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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

In the Matter of the Arbitration of the
Dispute Between the

Columbia County Employees' Union,
Local 2698-B, AFSCME, AFL-CIO
and

Columbia County (Courthouse
and Human Services)

WERC Case 175
No. 53575 INT/ARB 7847
Decision No. 28997-A

Appearances:

Mr. David White, Staff Representative, Wisconsin Council 40, AFSCME, AFL-CIO for the Union. Mr. Donald J. Peterson, Corporation Counsel, Columbia County, for the Employer.

Sworn Testimony was received from:

- Ms. Kathy Johnson, Columbia County Emergency Management Office
- Mr. Jim Aiello, Personnel Director, Columbia County
- Mr. David White, Staff Representative, Wisconsin Council 40, AFSCME, AFL-CIO

Background

On November 13, 1995, representatives of Columbia County (hereinafter referred to as the "County" or the "Employer") and Local 2698, Wisconsin Council 40, AFSCME, AFL-CIO (hereinafter referred to as the "Union" or the "Employees") exchanged proposals on economic issues to be included in a successor agreement (for the years 1996 and 1997) to their agreement which expired December 31, 1995. The Union represents all full time and regular part-time employees of the Courthouse and related departments, excluding managerial, professional, confidential, temporary employees. The Parties met one other occasion and failed to reach an agreement. On December 28, 1995 the Board filed a petition with the Wisconsin Employment Relations Commission for final and binding interest arbitration pursuant to Section 111.70(4)(cm)6 Wis. Stats. Investigator Thomas Yaeger, a member of the Commission's staff, conducted an investigation on February 13, 1996 and then advised the Commission that an impasse existed. The parties submitted final offers to the Commission by January 17, 1997. On February 5, 1997 the Commission certified the parties' final offers and directed them to select an impartial

arbitrator. The Undersigned, Richard Tyson, was selected on February 19, 1997 and appointed the following day. He conducted a hearing on the matter on May 2, 1997 at the Columbia County Courthouse in Portage, Wisconsin. No transcript of the hearing was taken. Both parties had an opportunity to present exhibits and testimony and to outline their arguments in this dispute. They agreed to a schedule for exchanging briefs and replies, the last of which was received on August 8, 1997.

The Issue(s)

Although many issues were resolved in the bargaining process, three issues remain in contention: wages, a new health care option, and the classification of one employee. The Union proposes to increase all wages by 2 1/2% on Jan. 1, 1996 and Jan. 1, 1997 and 2% on July 1, 1996 and July 1, 1997 (4-1/2% each year). It also proposes to increase the classification of the position in the Emergency Government department held by Ms. Kathy Johnson (Clerk Typist I) from Range 6 to Range 3 (Administrative Assistant). The County proposes that this position be re-classified to Range 5, and to increase all wages by 3 1/2% on Jan. 1, 1996 and Jan. 1, 1997. The final, and arguably major item in this dispute, however, involves the County's proposal to add a new, managed care health insurance plan ("GHT Select Plan") in addition to the current GHT Standard Plan (a "fee for service" plan self-funded through the Wisconsin Association of Counties). The County would pay 90% of the premium for the lower cost "Select Plan" instead of its current payment of 90% of the Standard Plan.

Cost Costing of the proposals by the Employer is as follows:

<u>Salary and Benefits Costs Under the County Offer¹</u>					
	<u>1995</u>	<u>1996</u>	<u>%change</u>	<u>1997</u>	<u>%change</u>
Wages	\$ 1,994,621	\$ 2,065,002	3.53%	\$ 2,137,277	3.5%
Benefits	853,515	873,914		886,253	
Total Comp.	2,848,137	2,938,914	3.19	3,023,530	2.88
\$ /hr. change			\$.48		\$.44

<u>Salary and Benefits Costs Under the Union Offer (actual)²</u>					
	<u>1995</u>	<u>1996</u>	<u>%change</u>	<u>1997</u>	<u>%change</u>
Wages	\$ 1,994,621	\$ 2,066,765	3.62%	\$ 2,160,803	4.55%
Benefits	853,515	903,753*		921,847*	
Total Comp.	2,848,137	2,970,518	4.30	3,082,650	3.77
\$ /hr. change			\$.64		\$.59

¹Ex 21(revised)

²EX 34.

* Evidently the Employer did not recalculate fringe benefits for the "actual" amounts to reflect the split increase, since these are the same as the end of year rates. The amount is therefore overstated.

The Statutory Criteria

The parties have directed their evidence and arguments to the statutory criteria of Sec. 111.70 (7) Wis Stats. which directs the Arbitrator to consider and give weight to certain factors when making his decision. Those factors are:

7. 'Factor given greatest weight.' In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give the greatest weight to any state law or directive lawfully issued by a state legislative or administrative officer, body, or agency which places limitations on expenditures that may be made or revenues that may be collected by a municipal employer. The arbitrator or arbitration panel shall give an accounting of the consideration of this factor in the arbitrator's or panel's decision.

7. g. 'Factor given greater weight.' In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give greater weight to economic conditions in the jurisdiction of the municipal employer than to any of the factors under subd. 7r.

7. r. 'Other factors considered.' In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give weight to the following factors:
 - a. The lawful authority of the 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 settlement.

 - d. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services.

 - e. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceeding 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 wages, hours and conditions of employment of the municipal employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees generally 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 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.
- 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, factfinding, arbitration or otherwise between the parties, in the public service or in private employment.

Arguments of the Parties

The Union

The Union contends that there are no state laws or directives limiting the Employer's ability to pay the Union's offer. The local economic conditions are somewhat better in Columbia County than in the surrounding, comparable counties. Wages paid the Columbia County Courthouse are considerably below average thus warranting the Union's wage offer which "keeps up" with the comparables, while its offer on health insurance is to maintain the status quo. The Employer's offer, on the other hand, results in further deterioration of unit employees' wages vis a vis the

comparables, creating "strong pressures on the parties in the next round of negotiations to 'catch up' wage increases. The Employer's offer for health care which substitutes payment of 90% of the "Select Plan" premium for 90% of the "Standard Plan" premium is a substantial change in the status quo for which the Employer has not demonstrated a compelling need nor offered an adequate quid pro quo.

The "greatest" and "greater weight" factors have no bearing on the instant case or supports the Union's offer. The County's costing of the offers assumes implementation of its health care proposal, which would be impossible. Additionally, the County used a 4% increase on Jan. 1, to cost the Union's proposal, which is not in the Union's offer; nevertheless, the cost difference is insignificant in comparison to the County's ability to pay and the County's revenue raising abilities. Its mill rate is \$3.143, or \$.655 below its (frozen) 1993 rate of \$3.798. The County could therefore raise an additional \$1,389,855 through property taxes, not to mention spending the additional \$100,000 sales tax revenues.⁵ The cost differential is really only \$26,473 in 1997, substantially below the county's ability to pay. Whether local economic conditions are a consideration requires an examination of the relevant comparable group. Arbitrators Christenson and Winton have accepted as comparables Adams, Dane, Dodge, Green Lake, Jefferson, Marquette, Rock, and Sauk counties.⁶ Columbia has had a per capita personal income level over 2% above the average of the comparables. Its Adjusted Gross Income per Return has similarly exceeded the average as has its sales tax revenue growth.⁷

Benchmark analysis of 9 fairly common courthouse positions shows that in 1995, Columbia County trailed the comparable average at the start and maximum rates in most every position. The positions include: Accounting Assistant, Clerk Typist I, 3 constitutional office deputies, Economic Support Lead Worker, Economic Support Worker, Legal Secretary, and Community Health Aide. The Employer's offer would "make the standing of Columbia County employees

⁵Union Brief, pp. 5-6.

⁶Columbia County (Highway Department Employees), Dec. No. 27453-C (Aug. 20, 1993), and Columbia County (Professional Employees Union), Case No. 28552 (May 17, 1996), respectively.

⁷Union Brief, pp. 10-12.

worse relative to the comparables" and should be disfavored.⁸ Both offers for 1996 generally leave relative wage rankings the same, though the Union's offer "preserves previously established wage relationships."⁹ The parties' offers for 1997 continue the patterns of their respective 1996 offers. The County analysis of benchmark wage comparisons is flawed by its use of the wrong positions in some cases.¹⁰

The Union contends that the Employer's offer changes the health insurance benefits so as to alter the status quo. While the Employer would continue to pay 90% of the premium, the premium is for the "Select Plan" rather than the fee-for-service "Standard Plan." Admittedly, the Select Plan eliminates the deductibles and covers routine physical examinations. The Select Plan differs in many important respects which would be considered a reduction in benefits. Employees must choose their health care providers from "the Alliance" and thus have a loss of freedom of choice of providers. Employees who choose the Standard Plan because of their choice of physicians will have to pay \$85.02/\$35.60 (F/S) per month due to the lower premiums of the Select Plan, or substantially more than the \$55.96/\$23.43 rates which they would pay under the status quo. This represents an increase of over 50%. The Select Plan also *requires* the use of generic medications, whereas the Standard Plan *recommends* them. Some drugs are excluded by the Select Plan, such as human growth hormone and Norplant; moreover, the Standard Plan provides for several exceptions to the 34-day/100 dose limitation. Certain lenses for eyeglasses have been covered under the Standard Plan which will not be covered under the Select Plan.

The Union argues that arbitrators ought not to adopt a final offer which includes a change in the status quo absent special and compelling reasons. They should seek to arrive at results which the parties would have arrived at were they able to do so. The County in this case must bear the burden of proof that such policy changes are needed. It has not done so. The County's health care insurance premiums are only slightly above average, and have not increased excessively. The combined insurance benefits only cost \$34.60 per month (or \$.21/hr.) more than the average of the comparables.¹¹ This difference is small compared to the wage differential between Columbia

⁸Union Brief, p. 25.

⁹Union Brief, p. 36.

¹⁰Union Reply Brief, p. 14.

¹¹Union Reply Brief, p. 3.

county employees and the comparables --a differential which will only get significantly worse under the County's offer. The County may be "moving closer to the average on health insurance costs..but would actually mover the County farther below the average on the wage costs." ¹² The family premium in Columbia County under the Union's offer is sixth of eleven plans in the eight counties, while the single premium is third. The insurance premiums are hardly "alarming" as contended by the Employer. The increases of 56% over 7 years is similar to that experienced elsewhere.¹³ Were such significant changes to the parties' agreement to occur such as the loss of a benefit, a quid pro quo would normally be required for voluntary agreement, and would therefore be required by an arbitrator. The County has also not provided such a quid pro quo since its wage offer erodes unit employees' wages viz the comparables.

The County's health care premiums have barely risen 2%/year for the past 3 years. For 1997 there is no increase. Several counties have employer costs greater than what the Employer would pay under the Union's offer, while Columbia County employees would pay more than most other employees. The Employer's contention that its offer has been accepted by other units, and the AFSCME employees are "holdouts" is "absurd."¹⁴ Only the Nurses have accepted the plan. The Sheriff's Department (sworn and non-sworn) may be willing to go along, but have not settled. Even if they do accept the plan, the three units represent only 21% of the County's employees. The Courthouse unit alone represents more employees (27.5%). Moreover, the Nurses received an extra \$.10-.15/hr. or 3.9%-4.2% increases in 1996 and 3.6-3.9% in 1997, or a 1% greater increase than offered the Courthouse workers. The Employer's references to arbitral opinion on consistency among internal units for health insurance and other benefits is clearly misplaced; in those cited cases, most units had settled and/or insurance premiums were really skyrocketing which is not the case herein.

The parties offer of wage adjustments for Kathy Johnson are \$.28 and \$.90 per hour prior to the general wage increase. Ms. Johnson has been totally responsible for the Superfund Amendment Reauthorization Act (SARA) program. Her supervisor has recommended that she have the "Assistant Director" title. She has undergone substantial training, and her job now entails

¹²Union Reply Brief, p. 6.

¹³Union Reply Brief, p. 2-3.

¹⁴Union Reply Brief, p. 9.

the exercise of considerable judgement beyond that consistent with the Clerk Typist I or II designations. The Union particularly notes the Employer's lack of evidence and argument in support of its position on this matter.

The Employer

The County submits that it has offered these employees a health care choice which greatly reduces their own costs, a choice which is the same as has been offered to and accepted by other employee groups. The plan offered employees --a managed care plan--is now the norm in the collective bargaining process. It is a reasonable measure to deal with the skyrocketing health care premiums. At the same time, the County's wage offer maintains the Courthouse Employees' wages relative to the comparables and exceeds the settlement pattern.

The Employer asserts that it has a compelling need for reigning in its skyrocketing health care costs. Area employers have either negotiated managed care/HMO options or have self-insured in order to contain rising rates. Rates for Columbia County are alarmingly high in comparison to the comparable average: the Standard Plan in 1996 cost \$234.31 (S)/ \$559.63 (F) while the average of the eight comparables was \$194.77 (S)/ \$497.97 (F). The Select Plan, on the other hand, cost only \$220.79 (S)/ \$527.35 (F). For 1997, the Standard Plan cost \$234.31 (S)/ \$559.63 (F) while the average of the eight comparables is \$210.13 (S)/ \$541.65 (F). Again, the Select Plan costs only \$220.79 (S)/ \$527.35 (F). The Standard plan is the sixth highest of the eleven plans.

Under the Employer's offer, the County's contribution to health care premiums would be more similar to that of comparable counties. It would pay \$198.71 (S)/ \$474.62 (F) while the average employer contribution was \$181.20 (S)/ \$475.39 (F). The Union's offer would have the Columbia County pay \$210.88 (S)/ \$503.67 (F) or about \$375 more per year per employee. Additionally, the Employer pays dental and vision premiums as well, which adds nearly \$50 per month for a family plan. The County's cost for a family plan would be \$523.35 under its offer, or about \$4/mo. more than the comparables' average cost for the combined premiums; under the Union's offer, the cost would be nearly \$35 (or 7%) more.

During the past seven years, the County's premiums have skyrocketed by 56% for both single and family premiums. Between 1992 and 1994 the increases were over 15%/yr. Other employers

have had similar experiences and have acted to reign in these costs with cost-shifting, benefit changes, and program design changes such as HMOs and PPOs. Shifting some of the costs to employees raises their awareness of the problem of escalating health care costs. The County in the instant case has the right to seek similar relief. The Union has merely paid lip service to the County's concern over these costs. Since the Union wants comparable wages, it must also expect comparable and not more expensive health care.

The County's offer on health care is not, only reasonable with respect to the external comparables, but it is also consistent with other groups in the employ of Columbia County. Arbitral authority supports internal consistency, particularly with regard to fringe benefits.¹⁵ With differences in fringe benefit packages, employers would be constantly whipsawed by various bargaining units, with the result that settlements will be prolonged and inequitable. Uniformity of benefits may avert morale problems while adding stability to the collective bargaining process. The Employer in the instant case is intent on maintaining the same health care benefits for all of its employees, and sees no reason to depart from the norm.

The County's premiums for the WCA standard plan have skyrocketed. In response, it has sought to implement the Select plan to its non-represented employees in 1996, paying 90% of the rate. The Nurses then voluntarily accepted the Select plan option under the same conditions, with no quid pro quo. Under testimony, the Personnel Director, Mr. Aiello, testified that the two County Sheriff's units (Sworn and Non-sworn) also had agreed to the plan, though wages were still in dispute. Only the four AFSCME units (Health Care Center, Highway, Professionals, and this unit) are holding out. Arbitrators have consistently awarded in favor of employers who have successfully negotiated health care reform with most units save that of these "hold-outs."¹⁶ The County expects that the Union will argue for a quid pro quo, and contend that since one is not offered, the Undersigned should award in its favor. The Nurses and Sheriff's Department

¹⁵Citing Arbitrator Rice in Phillips School District (Dec. No. 28356-A), Aug., 1995 and Walworth County Handicapped Children's Education Board, (Dec. No. 27422-A), May, 1993, Arbitrator McAlpin in City of Oshkosh (Police), (Dec. Nos. 28284 and 28285), Nov. 1995, Nielson in Village of Greendale (Dec. No. 25579-A), March, 1989 and Imes, in Barron County (Highway Department), (Dec. No. 18597-A), Feb. 1982.

¹⁶Citing Arbitrators Stern, in City of Oshkosh, (Dec. No. 15258-A), April, 1977 and Sheboygan county (Law Enforcement), (Dec. No. 27593-A), Feb., 1994, and Friess, in Pierce County (Sheriff's Department), (Dec. No. 28187-A), April, 1995.

received no quid pro quo, nor should one be required in the face of such a compelling need as the rapidly rising and comparatively high costs of health care. Moreover, the Union has done nothing to help deal with the problem.

The reasonableness of the Employer's proposal can be seen by comparison of the rates and provisions of neighboring counties' plans. Columbia County employees pay a \$100/200 deductible and \$5 drug co-pay for the Standard Plan. Under the Select Plan, there is no deductible. In most cases other counties' employees pay more. Its dental plan is tops, and it pays for a vision insurance plan, unlike all the other counties. The Employer does not have to offer a quid pro quo because its offer is a health care benefit level more similar to the comparables and, moreover, it is not changing the status quo; it is simply offering an option to better meet the needs of employees. Employees under the Select Plan will have lower contributions than they currently make under the Standard Plan AND they will not have to pay the \$100/200 deductible. Assuming a payout of the deductibles, premiums, major medical co-pays, and 12 prescriptions, the average employee in the comparables pays about \$700/1400 (S/F). Under the Employer's offer, s/he would pay only \$325/693 if s/he were to choose the Select Plan, and would pay \$587/1280 under the Standard Plan, or about the same as in other counties. Under the Union's offer, he would pay \$441/931, significantly less than other employees pay.

The Union's characterization of the Select plan is wrong. It contends that the Plan restricts employees' choice of doctors; however, the Personnel Director testified that nearly all of the unit employees use doctors who are in the Select Plan. Under oath, he further testified that he had not heard of any concerns regarding Select Plan; rather employees are pleased with it. The Union further contends that while the drug co-pay may be the same between plans, the Select Plan mandates generic drugs. The Select Plan provides for physicians' instructions that "no substitution" occur. The plan's preference for generic drugs also serves an important purpose to reinforce an employees' awareness of health care costs. Finally, the Union contends that the vision benefit excludes certain lenses under the Select plan; however, the two plans are the same. If some employees were receiving benefits not covered by the Standard Plan such as "blended lenses," then it was an oversight.

The Employer contends that the Union's wage offer is unjustifiable, while its own offer is adequate if not superior to the prevailing pattern within the comparables. Its offer leaves the ranking of Columbia County within the six settled counties about the same at five benchmark

positions while the Union's offer raises three of these positions in rank. Its offer maintains the historical wage differential from the comparable average while the Union's offer unnecessarily raises Columbia County 2%. The average percentage "lift" of the comparables during 1996 was 3.32% and was 3.1% in 1997. The County's offer is .18% and .4% higher, while the Union's offer is 1.18% and 1.4% higher and would be by far the highest settlement. The Union claims that its offer only modestly "keeps up" with the comparables, but its data is skewed by lack of settlement data for two lower paying counties, inflating the 1995-1997 comparables' wages gains. Additionally, the Union included Jefferson County which has had a "massive salary structure change."¹⁷ The effect is again to inflate the average gain.

The County can pay for both offers, but it has already had significant increases in its levy and should not be further increasing it. While the mill rate has fallen, the substantial increases in land values has meant substantial increases in taxes for the County's citizens. Lastly, the Union's contention that Ms. Johnson should have a classification higher than that proposed by the County is not substantiated in the record.

In sum, the County needs to be consistent with all of its employees, particularly with regard to health care benefits. These costs have risen substantially so that it pays more than other counties, especially those which have negotiated a reform such as that which it has offered to the Union. The employees are simply given a new choice in health care, one which can provide them with the same benefits at lower costs. Since there is no real change for 90% of the employees, there is therefore no need for a quid pro quo for its health care offer. In addition, comparisons with the comparables show the County already pays more for health insurance, and the County's wage offer is .62% higher than average.¹⁸ The County's wage offer is well within the range of the comparables while the Union's offer is simply unjustified, and attempts to get more than afforded other employees.

Discussion and Opinion

¹⁷Employer Reply Brief, p. 4.

¹⁸In the Employer Reply Brief p. 6, the Employer asserts that 90% of unit employees use the Alliance network physicians though the Arbitrator's notes reflect that the Personnel Director testified that "most" of the employees use these physicians.

The Statute requires the Arbitrator to consider the aforementioned criteria in making an award. The criteria cited by the Parties as pertinent to this decision are the "greater" and "greatest" weight factors of expenditure limitations and economic conditions as well as internal and external (e. and d.) comparisons as well other factors--status quo change (j), and overall compensation (h.). Each of these is considered below as the outstanding issues of this dispute have been considered by the Arbitrator. First, the Arbitrator is compelled to comment on the question of the status quo, as outlined above, and related matters. The external comparability factors are then addressed, followed by a discussion of other factors and of other issues.

On the face of it, it would appear that the Union's offer for wages is out of line with the external pattern and with the relatively few internal "settlements" while the Employer's offer contains a proposal for a status quo change which is neither justified nor compensated; the remaining issue (Ms. Johnson's job classification), is not significantly disputed by the Employer. Further examination, however, reveals that the Employer's proposal for structural changes in health care is not unreasonable and consistent with the findings of the Undersigned in other cases, and offers an opportunity to improve at least the financial health of both the employees and the Employer. At the same time, the Union's wage offer includes an actual percentage increase which is not unreasonable even though the "lift" appears to exceed that of the comparables and other Columbia County employees at this time. Such an adjustment may be appropriate were the Courthouse and Human Services employees' wages to significantly trail that of comparable employees as is the contention of the Union.

Other factors: Status quo

The Arbitrator recognizes that the County proposes a significant change in the parties' method of providing health insurance for a number of bargaining unit members who may not want to use providers in the "Alliance". At the same time he appreciates the substantial increases in health care costs occurring across the state and nation, particularly for indemnity or fee-for-service type plans. He notes the spread of HMO-type delivery systems appears to coincide with the reduction of the growth rates of health care costs. It would also appear that counties which have greater choice in health care providers tend to have lower premiums for health care, not inconsistent with the "freeze" in premiums in the instant case occurring with the advent of the Select plan. The County's past contracts and its current proposal is to continue to pay 90% of the premium but now for the lower-cost managed care plan. The Select plan has a monthly premium \$32 less than the Standard plan, saving the County \$29 (the Employer's "spin" is that the former costs

employees \$3.22/mo. less and the \$100/200 deductible is waived). Under the Employer's offer, an employees' payments would rise from nearly \$56/mo. to just over \$84/mo.(or \$349/yr.(F)) more if s/he stayed with the Standard plan, or to 15% of the premium from the current 10%.

Arbitral authority and practice would indicate that the County must present a compelling case for its proposal, that its proposal is a remedy or has intrinsic merit, and that it generally would need to offer an adequate quid pro quo, unless its offer has clear support such as among the comparables.¹⁹

The Board's compelling case is that its health care costs have "skyrocketed" an "alarming" 56% during the past seven years as shown below:

	<u>Columbia County Medical premium costs</u>			
	<u>WCA Standard</u>		<u>WCA Select</u>	
	<u>S</u>	<u>F</u>	<u>S</u>	<u>F</u>
1997	\$234.31 (0 %)	\$559.63 (0 %)	\$ 220.79 (0 %)	\$527.35 (0%)
1996	\$234.31 (4 %)	\$559.63 (4 %)	\$ 220.79 (N/A)	\$527.35 (N/A)
1995	\$225.30 (3 %)	\$538.11 (3 %)		
1994	\$218.74 (13.5%)	\$522.44 (13.5%)		
1993	\$192.72 (19.4%)	\$460.30 (19.5%)		
1992	\$161.40 (15.1%)	\$385.08 (16.3%)		
1991	\$140.27 (N/A)	\$331.23 (N/A)		

The Employer has given no evidence, however, that this increase is out of the ordinary; to the contrary, it indicates that "(T)he health insurance concerns and issues plaguing Columbia County have permeated all employers - public and private sector alike."²⁰ the Arbitrator notes that health care costs have increased at a rate double that of other sectors of the economy, and it would appear that these increases are perhaps on average similar to that experienced elsewhere. Clearly in the past three years the increases have been modest and would not present a compelling case in itself for a change in the status quo.

¹⁹see Vernon in Elkhart Lake and Bloomer School District (Dec. No. 43193-A and 24342-A), Nielson in Manitowoc Public Schools, (Dec. No. 26263-A) and Petrie, in New Richmond School District.

²⁰Employer brief, p. 13.

The premium levels of Columbia County are higher than average:

<u>1997 Health Insurance Premiums</u>					
<u>Comparable County</u>	<u>Carrier</u>	Full	Full	<u>Employer's Share</u>	
		<u>Premium-S</u>	<u>Premium-F</u>	<u>Premium-S</u>	<u>Premium-S</u>
Adams	WCA	\$ 253.90	\$ 648.24	\$ 228.78	\$ 583.70
Dane	Dean POS	216.28	517.68	216.28	496.58
	Dean HMO	185.24	431.43	185.24	431.43
Dodge	self-ins	220.00	582.00	209.00	552.90
Green Lake	WCA	217.52	560.26	217.52	560.26
Jefferson	self-ins	135.00	435.00	135.00	435.00
Marquette	WPS	230.37	575.92	207.33	518.33
Rock	self-ins	144.40	434.15	144.40	434.15
Sauk	WCA	369.23	865.63	150.23	405.63
	Unity	177.98	471.65	150.23	405.63
	Dean	161.54	436.16	150.23	405.63
ave		210.13	541.65	181.20	475.39
Columbia Co.	WCA Stand.	234.31	559.63	198.71	474.62
	WCA Select	220.79	527.35	198.71	474.62
	Union Offer			210.88	503.67

Columbia County's Standard family health insurance premium in 1997 is only 3% above the average of the comparables, which would not suggest an "alarming" cost differential. Its 90% Employer's share of the premium payment (90%) is among the lowest percentage payments of the comparables, but the County does pay 5.9% more than the average of the 11 plans in the eight comparables. Additionally, the County provides dental insurance (at \$37.40/ mo. (F)) which only half of the comparables' employers provide, and it provides vision care at \$11.33/mo. which is not provided by any of the comparables. The Employer calculates that under its offer it will pay \$523.35/mo. for family insurance or \$3.42/mo. more than the average; under the Union's offer it will pay \$554.53/mo or \$34.60/mo. (\$375/year) more than average. For an employee working 2000 hours the County would be paying almost \$.19/hr. more than in the average comparable county. Were the County to also be paying wages and other benefits significantly higher than average, a stronger case for a change in the status quo could be made.

The Employer further contends that its offer will maintain the internal pattern of "settlements" and

that it must maintain internal consistency in fringe benefits with its bargaining units to avoid being "whipsawed" (if not for the sake of equity). The Arbitrator would in general agree. Unfortunately the internal pattern is not established, and therefore, unlike the many cases cited by the County, the Union in this case does not appear to be the "rogue" union. The Nurses unit has settled with the Employer's proposal of paying 90% of the Select Plan, but it appears to have offered them a quid pro quo of \$.10-.15/hr. This is more than enough to compensate a single Standard Plan participant who would pay \$146/yr. more and just about enough to compensate for the \$349 increase for a family Standard Plan participant. The Nurses comprise 5% of bargaining unit employees, and 4% of total employment. The two Sheriff units have apparently also accepted the Employer's health care proposal, but it is unclear what the wage settlement will be (the County's Personnel Director testified that this was the outstanding issue). These two units comprise 15% of bargaining unit employees, and 12% of total employment. The "lone holdout" units (the four AFSCME units including Local 2698-B), however, comprise 80% of bargaining unit employees, and 64% of total employment (non-union employees are 19%).

The Undersigned is somewhat puzzled by the parties' failure to resolve this matter since there is up to a \$700 per employee per year "bargaining range" which appears to include almost a \$300 "overlap." The Employer states that the employees benefits are not being cut, but it is asking them to "have a stake" in the cost of maintaining the current health insurance program.²¹ They already have a 10% stake, which is high relative to the comparables. The Undersigned, however, believes that there may be some intrinsic merit in the Board's proposal to change the status quo by encouraging enrollment in managed care which seems to have the effect of reigning in health care costs. He wonders if it is not more than coincidental that the emergence of the Plan came at a time in which the Standard Plan rates ceased to "skyrocket." Whether or not the County prevails in this matter, it seems to have secured benefits to the County and its employees by having the Select option. If the Select Plan health care providers already serve most of the employees already, most may be willing to enroll in the plan, though they would be giving up the possibility of future choice which they currently enjoy. Employees want to be able to choose providers, to be able to go elsewhere if they feel that it is necessary. Some currently receive services from other providers. There is a cost to this choice. For the United States, it is part of the 14% of GDP devoted to health care, a percentage unsurpassed by any other nation on earth. Who should bear this cost is the issue at hand, however.

²¹Employer Brief, p. 15

Theoretically, the County should come out ahead by "buying out" the employees' costs--unless the savings are merely transitory. For every employee who switches to the Select Plan, it would save \$29.05/ mo. or \$349/year, were the Employer still paying 90% of the Standard Plan rate. For some employees, the \$100/200 deductible waiver inducement may suffice to encourage such a switch, compensating for the loss of choice; a reduction of the percent contribution may also help. Instead, the Employer has proposed to take away choice (albeit with a \$3/ mo. premium co-pay reduction and the deductible waiver inducement) or impose a \$349/year (\$.17/hr.) penalty for maintaining enrollment in the Standard Plan. It would appear to the Undersigned that the new option issue offered by the Employer may "take care of itself" for many employees and accrue a benefit for the Employer if it is as attractive as the Employer contends; if not, it would appear to be a \$349 (F) "take away" which cannot be supported under current arbitral practice.

External comparables

On the face of it, the parties wage offers differ significantly. The Union seeks a 9% lift, contending that bargaining unit employees are significantly behind their counterparts in comparable counties, but that its offer "keeps up" (really lifts) wages without as great of a cost to the County by backloading some of the wages. The Employer recognizes that they are somewhat behind, but that its offer is slightly above average in percentage increases, as seen below. The following table combines the parties' comparisons of wages of somewhat common positions. It fairly clearly indicates that Columbia County employees are paid hourly wages less than the comparables. On an hourly basis, Columbia County employees are paid \$.68 less than the (unweighted) average of the seven listed positions, or 5.9% less. The Union indicates that the Employer's offer will drive their wages down further by making comparisons of 1996 and 1997 wage levels. The Employer correctly notes that the two unsettled counties (Adams and Marquette) are the lower paying counties, and that their exclusion from the computation of the 1996 and 1997 averages will make the apparent not real; fundamentally, the County's offer keeps its employees in place, or improving by up to .5%. It is not unreasonable to expect, however, that these two counties, as the lower paying counties, may settle on wage increases somewhat above average, since it appears that those settled counties which had lower wages tended to settle for somewhat higher percentages, and vice versa. Under the Union's offer, the actual pay will rise 8% over the two years or about two percentage more than the comparables. The lift will be 9%, which is clearly higher than the reported average lift of 6.5%. Were the Union to prevail, average wages would continue to trail the comparables by perhaps an average of 3.4%.

1995 Wage Rates (maximum, end of year)

County	Accounting Asst. Grade (1)	Clerk-Typist I (6)	Const'l Office Deputy(3)	Econ. Support Lead(1)	Econ Support Sp'l(2)	Legal Sec'y (3)	Community Health Aide (5)
Adams	\$10.41	\$ 9.88	\$10.30	\$11.88 ¹	\$10.41	\$11.39	\$ 9.57
Dane	15.41	12.75	13.92 ²	14.99	14.24	14.64	13.31
Dodge	12.00 ³	9.70	10.52	12.06	11.40 ⁴	10.78	10.28
Green Lake	11.45	9.33	10.34	12.69	11.61	11.84	9.09
Jefferson	13.90	9.06	10.00	N/A	N/A	11.14	9.14
Marquette	10.04	9.30	9.84	12.21	10.49	10.52 ⁵	9.42 ⁶
Rock	13.35 ⁷	10.21	11.43	12.71	12.17	12.17 ⁸	N/A
Sauk	10.79	8.39	9.42	11.49	11.13	10.19 ⁹	10.45
average	\$12.17	\$9.83 ¹⁰	\$10.72	\$12.58	\$11.64	\$11.56	\$10.18
Columbia	11.55	9.45	10.35	11.55	10.95	10.35	9.73
+ (-); + % (-%)	(.62) (5.9%)	(.38) (3.9%)	(.37) (3.6%)	(1.03) (8.2%)	(.69) (5.9%)	(1.21) (10.5%)	(.45) (4.4%)

Source: EX 90-94, UX 43-54.

¹The Employer indicates no position while the Union uses the Administrative Assistant (Grade 1). Adams County has the Economic Support Specialist as Grade 3 (Grade 2 in Columbia County).

²The Employer uses the Court Records Clerk for Dane County, a higher wage, and Court Clerk II and Deputy Clerk of Court for Jefferson and Marquette Counties which are lower than other Deputies.

³Employer uses the Accounting Technician I while the Union uses Accounting Technician II (\$11.40 vs. \$12.44). Columbia County requires an AA or BA/S degree. The Accounting Assistant position Chief Deputies, Economic Support Lead Worker and Register of Probate are similarly classified in Columbia County. In Dodge County, the Chief Deputies are in Grades 9 and 10 (vs. Grade 9 for the Accounting Technician I and Grade 12 for the Accounting Technician II). The Register of Probate is Grade 11. The Arbitrator used \$12.00 in calculating the average.

⁴The Employer uses the Economic Support I (\$10.78) while the Union uses ES II which requires 2 years experience as ES I and is appropriate herein.

⁵Secretary IV

⁶The Home Health Aide pays \$9.13 while the Public Health Technician pays \$9.72.

⁷The Employer uses Account Clerk III at \$11.64 while the Union uses the Accountant at \$13.35. The positions in Columbia County Range 1 tend to be those clustered in Range 1-1(b) in Rock County as opposed to those in Range 5 which includes the Accounty Clerk III. The Union further contends that the Rock County Accountant requires an AA, the minimum for the Columbia County Accounting Assistant.

⁸Legal Stenographer.

⁹Judicial/Administrative Assistant

¹⁰Employer erroneously calculated as \$8.74.

Percentage wage increases in Comparable Counties

County	1996	1997	
Adams	3.5%	NS	
Dane	3	3.5%	
Dodge	3.65	3.5	
Green Lake	3	3	
Jefferson	3	3	
Marquette	NS	NS	
Rock	3.	2	
Sauk	3.75	3.5	
average	3.32	3.1	
Columbia Employer	3.5	3.5	
Union	2.5/2	2.5/2	

Other factors and issues

The parties have not argued their respective cases on the basis of the "greatest" weight factor. The Union has indicated that the County has plenty of statutory revenue-raising ability as noted above. Neither have the parties argued with respect to the "greater weight" factor, the economic conditions of Columbia County. The Union again pointed to the rosy statistics of the Columbia County economy. Statistically the County "looks good" compared to the already good-looking comparables. Its per capita income is more than 2% above the comparables' average as is its Adjusted Gross Income. Its sales tax revenue significantly exceeds that of other counties. Its property tax levy rank is among the lowest. The Union's argument that an employer in such favorable economic conditions should not be among the poorest paying employers is noted.

The matter of Ms. Johnson's classification in the Emergency Management Office, the Union would reclassify her position to Range 3, an Administrative Assistant classification while the County would classify her in Range 5, a Clerk Typist II. It is a matter of \$.28 vs. \$.90 (plus the general wage increase). She was hired as a Clerk Typist I and then assumed increasing duties. She testified that she had taken on the duties of the Administrative Assistant when that position was left

vacant, and has substituted for the Director. She has received significant training and has assumed the responsibility for the SARA program. In the administration of the program she needs to write plans and make judgements about hazardous materials and courses of action to take. She has earned an AA degree for Health Administration Assistants. Her supervisor has recommended the reclassification to Assistant Director. It would appear to the Undersigned that the Administrative Assistant classification is warranted.

The parties' respective offers present a difficult choice. The Union's wage proposal is clearly high in relation to increases of comparable employees and the one settlement in the county; were the unit employees wages not so far below, it would be cause for rejection of the offer. Consideration of the "greater factor," the relative economic conditions, would call for its acceptance. The Employer's proposal for the WCA Select health plan has appeal to this Arbitrator, but apparently not to the Union. As a significant change in the status quo the Employer shoulders the burden of its justification which in the opinion of the Undersigned it has not done. He believes that the parties will implement the Select plan option when an appropriate determination of its merits and the costs to be paid by the employees is made-- a determination best done through the collective bargaining process.

Award

Having carefully considered all of the evidence and argument of the Parties set forth above as well as the arbitral criteria provided under Section 111.70 Wisc. Stats., it is the decision of the Undersigned that:

The final offer of the Union is to be incorporated into the 1996-97 Collective Bargaining Agreement with Columbia County.

Dated this 31st day of October, 1997.

A handwritten signature in black ink, appearing to read "Richard Tyson", written over a horizontal line.

Richard Tyson,
Arbitrator

RECEIVED
NOV 5 1997
SCC STATE EMPLOYMENT

NOV 17 1997
COLUMBIA COUNTY

FINAL OFFER OF
COLUMBIA COUNTY COURTHOUSE
AND HUMAN SERVICES EMPLOYEES' UNION,
LOCAL 2698-B, AFSCME, AFL-CIO

All provisions of the 1994-1995 Collective Bargaining Agreement, including all side letters and memoranda of understanding, shall remain unchanged for the successor agreement commencing January 1, 1996, except for the following changes:

Appendix A - Wage Schedules.

- a. Increase all wages by 2½% on January 1, 1996.
- b. Increase all wages by 2% on July 1, 1996.
- c. Increase all wages by 2½% on January 1, 1997.
- d. Increase all wages by 2% on July 1, 1997.
- e. Reclassify the Clerk Typist I in Emergency Government (position held by Kathy Johnson) from Range 6 to Range 3.

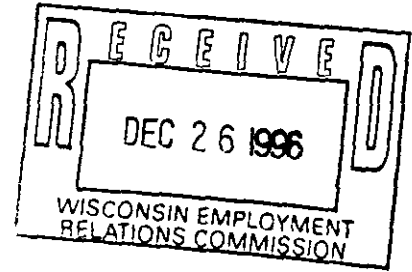
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1-15-97

STIPULATION
BETWEEN
COLUMBIA COUNTY
AND



COLUMBIA COUNTY COURTHOUSE AND
HUMAN SERVICES EMPLOYEES' UNION
Local 2698-B, AFSCME, AFL-CIO

1. **Throughout:** Change Article numbers from Roman numerals to Arabic numbers. (i.e., XVIII would be changed to 18).