

City of New York
Office of Collective Bargaining

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In the Matter of the Impasse

between

LOCAL 3280 C. W. A.

and

THE CITY OF NEW YORK

Case No. I-75-71

REPORT and RECOMMENDATIONS

of

IMPASSE PANEL

Re: Administrative Titled Employees

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APPEARANCES:

For Local 1180: Ted J. Watkins, Director Civil Service Division
Milton Balsam, Representative
John Wherzell, Economist
James Oakes, President
Jacob Mish, First Vice-President
Charles Weinstein, Second Vice-President
Michael Beglin, Secretary
James Caltagirone, Recording Secretary
Leonard Katz, Grievance Chairman

For the City: John P. Finneran, Assistant Director Office of Labor Relations
Joseph Rosenbach, Department of Social Services
Adam Blumstein, Research Assistant Office of Labor Relations

Formal hearings began on April 5, 1971, and were completed on May 6. In addition, joint informal conferences were held before the hearings to define the rules thereof and afterwards to explore the possibility of agreement after formal presentations had been made. Post-hearing efforts to mediate the dispute were made with the joint, express agreement of the parties and in accordance with Section 1173-7.0 c (3) (a) of the New York City Collective Bargaining Law.

Local 1180 is the recognized bargaining representative of all administrative titled employees of the City. The distribution of titles, the number of employees in each and their salary ranges are set forth below:

<u>Title</u>	<u>Number of Employees</u>	<u>Min.</u>	<u>Max.</u>	<u>Salary Range</u> <u>Mid-Point</u>
<u>GROUP A:</u>				
1. Administrative Assistant	1109	\$ 8500	\$12,400	\$10,450
2. " (IBM)	20			
3. " (Sec'y)	75			
4. Personnel Assistant	13			
5. Clerk Grade 5 - equated to Administrative Asst.	<u>152</u>			
Total	1369			
<u>Group B:</u>				
1. Administrative. Associate	427	\$ 9650	\$13,850	\$11,750
2. Personnel Associate	12			
3. Clerk Grade 5 equated to Administrative Asso.	<u>168</u>			
Total	607			
<u>Group C:</u>				
1. Senior Administrative Asst.	104	\$10,500	\$15,350	\$12,925
2. Clerk Grade 5 equated to Senior Administrative Assistant	<u>139</u>			
Total	243			

At the outset, the importance of this proceeding as a precedent for other City employees was stressed in the City's presentation. The financial impact of the recommendations made herein will directly affect approximately 25% of the City's work force comprising the clerical and administrative groups and the remainder of the career and salary employees share an interest in the pattern of settlement that

will be recommended.

The parties have been in active negotiations since early November 1970 and have resolved all non-economic issues. Following are the unresolved economic issues submitted in this proceeding, a short exposition of the data and arguments presented and my recommendations for their resolution.

1. Duration of the Agreement

The Union seeks a 1½ year contract and the City seeks a three year contract. The previous agreement was for two years. Neither party offered any reason for making a change from the term of the last agreement.

I recommend that the agreement be for two years, from January 1, 1971, to December 31, 1972.

2. Salary Ranges, Wage Increases and Advancement Increases

The Union demand on salary issues may be summarized as follows:

	<u>January 1, 1971</u>	<u>January 1, 1972</u>
<u>Group A</u>		
General Increase	\$ 1350	\$ 650
Minimum	10,000	11,000
Advancement Increase	650	
<u>Group B</u>		
General Increase	1650	750
Minimum	11,150	12,150
Advancement Increase	750	
<u>Group C</u>		
General Increase	1900	900
Minimum	12,000	13,000
Advancement Increase	850	

The City's last offer may be summarized as follows:

<u>General Increase:</u>	<u>Group A</u>	<u>Group B</u>	<u>Group C</u>
January 1, 1971	No Change	No Change	No Change
January 3 1971	\$ 200	\$ 225	\$ 250
January 1, 1972	300	325	350
January 1, 1973	300	325	350
Advancement Increase	525	600	675

In general, the Union justifies its position on the erosion of the spending power of its members caused by the increase in the cost of living, and on a comparison between the salary ranges of its members and those achieved by other employees of the City, the State, the federal government and private industry. These standards are compatible with those recommended in a bill before the City Council (Int. No. 162) which has been agreed to by the Office of Collective Bargaining, the Municipal Labor Committee representing all City employee unions covered by the Collective Bargaining Law, and by the City of New York.

The City accepts basic standards of the Union but differs in its interpretation and application of some of the supporting evidence. Moreover, it stresses the importance of giving major consideration to the financial plight of the City. It states that stringent economies are needed if cutbacks in services and personnel are to be minimized.

The rise in the cost of living evidenced by the changes in Consumer Price Index for Metropolitan New York is a fact generally recognized. It would not be useful in this report to recount in detail the interpretational testimony, exhibits and charts both parties submitted. The basic data used by both are identical and, no matter how emphasized, the end product must be the same if the mathematical method, is employed.

It is proper that the rise in the cost of living should be the starting point in determining the extent of an increase for government employees. Their wages have been set more by moral than by economic imperatives, not by the forces of supply and demand but by standards of fairness and equity. Since they are forbidden to strike, it becomes an even greater obligation for the government agencies to meet their legitimate demands.

It is proper for government employees to expect that their real wages will be maintained, that a new contract will provide them with at least the purchasing power they had at the beginning of the last contract. Their loss of purchasing power is indicated by the change in the CPI from December 31, 1968, to December 31, 1970, which was 15.5 points or 14.4%. However, the City points out

that during the two year term of the expired contract, the salaries of the administrative titled employees increased from 15.3% to 21% depending upon the classification and position in the salary range.

The essential dispute herein is between the Union's insistence that the increase in the CPI during the past two years be reflected in the salary established for the beginning of the new contract, and the City's insistence that the increase be measured by the anticipated rise in the CPI during the next three years, which City Budget Director Edward Hamilton testified was optimistically estimated at 4%, 3% and 3%.

The Union's argument is complicated by the fact that the wage, increase it received in the last contract was front-end, i.e., was proportionately larger at the beginning of the first year than at the beginning of the second. On the other hand, the City's argument represents a departure from past practice in that the cost of living adjustment has not usually been based entirely on prospective changes. Such prospective changes in the CPI are more guesswork, informed and educated, but nevertheless guesswork.

If cost of living were the only valid criterion, the City points out, the Administrative Assistants have done very well. Since 1965, the CPI has increased 23.5%, while their salaries have increased 36.6%. An Administrative Assistant who started to work in January 1956 at \$5,450 would now be making \$11,700, an increase of 114.7%. The Union argues, however, that cost of living was not the only factor. There was some catching up and some inequity adjustments that account for the excess over the cost of living.

In any event, the Union argues that the main concern should be to adjust the erosion of purchasing power since the beginning of the last contract. To equal the purchasing power they had on January 1, 1969, the Administrative Assistant must have an average salary on January 1, 1971, of \$11,344, the Associate \$12,883 and the Senior \$14,279, and if the CPI rises 5.5% in the next twelve months the average for the Assistant must be \$11,967, the Associate \$13,590 and the Senior \$15,063 by January 1972.

Aside from increase in the cost of living, the Union argues that it is entitled to be treated as well as other City employees and it points the increases recommended for police, fire and sanitation employees. The City argues, however, that there were special circumstances which distorted the pay scales in those contracts and make them inept standards for comparisons. The fight over parity among the uniformed forces was an unusual factor not applicable to the Administrative Assistants. If parity considerations are not considered, the fact finders in those impasse proceedings recommended an increase based on a 4½% prospective increase in the CPI and 2% for increased productivity, a total of only 6½%.

The Union submitted data comparing the Administrative Assistants with their New York State and federal equivalents. The City does not accept the Union's claim that the federal GS9 scale is comparable to the Administrative Assistants and urges that GS7 is the proper standard of comparison.

The City points out that its present salary range of \$8500-\$12,400 for the Administrative Assistants compares favorably with New York State Head Clerk of \$9701-\$11,309 and GS7 \$8582-\$10,298. It also argues that the City's salary range is much better if an adjustment were made to equate the State's 37½-hour week and the federal government's 40-hour week to the City's 35-hour week.

Similar comparisons were made with salaries paid in Nassau, Suffolk and Westchester Counties and with those paid in New Jersey, all reflecting a superior salary for the Administrative Assistants.

Perhaps the most important comparison submitted by the City was one which compared not only salaries but the cost of all fringe benefits, i.e., the total cost of an Administrative Assistant, Associate and Senior job with their counterparts in other governments. The total cost to the City of an Administrative Assistant at entrance salary of \$8500 is \$12,998, and at the maximum of \$12,400 it is \$18,865. Below is the midpoint cost of the Administrative Assistants and their equivalents.

Administrative Assistants	\$15,932
*N.Y. State Head Clerk	15,363
*Federal GS7	11,897
*Nassau County Administrative Asst.	15,367
Suffolk County Head Clerk	13,995
*Westchester County Administrative Officer	14,092
New Jersey Head Clerk	11,071

In addition to the dispute over the increase in the cost of living and over the relative position of the Administrative Assistants and their counterparts in other governmental units, the third major factor in the impasse on salaries is the financial position of the City.

Edward Hamilton, City Budget Director, testified that the City has suffered along with other cities because of the failing economy. In general, the City's expenditures increase about 15% each year just to maintain approximately the same service levels. Its revenue rise about 5% each year. The gap between the two creates a difficulty. In the past, the deficit has been made up through federal and state aid. However, in 1971, revenue has declined and expenditures have risen more than usually and the gap which used to be \$300 million now appears to be \$1.2 billion.

At this writing, the struggle for state aid and for authorization to increase taxes to bridge the gap has not ended. Since the City is mandated to balance its budget, it must cut services if it fails to raise enough income. The City has already announced that many jobs will be eliminated, hopefully through attrition but if not, then by layoffs.

The Union was skeptical about the severity of the City's financial plight. It pointed to many provisional and managerial appointments which it felt were unnecessary and could be eliminated.

Mr. Hamilton did not deny that the City had obligation to increase the salary of its employees but he argued that the prospective increase in the CPI and increased productivity are the only valid reasons for salary increases.

* These salaries reflect current increases, while the non-asterisked ones are yet-to be negotiated.

In my opinion, a proper raise for these employees should be based on the rise in the cost of living during the last year of the expired contract and the expected rise in the first year of the now one, and an improvement factor to compensate for the loss of increments because they left the Career and Salary Plan, tempered by the need of the City to meet its budget crisis. I compute the rise in the total cost of living from December 31, 1969, to December 31, 1970, to have been 6.3%, and estimate a further rise. to December 31, 1971, of 4%. I estimate the loss of increments to have been about 2% a year. In all, the total is 14.3%. The following recommendation reflects this increase over the two year term of the contract. I recommend the two-year increase be given in increases, the larger portion in the second year to ease the City's burden in meeting its present fiscal problem.

I recommend the following salary increases:

Group A. Administrative Assistants, Personnel Assistants and Clerks, Grade V, equated to. Administrative Assistants.

Effective January 1, 1971:

- a) A general increase of \$500
- b) Salary range of \$8800 to \$12,900
- c) Advancement increase of \$525

Effective January 1, 1972:

- a) A general, increase based on the individual rate encompassed in the following ranges as of December 31, 1971.

<u>Range on December 31, 1971</u>	<u>Increase as of January, 1972</u>
\$8800 - \$9699	\$900.00
9700 - 10,399	950.00
10,400 - 11,099	1,000.00
11,100 - 11,799	1,050.00
11,800 and over	1,100.00

- b) Salary range of \$9400 to \$14,000
- c) Advancement increase of \$525

Group B: Administrative Associates, Personnel Associates, Clerks Grade V equated with Administratives Associates.

Effective January 1, 1971:

- a) A general increase of \$600
- b) Salary range of \$9950 to \$14,450
- c) Advancement increase of \$600

Effective January 1, 1972:

- a) A general increase based on the individual rate encompassed in the salary range as of December 31, 1971.

<u>Range on December 31, 1971</u>	<u>Range as of January 1, 1972</u>
\$ 9950 - \$11,649	\$1,100.00
11,650 - 13,049	1,150.00
13,050 and over	1,200.00

- b) Salary range of \$10,650 to \$15,650
- c) Advancement increase of \$600

Group C. Senior Administrative Assistants, Clerk Grade V equated to Senior Administrative Assistants.

Effective January 1, 1971:

- a) A general increase of \$700
- b) Salary range of \$10,900 to \$16,050
- c) Advancement increase of \$675

Effective January 1, 1972:

- a) A general increase of \$1,300
- b) Salary range of \$11,800 to \$17,350
- c) Advancement increase of \$675

I recommend that the increases effective January 1, 1971, not be granted retroactively to those employees who resigned prior to ratification of the agreement.

3. Differentials

The expired contract provided for salary differentials for those employees in the Department of Social Services who are assigned as Field Officer Supervisors in the Bureau of Public Assistance, or as Office Managers of Social Services Centers which have been reorganized for Income Maintenance and Services for Aid for the Disabled, Aged, and Blind, commonly referred to as the DAB program. The contract

specified the amount of the differential when the DAB program has been partially implemented and provided for the negotiation of an additional differential upon full implementation. That negotiation was held and the amount of the additional differential was established. Here is how it now stands:

A. Partial Implementation

<u>Civil Service Title</u>	<u>Office Title</u>	<u>No. of Employees</u>	<u>Amount of Differential</u>
1. Senior Administrative Assistants and equated titles	Field Officer Supervisor	None	\$850 per year
2. Senior Administrative Assistants and equated titles	Office Manager	37	\$800 per year
3. Administrative Associate and equated titles	Senior Assistant Office Manager	37	\$700 per year

B. Full Implementation

1. Senior Administrative Assistants and equated titles	Field Officer Supervisor	11	\$850 <u>+1200</u> \$2050
2. Senior Administrative Assistants and equated titles	Office Manager	6	\$800 <u>+1200</u> \$2000
3. Administrative Associate and equated titles	Senior Assistant Office Manager	6	\$700 <u>+1200</u> \$1900

The Union has demanded an increase of \$1,000 in each category but there is insufficient showing in the record to justify an increase in the established differentials. Since these employees will receive general increases in their basic salaries, I do not recommend an increase in the amount of the differential.

In addition to an increase in the amount of the differential, the Union asked the differential be extended to Administrative Associates assigned as second Assistant Office Managers, Administrative Associates assigned as Income Maintenance Supervisors and Seniors, Associates and Assistants assigned as Field Auditors or Training Specialists, and that each be granted a differential of \$1,000.

The testimony reveals that the second Assistant Office Manager acts as Office Manager only in the absence of both the Office Manager and Senior Assistant Office Manager. This contingent and infrequent responsibility hardly warrants a

differential. The Union also asserted that the Assistant Office Manager had additional responsibilities under the DAB program, but no evidence was submitted to assess the extent and importance thereof.

The evidence as to the Income Maintenance Supervisors revealed that they now do some work formerly done by caseworkers, but it proved to be clerical work. They now sit where the clients have access to them, and thereby their involvement with the clients' problems is increased but their responsibilities have not. They issue checks to clients but under routine regulations. The evidence is that they are more harried and have some additional duties but it does not appear that the level of their responsibility has been raised to the point at which a differential is warranted.

Under the DAB program the Training Specialists have changed their methods. Instead of sharing with others the responsibility for training a group, each Training Specialist is now responsible for a full tour with one class. Such a rearrangement of content or reshuffling of pupils does not change the essential function which is teaching. It is to be expected that in a changing situation the content of the curriculum will be changed, but such a change does not warrant additional compensation, nor does the fact that the trainees are higher classified employees than before, nor that the trainor has to teach additional subject matter.

Another group for whom the Union asks a differential is the Field Auditors. Their function is to audit the service centers to assure maximum reimbursement by the federal and state governments. Their responsibility is great but it does not appear that the level of responsibility was increased by the DAB program. The Union proposed them in the original negotiations with the City but was unable to persuade the City that they were entitled to a differential. Since those negotiations, the job has not changed although regulations they enforce have. This does not affect the level of responsibility.

In my opinion, there is insufficient evidence to persuade me that they are entitled to the differential.

The Union also asked that anyone who supervises someone receiving a differential receive the same differential. No evidence was submitted to support this demand. In effect, the Union relies on the efficacy of the abstract proposition involved. However, it does not follow that the function of supervision.

is necessarily changed by the fact that those supervised are granted a differential, or that the quality of the supervision is changed by the level of compensation given those supervised.

In view of the insufficient showing to warrant any change, I recommend that the Union's demands to increase the amount of the differentials and to add other groups to those receiving differentials be denied. I recommend only that the maximum that the agreement allows for any employee who receives a differential be increased to reflect the increases in salaries that I have recommended.

4. Equalization Adjustment

The Union proposed an adjustment on January 1, 1971, of up to \$200, and on January 1, 1972, of up to \$100 to equalize the salaries of certain employees. It would apply to those employees who have completed three years or more in a title covered by the agreement. The addition of the equalization amount would not be permitted to result in a salary rate exceeding the maximum of the salary range for the class of positions and it would be reduced by the amount of the difference between the advancement increase granted in the new agreement and the amount of the advancement increase provided in the previous agreement.

The purpose of the adjustment is to compensate for the difference in promotion guarantees that existed under the Career and Salary Plan, and those negotiated after the Union elected to leave the Career and Salary Plan. It was possible under the Career and Salary Plan to receive as little as \$25 upon promotion to a higher title. Under the contract effective July 1, 1966, the minimum promotional guarantee was \$525. The Union stated that its proposal was meant to bring those who received a smaller Career and Salary Plan advancement guarantee before that date to a position equal to those who got the contractual guarantee.

However, the Union would apply it also to all others who have had three years of service. It would then fall of its purpose of adjusting an inequity and would merely serve as an increase for having served three or more years. It

thus becomes a longevity increase.

Even if the increase were limited to those promoted before the Union left the Career and, Salary Plan, this proposal would be, in effect, an attempt to renegotiate the promotion guarantee to affect those who failed to get it under the contract. It would thus renegotiate the bargain made in the 1966 contract. In my opinion, this would be improper. A similar proposal was made previously and was rejected by the City.

I recommend that this proposal be denied.

5. Welfare Benefits

The Union seeks a per capita increase from the present \$110 per year per employee contribution made by the City to a welfare fund administered by the Union to purchase additional benefits over and above those already provided by the City, to \$175 on January 1, 1971, and to \$250 on January 1, 1972.

The City has stated that it would agree to increase its contributions to those amounts provided the CWA agrees to be bound hereafter by City-wide negotiations for welfare benefits. Otherwise, the City proposes no change in its present per capita payment.

By consenting to the City's proposal, the CWA would have to subscribe to Article XIII of the 1970-73 City-wide Contract and Pension Agreement. It fears that this might mean forever relinquishing the right to negotiate the amount of the City's contributions to its welfare fund.

The Union's argument is not impressive. There is no reason why City employees should be free to upset what is essentially a matter that should be uniformly applied. Even though the amount of the City's contributions may be established through bargaining between the City and a rival union, the CWA would still be free to decide as to how that contribution should be applied for its members. The logic of welfare contributions is that it be uniformly applied. The CWA's position is contrary to this logic.

As long as CWA retains the right to decide as to how the money is used for its I members no hardship results from being bound to accept whatever money is agreed upon in City-wide bargaining. On the other hand, to permit Efferent amounts to be negotiated would create the possibility of whipsawing in an area where all employees are alike and should be treated alike.

I recommend that the City's contributions to the CWA welfare fund be Increased to \$175 per member per year on January 1, 1971, and to \$250 per member per year on January 19, 1972, only if the CWA agrees to be bound by the City-wide negotiations on welfare funds.

Dated: July 1, 1971

Respectively submitted,

BENJAMIN H. WOLF
Impasse Panel