

BONNIE G. BOGUE	Arbitrator's Case No.
Arbitrator	122a-87-G3a
618 Curtis Street	State Case No. 85-06
Albany, California 94706	226
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**IN ARBITRATION PROCEEDINGS PURSUANT TO
AGREEMENT BETWEEN THE PARTIES**

In the Matter of a Controversy

between

STATE OF CALIFORNIA (DEPARTMENT OF CORRECTIONS) DECISION

and

**CALIFORNIA CORRECTIONAL PEACE OFFICERS
ASSOCIATION**

Involving issues related to
vision care contribution

This arbitration arises pursuant to the agreement between the STATE OF CALIFORNIA (DEPT. OF CORRECTIONS), hereinafter the STATE, and the CALIFORNIA CORRECTIONAL PEACE OFFICERS ASSOCIATION, hereinafter the ASSOCIATION or CCPOA, under which BONNIE G. BOGUE was selected as Arbitrator pursuant to procedures of the parties' agreement, under which this award is final and binding on the parties.

A hearing was held in Sacramento, California, on September 5 and November 4, 1986, at which time the parties were afforded the opportunity, of which they availed themselves, to examine and cross-examine witnesses and to introduce relevant evidence, exhibits, and arguments. Witnesses were duly sworn. A verbatim record of the hearing was prepared, and a transcript was made available (received November 15, 1986). The record was closed on November 4, 1986, as no post-hearing briefs were filed.

APPEARANCES:

On behalf of the Association:

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Neyhart, Anderson, Nussdaum, Reilly & Freitas
568 Howard Street
San Francisco, California 94120

On behalf of the District:

Lester L. Jones
Legal Counsel
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ISSUE

The parties stipulated to the following statement of the issue to be decided:

Did the State violate Sec. 14.02 of the agreement by providing Unit 6 employees with the statewide composite rate for vision care which is less than \$11.50 per employee per month? If so, what is the appropriate remedy?

FACTUAL BACKGROUND

In negotiations leading to the current agreement between the State and California Correctional Peace Officers Association covering Unit 6 (1985-87), a provision was agreed to which provided a vision care benefit for the first time. Sec. 14.02 © provides:

Effective July 1, 1986, the State will make contributions to a CCPOA Administered Vision Care Plan for the 1986-87 contract period. The State will contribute a composite rate not to exceed \$11.50 per month per employee. This rate shall be adjusted annually on July 1 of each year.

The State negotiated a vision care benefit for other bargaining units as well, also to be effective July 1, 1986, the second year of two-year contracts. CCPOA's provision calls for a plan administered by a union trust, whereas other units participate in a state-administered plan.

At the time the provisions were negotiated, the State had not yet reached agreement with any carrier as to the per-employee premium rate for the vision care benefit in other units, or to the nature of the benefit to be provided. Nor had CCPOA determined the nature or cost of its self-administered vision care plan for Unit 6. CCPOA and the State agreed that CCPOA's plan would be union-sponsored and that the State

would contribute a composite rate not to exceed \$11.50 per month per employee.

The language which appears in the agreement was proposed by CCPOA, which began its proposals on the subject on June 18, 1985 with language calling for the state to contribute a monthly composite rate not to exceed \$35" to cover both dental and vision care administered by the CCPOA trust. On August 14, 1986, the vision plan was separated from dental and the proposed language called for the State to contribute a monthly rate equal to the statewide composite rate for other state employees. (Union Ex. 1.4) On August 26, that language changed to call for a monthly rate equal to the statewide composite rate for other state Peace Officer employees. (Union Ex. 2, P. 1163CP16) On August 27, CCPOA's proposal changed to call for a composite rate not to exceed \$11.50 per month per employee. (Union Ex. 1.6) That language was accepted by the State and was agreed to on August 29 without change.

The State's chief negotiator testified that he said during bargaining that the term "composite rate" meant the same as the composite rate in the dental provision in the Unit 6 agreement. (Tr. 2-30) He also testified that the Union's negotiator stated that CCPOA wanted the same vision benefit as other state employees would get. (Tr 2-93) However, he testified that negotiators did not discuss the difference, if any, between the "statewide composite rate" used in CCPOA's August 14 proposal and the term "composite rate" used in the final proposal incorporated into the contract. (Tr 2-98 et seq.)

The Union's chief negotiators testified that the term composite rate in the Union's final proposal was intended to refer only to Unit 6, that is a rate derived from the experience (number of single and family enrollments, etc.) Expected from Unit 6 rather than all state employees. (Tr. 1-101 et seq.) He agreed that the State negotiator had said the term meant the same as it did in the dental care clause. (Tr 1-104). Testimony establishes that the composite rate used to determine the dental plan for Unit 6 (also union-administered) is a Unit 6 composite rate, not statewide. (Tr. 1-101, et seq.)

The figure \$11.50 was proposed by CCPOA in negotiations on August 27 when it first appeared in its proposals, although the figure was apparently discussed previously in "side bar" discussions between the parties. CCPOA negotiators testified the figure was derived from preliminary estimates from its insurance staff and was proposed because the state was unable to come up with a composite figure from its own calculations and the Union wanted something concrete before it agreed to the benefit. The State chief negotiator was not sure who came up with the figure, but testified that purpose of the figure, used with the words "not to exceed," was to provide a "cap" and not an entitlement to \$11.50, since no firm cost calculations had yet been made as to what vision care would cost at the time negotiations were being completed.

The term "not to exceed" appears in two other provisions in the parties' contract -- uniform allowance and MTA reimbursement. Testimony establishes that in the past the stated figure for uniform allowance has been the amount in fact paid to Unit 6 employees regardless of actual expenditure for uniform replacement, whereas the figure for training reimbursement is not the amount paid, but rather the maximum allowed depending on the employee's actual expenditure. At the time that the vision care plan was to become operative in 1986, the State contended that the cited language only required it to

contribute a rate equal to that contributed per employee for all other state employees, whereas the Union contended that the language required the State to contribute \$11.50 per employee to cover the vision care plan it had negotiated with its own carrier. A grievance was filed and the present proceeding ensued.

ASSOCIATION'S POSITION

The clear language of the agreement must prevail. The language states that the state shall contribute a composite rate to the CCPOA administered plan not to exceed \$11.50 a month per employee. There is no language limiting the contribution to what other state units are getting, since the language does not refer to a statewide composite rate. A composite rate can be for any group, such as all state employees, just peace offices, or a single bargaining unit. In this case, it refers to a composite rate for this bargaining unit alone, as reflected by the bargaining history in which the association, when it began getting tougher in its bargaining over the vision care benefit, changed from seeking a rate equivalent to the statewide rate to a unit-only composite rate.

Two theories have been offered for the meaning of the language "not to exceed." In the context of this unit's agreement, that language has meant the indicated amount, as in the uniform allowance provision. The only other section in which the phrase is used refers to the MTA allowance, but in the context of that provision, it would be unreasonable to assume the language meant the stated amount if an employee did not in fact spend that amount on tuition or books.

The State contends the phrase means the same as the phrase "up to" used in other provisions. The context of those provisions makes it clear, as in the MTA provision, that the phrase means whatever the employee spends -- such as travel allowance -- up to the amount, as it would be unreasonable to reimburse the employee for more than he or she spent.

Even accepting the State's interpretation of the words "not to exceed" as meaning "up to," the Association will prevail because the vision care provision calls for the employer to pay up to, or not to exceed, \$11.50 for whatever composite rate is negotiated by CCPOA with a vision care carrier.

The language of CCPOA's agreement is starkly different than that in any other contract providing for vision care. No other agreement has similar language defining the vision care benefit. Thus, it is quite rational that Unit 6 has a better set of benefits than that for other state employees.

STATE'S POSITION

The term "not to exceed" does not entitle the employees to the dollar amount. Although the past practice with regard to the uniform allowance has resulted in the stated amount being paid, that is not the case with other provisions in the Unit 6 agreement which use the terms "not to exceed" or "up to." Nothing in the clear and unambiguous words "not to exceed" entitles Unit 6 employees to \$11.50 a

month in vision care benefits. Nothing in the bargaining history proves that there was any reference made to a correlation between the vision care proposal and the uniform allowance provision when the vision care proposal was made.

The Association contends that, because the Unit 6 language is separate and distinct from language in other units' agreements, it means that Unit 6 employees are a preferred group and able to obtain an entitlement twice the amount of any other state employee. Despite efforts of CCPOA witnesses to establish that the unit is a favorite in the eyes of the Governor, they pointed to no discussions with State representatives indicating that Unit 6 employees would receive a benefit greater than any other unit.

Given the dynamics of how the vision care coverage came to be for Unit 6 employees and for other units, it would be highly unusual for the state to agree to a provision that would provide Unit 6 with such an extraordinary entitlement. The bargaining history discloses no discussions to that effect. In fact, the bargaining notes are notable in that they show no specific discussion as to the meaning of "not to exceed" or any meaning of what the parties intended regarding this proposal. The only reason a dollar amount was stated in that the union representatives requested some stated cap that they could take to their members. The figure was intended only as a cap, not an entitlement.

The bargaining history does show that CCPOA was concerned about comparability with other units, and the thrust of all the discussions about dental coverage and vision care were relative to maintaining comparability. It would be absurd for the resulting conclusion to be that the State agreed to a provision unique to Unit 6, even though the language does present distinctions from that in other unit agreements. But those are distinctions without a difference because the impact is not to provide Unit 6 employees with benefits greater than other state employees. In the negotiations in which the proposal progressed from "statewide composite" to "peace officer composite" to "composite," there was no discussion as to the meaning attached to the term other than a comparative rate to other bargaining units. It was within that context that a "composite rate" was agreed upon.

DISCUSSION

Resolution of the parties' dispute depends on the meaning of two terms used in Sec. 14.02 (c). One is "composite rate" and the other is "not to exceed" \$11.50 per month per employee.

Turning first to the term "not to exceed," the dispute must be resolved by applying a cardinal rule of contract interpretation -- words must be given their plain meaning absent clear and convincing evidence that the words have a special meaning consistently used by the parties which differs from common usage.

The plain meaning of the words "not to exceed" is that the amount the State is obligated to pay shall not be more than the stated figure of \$11.50. However, the Union contends that the words, within the context of the parties' agreement and the past practice in which the same term has been applied, obligates the State to pay \$11.50 and no less.

The Association points to the same terminology in the uniform allowance provision in the Unit 6 agreement and to the testimony which establishes that the State has always paid the stated amount of uniform allowance, regardless of whether the employee has actually spent that amount to replace the uniform. The Association contends that the parties have always understood the term "not to exceed" to mean that the State will in fact pay the stated amount. The State refutes that understanding of the term and points to other contexts in contracts and regulations in which the term has not obligated the State to pay the amount stated.

The dispute can be resolved within the four corners of the Unit 6 agreement. The meaning of the terminology used in the uniform allowance provision could be interpreted as the Association contends, based on the parties' past practice with regard to the language in that section. However, even if that be true, it does not require the same interpretation in the vision care clause because of the inconsistent practice of the parties in applying the words "not to exceed" elsewhere in the contract. In the MTA provision the words have not been applied to require the state to reimburse employees the stated amount, but rather the amount actually expended by the employee for training costs up to the stated maximum figure.

In light of this inconsistent application of the term "not to exceed," the words must only be given their plain meaning. That is, the State is not obligated by the words "not to exceed \$11.50" to actually pay \$11.50 per employee for vision care coverage.

The provision does obligate the State to contribute "a composite rate." Rather than negotiating the specific vision care benefits to be provided, the parties negotiated what the State would contribute, so that the level of benefits would be governed by what CCPOA could negotiate with a provider based on the amount of money at its disposal. And that amount of money was designated as the "composite rate." The term "composite rate" does not have a commonly understood meaning outside of benefit administration. Rather, the term is a technical term which the testimony of the parties indicate is based on complex formula derived from the nature of the covered employees and their use of the benefit depending on a number of factors such as the number of dependents, etc., as well as on the level of benefits included in the package.

The problem here is not on how the formula is derived, but on what universe of employees is to be plugged into the formula. The State contends that the term refers to a "statewide composite" rate, so that the amount of money contributed would reflect the same benefit level granted to other state employees. CCPOA contends that its earlier proposal for such a "statewide" benefit based on a statewide composite rate was superseded by its final proposal for a Unit 6 composite rate, reflecting a unit-wide benefit package to be developed by the Association up to the maximum cost of \$11.50 a month per employee.

The progression of CCPOA proposals changed the key term from "statewide composite rate" to "peace officer composite rate" to "composite rate." When CCPOA used the term "statewide composite rate" its negotiators confirmed that they were interested in the same vision care benefit as other state

employees. The parties also discussed the meaning of a "peace officer composite rate" which would have reflected only the experience in other peace officer units. But when the CCPOA changed its term to state merely "composite rate," no discussions were held as to what that term meant. The State negotiators contend that the absence of the word "statewide" had no significance to them, whereas the Association contends that the absence of the word was purposeful and meant to indicate that the rate would only refer to Unit 6 itself.

Absent specific discussions as to the intended meaning of the term, the term's meaning must be derived from the contract as a whole. The vision care provision appears in the same section of the agreement as the dental care provision. The dental care provision calls for "a monthly composite rate of \$27.30 per employee" for the first year of the agreement and for the same formula that produced that set amount to be applied to compute the "composite dental rate" for the second contract year.

CCPOA negotiators testified that this "composite rate" refers only to Unit 6 employees and no evidence refutes that testimony. In fact, the State's chief negotiator testified that he had stated during bargaining that the term "composite" meant the same as it meant in the dental provision, that the rate would be based the same way. (Tr. 2-30) His testimony did not disclose that he meant anything other than that the two formulas were intended to be derived in the same manner. And the dental formula is based on the experience of Unit 6 employees only.

That meaning is further bolstered by the fact that, unlike other bargaining units, the Unit 6 dental and vision care benefits are union-administered and thus limited only to Unit 6 employees. Without the use of the qualifying word "statewide," the most logical meaning to be given the term "composite rate" would be a rate based on the experience of employees to be covered by the plan and no others. The State argues that the dental rate was arrived at in order to preserve "comparability" among units, but nothing in the record discloses that purpose was achieved by including other state employees in the "composite rate."

Thus, the meaning of the provision, based on the plain meaning of the words and the usage the parties have given the same words elsewhere in their agreement, is that the state is obligated to contribute a composite rate, derived from Unit 6 employees only, up to a maximum of \$11.50 per employee per month.

The State argues that, in agreeing to the figure \$11.50, the state negotiators did not intend to grant that figure as an entitlement, and that the context of negotiations indicates no intention, expressed or implied, to grant CCPOA a significantly greater benefit than other state employees or to grant CCPOA carte blanche to negotiate with providers whatever benefit it liked and require the State to pick up the tab. However, the clear language of the agreement controls. In agreeing that \$11.50 would be the maximum, State negotiators neglected to negotiate any language which would impose any other limitation in the event the vision care plan which the State eventually worked out with providers would cost less than \$11.50. The language obligates the State to contribute whatever composite rate is required to cover the CCPOA-administered benefit plan, up to and not to exceed \$11.50 a month per employee. If the actual

rate is less than \$11.50 a month, that State need only pay that actual rate; if it is more than \$11.50, the State need only pay \$11.50.

Turning to the remedy for the State's failure to comply with the requirements of Sec. 14.02 (c), CCPOA requested that the question of making whole employees for the difference between the contribution actually made by the State and the amount which the contract requires be left to the parties for discussion, with the Arbitrator retaining jurisdiction to break possible impasse in such discussions. The State requested that any liability for additional contributions be made subject to verification of what the rates in fact were. The remedy set forth in the award below takes into consideration those requests.

AWARD

The State violated Sec. 14.02 (c) of the agreement by providing Unit 6 employees with a statewide composite rate, rather than a unit composite rate. Consistent with the above discussion, the State shall contribute a rate not to exceed \$11.50 per employee per month, based on the composite for Unit 6 employees, to a vision care plan administered by CCPOA, effective immediately.

The State is obligated to make Unit 6 employees whole for the difference between the amount actually contributed and the composite rate required by the agreement from the date the vision care plan was to become effective until this award is implemented; the manner in which that is to be achieved is remanded to the parties for mutual determination. In the event the parties are unable to reach such a determination, the Arbitrator retains jurisdiction for a period of 90 days from the date of this award to resolve that question and any other unresolved remedial issue.

The State is obligated to take all reasonable steps promptly to inform Unit 6 employees of their entitlement to the revised vision care benefit, including individual notification of their right to enroll if they have not already done so or of any action they may be required to take to qualify for full coverage.

Dated: 12-1-86 Signed by: Bonnie G. Bogue

BONNIE G. BOGUE

BONNIE G. BOGUE Arbitrator's Case No. Arbitrator 122a-87-G3a 618 Curtis Street State Case No. 85-06 Albany, California 94706 226 (415) 527-7205/643-6812 IN ARBITRATION PROCEEDINGS PURSUANT TO AGREEMENT BETWEEN THE PARTIES In the Matter of a Controversy between STATE OF CALIFORNIA (DEPARTMENT OF CORRECTIONS) ADDENDUM TO and AWARD March 25, 1987 CALIFORNIA CORRECTIONAL PEACE OFFICERS ASSOCIATION Involving issues related to vision care contribution ----- APPEARANCES: On behalf of the Association: Ronald Yank Neyhart, Anderson, Nussdaum, Reilly & Freitas 568 Howard Street San Francisco, California 94120 On behalf of the District: Lester L. Jones Legal Counsel California Dept. Of Personnel Administration 1115 - 11th Street Sacramento, California 95814 In the award issued December 1, 1986, the Arbitrator retained jurisdiction in the event the parties were unable to mutually determine an appropriate remedy. The parties requested that jurisdiction be exercised, and a hearing was

held on March 11, 1987, in Sacramento, California, to hear arguments and receive evidence on the question of remedy. In the award, it was determined that the State must make Unit 6 employees whole for the difference between the amount actually contributed to the vision care plan (\$5.85) and the amount the State was obligated to contribute (11.50), from the date the vision care plan became effective (July 1, 1986) until the date the correct contribution is fully implemented (stipulated to be April 1, 1987). The parties are in disagreement on a means of achieving that make-whole remedy. Approximately 7,230 employees enrolled in the vision care plan between July 1, 1986, when it became effective, through the end of December. They have been qualified for the \$5.85 plan until April 1, when the enhanced plan (hereinafter the \$11.50 plan) will become effective. After the December 1 award which found that the State was obligated to pay for the \$11.50 plan, and pursuant to that award, the State reopened enrollment and permitted unit employees to enroll in the enhanced plan. A total of approximately 8,800 employees are now enrolled.

PARTIES' POSITIONS The Association proposes that the Arbitrator (1) order the State to pay the full \$11.50 benefit for the remainder of the 1986-87 fiscal year for all employees who have enrolled in the vision care plan; (2) set aside (escrow) the difference between \$5.85 per employee (actually paid) and \$11.50 (correct contribution) for all of the employees who have enrolled; (3) direct the parties to place vision care language in their next agreement (barring mutual agreement to the contrary), calling for the same carrier, Vision Service Plan, but at a level of benefit and rate to be negotiated by the parties; and (4) direct the Association to use the funds in the escrow account to augment whatever level of vision care services that is negotiated in the next agreement. The State likewise proposes that the State pay the full \$11.50 benefit for all employees who enrolled through expiration of the agreement on June 30, 1987. However, the employees who enrolled in January would have their period of eligibility for the \$11.50 benefit carried forward until January 1988, to assure they have a full year in which to utilize the benefit. The difference between \$5.85 and \$11.50 for those enrolled prior to the January open enrollment, should be paid directly to the carrier, VSP, since the carrier will only receive \$11.50 per employee from April 1 through June 30, yet will be obligated to provide full benefits for which it normally would be paid a full year's worth of premiums. The Association agrees that the carrier should be protected from having to cover a year's worth of benefits on three months' premiums, but objects that direct payment of the full amount would be a "windfall" for the carrier since it is unlikely that employees will, in the short period of time, actually utilize the plan as fully as they would had they really been enrolled for a year. It contends that its escrow plan, and the assurance that VSP be written into next year's contract, will protect the carrier's interest without providing a windfall, while assuring the funds will actually result in employees receiving enhanced benefits. The State objects to the Association's escrow plan as unduly influencing negotiations regarding next year's benefits. It also contends that the 7,230 employees enrolled as of December 1986 will have adequate opportunity to realize the full benefit, since they have had the vision care coverage since they enrolled and it is only the enhanced benefits -- such as a second pair of glasses -- that they will have the opportunity to use in the next three months.

DISCUSSION Both parties' proposed solutions present a reasonable remedy, but neither remedy is without flaws or unavoidable complications. And neither provides a "neat" solution that does not slop over into the next contract year. Rather than attempting to devise a compromise, Solomon-like remedy, or to offer any novel solutions of my own, I am going to select the remedy which appears to present the fewest administrative loose ends for the purpose of drawing this problem to a close and permitting the parties to enter 1987-88 bargaining relatively unencumbered by the ghosts of negotiations past. The State's proposition appears to fit that

bill the closest. Although it creates a two-class system, putting January 1987 enrollees into a separate group from other unit employees for the first half of the 1987-88 contract year, the people involved and the benefit due them is certain, and it resolves the present dispute immediately. In contrast, the escrow plan proposed by the Association creates uncertainty as to what kinds of benefits would be provided and how they would be determined. It appears to create a potential for further dispute; or at the least a need, acknowledged by the parties, for further oversight by an arbitrator (or other escrow officer). And it also prolongs the dispute, and may complicate, rather than ease, benefit bargaining for the next contract. Both proposals attempt to deal with the carrier problem, that is, that the carrier will receive the full \$11.50 per employee for only three months, but must provide the full year's worth of benefit in that time. The Association's plan speaks to that problem by guaranteeing the carrier business under the next contract, while at the same time assuring employees more time to use the benefit through the escrow fund (which in effect guarantees that employees will have an enhanced benefit in the next contract year so they won't have to rush out and try to cram it in now). The State's proposal simply pays the difference to the carrier directly for those employees who have been in the plan since 1986, and assumes employees will get their full benefit in the time allowed. A problem with the State's plan is that it might constitute a windfall to the carrier if employees are not able to utilize their enhanced benefit (e.g., the second pair of glasses) in the short period of time between April 1, when the correct contribution is to begin, and the expiration of the agreement on June 30. But whether this will in fact be the case is impossible to foretell. It is entirely possible that most people will be able to utilize the extra benefit during this three month period, particularly if they are advised of the time constraints and the possibility that the enhanced level of benefits may not be available under the next agreement. Thus, the problem is only speculative and is outweighed by the greater disadvantages in the Association's proposed escrow plan, with its potential for ongoing conflict and its extension of the current dispute into the next contract year. A factual problem remains. The parties are in dispute as to what the actual value of the contribution is. The parties agreement calls for a rate not to exceed \$11.50. The Association contends that the rate it has negotiated with the carrier is in fact \$11.50, whereas the State contends it is only \$11.29. The State points to testimony in the initial hearing in which CCPOA's trust administrator stated that, in March of 1986 at a meeting in Monterey, he recommended to the Association's insurance committee that they accept the VSP plan. The State's representative at the hearing asked: "That's what the bid reflects." (Tr. II, P. 64) At the hearing on the remedy, the Association elicited testimony from the claims administrator, who works under the trust administrator, that \$11.29 was the figure presented at the insurance meeting, but that the contractual amount with VSP is the \$11.50 composite rate, super composite rate per person. He testified also that this amount was reflected in a document which he understood had been presented to the State, presumably a Mr. Clifford in the DPA, but the document itself (or contract between CCPOA's trust and the carrier) was not produced by either party. Because of the testimony at the initial hearing which raised the \$11.29 rate, the parties were ordered in the award to verify the actual rate. In an exchange of correspondence on this question, the CCPOA informed the State on February 10, 1987: "The initial rate is set at \$11.50 per month per each eligible employee (including coverage for the employee's dependents). This rate includes a .60-cent administrative charge." (Association Ex. A) At the remedy phase, the Association's claims administrator testified that the \$11.50 rate also included a .40-cent state administrative charge. The Association's written verification of the rate at \$11.50 was made after the vision care plan was in place. The only evidence that the rate was \$11.29 was the testimony of the trust administrator regarding the carrier's initial bid prior to a contract being reached

between the carrier and CCPOA. That testimony did not state what the actual contract eventually called for. The claims administrator verified at the remedy hearing that the contractual composite rate is \$11.50, as does the Association's February 10 letter. No other evidence or testimony refutes that this is the amount called for in the contract between VSP and CCPOA. Thus, the evidence clearly establishes that the composite rate which the State is obligated to pay is \$11.50 per employee. The State also elicited testimony at the remedy phase that the \$11.50 rate includes "administrative costs" of the State as well as the Association. However, how the figure is derived is immaterial. Whether the rate is \$11.29 or \$11.50, there would be administrative costs. No evidence ties the \$11.29 rate mentioned at the meeting to an administrative cost deduction. The question here is not how the State realizes its administrative costs, but what the "composite rate" as called for in the parties' agreement actually is. And that figure is \$11.50, the amount the Association negotiated with the carrier. AWARD The remedy contained in the December 1, 1986, award in this proceeding is amended, consistent with the forgoing discussion, as follows: In order to make Unit 6 employees whole for the difference between the amount actually contributed by the State and the composite rate required by the agreement, the State shall: (1) contribute \$11.50 per enrolled employee until the parties' current agreement expires; (2) for employees who enrolled in the vision care plan in the January 1987 open enrollment, continue to contribute \$11.50 per month through January 1988; (3) for all other employees enrolled in the plan, pay directly to the carrier, Vision Services Plan, the difference between \$5.85 and \$11.50 per month per employee, as measured from the date of their enrollment until the date the contributions increased to \$11.50 a month; and (4) take necessary steps immediately to notify Unit 6 employees that their enhanced vision care coverage will be effective April 1 and until the June 30 expiration of the agreement, and to advise them to utilize the benefit prior to that date since the benefits after that, being subject to negotiations, may not continue at the enhanced level.

Date: March 25, 1987

Signed by: Bonnie G. Bogue BONNIE G. BOGUE

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