 1984. A settlement did not result. The matter was advanced to arbitration later that same day for final and binding determination and the parties were afforded full opportunity to present evidence and argument in support of their respective final offers. A verbatim transcript was made. Both parties filed timely posthearing briefs and the record was declared closed on October 25, 1984. Based upon a detailed consideration of the record, and relying upon the criteria set forth in Section 111.70 (4) (cm), Wisconsin Statutes, the Arbitrator has formulated this Award.

THE FINAL OFFERS

County Offer

1. 1.2% wage increase effective December 25, 1983.
2. Retitle Article XV, Section 15.01 Health and Dental Insurance and modify (a) and (b) as follows:

(a) A group hospital, surgical, major medical and dental plan as agreed to by the parties shall be available to employees. In the event the Employer shall propose a change in this plan, this Contract shall be reopened for purposes of negotiations on such a proposed change. For group health insurance the Employer shall pay up to sixty nine dollars and forty four cents (\$69.44) per month for employees desiring the "single plan" and up to one hundred eighty six dollars and sixty three cents (\$186.63) per month for employees desiring the "family plan" and up to one hundred ninety two dollars and four cents (\$192.04) for spouse credit family plan. Employees with a spouse on Medicare Plus will receive a payment not to exceed that paid by the Employer for family coverage. For group dental insurance the Employer shall pay up to fourteen dollars and seven cents (\$14.07) per month for employees desiring the "single plan", up to thirty seven dollars and eighty three cents (\$37.83) per month for those desiring the "family plan" and thirty seven dollars and eighty three cents (\$37.83) for spouse credit family plan.

(b) The Employer agrees that employees and their dependents may elect to become members of any health plan made available and approved by the Employer. There shall, however, be only one (1) thirty (30) day enrollment period per year during which time employees may change plans. The Employer agrees to pay costs for employees and dependents choosing other plans equal to the dollar amounts stated in 14.01 (a).

Union Offer

1. 2.5% wage increase effective December 25, 1983.
2. Amend Section 15.01, Health and Accident Insurance, (a) and (b) to read:

(a) A group hospital, surgical major medical and dental plan as agreed to by the parties shall be available to employees. In the event that the Employer shall propose a change in this plan, this contract shall be reopened for purposes of negotiations on such a proposed change (this reopener provision also applies to the plans specified below). The Employer agrees to pay the full premium for employees, and ninety percent (90%) of premium for dependents. Employees with a spouse on medicare plus will receive a payment not to exceed that paid by the Employer for family coverage. However, the Employer shall pay, not to exceed \$14.07 per month for single or \$37.83 per month for family, on dental insurance, and \$37.83 per month for spouse credit plan.

(b) The Employer agrees that employees and their dependents may elect to become members of any health plan made available and approved by the Employer. There shall, however, be only one (1) thirty (30) day enrollment period per year during which time employees may change plans. The Employer agrees to pay costs for employees and dependents choosing other plans equal to the premiums for the insurance described in (a) above.

STATUTORY CRITERIA

Section 111.70 (4) (cm), Wisconsin Statutes, directs mediator-arbitrators as follows:

(7) Factors considered. In making any decision under the arbitration procedures authorized by this subsection, the mediator-arbitrator shall give weight to the following factors:

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 cost 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.

THE ISSUES

Comparable Communities

The parties do not agree on the pool of comparable communities to be used in this matter. And, since the outcome of the comparability question can influence the way in which other issues are evaluated, it will be considered first.

County Position. The County holds that the public and private employers within Dane County are appropriate comparables. The County also believes that Counties contiguous to itself and the thirteen Wisconsin Counties most similar in size to itself are appropriate for comparative purposes. It specifically excludes Milwaukee

County due to its large size. The following employers are included in the County's proposed pool of comparables:

City of Madison
State of Wisconsin
Arbor View Nursing Home
Colonial Nursing Home
St. Mary's Hospital
Visiting Nurse Service
Brown County
Columbia County (contiguous)
Dodge County (contiguous)
Eau Claire County
Fond du Lac County
Green County (contiguous)
Iowa County (contiguous)
Jefferson County (contiguous)
Kenosha County
La Crosse County
Marathon County
Outagamie County
Racine County
Rock County (contiguous)
Sauk County (contiguous)
Sheboygan County
Walworth County
Waukesha County
Winnebago County

Union Position. The Union believes that the seven largest Wisconsin counties should be included in the comparables pool. Those counties, together with other comparable employers identified by the Union, are listed below:

Milwaukee County
Waukesha County
Brown County
Racine County
Rock County
Kenosha County
Sheboygan County
City of Madison
State of Wisconsin
Madison Metropolitan School District

Discussion. The statutory criterion calling for comparison of wages, hours and working conditions of employees in the instant case with those of municipal employees in the same and in comparable communities reflects the reality that the County must compete for human resources with other employers in the same labor market. And employee mobility significantly limits the scope of the labor market in which the County must compete. Thus, other public employers within Dane County are of obvious value for comparison purposes, as are the contiguous counties. Of lesser significance as comparables are other counties similar in size to Dane County, but more geographically distant than the seven contiguous counties.

Thus, the Arbitrator has concluded that the following list constitutes the primary group of appropriate comparables:

Green County (contiguous)
Rock County (contiguous)
Jefferson County (contiguous)
Dodge County (contiguous)
Columbia County (contiguous)
Sauk County (contiguous)
Iowa County (contiguous)
City of Madison
State of Wisconsin
Other Dane County Public Employers

Private employers in Dane County are of some value for comparison purposes, but the applicability of professional social worker qualifications to the needs of private sector employers is unclear. Thus, the mobility of Dane County professional social workers to local private sector employment is called into question.

Wages

County Position. The County believes that its 1.2% wage offer is very competitive, especially when the entire compensation package is considered. It emphasizes, for example, that dental insurance and longevity payments are not offered by a significant number of what it considers comparable employers. Moreover, the County points to the ease with which it is able to attract job candidates: in March, 1984, it had 146 applicants for one Senior Social Worker position; in May, 1984, 61 people applied for one Social Worker position.

The County also cites a historical relationship between itself and the City of Madison and State of Wisconsin. The 1984 wage increase across the City's seven bargaining units was 1%. For the same period, wages were frozen in six State bargaining units.

Finally, the County believes that its 1.2% wage offer more nearly approximates increases in the cost of living than does the Union offer. It asserts that both step and merit increases should be considered as well. When these are included in evaluation of its wage offer, the County argues, the real net increase for the bargaining unit as a whole averages 2.9%. It also points out that since the end of 1982, applicable Consumer Price Index figures have risen a total of 10.8% while Local 2634 wages have increased 16.7% (includes County's 1.2% offer for 1984).

Union Position. The Union asserts that its 2.5% wage proposal is more appropriate than the County's 1.2% wage offer. The average wage increase across its proposed comparables, the Union argues, is 3.36%. This figure is clearly above its modest proposal of 2.5%.

Discussion. The record reveals a historical wage pattern (at least since 1982) across Dane County's seven represented bargaining units. The 1982 increase in each was 8.0%; in 1983 it was 7.5%. At the time of this writing two of the units have not settled on the 1984 increase; the 1984 increase in two others is 1.0%. And in the three remaining units the 1984 wage increase has been determined through the arbitration process to be 1.4%. Thus, the internal comparables are supportive of the County's 1.2% wage offer in the instant case.

The 1984 wage increases for the seven City of Madison bargaining units (1.0%) and for six State of Wisconsin

units (0%) also illuminate the competitive character of the County's wage proposal.

Table I compares total hourly 1983 compensation (including benefit costs) for senior social workers and social workers among comparable employers.

TABLE I
TOTAL 1983 HOURLY COMPENSATION

Employer	Senior S.W.	S.W.
Dane County	17.73	16.16
Green County	9.97	9.34
Rock County	15.00	14.02
Jefferson County	13.98	13.66
Dodge County	13.55	12.08
Columbia County	N/A	12.43
Sauk County	13.29	12.29
Iowa County	13.28	12.53
City of Madison	18.90	17.36
State of Wisconsin	17.73	16.51

Source: Extracted from County Exhibit 9

From the Table it can be seen that the 1983 Dane County total hourly compensation for Senior Social Workers ranks only behind the City of Madison. Clearly, Dane County Senior Social Workers enjoy a very competitive wage/benefit package. And the County's offer of 1.2% in wages brings Senior Social Workers even closer to those working for the City of Madison (1984 increase = 1.0%).

Dane County Social Workers are compensated on a very competitive basis as well, as the Table indicates. Their 1983 total hourly compensation falls behind similarly classified employees with the City of Madison and the State of Wisconsin, but 1984 wage increases in both of those jurisdictions do not compare favorably with the County's 1.2% offer in the instant case.

Comparison of overall compensation for Senior Social Workers and Social Workers in Dane County against like data (where available from the record) for the secondary comparables yields the same general result.

On balance then, the County's wage offer appears to be more appropriate than the Union's when viewed from the comparability criterion. It is also clear from the record that the County's offer is not repugnant to any of the additional criteria set forth in Sec. 111.70 (4) (cm).

Insurance

County Position. The County's offer expresses its contribution to the health care premium in flat dollar maxima, as opposed to the percentage figures used in the previous Agreement. The County cites a prior interest award from Arbitrator Howard Bellman in support of its position. It quotes as follows from the Bellman award:

In the final analysis the Arbitrator is most impressed by the quantitative aspect of this issue. The growth of this cost to government;

and the share of wages and benefits that health insurance has come to represent, especially where as in this instance the insurance benefits are relatively extensive; distinguish it from any other employee benefit, and perhaps from any other employer cost. This cost level, and especially the rate at which it has virtually exploded, and seems likely to continue to increase, places health insurance costs apart from other benefit items and requires special analysis...

...By obscuring these costs in percentage terms both the employees and the general public are invited to pay little attention to a factor that has reached critical proportions. Both may be better served by graphic and constantly available terms that may help to maintain attention to these costs... (County Exhibit 22).

The County also holds that negotiated dollar caps for its contribution toward insurance premiums are in the public interest. The thrust of this argument centers around skyrocketing health care costs, with the implication that government should not be expected to shoulder the entire burden.

Union Position. The Union believes that the County's insistence on dollar caps reflects its desire to force employees to pay for all cost increases in health insurance premiums. Such a revision in the status quo, the Union argues, would put employees on their knees at the bargaining table. They would have to renegotiate employer health insurance contributions each time the Agreement was renewed. Employer contributions in the most recent Agreement are expressed in percentage terms. This is a longstanding provision which the Union desires to keep. Furthermore, since the County is attempting to change the status quo, it must bear the burden of proving the desirability of such a change. The Union believes the County has not met this burden.

Furthermore, the Union argues, the April 11, 1983, Award of Arbitrator Krinsky supports its position here. It quoted him as follows:

The parties have had the present type of language in their Agreement for many years. There is no evidence to suggest that the County's proposed change (i.e., dollar caps) will necessarily reduce its costs. The present language is viewed as important to the Union in part because it regards the County's proposal as an attempt to alter the parties' power relationships at times of impasse in negotiations. ...

Without compelling reason for doing so, the arbitrator does not view it as his role to change a contractual agreement of longstanding and especially where other employees of the employer continue to enjoy the benefit, and comparisons with other employers show that the benefit is commonly enjoyed elsewhere.

Discussion. In recent years, one of the most significant concerns to those involved in the employment

relationship generally has been the upward spiral in health care costs. It is a concern to unions and employers alike. And especially in the case of public employment, containment of such costs (while keeping benefits at a reasonable level) is well within the public interest.

Moreover, the Arbitrator is persuaded from the record that a dollar cap on employer contributions to health insurance costs is more likely to put future downward pressure on such costs than is a continuance of employer contributions expressed in percentage terms. For example, Executive Director Michael Bromberg of the Federation of American Hospitals is quoted in one County exhibit as advocating cost sharing of premiums "in order to bring some market-oriented restraint to decisions on utilization and choice of plans." Bromberg also stated, "The offering of multiple health insurance plans by employers should be encouraged through a ceiling on tax-free employer-purchased health benefits." (County Exhibit 14-Q)

In the instant matter, the County notes that employees have access to Health Maintenance Organizations in addition to the traditional fee-for-service health plans, and that the former can be offered at savings of as much as 10%. If health care costs continue to rise, it is reasonable to conclude that employees with some financial interest in them would shop for plans which cost less. This conclusion is supported by information in the record describing the State of Wisconsin and City of Madison experiences. In general, employees of both moved to less expensive plans as they realized their out-of-pocket expenses would be reduced as a result.

The Arbitrator has also taken notice of changes in the status of three of the County's other bargaining units since the arbitration hearing in this case. In a late October, 1984, Award covering health care professionals, Arbitrator Zeidler accepted Dane County's offer. That offer contained the same dollar caps for insurance premiums as does the County's offer in the instant case. In a January, 1985, Award covering Dane County Attorneys, Arbitrator Kessler ruled that the County's offer would prevail. That offer also contained the same dollar caps for health insurance premiums as does the County's offer in the instant matter. And in his Award of late October, 1984, covering the Dane County bargaining unit represented by AFSCME, Local 65, Arbitrator Michaelstetter upheld insurance language containing dollar caps. The undersigned also notes that the vast majority of Dane County unit employees (1,162 of 1,487) have dollar caps placed upon employer contributions to health insurance costs (County Exhibit 17). Thus, the internal comparables are supportive of the County's offer.

The record also reveals that the County's offer provides greater financial benefit on insurance costs for 1984 than does the Union's offer. To explain, the County's proposed dollar caps are sufficient to cover the entire health insurance premium for 1984. In contrast, the Union's offer would require employees to pay 10% of the dependent premium.

With health care costs increasing as they are, it is entirely possible that the 1984 dollar caps proposed will not be sufficient to cover completely any future premium increases. But again, the resultant out-of-pocket costs to employees would undoubtedly influence them to explore lower cost plans with comparable benefit levels. Such plans are now available to social workers in the County, but they have not taken advantage of them to the same extent as have

other county employees who already share in health care costs (County Exhibits 13, 19).

Finally, the Arbitrator is not persuaded by the Union's argument that dollar caps will "bring the employees to their knees" at the bargaining table. Renegotiating dollar caps at each round of negotiations does not put employees at a grave disadvantage. It is not repugnant to the collective bargaining process. Indeed, it would seem to be an essential part of the give-and-take traditionally associated with union/management negotiations.

The Arbitrator has concluded from the foregoing analysis that the County's offer on health insurance is the more reasonable.


The Entire Package

It has been concluded as a result of the preceding discussion that the County's offer on each of the issues contained in the parties' final offers is the more reasonable. Accordingly, the undersigned has decided that the County's final offer in its entirety is preferable to the one submitted by the Union. Thus, the Arbitrator makes the following Award:

AWARD

The County's final offer shall be incorporated into the parties' 1984 Agreement, along with all of the provisions of the 1982-1983 Agreement which are to remain unchanged and along with the stipulated changes agreed to by the parties.

Signed by me at Shorewood, Wisconsin, this 31st day of January, 1985.


Steven Briggs