

I. Introduction

This is an interest arbitration proceeding held pursuant to Chapter 14 of the Illinois Public Labor Relations Act (Ill. Rev. Stat. 1989, ch. 48, para. 1614) (hereinafter the "Act") and Section 1230.30 et. seq. of the Rules and Regulations of the Illinois State Labor Relations Board. The parties to this proceeding are the Vermilion County Board and the Sheriff of Vermilion County, as joint employers (hereinafter "Employer") of a unit of civilian Correctional Officers and miscellaneous employees associated with the Correctional Center,⁽¹⁾ and Chauffeurs, Teamsters and Helpers Local 26 (hereinafter "Union"). The parties have had a collective bargaining relationship and their last negotiated agreement expired on December 1, 1991.⁽²⁾ Negotiations commenced sometime thereafter and most of the terms of a new agreement have now been settled.

The parties have reached an impasse on three items: Wages, Health Insurance and Clothing Maintenance Allowance.⁽³⁾ Pursuant to statute, the parties submitted their impasse to arbitration

1. According to the Employer's exhibit, at the time of the hearing there were 22 Correctional Officers, four Records Clerks, two Cooks, a Dietician and a Laundress.

2. The expired agreement covered the employees of the County Highway Department. Those employees have been severed from this unit and a separate agreement has been reached regarding their terms and conditions of employment.

3. The Clothing Maintenance Allowance, sometimes referred to as the "Uniform Allowance" applies only to the Correctional Officers.

under the auspices of the Illinois State Labor Relations Board. Thereafter the undersigned was selected as the sole arbitrator in these proceedings, the parties having waived the three member board of arbitration. A hearing was held on July 21, 1992 in Danville, Illinois, at which time the parties made their respective presentations of evidence and argument, a record of which was duly noted by a certified stenographic reporter. Thereafter the Union made a closing argument and the Employer filed a written brief received by the arbitrator on August 20, 1992. The record was closed with the receipt of the Employer's brief. This Award is properly made within the time limits provided by statute and as agreed to by the parties.

II. The Issues

The respective positions of the parties on the three issues in this case are as follows:

	<u>Present</u>	<u>Employer</u>	<u>Union</u>
<u>Wages</u>	1990/91 starting pay - \$17,860 for Correctional Officers plus longevity and education bonuses	4% on base with reopeners in 2nd and 3rd years	8% on base with reopeners in 2nd and 3rd years
	Miscellaneous Correctional Department employees are paid salaries ranging from \$11,662 to \$13,263	4% with reopeners in 2nd and 3rd years	8% with reopeners in 2nd and 3rd years

	<u>Present</u>	<u>Employer</u>	<u>Union</u>
<u>Health Insurance</u>	\$85.00 contribution or cash in lieu of	\$100 contribution through a S.125 plan	Full single or family coverage through S.125 plan currently priced at \$154.90 and \$420.79 per month, respectively
<u>Uniform Allowance</u>	None	\$120	\$360

III. Statutory Criteria for Review of Proposals

Section 14(g) of the Act provides that the arbitration panel, or in this case the sole arbitrator, "shall make written findings of fact and promulgate a written opinion ..." On economic issues, and the only items in dispute in this case are economic issues, the arbitrator can only consider the parties' last offers. As provided in the Act, the arbitrator's authority is to select ("adopt") "the last offer which *** most nearly complies with the applicable factors ***." However, the arbitrator in considering the statutory factors must be mindful that Section 2 of the Act states that the provisions setting out the procedures for impasse arbitration "shall be liberally construed."⁽⁴⁾

4. In relevant part, Section 2 reads as follows:

*** It is the public policy of the State of Illinois that where the right of employees to strike is prohibited by law, it is necessary to afford an alternate, expeditious and effective procedure for the resolution of labor disputes subject to approval procedures mandated by this Act. To that end, the provisions for such awards shall be liberally construed."

Section 14(h) of the Act provides as follows:

*** the arbitration panel shall base its findings, opinions and order upon the following factors, as applicable:

- (1) The lawful authority of the employer.
- (2) Stipulations of the parties.
- (3) The interests and welfare of the public and the financial ability of the unit of government to meet those costs.
- (4) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 - (A) In public employment in comparable communities.
 - (B) In private employment in comparable communities.
- (5) The average consumer prices for goods and services, commonly known as the cost of living.
- (6) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment and all other benefits received.
- (7) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (8) 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. Discussion of the Issues

A. Background

The Union seeks higher wages based in part on an analysis of the job responsibilities of Correctional Officers. Although unarmed, these employees have the responsibility of supervising and maintaining persons incarcerated for being suspected or convicted of violating criminal laws. They are required to maintain order and discipline among the prisoners and to see that prisoners engage in the normal routine of activities and functions in a prison environment. It is a dangerous and stressful job, and injuries in the course of employment are not infrequent. Correctional Officers work with a variety of sworn law enforcement officers, all of whom are authorized to carry weapons, including local police, deputy sheriffs, state police, U.S. marshalls and F.B.I. agents. (5)

According to the Union, although Correctional Officers work in conjunction with law enforcement officers, they are paid much less. Thus, the Union offered evidence that Sheriff's deputies had base salaries of \$22,101 in 1991 and that police officers in Danville were paid \$25,085 to start and went to \$29,000 after a one year probationary period.

5. William P. Hartshorn, Sheriff of Vermilion County, also testified as to the job duties of Correctional Officers. Hartshorn distinguished their work from that of deputy sheriffs, indicating that deputies have ten weeks of training at a police academy where they learn, among other things, arrest procedures. Thereafter deputies receive on-the-job training. They must learn to enforce the law in the public domain. Correctional Officers do not have authority to make arrests and receive only five weeks of classroom training and one week of on-the-job training. Their responsibilities are limited to the correctional institution.

The Union also offered evidence that unskilled garbage collection employees for the City of Danville are paid \$24,336 after one year of employment (effective May 1, 1992) and have a pay scale which increases to \$26,769.60 after 15 years. Mechanics are paid \$26,790.40 after one year and their salaries increase to \$29,469.44 after 15 years.

The Union did not provide an analysis of the County's finances. Rather, it submitted a series of newspaper articles indicating that the County has earned significant interest income from investment of cash. The Union did not identify from what funds this money was attributable and testimony by County witnesses indicated that most if not all of the income was for earmarked, or limited use, funds.

The Employer submitted evidence regarding terms and conditions of employment for similarly situated employees in other counties. Data from 13 other counties was received although it is unclear as to why these particular counties were selected and it appears that correctional officers in only a few counties are represented by a labor organization.⁽⁶⁾ The counties ranged from Champaign County with a 1990 population of 173,025 and an assessed valuation of \$1.461 billion to Edgar County with a population of 19,595 and an assessed valuation of \$.16 billion. Vermilion County was eighth in

6. Correctional officers in two counties are deputized but this did not affect their wage rate.

size and ninth in assessed valuation. Most of the counties were in the northeastern quadrant of the state and most were adjacent or close to Vermilion County. The Employer's exhibits in this area showed comparative wages, insurance benefits and uniform allowance. However, the comparison for insurance benefits was converted to a percentage of the cost of the Employer's health plan and not as a percentage of the respective health plans for each county. (7)

The Employer submitted data on the differences in the wage spread between deputy sheriffs and correctional officers in other counties. It also submitted data on the national average increase (as of March, 1992) in total compensation for state and local government employees (3%) and the annual increase (as of June, 1992) in prices for urban consumers in the north central region of the U.S. (2.6%). Additionally, a chart was submitted showing that Vermilian County has had a very high unemployment rate.

The Employer also produced evidence showing that other bargaining units within the County structure received 4% salary increases for 1992. (8) Some employee groups also received increases in life

7. This creates misleading conclusions because in other counties the employers' contributions may be in terms of a percentage of premium costs and not a fixed dollar amount. In other words, the employer may pay 100% single coverage and this may be more or less than the cost in Vermilion County. By converting these contributions to a dollar amount and then measuring them as a percentage of Vermilion County's costs a distortion is created. Additionally, for some counties this exhibit uses the same money twice, once as a percentage of individual costs and as a percentage of family coverage. In other counties the contribution is used only for individual coverage.

8. In a few instances positions were reclassified and employees in those positions received substantially more than a 4% increase.

insurance and, for highway employees, a \$75 shoe allowance. All employees now have access to an S.125 plan which enables them to shelter that portion of fringe benefit plans which employees pay for. Employees can designate a portion of their salaries to pay for these plans and in this way that portion of the salaries is not subject to income taxes.

The Employer submitted data on the financial condition of the County and the Employer's ability to pay increases for the items at issue in this case. The cost of operating the County's correctional facility comes primarily from the Public Safety Building Fund. The County levies for this fund and also receives corporate replacement tax proceeds from the state. Additionally, because the City of Danville uses this facility, it pays a portion of its costs of operation. Presumably if labor costs go up the City would pay its proportionate share. Also, the County receives some (small) reimbursement from the federal government for the incarceration of federal prisoners. The Public Safety Building Fund is not used for the Sheriff's Department generally. These costs are paid from the General Fund. The General Fund also supplements shortfalls in the Public Safety Building Fund.

According to the Employer's witnesses, both the Public Safety Building Fund and the General Fund will experience substantial deficits this year. The deficit will have to come from the County's reserve, which it has established at 25%.

B. Wages

The Union is seeking an 8% increase in base wages. The Employer has offered 4%. The approximate present cost of wages, including the education incentive and longevity bonus, but not including FICA and IMRF is a little more than \$500,000.⁽⁹⁾ The difference in the parties positions is approximately \$19,801.44 without the roll-ups.⁽¹⁰⁾ The only evidence on comparability⁽¹¹⁾ with other units of correctional officers shows that the Employer's base wage proposal of \$18,574 is the 5th highest in the group of 14 counties and the 4% increase is about average for increases in the group. There were base wage increases of more than 4% in only three other counties. On the other hand, while the County generally is running a deficit, the Employer is able to pass on some of the costs of this unit and current deficits can be remedied through increased levies. While politically impractical, from a legal perspective the impact of this unit on the General Fund is minimal and can be remedied through increased taxes. However, it is also true that this is a very bad year for increased expenditures. The economy is either weak or in

9. Although the \$85 now provided to employees for health insurance (or cash in lieu thereof) is part of salary for S.125 purposes, it is a separate item in these proceedings and is not included as part of wages for the purposes of this Award.

10. This is the difference between 4% and 8% of the base wage cost of \$495,036. (No add-ons are included.)

11. The Union offered no comparison group of other units of similarly situated employees and neither party offered comparability evidence for the other employees in this bargaining unit.

a shambles depending upon one's perspective, and such factors as inflation, unemployment and the pattern of increases for other County employees militate against more than a 4% increase this year. The Union offered no evidence that any bargaining unit, anywhere, has received an 8% increase in 1992.

The Union's argument that the work of Correctional Officers is dangerous and stressful has been noted. However, how this can be translated into an appropriate wage level is a product of the marketplace and what other similarly situated employees are paid in other counties comparable to Vermilion County. The Union's comparison to Sheriff's deputies is rejected. Their law enforcement responsibilities and relationship with the public is a meaningful difference.

Considering all of the factors as provided by the statute, I find that the Employer's offer of 4% is the more appropriate last offer.

B. Health Insurance

The Employer has offered to increase its health insurance contribution from \$85 to \$100 per month. The Union is seeking full payment of individual or family coverage at a cost of \$154.90 or \$420.79 per month. Because of the S.125 plan, employees who do not take insurance would take these contributions as cash wages.

The evidence by both parties on this important and most expensive item was particularly weak. The Union offered no evidence specifically directed toward this item other than general evidence that costs of health insurance are increasing much faster than

costs of living generally. The Employer's evidence was a vague comparison of payments by other counties put roughly in terms of Vermilion County's insurance rate. Yet, even the Employer's own exhibit shows that it is at the bottom of the group of counties it chose for comparison purposes. It appears from this exhibit that most counties pay at least full single coverage for its employees. (12)

The costs of medical care make some form of health insurance imperative regardless of who pays for it. By requiring employees to pay for a substantial portion of their coverage, the Employer greatly depreciates the true wages these employees receive. As insurance rates increase sharply employees are tempted to delete coverage altogether, thereby risking financial security or taking a physical risk by refraining from seeking uncovered medical care in time of illness. Neither approach is in the public interest. Uninsured employees faced with catastrophic illness will simply become public wards. Full single coverage would cost the Employer \$19,764 above what it is now offering. (13) This would be appropriate under the statutory tests. However, the arbitrator cannot provide that option because it is not the final offer of the Union. Instead, the Union seeks full family coverage representing an increase of \$115,484.40. (14) For most of the employees who do not or would not take family coverage this would represent a financial windfall far beyond anything justifiable under the statute. Reluctantly, therefore, the arbitrator must select the Employer's final offer on this item.

12. Based on the Employer's representation that its rates are higher than in other counties, where its exhibit shows a payment of 85% of single coverage or above, it must be assumed that this actually transposes into 100% of individual coverage in the respective counties.

13. \$54.90 x 30 x 12

14. \$320.79 x 30 x 12

C. Uniform Allowance

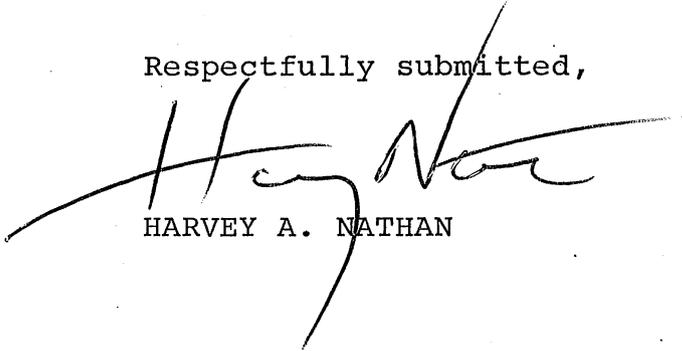
The Employer provides uniforms for Correctional Officers. It has proposed a \$120 per year maintenance allowance for uniforms. The Union is seeking \$360. The difference in the proposals is \$5280 per year. Currently, there is no uniform allowance. Of the 13 other counties in the Employer's sample, four provide a uniform maintenance allowance. The average among the four is \$267.50. Three other counties provide a uniform purchase allowance. However, assuming this to be an annual allowance it would appear some or all of this money can be used for maintenance as well inasmuch as it is unlikely that employees would have to spend hundreds of dollars each year for new uniforms. If these three other counties are averaged in, the mean uniform allowance (without Vermilion) is \$274.29.

Considering the relatively small additional cost, the basic weakness in the Employer's health insurance proposal, and that the Union's proposal is closer to the average paid by other counties, it would seem that the Union's proposal on this item is the more reasonable. The other statutory factors have a negligible impact on consideration of this issue. Accordingly, the Union's final offer on uniform allowance is accepted.

A W A R D

1. The Employer's final offer for wages is adopted.
2. The Employer's final offer on health insurance is adopted.
3. The Union's final offer on uniform allowance is adopted.

Respectfully submitted,



HARVEY A. NATHAN

September 17, 1992