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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

* * * * *

* In the Matter of the Petition of *
 * LOCAL 5068, AFT, AFL-CIO, Council *
 * of Nurses *
 * and Case 215 *
 * No. 41246 *
 * INT/ARB-5055 *
 * MANITOWOC COUNTY, WISCONSIN (Public *
 * Health Nursing and Health Care Center) Decision No. 25826-A *
 * Joint Petition to Initiate Arbitration *
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APPEARANCES

On Behalf of the County: Mark Hazelbaker, Corporation
Counsel

On Behalf of the Union: Bob Russell, Wisconsin Federation
of Nurses and Health Professionals,
AFT, AFL-CIO

I. BACKGROUND

The Council has represented the registered nurses of the Manitowoc County Public Health Nursing Department since 1983. The Health Care Center's registered nurses were accreted to the local union as a second bargaining unit in May, 1988. This proceeding represents the first opportunity the Health Care Center's nurses have had to utilize binding interest arbitration.

On October 3, 1988, the Parties met and exchanged their initial proposals on matters to be included in a new collective bargaining agreement to succeed the agreement which would expire on December 31, 1988. Thereafter, the

Parties met on two occasions in efforts to reach an accord on a new collective bargaining agreement. These sessions resulted in resolution of all issues except wages. On November 2, 1989, the Parties filed a Joint Stipulation for Mediation - Arbitration pursuant to s. 111.70(4)(cm) 6., Wis. Stats. The Parties attached to the petition their preliminary final offers.

Subsequent to filing the petition, Manitowoc County amended its offer from a five percent increase to a six percent increase. The County also proposed to the Union that the changes in the collective bargaining agreement already agreed upon as well as the County's wage proposal be implemented as an interim agreement effective November 15, 1988. The Parties would then continue to negotiate the issue of whether any further increase should be granted.

The Union agreed and an Interim Agreement was prepared and ratified by the Parties. Pursuant to that Interim Agreement, the employees of the unit have been granted miscellaneous changes in wages, hours and conditions of labor as well as a six percent wage increase.

On December 13, 1988, the Parties met with Sharon Gallagher Dobish, who was appointed as an impartial mediator by the Wisconsin Employment Relations Commission to attempt to resolve the instant dispute. Mediation efforts were unsuccessful, resulting in the Parties submitting final offers.

On December 23, 1988, the Wisconsin Employment Relations Commission issued an order requiring the Parties to select an Arbitrator. The Parties struck alternately from a list of five arbitrators, resulting in selection of the undersigned as Arbitrator. The Wisconsin Employment Relations Commission appointed him as Arbitrator January 5, 1989.

By letter dated March 9, the Parties stipulated:

STIPULATION REGARDING INTEREST ARBITRATION BETWEEN
MANITOWOC COUNTY, WISCONSIN AND LOCAL 5068, AFT,
AFL-CIO COUNCIL OF NURSES

1. This agreement is made by and between Manitowoc County, Wisconsin through its Personnel Director, Mark Hazelbaker, hereinafter, "County," and Local 5068, AFT, AFL-CIO, Council of Nurses, hereinafter "Council."

2. Pursuant to s. 111.70 (4) (cm) 7. b., Wis. Stats., the County and the Council hereby stipulate that the sole issue to be decided by the Arbitrator is which of the wage offers of the Parties is more reasonable based on the criteria contained in s. 111.70 (4) (cm) 7., Wis. Stats. The Parties agree that any of the criteria contained in that statute may be argued by either party, but that arguments shall be limited to wages only, not total compensation.

3. The Parties further stipulate that the comparable employers in this proceeding shall be:

Calumet County	Washington County	Holy Family Hospital
Fond du Lac County	Door County	Manitowoc Memorial
Sheboygan County	Outagamie County	

The arbitration hearing was scheduled for March 29, 1988. At that hearing, the Parties failed to authorize the Arbitrator to mediate the dispute. The Parties presented evidence and oral arguments and the record was closed as of the day of the hearing. The Parties also stipulated:

- a. That the patient census at the Manitowoc County Health Care Center has been negatively impacted by a shortage of professional nurses.
- b. That the job responsibilities of the nurses employed by the Employers selected as comparables are equivalent to the job responsibilities of the nurses employed by Manitowoc County.
- c. That this contract involves some need for Manitowoc County to grant catch-up raises to remain competitive in the labor market for nurses.

II. FINAL OFFERS

The dispute between the Parties is expressly limited to which of the two wage offers is more reasonable under s. 111.70 (4) (cm) 7., Wis. Stats. Under the interim agreement already executed and implemented, wages increased by six percent November 15, 1988 over the rates contained in the 1988 collective bargaining agreement.

The County's final offer calls for no increase beyond the six percent already granted as of November 15, 1988 for 1989 and a six percent increase to all pay steps for 1990.

The Union's final offer calls for an increase of an additional three percent to all classifications on April 1, 1989 and October 1, 1989 and an increase of 6 percent on January 1, 1990.

As the Parties agree that wages for 1990 should be increased by six percent, the only issue is as to 1989.

III. ARGUMENTS OF THE PARTIES (SUMMARY)

A. The Employer

The Employer recognizes there is a shortage of nurses and recognizes there is a need for catch-up in this bargaining unit. However, in view of a number of other factors, they believe their offer is reasonable. They ask the Arbitrator to consider that (1) Local 1288 representing Clerical Aides, Housekeeping and Maintenance employees at the Health Care Center agreed to a wage freeze in 1988-89. (2) The Health Care Center lost \$250,000 in 1988 and has a larger loss (\$350,000) projected in 1989 based on the Employer's final offer. (3) Salary isn't the only consideration in a nurse selecting what type of health care area she will choose to work in. (4) The area farming economy is generally declining. (5) Their offer exceeds the cost of living. (6) They have not had a particular problem in retaining nurses. The Employer would like to do more for the nurses but the economic realities dictate that they can't. They must balance the economics of doing more with need to keep the Health Care Center viable.

B. The Union

The Union believes their offer, which calls for an additional 3% on 4-1-89 and another 3% on 10-1-89 over and above the Employer's offer, is justified. The cost of these split increases is 9% or 3% over the Employer's offer in 1989. They ask the Arbitrator to consider that (1) a shortage of nurses caused a census cap at the Health Care Center. Thus,

they argue it is in the interest and welfare of the public to pay a more competitive wage to alleviate this shortage by attracting and retaining nurses. (2) Under the County's offer the maximum rate in Manitowoc will be \$.71 less per hour than the average and will be only \$.04 more than the average under the Union's offer for public health nurses. Under the Union's offer, health care nurses will still be behind the average by \$.26 per hour. (3) Nurses in Sheboygan County got a 10.3% catch-up increase from 1988 to 1989. (4) The two Psychiatric nurses in the County got a 11 and 9% increase respectively and are paid more for comparable work. Social workers and maintenance workers also get paid more. (5) The economy in Manitowoc is improving.

IV. DISCUSSION AND OPINION

There is little doubt that there is a shortage of Registered Nurses across the State of Wisconsin and the nation as a whole. This shortage has had a direct effect on this Employer at the Health Care Center where a census cap was imposed in September 1988 due to a shortage of RN's. Although the census cap is presently lifted there are still unfilled vacancies. It is also apparent that the shortage of nurses poses more of a problem at the Health Care Center than in the Public Health Department.

The shortage of nurses is only one consideration in determining whether the bargaining unit needs an additional 3% in 1989 and the additional lift it would give them. The Employer has appropriately pointed out some of the other

factors that need to be addressed, balanced and weighed. It also must be considered that the nursing shortage is a long-term nationwide problem and the amount of money paid to RN's in Manitowoc is not going to alleviate the overall shortage.

It is also true that money is only one of many reasons a nurse might choose to or not to work at the Health Care Center or in the Public Health Department. You couldn't pay some nurses enough to work at the Health Care Center and on the other hand, there are those who would continue their dedication at the center for even less money. In short, while important, salary isn't the sole determinant in the attraction and retention of nurses. Yet, it may tend to be more of a factor in a critical shortage. People may tend to focus more on money as a satisfier and motivator when the competition for nurses gets as keen as it is.

Truly, the wage levels for RN's employed by Manitowoc County must be reasonably competitive. Particularly, the wage levels must be reasonably competitive in the local labor market because if a nurse is likely to leave the county they would most likely be attracted to one of the local health care institutions as opposed to one of the neighboring counties or cities.

It is clear that there are wage disparities between Manitowoc and both the local hospitals. There are also wage disparities in the rates paid nurses in Manitowoc and those in neighboring counties. However, it is very significant that the wage rate disparity is much greater between Manitowoc

County and the local hospitals. This is likely to intensify the effect of the nursing shortage on the Employer.

The degree and extent of these disparities must be weighed against the other relevant considerations to determine if the nurses are deserving of the additional catch-up proposed by the Union. Even accepting the counties' data, which shows somewhat less of a disparity than the Union's data, the disparity is rather dramatic. The Arbitrator has focused on the institutional RN's since the shortage affects the Country more there, since the disparity is greater, since there are more nurses employed in this category and since the competition for these nurses is greatest.

The maximum average rate in all the comparables is \$12.74. Under the Employer's offer of \$11.94, the nurses would be \$.80 per hour or 6.7% behind. Based on a full-time work year of 2080 hours, this represents an annual difference of \$1664, a monthly difference of \$138 and a weekly difference of \$32. The Union's offer as of 10-1-89 would bring them within \$.07 per hour or within \$145 per year, \$12 per month and \$2.27 per week.

This militates in favor of the additional catch-up under the Union's offer. The disparity is even greater when looking at RN wages at the other two local hospitals. Holy Family pays its non-Union RN's \$14.65. Manitowoc Memorial is organized and up until September 1989 will pay its RN's \$12.70. Their collective bargaining agreement expires in September and it isn't unlikely that an increase will be negotiated since they face the same competition for nurses as everyone else. This is

important to keep in mind since even if the Union's offer is accepted their catch-up to the local market will be short-lived. They will be barely "keeping up" under the Union offer and the likelihood of even bigger disparities after negotiations at Memorial under the Employer's offer is great. Even with a 5% increase at Memorial, their present rate of \$12.70 will increase to \$13.34 per hour, a \$1.40 per hour increase or 11.7% more than the Employer's offer. This represents approximately \$3,000 dollars per year more at Memorial. The difference is even greater at Holy Family.

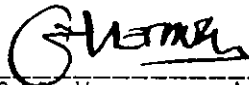
It is apparent that the Employer won't be able to reasonably compete in the local labor market for nurses at the level of its final offer and without the additional 3% catch-up under the Union's final offer. It will be difficult for them to retain the RN's they have if the two other local institutions pay full-time nurses between \$3,000 (Memorial) and \$5,600 (Holy Family) more per year.

The economic circumstances, including the fact that other employees took a freeze does weigh in favor of the Employer's offer. However, the additional monies under the Union's offer, a total of \$16,000, is a small portion of the projected deficit and the nurses' situation is clearly distinguished from other employees. Moreover, the deficit could increase even more if there was a even small exodus of nurses since a census cap might have to be imposed again. A census cap would probably lead to reduced revenues, probably adding to the deficit. Reasonably viewed, there is probably less risk to the economic future of

the center by granting catch-up than there is in not granting it. Plainly, the center can't be run without RN's and the greater disparities in the local market strongly suggest harm would come to the interest and welfare of the public if wage rates were as low as they are under the County's offer. Even under the Union's offer nurses at the Health Care Center will be behind the local market, especially after the negotiations in September at Memorial.

AWARD

The final offer of the Union is accepted.



Gil Vernon, Arbitrator

Dated this 22nd day of May, 1989 in Eau Claire, Wisconsin.