

AUG 14 1987

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

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In the Matter of an Arbitration
between

SHEBOYGAN COUNTY ASSOCIATION
OF SOCIAL WORKERS

and

SHEBOYGAN COUNTY
(DEPARTMENT OF SOCIAL SERVICES)

* * * * *

Case 95 No. 37895
ARB-4156 Dec. No. 24317-A

Appearances:

Mr. Peter Witt, Personnel Director; representing the County.

Mr. John N. Gunderson, Chase, Olsen, Kloet & Gunderson;
representing the Association.

Before:

Mr. Neil M. Gundermann, Arbitrator.

ARBITRATION AWARD

The Sheboygan County Association of Social Workers, hereinafter referred to as the Association, and Sheboygan County (Department of Social Services), hereinafter referred to as the County, reached an impasse in negotiations. The parties selected the undersigned to serve as the arbitrator pursuant to Section 111.70(4)(cm)6 and 7 of the Municipal Employment Relations Act. A hearing was held in the Sheboygan County Court-house, Sheboygan, Wisconsin, on June 3, 1987. The parties were present and given full opportunity to present such evidence as was pertinent to the dispute. The parties filed post-hearing briefs.

FINAL OFFERS OF THE PARTIES

Association's Final Offer:

1/1/87	3.5%
7/1/87	3.0%
1/1/88	3.0%

County's Final Offer:

1/1/87	0%
1/1/88	3%

ASSOCIATION'S POSITION:

It is the Association's position that its final offer is the more reasonable of the final offers presently before the arbitrator. It is emphasized by the Association that the County has never argued ability to pay in the instant dispute. Therefore, ability to pay is not an issue in this case. Although the County has offered a 0% increase for 1987 and a 3% increase for 1988, the County has not shown by any evidence that it will be in a better position to grant an increase in 1988 than it is in 1987. The Association further notes that the County's share of the Social Service budget is low in relationship to the total budget--\$199,422 out of a total budget of \$3,382,301. Additionally, the Social Services Department returned \$52,328 to the County's General Fund for the year 1986. The total cost of the Association's proposal for a two-year period is \$58,363.50. If longevity is added to the Association's final offer for the two-year period, it would only add an additional \$1,794 to the total cost of the two-year contract under the Association's proposal.

Criterion d. contained in Section 111.70(4)(cm)7, Wis. Stats., states as follows:

"Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes performing similar services."

The Association proposes two sets of comparables under criterion d.; the first comparable includes all the contiguous counties, and the second comparable includes counties of similar population. Among the contiguous comparables are Manitowoc, Calumet, Fond du Lac, Washington and Ozaukee Counties. Counties of similar population include Manitowoc, Fond du Lac,

Washington, Kenosha, La Crosse, Eau Claire and Marathon Counties. According to the Association, the County has not contested the validity of either of the two comparable groups presented by the Association for consideration of the arbitrator.

In contrast to the comparables proposed by the Association, the County has proposed as comparables selective labor contract information for cities and counties in northeastern Wisconsin as of August, 1986. In its groupings the County has incorporated some of the counties relied upon by the Association, however, the County has not provided any supportive evidence as to why the other counties should be considered by the arbitrator. Additionally, the County has provided data regarding social workers involved in private social work, but again has provided no supporting data as to why this group of social workers should be deemed comparable to the County's social workers. Moreover, the data provided by the County precludes a thorough analysis of the total wage structure and wage progression precluding mathematical analysis of those particular classifications.

The County also attempts to show as comparables certain other social workers outside the Department of Social Services employed by the County. These include social workers involved with elderly, mentally disabled, and alcohol and drug dependent persons. To the extent that any of the pay rates relate to the starting pay rates, all are higher than the rate within the Department of Social Services for Social Workers I. It would appear that the maximum pay rate for County institution employes based on a $36\frac{1}{2}$ -hour work week would be \$11.48 an hour and for the Sheboygan County Unified Board, \$13.12 an hour. As to the latter, it is higher than any maximum pay for any employe within the Department of Social Services, and only three members of the Department are higher than \$11.48 and they all have over 20 years of experience. The Association submits that County Exhibit No. 5 supports the Association's position that its final offer should be selected by the arbitrator as it reflects

higher pay for other public employes involved in relatively the same occupation in the same County.

The Association notes one of the problems in presenting comparable information for social service workers in other departments is the substantial differences in the method of pay, hours worked, starting pay, probationary periods, wage progression, if any, promotion policy, and other criteria which may not be obvious from the collective bargaining agreements. Therefore, the Association has made an attempt for a fair evaluation over a five-year period of gross earnings for social workers from each department at the lowest compensation level and at the highest compensation level. Additionally, the Association has included the relative rankings of the two groups based on both the compensation package proposed by the Association and the 0% increase proposed by the County. An analysis establishes that the position of the Sheboygan County Association of Social Workers in relation to all comparable counties from which settlements are available remains at the bottom, regardless of whether the arbitrator selects the County's offer or the Association's offer. The Association offer allows a moderate catch-up in relation to the mean and median for lowest track social workers in the bargaining unit, and a lesser catch-up for the highest track social workers. In contrast the County's proposal for 1987 provides for further slippage of the position of Sheboygan County Association of Social Workers in relation to the next lowest paid social worker group.

There are four contracts for which data for the 1987 contract year is available for both contiguous counties and counties of similar population. Within the contiguous county comparable group, the County has a starting pay 67¢ an hour below average. If the Association's offer for 1987 is accepted, the starting average pay will be 42¢ below the average settlement pattern, a difference of 25¢; but if the County's offer would be awarded for 1987, the difference would be 96¢ below the average,

or a negative difference of 29¢. If the same information is applied relating to comparable population counties, the difference between the two offers is even more glaring. The 1986 rate puts Sheboygan County 90¢ per hour below the average at the starting level, with the Association's offer for 1987 improving that position by 18¢, and the County's offer deteriorating that position by 36¢.

There was only one settlement for 1988, however it is clear from the settlement pattern for 1987 that there were no settlements of 0%. The actual increase for 1987 would be 4.97% under the Association's offer, and 0% under the County's offer. In contiguous counties for which settlements are available for 1987, increases average 3.183% and for counties with similar populations, 3.85%. A settlement of 4.97% more accurately reflects the settlements than does a 0% increase.

Although the cost of living for 1987 cannot be calculated at the present time, the Association submits the projection for the increase in cost of living and/or Consumer Price Index has been estimated to range from 3.6% to 5.5%. The County has presented no evidence which would reflect a drop or no change in the Consumer Price Index and/or inflation rate. The Association contends that its proposal of 4.97% is within the range of the anticipated cost of living increase for 1987.

While the County may argue that the interest of the public is best served by its final offer, there was no evidence presented at the arbitration hearing in support of such position. The Association argues that the interest of the public would appear to be best served by compensating employees at a level which at least does not further deteriorate their position relative to employees providing the same services in other counties.

The Association emphasized that the lack of wage progression inherent in the wage structure for the employees providing no substantial built-in increases for social workers after a brief time with the Department further reflects the need for

a percentage increase as proposed by the Association. The vast majority of presently employed social workers will receive no increase during 1987 if a percentage increase is not awarded by the arbitrator.

The County has attempted to provide information relating to the total cost of the contract in relation to other counties, however the Association contends the data does not show relative ranking of the County or any other benchmark information. The County's information does not indicate whether there will be slippage, gap widening or gap narrowing as to total compensation in comparison to comparable counties.

The impact of longevity pay on this bargaining unit is minimal from a dollar standpoint over the two-year contract period. In fact, the bargaining history of the parties has been to consider longevity pay as a fringe benefit, not a pay increment or a pay step. Most other counties presented as comparables by the County have longevity pay of some type. Additionally, very few people within the bargaining unit receive any longevity pay which only starts at the end of five years, long after most of the employees in the bargaining unit have been at the Social Worker III level.

In concluding its arguments, the Association contends that the 0% increase offered by the County is not supported by comparables or a total cost analysis. The County provided no pattern-of-settlement information, cost-of-living information or public policy supporting its position for the 1987 contract year. In contrast, the Association has presented comparables data showing a total economic reward analysis, a starting-pay analysis, and a pattern-of-settlement analysis, all of which support its 1987 increase of 4.97%. The relative position of the Association in relation to other departments of social service is not changed by the Association's final offer. While the parties both agree that a 3% increase in 1988 is warranted, a 0% increase in 1987 is not warranted or supported under the

criteria set forth in the applicable statute. Therefore, the Association contends the arbitrator should award on behalf of the Association's final offer.

COUNTY'S POSITION:

It is the County's position that its final offer is the more reasonable of the two offers presently under consideration by the arbitrator. The County does not raise the issue of ability to pay, as ability to pay has not been the basis for its position throughout the negotiations preceding the arbitration hearing. The County contends that its final offer is the more reasonable for other reasons.

The County emphasizes that the County social workers are well paid compared to their private counterparts. Additionally, the County notes there are other counties in northeastern Wisconsin which pay their social workers less than does the County. On this basis alone the County contends that its final offer is the more appropriate of the two final offers.

The County further notes that it has had no difficulty in recruiting social workers at the current level of pay. Therefore, if the factor of supply and demand is taken into consideration there is no need, or indeed justification, for the County to raise the level of salaries paid to its social workers. The County recruits within the County-wide area for new employees and has had no difficulty in obtaining new employees. Thus, there is no need for the County to raise the salaries of employees for 1987. The County does note that it has proposed a 3% increase for 1988, as has the Association.

The Association's offer of 3.5% effective January 1, 1987 and an additional 3% effective July 1, 1987 represents a total wage increase of 6.5%, and when fringe benefits are included, it represents a package increase of 7%. According to the County, this is excessive in terms of what other recent contract settlements have provided.

At the time of the hearing the Union introduced evidence to show that the social workers employed by the County are under-paid, and if their final offer is not accepted they will continue to be treated as second-class employees. In response to this data, the County notes that it does not have a recruitment problem or retention problem for experienced social workers. Therefore, any claim that the County has under-paid its social workers is not reflected in either the ability to recruit or the ability to retain qualified social workers within the County.

In concluding its arguments the County notes that on the surface its final offer may appear to be harsh, however upon closer examination the evidence establishes that the individual social worker is adequately compensated and therefore the arbitrator, in his wisdom, will select the County's final offer over that of the Association.

DISCUSSION:

According to the testimony, the majority of employes within the bargaining unit are in the Social Worker III classification earning \$10.11 per hour. Although the maximum salary of the Social Worker III classification for 1986 was \$12.71 per hour, only two employes were at the maximum step and it is unlikely that others will reach it as there is no progression provided in the agreement for an employe to move to the maximum step. The agreement contains the classifications Social Worker IV and Social Worker V, however the County does not utilize these classifications. Therefore, for purposes of these proceedings it appears reasonable to use the Social Worker III classification and an hourly rate of \$10.11 for comparison purposes.

The Association proposes two sets of comparables: the contiguous counties, and those counties with comparable populations. While not challenging the comparables proposed by the Association, the County has elected to rely more heavily

upon data collected by the Department of Labor, Industry and Human Relations (DILHR), both on a local basis and on a state-wide basis. The County also points to the salaries paid by the County to other social workers employed in other departments.

A review of the data provided by the County which was compiled by DILHR apparently represents private employes. The state-wide survey, County Exhibit No. 4, indicates that 271 employers responded covering 907 social workers, which would average 3.3 employes per employer. County Exhibit No. 3, which is for the Lake Michigan Service Delivery Area, indicates 10 employers responded covering 13 employes, and the data for Sheboygan Metropolitan Statistical Area, County Exhibit No. 2, indicates 3 employers responded covering 5 employes.

There is really little justification for using state-wide data. Such data includes employers and areas that are not comparable to the County either in geographic proximity or in population. The Lake Michigan Service Area includes four counties--Sheboygan, Manitowoc, Kewaunee, and Door. Neither Door County nor Kewaunee County are contiguous counties, nor are they comparable based on population. The data for metropolitan Sheboygan is limited as it covers only 3 employers with a total of 5 employes. That exhibit, County Exhibit No. 2, indicates that the median salary for social workers in the Sheboygan metropolitan area is \$10.63 per hour and the average salary is \$9.69 per hour. Depending on which is used, the mean or median, the County pays more or less than other employers employing social workers in the metropolitan area.

In addition to the data provided by DILHR, the County also introduced extracts from eight agreements other counties have entered into for 1986 and 1987 covering social workers. Through the use of County Exhibit No. 8 it was possible to determine the rates paid social workers under those agreements. Due to the fact that some counties use fewer classifications,

a direct comparison is subject to error. In constructing the following table the lower classification has been used if there are not directly comparable classification designations.

<u>Year</u>	<u>County</u>	<u>Months Required to Reach Maximum</u>	<u>Hourly Rate</u>
1986	Brown	30 months	\$11.77
1986	Dodge	54 months	10.35
1986	Fond du Lac	(1)	11.06
1987	Manitowoc	42 months	11.85
1987	Outagamie	48 months	12.39 (2)
1987	Washington	42 months	10.67 (3)
1987	Winnebago	42 months	11.12 (4)
1987	Ozaukee	36 months	10.85 (5)

- (1) Represents Step IV rate; no time is specified.
- (2) Outagamie County pays Social Worker III \$2,011.96 per month. According to County Ex. No. 8, Outagamie Social Workers work $37\frac{1}{2}$ hours per week. The hourly rate is computed using the following formula: $37\frac{1}{2}$ hours x 4.33 weeks (52 weeks ÷ 12 months) = 162.38 hours per month. $\$2,011.96 \div 162.38 = \12.39 .
- (3) Rate shown is effective July 1, 1987. Rate effective January 1, 1987 is \$10.62. Rate is for Social Worker; Senior Social Worker is paid \$12.83.
- (4) Winnebago County pays Social Worker \$1,806 per month. See footnote 2.
- (5) Rate shown is for Social Worker I. County has only two classifications of Social Worker, I and II. Social Worker II is paid \$13.25 per hour.

Of the eight counties, five have agreements for 1987 while the data for three of the counties was for 1986. In 1986, Brown, Dodge and Fond du Lac Counties all paid their social workers in excess of what the County paid its social workers. The difference is between 24¢ per hour in Dodge County (\$10.35 minus \$10.11) to \$1.66 per hour in Brown County (\$11.77 minus \$10.11). A persuasive argument can be made that Brown is not an appropriate comparable based on its population and geographic location, however a similar argument can also be made for Dodge County.

For purposes of these proceedings the following counties appear to be the most appropriate comparables: Fond du Lac, Manitowoc, Outagamie, Washington, Winnebago, and Ozaukee. This grouping represents counties in the same geographic area as well as counties with similar populations.

If the five counties for which the County provided data for 1987 are considered, the following conclusions can be made. The median salary paid by those five counties to their Social Workers III or comparable classification for 1987 is \$11.12 per hour. If an average is used, the average of the five counties is \$11.38 per hour for 1987. If the County's final offer for 1987 of a 0% increase were awarded, the County would be \$1.01 below the median and \$1.27 below the average. It is significant to note that while Fond du Lac County had not reached a settlement for 1987 at the time of the hearing, its 1986 rate of \$11.06 was 95¢ per hour higher than the rate paid by the County.

If the Association's final offer were to be awarded the hourly rate, effective July 1, 1987, would be \$10.78 based on a December 31, 1986 rate of \$10.11. At \$10.78, the County would exceed only Washington County (\$10.67) of the settled comparables in geographic proximity with similar populations. The rate of \$10.78 would be 34¢ below the median rate of the settled counties (\$11.12). The rate of \$10.78 would be 60¢ below the average rate of the settled counties (\$11.38).

A review of the data provided by the County leads to the inescapable conclusion that the County's social workers are paid significantly less than social workers working for comparable counties. If the County's final offer were to be awarded the disparity for 1987 would increase. In contrast, even if the Association's final offer were to be awarded, social workers would still receive less than their counterparts in comparable counties.

If the universe of comparables is extended to include counties with comparable population without regard to geographic proximity, as urged by the Association, the disparity

in pay is more apparent. According to the data provided by the Association, the rates paid to Social Workers III with five years of experience in 1986 are as follows:

Kenosha	\$14.75	per hour	
Eau Claire	11.66	"	"
Marathon	11.29	"	"
La Crosse	11.72	"	"

Thus, whether the comparables are judged to be the contiguous counties or counties in geographic proximity or counties with similar population, the evidence indicates the salaries paid by the County for social workers is less than the salaries paid by comparable counties. Clearly, on the basis of comparability, the Association's final offer is to be preferred.

There is no way of knowing what the cost of living will be for 1987. Indications are that it will be greater than it was for 1986, with estimates in the range of 3% to 5%. The Association's final offer raising the rates by 6.6% (with a cost of 5.05%¹) is at the high end of the anticipated rise in the cost of living. The County's final offer of a 0% increase is below even the most modest anticipated increase in the cost of living. Based on cost-of-living considerations, the Association's final offer is slightly more preferable.

The remaining issue raised by the parties is the public interest and welfare. It is asserted by the Association that the interest and welfare of the public is best served by the County paying social workers salaries that are competitive with the salaries paid by comparable counties. The County responds by noting that the County has had no problem in either recruiting or retaining qualified social workers at the current salaries.

There is no single definition of what constitutes the public interest and welfare. In some instances, where ability to pay has been raised as an issue, the interest and welfare of the public has been defined purely in economic terms as reflected in the property tax rate. In other instances, the public interest and welfare has been expressed in terms of the quality of service delivered to the public. And in still other

1. The Association's final offer of 3.5% effective January 1, 1987 and 3% effective July 1, 1987 has a compounding effect resulting in rates increasing 6.6% at a cost of 5.05% in 1987.

instarces, the public interest and welfare has been defined in terms of the dedication and efficiency with which the service is provided. The difficulty in defining the public interest and welfare may be due to the fact that the "public" is diverse, with varying perspectives of what constitutes its interest and welfare. In this case, a farmer who has experienced great financial difficulty in recent years would most certainly have a different perspective of the public interest and welfare than would a recipient of the services provided by the Department of Social Services. That is not to say that either perspective is wrong. There may well be members of the public who will be adversely affected by any increase in taxes attributable to a wage increase to social workers. However, social workers are entitled to a fair wage increase as determined by the statutory criteria.


The undersigned recognizes the fact that the increase being sought by the Association is somewhat higher than the settlements generally being negotiated in comparable counties. Those increases for 1987 are slightly more than 3% in wages, while the Association's final offer for 1987 is 6½% (at a cost of 5.05% in 1987) and 3% in 1988. While the Association's offer for 1987 is approximately 3½% above the pattern of settlements, the County's offer is 3% below the pattern of settlements. It is unlikely that the Association's offer of 3% for 1988 will result in any substantial catch-up. Considering the fact that the Social Worker III, the most populous classification, is paid significantly less than its counterparts in comparable counties, an increase of the magnitude sought by the Association is to be preferred over no increase in 1987 and 3% in 1988.

Therefore, based on the above facts and discussion thereon, and after consideration being given to the statutory criteria, the undersigned renders the following

AWARD

1. That the 1987-88 collective bargaining agreement incorporate the Association's final offer.

2. That the 1987-88 collective bargaining agreement incorporate any and all stipulations entered into by the parties as well as the language contained in the preceding agreement that was not changed.


Neil M. Gundermann, Mediator/Arbitrator

Dated this 12 day
of August, 1987 at
Madison, Wisconsin.