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FACT FINDING REPORT
STATE OF OHIO
STATE EMPLOYMENT RELATIONS BOARD
February 17, 2012

In the Matter of:)	
)	
The CCNO Case Managers Association)	
Local 79 of the International)	
Union of Police Associations)	SERB Case No.
)	10-MED-12-1773
vs.)	
)	
The Corrections Commission of)	
Northwest Ohio)	
)	

APPEARANCES

For the Union:

John Roca, Attorney for the IUPA
Chrisina Kuckuck, Local 79 President
Judy Masser Local 79 Secretary/Treasurer
Damont Christen, Attorney for Local 79

For the CCNO:

Timothy McCarthy, Attorney for the CCNO
Jim Dennis, Executive Director of the CCNO
Salina Hill, Human Resources Manager for the CCNO
Tonya Justus, Fiscal manager for the CCNO
Dennis Sullivan, Director of Security/Operations for the CCNO

Fact Finder: Dennis M. Byrne

Background

The fact-finding involves the ten (10) members of the Case Managers Association of the International Union of Police Associations Local 79 (Union) and the Corrections Commission of Northwest Ohio (CCNO/Employer/Agency). Prior to the Fact Finding Hearing, the parties engaged in a number of negotiating sessions; but they were unable to come to an agreement, and one issue remains of the table: 1) an increase in the base wage rate for 2011. The Union is demanding a retroactive two and one-half (2 1/2%) percent increase while the CCNO is demanding a wage freeze for calendar year 2011. Consequently, a Fact Finding Hearing was held on December 15, 2011 at the Northwest Ohio Community College. The hearing commenced at 10:00 A.M. and ended at approximately 2:00 P. M.

The Ohio Public Employee Bargaining Statute sets forth the criteria the Fact Finder is to consider in making recommendations in Rule 4117-9-05. The criteria are:

- (1) Past collectively bargained agreements, if any.
- (2) Comparison of the unresolved issues relative to the employees in the bargaining unit with those issues related to other public and private employees doing comparable work, giving consideration to factors peculiar to the area and classification involved.
- (3) The interest and welfare of the public, and the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standards of public service.
- (4) The lawful authority of the public employer.
- (5) Any stipulations of the parties.
- (6) Such other factors, not confined to those listed above, which are normally or traditionally taken into consideration in the determination of issues submitted to mutually agreed-upon dispute settlement procedures in the public service or private employment.

Introduction:

The only issue in dispute is whether the Case Managers will receive a base rate increase for the 2011 calendar year. This seems to be a straightforward question. However, it actually involves the financial condition of six separate jurisdictions. Consequently, the Fact Finder must discuss a number of separate issues before discussing the wage issue.

The Employer, the Corrections Commission of Northwest Ohio, operates a minimum/intermediate security facility in Stryker, Ohio. The CCNO was established pursuant to ORC 307.93 that allows adjacent counties and municipalities located in those counties to contract with a multi-county correctional center. In 1987 Defiance, Fulton, Henry, Lucas, and Williams Counties along with the City of Toledo established a joint correctional facility. Those six entities house minimum-security prisoners at CCNO's facility, and they also provide the funding for the CCNO's operations. That is, the CCNO is a quasi-independent entity that is funded by a consortium of local governments and run by a Board that is appointed by the funding jurisdictions. The CCNO's mandate is to rehabilitate its inmates and return them to their home communities and the labor market.

In general, the CCNO is profitable and provides a lower cost alternative to inmate incarceration at the founding jurisdictions' jails (prisons).¹ In most cases the founding jurisdictions use the CCNO facility to house inmates in place of the more traditional "county jail," and a number of the participating counties have closed their own jails.

¹ Profit in this report means revenue is greater than expense. This is the definition of net revenue, which is not exactly equal to profit.

The CCNO allows the participating jurisdictions to pool resources in order to achieve economies of scale in its operations, and both parties agree that this has lowered the cost of housing prisoners. Neither party presented evidence on the cost saving to the participating jurisdictions (Union Exhibit at Tab 24, Union Prehearing Submission).

Each jurisdiction is charged a fee for service. The size of the fee depends on the number of beds (inmates) that the jurisdiction needs at the CCNO facility. In addition, the CCNO has instituted a number of programs to raise revenue. For example, the CCNO instituted a “pay for stay” program, whereby the inmates are charged a booking fee and for the per diem cost of their confinement. In addition, a telephone reimbursement program was instituted that raised over \$300,000.00; and finally, a medical co-pay charge was put in place to try to keep the inmates from abusing the facility’s medical care programs. The Union points out that these auxiliary programs generate enough income to pay for its demands (Union Prehearing Submission).²

The problem arises because the contracting jurisdictions are facing financial problems and, as a result, are reducing their contributions to the CCNO. That means that the CCNO has been forced to reduce expenditures, lay off employees (not fill open positions), and try to negotiate wage freezes and other concessions from the remaining employees. These are the actions taken by any employer facing severe financial problems and mirror the policies taken by the Agency’s funding jurisdictions.

Consequently, the workload of the remaining employees has increased at the same time

² There have been a multitude of Fact Findings and Conciliations between the parties on various issues and each Fact Finder, Conciliator, and Arbitrator has discussed the minutiae of these programs and other aspects of the CCNO’s finances. The current Fact Finder will not repeat these discussions in the interest of brevity. These reports and awards are contained in the parties’ submissions.

that they are facing both a wage freeze coupled with paying increased costs for health insurance and other benefits. In effect, the CCNO's remaining employees have seen a fall in their real take-home pay.

The six funding jurisdictions are trying to solve their own fiscal problems and are cutting costs wherever possible including cutting the Agency's budget. Because the Agency remains profitable, the employees believe that it can afford to pay a wage increase, and they believe that they should be rewarded for their hard work. On the other hand, the funding jurisdictions believe that the CCNO staff should be treated similarly to their employees, i.e., the staff should have their wages frozen and pay more for their benefits.

This problem is reflected in the reports of the Neutrals who have been called in to try to help the parties finalize their labor agreements. The following table shows the recommendations that various Neutrals have made in negotiations between the CCNO and its various bargaining units over the past few years.

Table 1

CCNO Recommended Wage Settlements			
Neutral	Case No	Recommendation	Unit
Grody-Rubin	10-MED-07-0861	2.5% as of 1-1-11	Supervisors
Szuter	“	2.0% as of 1-1-11	“
Gortz	10-MED-12-1774	1.0% as of 1-1-11	CO

The data in Table 1 illustrate the fact that a number of different Neutrals have consistently recommended a wage increase for the CCNO staff. A reading of the various reports shows that there are two reasons for this recommendation: 1) the CCNO is profitable, and 2) the employees have made concessions in other areas of the contract. However, regardless of any other fact, three impartial neutrals have heard the parties' presentations and found a wage increase is justified by the facts in the record (Union exhibits behind Tabs 12, 13, and 14).

Table 2 shows the same information for the six jurisdictions that belong to the CCNO. The data is gleaned from the information presented by the parties during the hearing, including their Exhibit Books. The data in the table show that the CCNO jurisdictions negotiated wage increases in the range of 3.0% per annum during the 2002/2008 period. However, when those contracts expired or during midterm negotiations, the parties often agreed upon wage freezes or givebacks. As the national recession deepened, the revenues of the CCNO jurisdictions diminished, and the requirement that local governments have a balanced budget put pressure on expenditures. Because most government spending is for labor, the budgetary crisis forced local governments to lay off workers and find other ways to reduce labor costs. The data in Table 2 illustrate that fact (Union Exhibit Tabs 15, 16, and 17 and Management Exhibit Tabs 14 and 15).³

³ The notes at the bottom of the table are an integral part of the exhibit. These notes show the current situation in the various jurisdictions with respect to their organized employees.

Table 2

CCNO Funding Jurisdictions' Wage Recommendations

<u>Jurisdiction</u>	<u>Neutral</u>	<u>Case No</u>	<u>Recommendation</u>	<u>Unit</u>
1) Fulton Co. Sheriff	Grody-Rubin	09-MED-10-1115	9.0 % Rank Diff	Sgts
2) “	Burkholder	10-MED-05-0740	3.0% for 2010/2011	Dep
3) “	Paolucci	10-MED-05-0740	Employer's Position	Dep
4) Henry Co Sheriff	Bargained Agreement		3.0% as of 1-1-11/13	
5) Defiance Co Sheriff	Bargained Agreement		3.0% as of 1-1-08/11	
6) Williams Co Sheriff	Mediated Agreement		3.0% as of 1-1-08/10	
7) City of Toledo	Gerhart	09-MED-08-0817	2.0% as of 1-7-11 <u>Or</u> 3.0% 1-1-12	Team
8) City of Toledo	Zeiser	11-MED-03-0562	frozen 2012/13 <u>Inability to Pay</u>	AFSCME
9) Lucas Co.	Bargained Agreement		Contribution of 115 hrs	

Notes:

1. Recommendation includes a \$65.00 shooting bonus and a 12% Health Insurance Payment.
2. Eliminate firearms qualification bonus and a 12.5% health insurance payment
3. \$1,100.00 as of 1-1-10; 2.0% as of 1-4-11; .5% as of 10-1-11 and a 12.5% health insurance payment.
4. Henry County is forecasting a budget deficit for 2010. Union Tab 18.
5. Parties agreed to modify their agreement to a 0% wage increase in 2011 and a reduction of 2 holidays
6. Agreement includes a reduction in holidays.
7. Layoffs in the Department and a 1.5% reduction in wages for 2012 plus a suspension of holiday premium pay. Management Tab 14
8. Fact Finder found an inability to pay. There is an increase in health care payments Management Tab 15.
9. Holidays taken as comp time i.e., no cash payments.

The recession is technically over, and the financial picture of State and Local governments is brightening. However, in Ohio the State has also decided to reduce the amount of money flowing to local governments. This policy coupled with the changes in

the tax laws, e.g., the elimination of the estate tax, has led to a situation where many local governments are still on uncertain financial footing. Consequently, there is light at the end of the tunnel, but it will be some time before increased tax revenues allow local governments to expand expenditures and/or services.

In the context of CCNO, this means that the funding for the Agency is still under pressure because of the fiscal problems facing the funding jurisdictions. The CCNO members have and continue to impose budgetary restrictions on the Agency. In addition, the Agency is required to return any profit to the funding governments. This means that the Agency's financial performance is not fully reflected in its budget. That is, the Agency is profitable, but the local governments that fund the Agency have imposed restrictions on its spending as a consequence of their own budgetary problems. This has led to a situation where the CCNO has laid-off a number of staff and/or not filled open positions, and cut back on capital expenditures even though the Agency is generating a positive net revenue (profit). The funding governments have mandated those cuts as a way to cut their own expenses.

Therefore, the problem is systemic in that the system itself has failed. There is an old adage that states, "Where you stand depends on where you sit." The funding governments are facing a budgetary crisis and believe that the CCNO employees should share the burden of helping to close the existing deficits. In their view, this is both fiscally responsible and equitable. These governments sit on the management side of the bargaining table.

On the other hand, the Union believes that its members are 1) working harder, 2) contributing more for their benefits, and 3) have gone without a raise for years. That is,

the Union argues that the real income of its members has fallen over the preceding years, and that the Employer (CCNO) can afford to pay for the Union's reasonable wage demand.

The parties have been unable to find a way out of this conundrum. The Employer has three organized units and it is possible that the parties will go through fact-finding and conciliation for each unit. That is, there might be six different hearings on the same issues. The Union will continue to insist that the CCNO can afford to pay the employees, and the funding governments will continue to insist that there is no money for raises. In some ways both positions are correct.

Issue: Wages

Union Position: The Union demands that the Case Managers receive a wage increase of two and one-half (2 1/2 %) percent paid retroactively to January 1, 2011.

Employer Position: The Employer rejects the Union's demand and desires to maintain the status quo, i.e., a wage freeze.

Discussion: Without going into great detail, some discussion of each of the six funding jurisdictions is necessary in order to evaluate the Employer's position. The City of Toledo is in financial distress. The Mayor, Michael Bell, inherited a \$48 million dollar budget deficit. In March 2010, the City Council imposed concessions on the Toledo Command Officers Association because of "exigent circumstances," i.e., the budget deficit. The concessions ended in the summer of 2011. In addition, the City tapped almost all of its available sources of funds to close the deficit. Unfortunately, the City

projects that falling State funding will continue to create budgetary problems for the short to intermediate term.

However, the City's financial position is marginally stronger at the current time than in the past. Unemployment, although still unacceptably high, has fallen, and tax revenues have rebounded somewhat from a low of \$141 million dollars in 2009 to a figure somewhat closer to \$150 million dollars in 2011 (City Exhibit at Tab 13, Union Exhibit at Tabs 22, 23).⁴ This will help the City meet its obligations, even though it is still facing severe financial problems.

One main way that the City attempted to meet its obligations was by asking for and receiving concessions from its bargaining units. The organized units agreed to higher contributions for benefits and wage concessions and/or freezes. For example, during the latest rounds of negotiations, a number of bargaining units have accepted two-year wage freezes with a wage reopener in the last year of their contracts.

Lucas County is also facing severe fiscal problems. The Employer presented evidence that the County's financial problems were continuing in 2012. A large component of the problem was the decrease in State dollars flowing to the County. The County Commissioners have instructed all County Departments to make a 10% cut in their budgets. The County also renegotiated a midterm labor agreement with the Sheriff's Department and received concessions including 115 hours of donated furlough time from the deputies (Employer Fact Finding Submission, Employer Exhibit Tabs 19, 16, 17, 18, 20)

⁴ The final tax collections for 2011 have not been reported. However, according to the Employer's Fact Finding Submission some estimates by the University of Toledo put the City's tax revenue at \$149 to \$150 million.

Defiance County is also experiencing financial difficulties. There was very little evidence presented by either party about the County, but the evidence that was put into the record shows that the County revenues have fallen and all County employees made concessions. The County Deputies Association agreed to a wage freeze in 2011 and the number of holidays was reduced from 12 to 10 (Union Exhibit Tab 19, Employer Exhibit Tab 25 and Employer Fact Finding Submission).

Conciliator Paolucci discussed Fulton County's finances at length in his decision in the negotiations between the County and the OPBA. The County has experienced the same fall in revenue as the other Northwest Ohio counties. In an attempt to keep its financial house in order, the County has reduced employment from 104 to 94 and instituted a furlough day program (Employer Exhibit Tab 21 and Union Exhibit Tabs 15, 16, and 17).

Henry County has not been immune to the financial contagion that has hit the nation and the state. However, it has fared somewhat better financially than other CCNO jurisdictions. Even so, the County has seen an operating surplus disappear and projects deficits for the coming year(s). In addition, Henry County is faced with the same reduction in State funding that affects all other Ohio Counties (Employer's Fact Finding Submission).

Williams County has been forced to layoff a significant number of employees over the past few years in order to balance its budget. Moreover, the County recently negotiated a one-year \$1.50/hr. reduction in wages for the Sheriff's Department deputies and sergeants. This was a quid-pro-quo for a no new layoff pledge. In addition, the

OPBA and the County agreed to a one-year suspension of holiday premium pay (Employer's Fact Finding Submission and Employer Exhibit Tab 22).

The Employer also presented evidence on the unemployment rate in the CCNO Counties. The Employer's exhibit shows that the overall unemployment rate has fallen. However, the Employer made the point that the CCNO funding jurisdictions still had higher unemployment than the national average. The Employer used this information to show that the CCNO counties were slowly recovering from the recession, but that unemployment was still unacceptably high.

The unemployment data and much of the other data submitted by the Employer does not adequately portray the actual economic situation in the CCNO counties. For example, the data that the Employer submitted to prove its point(s) about unemployment came from the Ohio Bureau of Labor Market Information. The employer submitted data on the Ohio Unemployment Rate by County for October 2011 (Employer Exhibit Tabs 10 and 11).

Table 3:

CCNO County Unemployment Rates

	October 2011	November 2011	December 2011
Lucas	9.7%	8.5%	8.4%
Defiance	8.8%	8.3%	7.8%
Fulton	8.7%	7.6%	8.6%
Henry	8.8%	7.9%	9.1%
Williams	10.0%	9.2%	8.8%

Source: Ohio Bureau of Labor Market Information

The Fact Finder checked the data in the Employer's exhibit and also checked the data for November 2011 and December 2011 (the latest available data). The data in the columns of Table 3 are from exactly the same source and show that the unemployment rate dropped significantly in each of the CCNO counties in November. It also shows that unemployment rose in Henry and Fulton Counties in December and fell in the other three counties. Unfortunately, these data probably do not give any real information about the economy of Northwest Ohio because the data is not seasonally adjusted. Therefore, its relevance is questionable. The same is true of many of the Employer's exhibits, i.e., much of the information in the exhibits is outdated.⁵

The Employer also presented information gleaned from the Annual Reports of the CCNO (Management Exhibit Tabs 4-7). The Employer used these documents to show that the level of employment and capital spending had decreased over the 2007 to 2010 period. In addition, the Employer also presented financial records from 2010 and projections for 2011 that showed that the Agency's budget was cut from \$15,903,201.00 in fiscal 2007 to \$15,732,882.00 in 2010. That is, there was a slight decrease in the budget over the four-year period. This means that the real (inflation adjusted) budget was significantly less in 2010 when compared to the 2007 budget. The Employer used this information along with data on capital expenditures to show that the CCNO was facing budgetary problems. (Employer Prehearing Submission and Employer Exhibit Tabs 9 and 10).

⁵ The fact that the data in many of the exhibits is outdated does not imply that the Employer is attempting to portray its economic situation in the worst possible light. What it does mean is that the economic situation is changing so rapidly that data based on financial reports submitted in early 2011 based on 2010 numbers may be (are) out of date.

The Employer's presentation is meant to show that the CCNO funding jurisdictions have faced and continue to face financial problems. Some of the jurisdictions are doing better, financially speaking, than others. However, all have problems to a greater or lesser extent. The root of the financial crisis is the national recession that affected every state and local government. The recession is ending and its effects are diminishing. However, Ohio county and local governments are still being affected by the fact that the State is cutting back on the funds that it gives to county and local governments. There is light at the end of the tunnel, but there is still only a promise that the future will be better fiscally speaking. At the current time, the CCNO jurisdictions are still trying to recover from the recession and the ongoing State funding cuts. Furthermore the recovery is fragile, and any problems in either Washington D.C. or Europe or Asia, etc., may precipitate another financial crisis and a new recession.

The Union's presentation did not focus on the CCNO funding jurisdictions, rather the main part of the Union's discussion focused on the CCNO itself. The Union's exhibits were used to show that the CCNO was not in financial distress. The Union agreed that the CCNO had eliminated 18 ½ positions over the last three years (Management Exhibit Tab 7). In addition, the Union agrees that capital expenditures have essentially dried up at the corrections facility (Management Pre-Hearing Submission). However, the Union's main argument is that the CCNO is doing well as a stand-alone institution but because of budgetary priorities in the funding jurisdictions its financial position appears worse than it really is. That is, the funding jurisdictions have forced the CCNO to act as if it were in financial distress for two reasons. First, the funding jurisdictions wish to contribute fewer dollars to the Agency; and second, any

surplus revenue is returned to the funding jurisdictions. This means, according to the Union, that the financial problems facing CCNO are, in large part, an artifact of the financial problems facing the funding jurisdictions.

The Union presented evidence to buttress its position. The financial report of the CCNO for Fiscal 2010 was introduced to show that the Agency as of December 12, 2011, had an unencumbered carryover of approximately \$437,000.00 (Union Exhibit Tabs 6-10). This amount is the difference between the Agency's annual budget for all departments minus the amount actually expended. The Union claims that this shows that the CCNO can easily pay the Case Managers demand. The Employer countered that all dollars in question had to be credited back to the funding jurisdictions and were not kept by the Agency.

The Union also presented information on the job performed by the Case Managers. Briefly, the Union membership counsels, manages, and performs a number of other offender services. For example, the case managers interact with the judicial system and other agencies to make sure offender files are complete. In addition, the CCNO is charged with returning inmates to, and helping with their reentry into, the surrounding communities. This includes helping inmates find jobs. That process includes risk assessment, assisting the inmates in finding housing, finding medical and mental health services, and monitoring inmates' job performance (Union Exhibit 7). Case managers are a vital and integral part of the team that helps inmates return to society. The evidence also showed that the number of case managers had fallen over the years. However, the Employer stated that number of inmates housed in the CCNO facility has also fallen.

The Employer also testified that the duties of the case managers had fallen over the years. Therefore, the Employer testified that the actual workload of the Union members was lower than in previous years and that should be reflected in their wages. A fair reading of the evidence does not support that contention. The record shows that the case managers are a vital part of the CCNO staff and that their jobs are important in helping the Agency carry out its mission.

The Union also presented evidence on comparable jobs throughout the nation. That data collected and tabulated by the Bureau of Labor Statistics (BLS) shows that the CCNO's case managers are paid significantly less than other similarly situated employees. The Data on Occupation 02-1092 Probation Officers and Correctional Treatment Specialists shows that the average national wage is \$24.64 /hr. CCNO pays \$17.80/hr. or 28% less. The published BLS state estimates show that in Ohio similarly situated workers earn \$22.26/hr. v. \$17.80 for CCNO employees which a difference of 20%. The Union claims that these data show that its membership is significantly underpaid compared to other workers doing the same job.

The Employer argued that the Union's data were misleading. The Employer stated that there was no exact analog to the case manager job in the BLS report and that a more exact comparison, such as the SERB data, does not show the same disparity in wages. To prove its point, the Employer presented evidence from the State Employment Relations Board Benchmark Report that it claimed showed that the CCNO case managers were paid more on average than other similarly situated workers throughout Ohio. The Union refuted this testimony by stating that there are no positions within corrections facilities included in the SERB data. The Employer did not refute that testimony.

Therefore, the Employer claimed that a group of case managers working in correctional facilities throughout Ohio was the valid comparison group, but unfortunately it presented no information on any such group.

Again, a fair reading of the information in the record shows that the Case Managers are not compensated as well at CCNO as they are either throughout Ohio or the nation at large. It is true that the comparisons, based on national data, are probably not an *exact* (emphasis added) match to the CCNO's case managers. Nonetheless published U.S. Government data do show that individuals working in similar occupations throughout the country are paid significantly more than CCNO's staff.

One of the criteria that a Fact Finder must consider when making a recommendation is internal comparability. In other words, how is the bargaining unit in question doing in comparison to other employees working for the same employer? The CCNO has three bargaining units: the Corrections Supervisors, the Corrections Officers, and the Case Managers. The Corrections Supervisors have already been through conciliation and have been awarded a raise of over 2.0% through conciliation, and the Corrections Officers are scheduled for conciliation. Therefore, the Case Manager Unit is falling behind other internal groups of employees. This means that the historical wage differential between the Corrections Supervisors and the Case Managers is increasing.

In a similar vein, the Union also pointed out that the Case Managers take home income had fallen over the past years, and is continuing to fall. One main reason is that all CCNO employees are paying more for their benefits. For example, during the negotiations leading to the 2006 -2009 agreement, the Case Managers agree to pay a capped 5.0% toward their health insurance premiums. In negotiations leading to the

current agreement, the Union was able to negotiate a 1.0% pay raise for 2010 and the health insurance contribution went to 7.5%. Consequently, the out-of-pocket cost paid for benefits is outstripping the growth in wages. This is true for all CCNO employees not only the Case Managers.

The information on the CCNO's budget presented above on the Employer's ability to pay shows that the Agency can afford to pay an increase to the Case Managers. It is clear that the CCNO has faced financial problems over the past years. Moreover, the fiscal picture remains dim for the next few years. However, the CCNO is generating sufficient funds to meet its obligations. The problem is that the funding jurisdictions are cutting their contribution to the CCNO and desire any "excess revenue" earned to be returned to the various jurisdictions. That is, the CCNO's fiscal problems are caused by budget policy, not budget problems.

The final data that must be discussed before a recommendation is put forward are found in Union Exhibit 1. The main impediment to any Fact Finder recommending a wage increase is the Employer's ability to pay. In this case that translates to the funding jurisdictions' ability to pay. Union1 shows the total cost of the Union's demand for each of the six CCNO funding jurisdictions. The total cost is \$8,014.22. That means that Defiance County will pay \$753.33, Fulton County will pay \$653.16, Henry County will pay \$452.00, Williams County will pay \$653.16, Lucas County will pay \$2,486.81, and the City of Toledo will pay \$3,014.95 more per year. These amounts are small enough that there can be no real financial impact on any jurisdiction.

Consequently, based on all of the evidence in the record, the Fact Finder is recommending a 2.0% percent raise for 2011. The evidence in the record shows that the

overall level of economic activity is increasing throughout Ohio including Northwest Ohio. This does not mean that the CCNO funding jurisdictions have completely weathered the economic storm caused by the national recession. However, both the state and national economies are clearly on the rebound and the recovery also will affect Northwest Ohio. In addition, the Case Managers have proven that their relative position within the Agency is eroding. Most importantly, the Employer's cost of granting a wage increase is miniscule. There is no reason to assume that each of the funding jurisdictions cannot afford its share of the total cost of a 2.0% wage increase.

The Fact Finder understands that the funding jurisdictions may (will) reject this recommendation because of budgetary and equity considerations. The affected counties and the City of Toledo have evidence that they face great financial problems. Moreover, these jurisdictions' employees face wage freezes. Consequently, they believe that CCNO's employees should share in the pain. However, there is crucial distinction. CCNO's employees do not work for any of those jurisdictions. They work for CCNO and the Agency has been "profitable." The fact that the Case Managers work for an entity that has operated in the black does, at the end of the day, make a difference.

Therefore, this Neutral has examined the same data examined by other Neutrals and come to the same conclusion that they did. Namely, that the CCNO can afford to pay a modest raise and that the employees proved that they should receive a raise. The CCNO has been well run and its employees have been a part of that success.

Finding of Fact: The CCNO can afford to fund a 2.0% raise for its Case Managers for the 2011 calendar year.

Signed this _____ day of February 2012, at Munroe Falls, Ohio.

Dennis M. Byrne, Fact Finder