

BEFORE THE ARBITRATOR

ROSE MARIE BARON

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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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In the Matter of the Petition of

SHEBOYGAN COUNTY ASSOCIATION OF SOCIAL WORKERS

Case No. 131

No. 44819 ---

To Initiate Arbitration Between  
Said Petitioner and

INT/ARB-5819

Decision No. 26775-A

SHEBOYGAN COUNTY (DEPARTMENT OF HUMAN SERVICES)  
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APPEARANCES:

On behalf of the Sheboygan Association of Social Workers, Thomas E. Lengyel, Ph.D., Secretary; James Cameron Coleman, President; John N. Gunderson, Esq., Chase, Olsen, Kloet & Gunderson.

On behalf of Sheboygan County, Alexander Hopp, Esq., Corporation Counsel.

I. BACKGROUND

Sheboygan County, a municipal employer, (hereinafter referred to as the "County" or the "Employer"), and the Sheboygan County Association of Social Workers (the "Association"), representing social workers and a volunteer service coordinator employed by Sheboygan County in the Human Services Department, Division of Social Services, have previously been parties to collective bargaining agreements, the latest covering the period from January 1, 1989 to December 31, 1990 (Association Ex. 2; County Ex. L).

Negotiations for the 1991-1992 contract began on May 22, 1990 when the Association notified the County of its interest in opening negotiations. The parties exchanged their initial proposals on June 20, 1990 and met on six occasions. During the course of negotiations the parties reached tentative agreement on a number of items (Association Ex. 18). On November 16, 1990, the Association filed a petition with the Wisconsin Employment Relations Commission to initiate arbitration pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Relations Act. Subsequent intervention by the Commission's staff resulted in a finding that the parties were deadlocked in their negotiations and that an impasse existed. An order requiring final and binding arbitration was issued on February 5, 1991. The parties selected the undersigned from a panel of arbitrators; an order of appointment was issued by the Commission on February 27, 1991. Hearing in the matter was held on April 17, 1991 in the Law Enforcement Department of Sheyboygan County. No transcript of the proceedings was made. At the hearing the parties had opportunity to present evidence and testimony and to cross-examine witnesses. Briefs were submitted by the parties according to an agreed-upon schedule.

II. ISSUE

The parties have resolved all but one issue through collective bargaining, i.e., the issue of the wage increase for each of the two years of the agreement.

The final offers of each of the parties for across-the-board increases are as follows:

<u>Effective Date</u>	<u>Association</u>	<u>County</u>
January 1, 1991	6.5%	5.0%
January 1, 1992	6.0%	5.0%

The Association has indicated that the same percentages apply to Dale Deitte and Carol Garnett and that the increase applies to each step on the salary range.

III. STATUTORY CRITERIA

The parties have not established a procedure for resolving an impasse over terms of a collective bargaining agreement and have agreed to binding interest arbitration pursuant to Sec. 111.70, Wis. Stats. In determining which final offer to accept, the arbitrator is to consider the factors enumerated in Sec. 111.70(4)(cm)7:

7. Factors considered. In making any decision under the arbitration procedures authorized by this paragraph, the 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 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.
- e. Comparison of the 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 generally in public employment in the same community and in comparable communities.
- f. Comparison of the 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 in private employment in the same community and in comparable communities.

g. The average consumer prices for goods and services, commonly known as the cost-of-living.

h. The overall compensation presently received by the municipal employes, 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.

i. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

j. 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.

IV. POSITIONS OF THE PARTIES AND DISCUSSION

In this section the positions of the Association and the County on the issue in dispute will be summarized and discussed by the arbitrator.

A. Comparables

**The County**

The County introduced several exhibits for purposes of wage comparison under Section 7(d), i.e., with "other employes performing similar services." These included social worker positions at Sheboygan County Institutions (Ex. S), Non-County private agencies, i.e., Children's Service Society, Lutheran Social Services, Family Service Association, and Catholic Social Services (Ex. T), and state-wide social worker wage comparisons for three years, 1990, 1991, and 1992 (Ex. U, V, W). The arbitrator notes that Manitowoc County, one of the eleven counties in the Association's comparables, does not appear in these three exhibits.

Data regarding 7(e), "...other employes generally in public employment in the same community and in comparable communities." were also submitted by the County. Exhibit Y provides percentage increase to base wages (ATB) derived from settlements reached with other Sheboygan County bargaining units for 1989, 1990, 1991, and 1992. Exhibit Z provides 1990 and 1991 percent wage increments for the City of Sheboygan non-represented and represented employees.

The Employer has also provided data pursuant to Criterion 7(f), "...other employes in private employment in the same community and comparable communities." Exhibit AA consists of data submitted to the Employers Resource Council by six anonymous private sector employers as well as information on the Kohler Company's 1990 wage settlement.

**The Association**

The Association has provided data from three sets of county-employed social workers in social service departments. The first group consists of all counties contiguous to Sheboygan County: Calumet, Fond du Lac, Manitowoc,

Ozaukee, and Washington. The second comparable group consists of all counties in the state whose population is within 20% of Sheboygan County: Eau Claire, Fond du Lac, Kenosha, La Crosse, Manitowoc, Marathon, and Washington. The third group is made up those counties in the first group, plus Outagamie and Winnebago Counties, following Arbitrator Neil Gunderman's 1987 arbitration award (Association Ex. 20).

The Association urges the arbitrator to reject the cross-county comparables proposed by the County in its Exhibits U, V, and W based upon the methodology of their selection, i.e., these were the only counties that responded to a survey by Sheboygan County. The Association further objects to the inclusion of private social service agencies as comparables (County Ex. T) for several reasons among which is the exclusion of other local agencies and the failure to provide details, i.e., the number of workers represented. The reliance on County institution social workers for internal comparability is also challenged since these positions are classified as management; in addition, other county agencies have not been included herein.

#### **Discussion and Findings**

Although the County has submitted extensive data regarding comparability (much of which is challenged by the Association), it has not disputed the Association's comparables, i.e., the eleven counties cited in Association Ex. 22, p. 15. In fact, the County has utilized these eleven counties in making its legal argument in its brief and in the accompanying graphs and tables, see e.g., County Brief, page 6, "To assist the Arbitrator in this analysis, Sheboygan County has taken the 11 labor contracts submitted by the Association and compared the wages plus longevity pay provisions."

While each party has presented a different methodology of comparing social worker salaries, i.e., the Association rejects the "benchmark" analysis and proposes a Career Gross Earnings Index while the County utilizes a wage plus longevity formula, there is no question that each has relied on the same eleven counties for external comparability. The arbitrator, therefore, adopts these counties for analysis under Sec. 7(d):

Calumet, Eau Claire, Fond du Lac, Kenosha, La Crosse, Manitowoc,  
Marathon, Outagamie, Ozaukee, Washington, Winnebago

Discussion of comparability with other employees in municipal employment, Sec. 7(e), and in the private sector, Sec. 7(f), will be addressed below.

B. Statutory criteria: Factors to be considered in selecting a final offer

**Sec. 7(a) The lawful authority of the municipal employer.**  
**Sec. 7(b) Stipulations of the parties.**

The lawful authority of the municipal employer is not in issue in this case, nor does it appear that the economic impact of the parties' stipulations are of sufficient magnitude to require any weight in the final decision.

**Sec. 7(d) 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.**

As indicated earlier, the eleven comparable communities initially proposed by the Association and utilized by the County in its brief have been adopted by the arbitrator. These are: Calumet, Eau Claire, Fond du Lac, Kenosha, La Crosse, Manitowoc, Marathon, Outagamie, Ozaukee, Washington, and Winnebago.

#### **The County**

Sheboygan County has taken the eleven labor contracts of the comparable counties and have compared the wages plus longevity pay provisions, i.e., total wages. For 1991 and 1992, a 4% "assumed" increase where no increase has been agreed upon has been added to keep the comparison from distortion. These data are presented in the form of bar graphs for several job classification and years of service which are appended to the County's brief. In addition tables are presented showing annualization of wages for 1990 (Data-Page 1), Projected Annualized Wages for 1991 (Data-Page 2), Projected Annualized Wages for 1992 (Data-Page 3) which show what current employees would make in each County using the Association's comparable County hourly and longevity base rates, Sheboygan employee job class, and time in service for each respective year. Also provided in Data-Pages 4, 5, 6, and 7 are the figures which were used to develop the Annualization of Wages material i.e., hourly rates, longevity impact in each county.

A section on comparisons of fringe benefits is also included: sick leave, insurance, retirement, reclassification/promotion, vacations, paid holidays, and longevity benefits.

The County points out that in addition to across-the-board increases in Sheboygan County, employees are allowed both automatic horizontal and vertical progression. It is claimed that contrary to the unlimited opportunity of Sheboygan County social workers for progression, some of the other counties have no such opportunity per contract, i.e., only a limited number of Class 2 or 3 positions are available.

#### **The Association**

The Association has submitted extensive documentation on this criterion which proposes a non-traditional method of comparing social worker salaries across counties. This approach was developed because of significant differences and lack of uniformity among the counties' classifications, wage progression scales, length of work week, access to senior social worker positions, etc. A benchmark analysis, the Association argues "...yields uneven comparisons which are hard to interpret and ranking of more than two counties using benchmarks is so complex and cumbersome as to be incomprehensible to all but the most skilled actuaries." (Association Ex. 22, 3-11).

The method used by the Association, the Dual Career Gross Earnings Index (GEI), follows a junior social worker starting at entry level and observes his earnings over a 60 month period. It is assumed that he takes advantage of all available opportunities for advancement at the earliest time. A senior level social worker, starting at the entry step of that classification, is also observed as he advances over a 60-month period. The senior track is defined as the highest social worker classification attainable without a Master's degree. The 60-month gross earnings of the junior track and the senior track are added

together to give an index of the economic rewards available in each county.

The Association's analysis for 1989 (Association Ex. 22, 3-19) and for 1990 (3-45) show the ranking of Sheboygan and the eleven comparable counties as measured by a five-year gross earnings index. In 1989, the combined gross for junior and senior track social workers in Sheboygan was \$219,872.25, the lowest of the comparables. In 1990, Sheboygan was again the lowest with a total of \$228,657.

The Association has also provided extensive data comparing Sheboygan County with Manitowoc County, which is contiguous, of similar size, and whose social service department provides many of the same services (Sheboygan County provides some additional services which Manitowoc does not) (Association Ex.23). The Association argues that the two counties, which share so many similar demographic, economic, and human service delivery systems, differ in a significant respect. That is, the social workers in Sheboygan County receive financial compensation significantly less than those in Manitowoc. The Association states that it had originally intended to argue for compensation equal to Manitowoc's, but have instead decided to accept less and advance slowly to the mean of their peer group.

#### Discussion

The arbitrator's task in comparing the wages, hours and conditions of employment of the Sheboygan County social workers with those of the eleven comparable communities is a complex one. As the Association has noted, a traditional benchmark analysis is difficult, if not impossible, because of the vast differences in the structure of the departments as well as the lack of uniformity in progression. The Association has submitted an intricate methodology which it believes makes a valid comparison possible. Although the County has not actually challenged the Association's GEI assumptions, it has not relied upon these data but has devised its own analysis, making certain assumptions which compare wages at various classifications and time periods which are shown in tables and graphs.

The arbitrator finds that because of the disparate set of measurements it is not possible to harmonize the data and arrive at the kind of result that a benchmark analysis would provide. Thus, the arbitrator must look at the underlying information which the parties provided in both their exhibits and their briefs and attempt to determine which of their final offers is the more reasonable. In so doing, the arbitrator specifically makes no finding as to the validity of the methodologies utilized by either party. In the analysis which follows the arbitrator will first examine the wages for certain classifications at selected specific times (taken from data provided by both parties) to determine how Sheboygan County wages deviate from the median of the comparables. Even though discrepancies exist in the dollar amounts provided by the parties, it is expected that a pattern will be demonstrated. The use of the median as the measure of centrality, as opposed to the arithmetic mean, minimizes the effect of extreme highs and lows by selecting as the average the figure in the exact middle of the range. Second, the arbitrator will consider the rank order of wages in the comparables using 1990 as the baseline and the assumptions for 1991 and 1992 based upon the County's and the Association's proposed wage data.

The tables below represent a comparison of senior and junior social worker wages at the entry level and at the five year level for the year 1990.

TABLE I

COUNTY DATA (BASE RATE PLUS LONGEVITY)\*  
1990

	<u>Time</u>	<u>11-County Median</u>	<u>Sheboygan**</u>	<u>Difference</u>
<u>Social Worker 3</u>	5	14.37	12.43	-1.94
	0	13.76	11.35	-2.41
<u>Social Worker 2</u>	5	12.97	11.28	-1.69
	0	12.35	10.37	-1.98
<u>Social Worker 1</u>	0	11.19	9.95	-1.24

\*Comparable County Data taken from County Brief, Data-Page 4

\*\*Sheboygan Data taken from Brief, Data-Page 4, Column "Full 1990 Rate"

TABLE II

ASSOCIATION DATA (JUNIOR AND SENIOR SOCIAL WORK TRACKS)\*  
1990

<u>Sr. Social Worker</u>	61 mo.	14.45	13.61	-0.84
	1 mo.	12.30	11.17	-1.13
<u>Jr. Social Worker</u>	61 mo.	13.13	12.78	-0.35
	1 mo.	10.00	9.85	-0.15

\*Junior Social Worker Data taken from Exhibit 22, 3-73; Senior Social Worker Data from Exhibit 22, 3-75.

Inspection of the tables above reveals the basic problem with a comparison of numerical data arising out of two distinct methodologies. First, there is no consistency in classifications and second each party has made differing assumptions as to what constitutes the hourly wage, i.e., the County has added base rate and longevity, the Association has utilized its career progression tables which encompass different variables. What is apparent, however, is a pattern which reveals that at every classification and point in time reviewed, Sheboygan County's wages are lower than the comparables. Surprisingly, the County's data show an even greater deviation from the median than the Association in both entry and five-year levels.

The problems of statistical analysis in this case become even more complex when one attempts to make assumptions regarding wage increases for 1991 and 1992, i.e., the effect of the County's 5% and 5% and the Association's 6.5% and 6% on an unresolved base and indeterminate increases for some of the comparable bargaining units. However, it is instructive to review some of the bar graphs submitted by the County when attempting to determine a pattern. The County has indicated that for years 1991 and 1992 it has included a 4% increment where no agreement has been reached.

The graph representing Job Class 1/0 years, shows that Sheboygan's annual wage for 1990, 1991, and 1992 are the lowest of the comparables. Job Class 2/0 years presents the same picture, with Sheboygan the lowest for the three years. Job Class 2 at 5 years again illustrates Sheboygan as the lowest for the three years. Only in Job Class 3 at 0 years is there movement, i.e.,

1990 at the lowest, but 1991 and 1992 moving up ahead of Fond du Lac County to become second lowest. However, for Job Class 3 at 5 years, Sheboygan's annual wage for all three years is slightly lower than Fond du Lac, placing it in the lowest category of the comparables.

The Association has argued that it has historically been "in the basement" and that it is not satisfied with that position. In a previous arbitration the Association was successful in gaining a settlement in excess of the pattern of the comparables. In 1989, a wage progression scale was agreed to which also brought an increase above the comparables. However, even with that increase, the Association contends that in 1989, Sheboygan County was 17.6% lower than contiguous counties and in 1990 it was 6.8% lower. In comparable size counties it was 19.1% lower in 1989 and 13.1% lower in 1990. The Association believes that the instant arbitration should continue the pattern of catch-up which would support the principle of equal pay for equal work.

The County argues against a catch-up for the same reasons, i.e., it claims that the Association has done well in its previous bargaining, better than any other employee group in Sheboygan County, and that its wrap-up, compounding, and cumulative benefits makes catch-up "unthinkable."

In further support of its position the Association compares itself with the adjacent county of Manitowoc. The supporting data regarding population, per capita income, tax rate, etc. contained in Association Ex. 23 affirm the similarities of the two Counties. Of particular relevance is Exhibit 32 which shows how large a percentage increase from the 1990 base Sheboygan would need to match Manitowoc. Thus, the Association has concluded that it will not attempt to argue for compensation equal to that of Manitowoc social workers. Rather, it will attempt to advance itself in small increments towards the mean of their peer group.

Although the County has submitted some data on settlements reached in other Wisconsin counties, the arbitrator finds that since so few of the comparable counties are included, there can be no weight given as far as a pattern of settlements is concerned.

The most compelling argument advanced by the Association is that regarding the historical placement of Sheboygan at the lowest position of the rankings of social service departments among the comparables. Particularly convincing is the comparison with Manitowoc County which not only shares a common border but has a shared identity in terms of actual service rendered to the communities. The efforts of the Association to gradually approximate their wages to that of Manitowoc, in what is essentially the same labor market, is deemed to be reasonable.

It is the conclusion of the arbitrator that under statutory criterion d, comparing Sheboygan County social workers with social workers in the eleven comparables counties, that the Association offer is the more reasonable.

**Sec. 7(e) Comparison of the 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 generally in public employment in the same community and in comparable communities.**

#### **The County**

The County asserts that in previous bargaining, i.e., 1989 and 1990, the Association has done better than any employee group in Sheboygan County and the City of Sheboygan. In 1989 the social workers received a 6.0% increase



compared to other county units approximately 3.5%; in 1990 they received a 4.0% increase which approximated the other units County Ex. Y). For 1990, City bargaining units received increases of 1% to 3% (County Ex. Z). The County also points to the adoption in the last negotiations of an automatic progressive wage schedule and its accompanying benefits. Thus, the County concludes, its offer is in keeping with the best of settlements of other County employees and should therefore be considered a factor in favor of the County's final offer.

#### **The Association**

The Association argues that merely comparing percentage increments received by other County bargaining units with the Association's final offer is not equitable since wages among the units are significantly different. It cites an award of Arbitrator Howard Bellman for the proposition that "internal" comparability (within-county comparability) of percent increases ignores the fact that various categories of employees are already at differing wage levels. Further, to focus on uniformity among various units ignores the difference among labor markets, e.g., nurses vs highway workers.

The Association contends that the County's comparison of Association members to other County social workers is flawed since the social work positions in the County institutions are classified as management (County Ex. S). Both County Exhibit Y (County bargaining units and non-represented employees) and Exhibit Z (City of Sheboygan settlements) provide only percentage settlements and therefore are not useful for purposes of comparison.

#### **Discussion**

The difficulty with internal comparisons has been well-stated in the citation from the Bellman Wasushara award (3/14/90). The data submitted by the County does not include sufficient information regarding wage rates in the individual bargaining units for purposes of comparison. For example, Institution Nurses received a 5% increase in 1991 and 1992, the amount the County is offering to the social workers for the same years. What is unknown is how the hourly rate of the nurses compares with that of the social workers. Without this data one cannot reach any conclusion as to the equity of the final offer. A second point is that there is no information on any of the other bargaining units as to how or whether employees progress to higher classifications.

A concern of arbitrators in internal comparability is the difference in the occupational make-up of the units under consideration. In considering a unit of social services employees in Trempealeau County (Decision No. 26389A-A, 12/13/90), Arbitrator Morris Slavney followed an earlier analysis by Arbitrator Fredrick Kessler. Kessler had held that courthouse employees were "white collar" whereas highway department unit employees consisted primarily of "blue collar" employees. Slavney concluded that the internal comparison should be of "white collar" with "white collar." Following that logic in the instant case, the appropriate comparison would be with county and/or city professional employees. In neither instance, however, is there sufficient data regarding the nature of the duties or the remuneration of such employees for a meaningful analysis.

Arbitrator Bellman's final point relates to the essence of separate bargaining units, i.e., the unique quality of each and every unit. While the County's desire for uniformity in its settlements with its seven bargaining units and non-represented employees is understandable, the arbitrator does not feel that this factor is controlling. The community of interest in a unit of

social workers is different from that of a highway department, law enforcement department, or other bargaining units. Each unit uses the collective bargaining process to achieve the specific goals of its members to the best of its abilities. Even here, after impasse at the bargaining table, the arbitrator must examine the final offers of the parties in the same light and avoid the temptation to blur the unique aspects of this bargaining unit.

The arbitrator is, of course, mindful of the statutory provision that weight is to be given to a comparison of the wages, hours and conditions of employment of the employees in the arbitration proceeding, i.e., the social workers, with other employees generally in public employment in the same community and in comparable communities. In the instant case comparable data on wage settlements in the county and city have been provided. It is the arbitrator's opinion that a comparison of the increments negotiated with the other bargaining units with that proposed by the social workers would be more persuasive if the County were asserting an inability to pay [see discussion below on criterion (c)]. This, however, is not the case. The disparate nature of the occupational groups leads the arbitrator to conclude that this factor is not sufficiently relevant to be accorded weight in determining which of the parties' final offers is the more reasonable. It is the arbitrator's holding, therefore, that the internal comparisons with bargaining units in Sheboygan County and the City of Sheboygan are not compelling factors when considering the parties' final offers.

**Sec. 7(f) Comparison of the 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 in private employment in the same community and in comparable communities.**

#### **The County**

The County has provided hourly wage data for four private social service agencies in the local area: Children's Service Society, Lutheran Social Services, Family Service Association, and Catholic Social Services (County Ex. T). In addition, data on settlements of six unidentified companies and the Kohler Company are presented in County Ex. AA. The former documents indicate increments in diverse ways, i.e., dollars/cents, percentages, and minimum hiring rate. The Kohler increment data is reflected in cents per hour, plus an added 2% for each of four years for skilled workers, etc.

The County's position is that wage increases in the private sector are generally below 5%, thus less than the 5% proposed by the County and far less than the Association's 6.5% and 6.0% proposal. It contends that this factor supports the County's position and that its offer is reasonable and should be adopted.

#### **The Association**

The Association challenges the use of the four private social service agencies for comparison since there is no indication as to how they were selected since other private agencies in the local area were not included. The data are not individually identified as to agency nor does the table indicate the number of workers represented.

#### **Discussion**

The data submitted by the County for the six unidentified companies are insufficient for purposes of comparison and will be given no weight. The settlement reached by the Kohler Company fails to provide any baseline data regarding wages for comparison purposes. In addition, the employees of the

Kohler Company bargaining unit represent skilled and semi-skilled manufacturing workers whose skills, education, and responsibilities differ significantly from those of professional social service employees at issue herein. Since these employees do not share a community of interest, other than a desire to be well-compensated for their work, the arbitrator concludes that no basis exists for a meaningful comparison. The information on private social service agencies is deficient on two grounds, i.e., it does not represent the totality of local private agencies and it does not provide comparative data on job descriptions, educational requirements, progression, etc.

These data, therefore, will not be given weight in reaching a determination on the parties' final offers.

**Sec. 7(g) The average consumer prices for goods and services, commonly known as the cost-of-living.**

#### **The County**

The County has provided information on the cost of living in its Exhibit BB (Dept. of Labor CPI, 4.7% based on Jan. and Feb. 1991 figures); Exhibit CC, Labor Trends newsletters dated Feb. 23, 1991 (January CPI annualized at 4.8%), March 9, 1991 (no CPI data), September 15, 1990 (4.5%), November 3, 1990 (inflation rate for 1990 in the 6.5%-7% range, cool down next year to 4.5%); Milwaukee Sentinel article, April 15, 1991 (official inflation rate in 1991, 3.5%).

It is the County's contention that no one is projecting that the cost-of-living will be in excess of 6% and that in total perspective the County's proposal is more realistic.

#### **The Association**

The Association asserts that the increase in the cost of living during 1990 should be reflected in an increase in wages in 1991 and that the estimated increase for 1991 be compensated in the settlement of 1992. For the first factor, the Association has provided the January 16, 1991 Consumer Price Indexes which shows data for 1990 (Association Ex. 25, 5-7). For nonmetro urban areas, North Central States/Size Class D (CI-W) the percent change from 1989 is 5.9.

The Association has provided projections of change in the CPI-W for 1991 based upon estimates of local brokers, i.e., anywhere from 4 to 5%; the Kiplinger Washington Letter projects a 3.5% rise in the CPI.

It is also contended that the pattern of agreements between the Association and the County over the past ten years has been for increases equal to or greater than the CPI and that pattern should continue. The Association's final offer would provide the employees with real wages closer to the documented increase in the CPI.

#### **Discussion**

The parties submitted their final offers on wages in January of 1991. It is the arbitrator's opinion that the relevant cost-of-living data for purposes of comparison for 1991 wages would be the percent increase derived from the twelve month period ending December 1990. This material is provided in Association Ex. 25, 5-7. The increase is 5.9%. For 1991 contract year, the County's offer is 0.9% less than the CPI while the Association's offer is 0.6% greater than the CPI.

The analysis for 1992 is somewhat more difficult to conduct since the 1991 cost-of-living increase (or decrease) can only be estimated. At the time of the arbitration hearing the parties submitted Department of Labor figures: Association Ex. 24, 5-11, Jan. 1991, 4.9% change; County Ex. BB, March 19, 1991, 4.7% change. In addition each party submitted several predictions made in business newsletters, newspapers, and by brokers. These range from from 3.5% to approximately 5%. The County's final offer for the second contract year is 5%; the Association's is 6%. It is obvious that the County's offer is closer to the estimated CPI, however, the arbitrator is of the opinion that such a comparison is far too hypothetical to yield a reliable result.

Thus for the limited weight which the arbitrator will apply to this factor, only the first year data will be considered. Under that approach, the offer of the Association is minimally more reasonable than that of the County.

**Sec. 7(h) The overall compensation presently received by the municipal employes, 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.**

#### **The County**

It is the County's position that its fringe benefits are very generous, that it supports training opportunities, and provides a flexible and positive work environment. Data are provided which show the range of benefits provided to social workers in the comparable communities, for example, longevity, sick leave, retirement, and holiday package.

#### **The Association**

The Association argues that its fringe benefits do not compensate for the deficit in wages since the County was not receptive to a trade off of benefits for wages during bargaining. A comparison with other counties would be complicated since some provide non-conventional fringe benefits. For example, Eau Claire pays for 250 hours of in-service training required for progression to a higher level position while Sheboygan County social workers must take graduate courses at their own expense in addition to in-service training in order to reach Social Worker III.

The Association also points out that their fringe benefits are identical to most of the other County workers. They have never been bargained for as compensation for low wages. It is also noted that the arbitrator ruled at hearing that data on health and dental insurance benefits were not admissible since all county employees negotiate such benefits in a separate bargaining process, exclusive of this procedure.

#### **Discussion**

The arbitrator confirms that data regarding health and dental insurance are excluded from these proceedings for the reason set forth by the Association. Inspection of the remaining tables of comparable data provided by the County shows how Sheboygan rates on fringe benefits. (It should be noted that the County relied on collective bargaining agreements submitted by the Association for its analysis; no fringe benefit data on Calumet County appears therein and Calumet County does not appear in any of the County's exhibits appended to its brief).

Sick Leave: Days earned range from 1 per month (7.4 to 8 hours), Sheboygan 7.5 hours; Accumulation ranges from 90 days to 120 days, Sheboygan 120 days; Payout at retirement ranges from 33% to 50% with variations,

Sheboygan pays at existing wage for all unused sick leave.

**Retirement:** The Counties pay their share of 6% plus employee's share of 6% to the Wisconsin Retirement Fund, Fond du Lac pays a maximum of \$63.50 toward employee's share; Sheboygan pays 100% of amount required (CBA, p. 11).

**Reclassification:** Varies between unlimited number of higher level positions, specific number of positions in each classification, and no reference in contract; Sheboygan has contractual eligibility criteria including experience and training requirements (CBA, p. 7).

**Vacation:** Except for the 6-month period where four counties offered vacation ranging from 5 to 10 days and Sheboygan offered 0 days, Sheboygan's vacation benefit either equalled or exceeded the comparables at all year intervals.

**Paid Holidays:** The comparables ranged from 9.5 days per year; Sheboygan offers 11.5 days.

**Longevity:** Six comparables offer longevity payments; formulas (per year vs. percentage of wage) for computation vary considerably as does the range. For example in counties utilizing dollars per year, after 5 years (6 in Fond du Lac), the range is \$.024 per hour to \$.12. In Sheboygan County after 5 years of service it is 2.5% of monthly base pay (based upon an assumed annual wage of \$24,102, \$.309 per hour in County's exhibit). Based upon this data, it appears that Sheboygan has a more generous longevity pay benefit than the comparables.

A summary of fringe benefits shows that Sheboygan leads its comparables in payout of accumulated sick leave at termination, number of vacation days, paid holidays and longevity pay. Greater opportunity for promotion exists since the number of higher level positions are not limited, however, this advantage may be balanced by the experiential and educational requirements. Contributions to the State Retirement Plan, days of sick leave earned, and number accumulated are consistent with the comparables. Thus it appears that the contention of the County is correct, i.e., Sheboygan's fringe benefit package is a good one.

Having concluded that the fringe benefit package is a good one, however, does not resolve the matter since the record is silent as to how this package was achieved. It is not known whether certain benefits were gained as a result of hard bargaining in past negotiations, whether trade-offs and compromises of other demands were made. The Association asserts that it has never sought to gain a good fringe benefits package in exchange for low wage, but no history exists to explain what, if any, quid pro quos took place. Further, it is the Association's contention that almost all County employees receive the same benefits. Thus it concludes that the County must also grant equal fringe benefits to this bargaining unit.

It should be noted that criterion 7(h) addresses not only fringe benefits, but also speaks to "overall compensation presently received by the municipal employees..." Thus, while it is true that the County's fringe benefits equal or exceed the county comparables, the very low ranking in terms of wages of Sheboygan social workers drastically reduces their "overall compensation." For that reason the arbitrator does not place any significant weight on the fringe benefits package, but rather views it as the status quo which the parties are not attempting to change during these negotiations.

**Sec. 7(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.**

**The County**

The County acknowledges that it has the ability to levy a tax on property to meet its financial obligations, however, it argues that how funds are expended is a matter of priorities. Of the eleven selected comparable counties, Sheboygan has the highest county-purpose property tax rate. It is claimed that the cost over 1990 rates of the Association's offer would be \$210,525 compared to the County's \$172,110, a difference of \$38,415. The County contends that it is "being asked to raise new taxes for this bargaining unit of 42 employees" and that most taxpayers who are to pay the bill for this pay raise would say that both offers are not acceptable. Thus the County believes that the interests and welfare of the public would be better served if the County's offer were accepted.

**The Association**

It is the Association's position that the County did not raise the issue of its ability to pay during bargaining and that at the arbitration hearing it conceded that ability to pay was not a factor in its offering a 5% increase for each of the two years of the new contract. Further, the Association points out that a surplus of over \$3 million in the 1990 budget was reported (Association Ex. 26) and that the Human Service Department, the agency in which Association members work, returned a surplus of over \$500,000 to the County General Fund (Association Ex. 27).

**Discussion**

There is no question that Sheboygan County is already taxing its citizens at a high rate, i.e., 16th out of 72 counties state-wide, and first of the eleven comparable counties. The evidence adduced clearly indicates that Sheboygan County's tax revenues and budget in the recent past were more than sufficient to cover the costs of the operation of the Human Services Department. The fact that there was a significant surplus returned to the County Fund, i.e., \$526,573, leads to the conclusion that it would not be necessary to raise the property tax to cover the additional direct cost of either the County's 1991-92 proposed final wage offer or that of the Association (the Association calculation is larger than that of the County, \$44,380.98 vs. \$38,416). Thus the arbitrator concludes that there is no inability to pay on the part of the County, but rather an unwillingness to acquiesce to one bargaining unit's demands for a percentage increase which it deems inappropriate.

As to whether it is in the interests and welfare of the public to select the County's lower final offer, one can assume that taxpayers will rarely be enthusiastic about increases in the cost of government. In spite of the County's assertion that the property tax is a "hot" political topic because of the public's resentment of its perceived oppressive burden on most property owners, Sheboygan taxpayers did not take the opportunity to speak out on the issue of a wage increase for social workers at a public hearing. In addressing this criteria, Arbitrator Frank Zeidler opined that it was a benefit to the public interest to meet the increased cost of the Stoughton Education Association because of the lagging rank in basic salaries with its comparables. He concluded that because of the need for catch-up the Association's offer could be considered as contributing to the public welfare. (Decision No. 26519-A; December 10, 1990). In the instant case the evidence

clearly shows that Sheboygan's social workers wages are significantly lower than the eleven comparable communities and catch-up is an important consideration.

Regarding this criterion, the arbitrator finds that Sheboygan County has the financial ability to meet the costs of the settlement proposed by the Association and that the interests and welfare of the public will be best served by offering social workers a wage that more closely approximates the wages of social workers in comparable communities.

**Sec. 7(i) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.**

This factor has not been a raised in the instant case.

**Sec. 7(j) 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 County**

The County believes that the law of the marketplace, i.e., the law of supply and demand, supports its position. It has had no problem in attracting skilled people to fill vacancies on the social work staff at its present level of wages and benefits. Any preference as to whether these employees should have social work degrees is a matter for management to determine.

A second factor to be considered is the effect that granting the pay raise proposed by the Association would have on the rest of the County employees. They will undoubtedly feel they deserve similar treatment and will not draw the fine distinction that the social workers believe justify their demands. The County asserts that setting a wage pattern is often a major concern of an employer.

**The Association**

The Association has not directly addressed this criterion.

**Discussion**

The record supports the County's contention that it has not had any difficulty filling vacancies in the social work division (testimony of Ann Wondergem, Manager, Division of Social Services). Ms. Wondergem stated that vacancies are first posted internally for five day, then if not filled, they are advertised. She noted that some of the applicants are not qualified for the position, however, she did not have any information on percentages. She testified "...since September 1989" they have had "...no problem getting qualified people."

Inspection of County Exhibit EE indicates that 27 employees have been employed by the County for more than five years. Of these, 15 have been employed between five and nine years, ten have been employed between ten and 20 years, and two for more than 25 years. These data show stability and continuity of employment, a plus factor for the County.

The second argument made by the County regarding its wish for a wage pattern among its collective bargaining units and the presumed negative effect on these units if the social workers receive a higher percent settlement is not persuasive. Following Arbitrator Bellman's logic discussed above, this arbitrator does not believe that all bargaining units have the same goals or strategies in collective bargaining. It is quite conceivable that one bargaining unit, depending on the age composition of its members, might trade off a portion of a wage increase for an improvement in retirement benefits or expanded payout of sick leave upon retirement. A bargaining unit primarily composed of employees in the child-bearing age and/or with young children might well have differing demands regarding parental leave, vacation, and personal days than would an older population. The arbitrator does not place a high value on uniformity of settlements since such an approach negates the very distinctions among bargaining units that create each one's separate community of interest.

In summary, the County has presented a factor traditionally taken into consideration in the determination of wages, hours, and conditions of employment in showing the ability of the employer to attract and retain qualified employees. That factor, therefore, will receive weight in the arbitrator's determination. The pattern of wage settlement argument is not deemed to be persuasive, and will not be considered in the final determination.

#### V. SUMMARY AND CONCLUSIONS

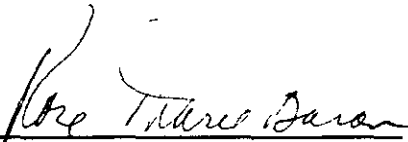
The arbitrator selected the eleven comparable communities proposed by the Association and acquiesced to by the County: Calumet, Eau Claire, Fond du Lac, Kenosha, La Crosse, Manitowoc, Marathon, Outagamie, Ozaukee, Washington and Winnebago counties. In evaluating the final wage offers the arbitrator has found that the factor compelling the greatest weight was the comparison of Sheboygan County social workers with their peers in these comparable counties. The comparison with Manitowoc County was found to be of great weight. These data yielded the finding that the Association's final offer was the more reasonable. No weight was accorded the comparisons with other Sheboygan County bargaining units, those of the City of Sheboygan, or the private sector. The criterion regarding the cost-of-living was given limited weight in the decision-making process and for this factor the offer of the Association was found to be minimally more reasonable. No significant weight was placed on the factor concerning fringe benefits since while Sheboygan has a good package, the very low rank it has in wages tends to negate the overall compensation received by the social workers. The arbitrator has found that the County has the ability to meet the costs of the Association's final offer and that the best interests of the public will be served by moving the social workers wages more closely to those earned by their peers. The County's argument regarding its ability to attract and retain employees at their present levels of remuneration was found to be a factor in its favor, however, no determinative weight was accorded to its wish to implement a similar pattern of percentage increases for all its bargaining units. The criteria favoring the Association's final offer outweigh those of the County's offer and the arbitrator therefore makes the following award:



VII. AWARD

The final offer of the Sheboygan County Association of Social Workers, along with the stipulations of the parties, shall be incorporated into the parties' written Collective Bargaining Agreement for the years 1991 and 1992.

Dated at Milwaukee, Wisconsin this 13<sup>th</sup> day of July, 1991.

  
Rose Marie Baron  
Rose Marie Baron, Arbitrator