**STATE OF DELAWARE**

**PUBLIC EMPLOYMENT RELATIONS BOARD**

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| **INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 326,** | : | DECISION OF THE BINDING INTEREST ARBITRATOR |
| **AND** | : | |
| **STATE OF DELAWARE, DEPT. OF HEALTH AND SOCIAL SERVICES, DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH TREATMENT ACCESS SERVICE CENTER.** | : | **BIA 25-06-1483** |

***Appearances***

*Jeffrey M. Weiner, Esq., for the Teamsters Local 326*

*Aaron M. Shapiro, Esq., Connolly Gallagher, for the State of Delaware*

## BACKGROUND

The State of Delaware ("State") is a public employer within the meaning of 19 *Del. C.* §1302(p) of the Public Employment Relations Act ("PERA"). 19 *Del. C.* Chapter 13. The Department of Health and Social Services ("DHSS"), Division of Substance Abuse and Mental Health ("DSAMH") is an agency of the State which operates the Treatment Access Service Center ("TASC").

The International Brotherhood of Teamsters ("Teamsters 326" or "Union") is an employee organization within the meaning of 19 *Del. C.* §1302(i). By and through its affiliated Local 326, it is the exclusive bargaining representative of a unit of DHSS/DSAMH/TASC employees in the positions of Administrative Specialist, Health/Human Service Case Managers, Behavioral Health Case Managers, and

Habilitation Specialists.[1]

Teamsters 326 and DHSS, DSAMH, TASC ("the parties") were parties to a collective bargaining agreement with a term of July 1, 2023 through June 30, 2025.[2] The parties also entered into a Memorandum of Agreement which was to be incorporated into the terms of the parties' master agreement that established a single wage rate and provided annual retention/longevity recognition payments to be paid by July 31 in 2023 and 2024.[3]

The parties entered into negotiations for a successor agreement on or about March 26, 2025. Unable to reach agreement, a mediator was appointed to assist the parties at the Teamsters' request. By email on June 23, 2025, the assigned mediator recommended the impasse proceed to binding interest arbitration pursuant to §1314(c) of the PERA.[4]

Each party submitted a last, best, final offer on or before July 9, 2025. PERB determined "a good faith effort *[had]* been made by both parties to resolve their labor dispute through negotiations and mediation and *[certified]* the parties at impasse and *[authorized]* the initiation of binding arbitration procedures ...", without objection by either party. 19 *Del. C.* §1315(a). A prehearing conference was conducted on July 21, 2025.

On September 3, 2025, the State submitted a Motion to Exclude the Union's last, best, and final offer asserting several components of the Union's offer were outside the scope of bargaining for State merit employees. The Union responded to the State's Motion

[1] The bargaining unit, which was certified on February 26, 2020, included all full-time and part time Habilitation Specialist II/Case Managers, Psychiatric Social Workers II, Senior Social Worker/Case Managers, as well as Administrative Specialists positions. DOL Case 216. Director Champney testified both the Psychiatric Social Worker positions were retitled to Behavioral Health Case Managers and Health/Human Service Case Mangers at some point after March 6, 2023. State Exhibit 20; Transcript ("TR") at p. 39-41.

[2] Teamsters Exhibit 1

[3] Teamsters Exhibit 2.

[4] "… In lieu of a petition, the mediator may inform the Board that further negotiation between the parties, at that time, are unlikely to be productive and recommend that binding arbitration be initiated."

by submitting a revised last, best, final offer on September 4, 2025, which was accepted into the record as the Union's last, best, final offer for purposes of this proceeding.

The binding interest arbitration hearing was held on September 11, 2025, during which the parties were provided the opportunity to submit documentary and testimonial evidence in support of their last, best, final offers. Witnesses for the State included Joanna Champney, DHSS/DSAMH Division Director; Dava Newnam, DHSS Deputy Secretary for Special Population Divisions[5]; and Melissa Marlin, Office of Management and Budget (OMB), Deputy Director, Budget Development and Planning Unit. Witnesses for Teamsters 326 included Leonard McCartney, Teamsters Local 326 Vice President; and Paul Thornburg, Teamsters Local 326 Secretary/Treasurer. The State introduced twenty-four (24) exhibits which were admitted into the record. The Teamsters introduced seventeen (17) exhibits which were admitted into the record. The record closed with the receipt of closing and responsive argument submitted by both parties.

The parties were notified that the Arbitrator would consider the State's Motion to Exclude the Union's July 8, 2025 last, best, final offer as a preliminary matter in this decision.

The following discussion and decision result from the record thus created by the parties.

## FACTS

The DHSS/DSAMH Treatment Access Service Center provides case management services and functions as a liaison between the courts, the treatment system and the clients.

[5] Special Population Divisions include the Division of Substance Abuse and Mental Health (DSAMH), the Division for Developmental Disabilities Services (DDDS), and the Division of Services for Aging and Adults with Physical Disabilities (DSAAPD).

It is focused on assisting clients in achieving success in their treatment and works with clients to address barriers to that success.[6]

Teamsters 326 represent the Health Behavioral Case Managers II ("BHCM"), Health/Human Service Case Managers II ("HHSCM") (collectively, "case managers"), and Administrative Specialists employed by TASC. They all hold State merit positions and are employed under general job descriptions developed and maintained by the State Department of Human Resources. Although the HHSCMs' job descriptions do not require an academic degree, most, if not all, of the current incumbents do have post-secondary education and most obtain their Alcohol and Drug Counselor certification ("CADC") early in their careers.[7] Both HHSCMs and BHCMs are required, upon hire, to have:

- Six months' experience in case management which includes assessing, planning, developing, implementing, monitoring and evaluating options and services to meet an individual's human service needs.
- Six months' experience in making recommendations as part of a client's service plan such as clinical treatment, counseling, or determining eligibility for health or human services/benefits.
- Six months' experience in interpreting laws, rules, regulations, standards, policies, and procedures.
- Six months' experience in using an automated information system to enter, update, modify, delete, retrieve/inquire and report on data.
- Six months' experience in narrative report writing.

In addition to requiring a bachelor's degree or higher in a behavioral or social science, BHCMs are required to have "six months' experience in providing clinical treatment, counseling or determining eligibility for services or benefits as part of a treatment team."

Both HHSCMs and BHCMs are assigned at State Pay Grade 11 with an FY 2026 salary range of $41,255 (80% of midpoint), $51,569 (midpoint), and $61,883 (120% of

[6] Transcript ("TR") at p. 30, Testimony of Champney.

[7] TR at p. 36.

midpoint).[8] The Administrative Specialist positions provide administrative, technical, program, and/or office support work. They are Pay Grade 8 positions and have an FY 2026 salary range of $36,435 through $54,653.[9]

At the time of the hearing, there were 19 full-time HHSCM positions which were filled, with an additional three full-time HHSCM vacancies and nine vacant HHSCM casual/seasonal positions. There were three filled full-time Behavioral Health Case Managers II ("BHCM"), with an additional full-time BHCM vacancy and one vacant BHCM casual/seasonal position. The two Administrative Specialist positions were vacant.[10] There are currently no budgeted Habilitation Specialist positions. Cumulatively, only twenty-two of the thirty-eight bargaining unit positions were filled, representing a 44% vacancy rate in full-time and part-time casual/seasonal positions.

Clients are referred to TASC through the court system, with referrals received from the State's Court of Common Pleas and Superior Court as part of sentencing orders and/or through specialized courts including Drug Court, Mental Health Court, and Veterans Court. Some TASC case managers also serve incarcerated clients and other clients in residential treatment programs. The case managers work with the Department of Correction, including its division of Probation and Parole, to manage treatment services for their clients.[11] The case managers primarily work with clients in the community. Most clients are required to make and keep appointments with their case managers, where they undergo required substance abuse screening at each appointment.

[8] State Exhibits 16 and 17.

[9] State Exhibit 18.

[10] State Exhibit 19.

[11] TR at p. 48.

TASC has offices in all three counties.[12] There are thirteen case managers in New Castle County whose caseloads vary from 11 (for a case manager who was out on FMLA) to 40 for those assigned community-based clients. The case manager assigned to Drug Court, who primarily serves incarcerated clients, has a case load of 126.[13] The seven Kent County case managers maintain caseloads of 24 to 46 clients, with incarcerated clients distributed among all seven.[14] The three Sussex County case managers have caseloads varying between 67 and 85, again with incarcerated clients distributed among all three.[15]

The DSAMH Director (TASC is a DSAMH sub-unit) testified that the primary difference between the HHSCM and BHCM positions is the clients and programs with which they work. BHCM IIs are assigned to the Mental Health Court, and their clients have co-occurring mental health and substance abuse disorders, but mental health is the primary concern. [16] The HHSCM IIs are assigned all other cases.

The Director described in detail how client referrals are handled by TASC case managers:

> When a referral comes in from the courts, that comes in via fax, and the supervisor receives the referral and will consult the caseload list of the staff in that particular office and will make a determination of which case manager to assign the case based on the caseload. So that caseload is taken into consideration and then they rotate the assignment of the cases.[17]
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> … Within about a week of receiving the referral, the case manager would look up the contact information for the client. They would reach out to the client to schedule the initial appointment. Clients would come into the office for their orientation appointment and at

[12] TR at p. 33-34.

[13] State Exhibit 13.

[14] State Exhibit 14.

[15] State Exhibit 15.

[16] TR at p. 42.

[17] TR at p. 43.

> that time the client learns about the program. And the case manager also is learning a little bit about the client.
>
> Typically, the following week is when the client comes back for their assessment, and that's when the ASAM[18] assessment is administered. It's a screening or assessment that determines the individual's substance abuse and mental health needs, as well as a variety of other dimensions as the assessment refers to it. A urine analysis, the urine drug screen, is also conducted. And so that will tell the case manager some information about whether the client is currently using substances. So, through a variety of inputs, including the assessment that's completed, the urine drug screen results, information that may have been obtained by the Court, the case manager begins to build a picture of what is going on with the client and what they may need.
>
> Contrary to popular belief, TASC is not just looking at the substance use needs of the client and the treatment needs, they are also looking at other ancillary issues, education, employment, transportation issues, their living situation, housing stability and things of that nature, educational levels. And so, the team is taking a holistic look to look really at the client's needs in order to assess if there are any barriers to succeeding in treatment.[19]

Following certification of Teamsters Local 326 as the exclusive representative of all full-time and part-time "social workers, case managers, and administrative staff" on February 26, 2020, the Union & DHSS/DSAMH were parties to a collective bargaining agreement with a term of July 1, 2023 through June 30, 2025.

On or about May 11, 2023, the parties entered into a Memorandum of Agreement, which states:

> **WHEREAS:** The State of Delaware, Department of Health and Social Services ("State" or "DHSS") and the International Brotherhood of Teamsters, Local 326 ("IBT 326"), collectively "the Parties", are parties to a collective bargaining agreement for the bargaining unit captioned above effective July 1, 2023 to June 30, 2025, enter into this Memorandum of Agreement according to the terms herein which shall be incorporated into the terms of the parties' master agreement:

18 American Society of Addiction Medicine.

19 TR at pages 44-45. The Teamsters did not provide any evidence to refute the Director's description of TASC CM responsibilities.

1. Effective the first full pay period following the execution of this agreement, the new minimum starting salary for employees in the *[Behavioral Health Case Managers and Health/Human Service Case Managers]*[20] classifications shall be increased to $42,020.45. The new minimum starting salary for employees in the Administrative Specialist I and II classifications shall be increased *[sic]* $32,057.20 and $34,301.20 respectively.

2. All bargaining unit members will receive 3% increases to base salary in FY 2024 (the first full pay period following July 1, 2023) and FY 2025 (the first full pay period following July 1, 2024). These increases will also be applied to the minimum entry pay for covered classifications.

3. All bargaining unit members will receive annual retention/longevity recognition payments in FY 2024 and FY 2025 payable by July 31 in each year of this Agreement's term. Payments will be made according to the following years of service in the bargaining unit:

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| 0 – 5 | $3500.00 |
| 5 – 10 | $4000.00 |
| 10 – 14 | $4,500.00 |
| 15+ | $5,500.00 |

4. To be initially eligible for this incentive, an employee must be in this bargaining unit position on the effective date of this Agreement, which shall be deemed the date it is fully executed by the parties. Employees must remain in this bargaining unit position to receive the next payment. Employees who fail to remain in a bargaining unit position following the disbursement of the first incentive payment but prior to the disbursement of the next incentive payment shall be required to repay a prorated amount of the disbursement paid, with proration based on a completed month basis.

5. The State and the Union agree that this Agreement sets no precedent and shall not be construed as modifying or prejudicing the rights of either party as secured by the State's Public Employment Relations Act. The Union agrees that it shall not challenge the substantive conditions of this Agreement through the grievance process or in any other legal or administrative forum except where necessary to establish an individual

[20] See FN 1.

employee's right to receive incentive payments according to the terms of this Agreement.

6. All other provisions of the parties' collective bargaining agreement shall remain in effect.[21]

Because the retention/longevity recognition payments were prospectively paid at the end of the first month of the new fiscal year, i.e., on July 31, 2023 and 2024, any bargaining unit employee who received a retention/longevity recognition payment and who subsequently left his/her/their position during that fiscal year had to repay a proportional share for any month they did not work as a TASC employee.

The wage range approved by the Delaware General Assembly and executed by the Governor for Fiscal Year 2026[22] for Pay Grade 11 is $40,446 (80% of midpoint), $50,558 (midpoint), and $60,370 (120% of midpoint). The wage range for Administrative Specialists II at Pay Grade 8 is $34,240 (80%), $42,800 (midpoint), and $51,360 (120% of midpoint).[23]

## LAST, BEST, FINAL OFFERS OF THE PARTIES

### Last, Best, Final Offer of the State[24]

Compensation: The State is offering a 3-year contract term, covering the State's Fiscal Years 2026, 2027, and 2028.

General wage Increase Terms:

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| FY 2026 | 3.02% , comprised of a 2% general increase effective 7/13/25 (provided by the Budget Act) and another 2% increase effective 12/28/25. |
| FY 2027 | 3% general increase, effective July 2026 |

[21] Teamsters Exhibit 2.

[22] July 1, 2025 through June 30, 2026.

[23] House Bill 225, 153rd Delaware General Assembly, effective July 1, 2025.

[24] State Exhibit 25.

FY 2028 2% general increase, effective July 2027

**Last, Best, Final Offer of General Teamsters Local 326**[25]

FY 2026 2% increase from 7/13/25 – 12/27/25 (reflects the 2% Merit increase) plus an additional 2% general wage increase effective 12/28/26

FY 2027 18% general increase

## STIPULATED AGREEMENTS OF THE PARTIES[26]

The parties stipulated the following provisions of the successor agreement have resolved through their negotiations:

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| | Preamble |
| Article 1 | Management Rights |
| Article 2 | Union Recognition and Security |
| Article 3 | Grievance Procedure |
| Article 4 | Labor/Management Cooperation |
| Article 5 | Union Representative |
| Article 6 | Non-Discrimination |
| Article 7 | Seniority |
| Article 8 | Discipline |
| Article 9 | Safety and Health |
| Article 10 | Bulletin Boards |
| Article 11 | Performance Reviews |
| Article 12 | Merger Clause |
| Article 13 | Work Schedule |
| Article 14 | No Work Stoppage or Lockout |
| Article 15 | Holidays [27] |

[25] Teamsters Exhibit 14, as amended by the verbal affirmation of the Union's Counsel on pages 143-144.

[26] Submitted at the commencement of the binding interest arbitration hearing on September 11, 2025, as Joint Exhibit 1, entitled "Tentative/Mutual Agreements".

[27] Article 15, Holidays, was modified to include Juneteenth as a paid holiday.

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| Article 16 | Compassionate Leave [28] |
| Article 17 | Vacation |
| Article 18 | Sick Leave |
| Article 19 | Military Leave |
| Article 20 | Jury Duty |
| Article 21 | Health and Welfare |
| Article 22 | Pension |
| Article 23 | Attendance Policy |
| Article 24 | Case Load |
| Article 25 | Training |
| Article 26 | Scope, Waiver, and Alteration of Agreement |
| Article 28 | Termination, Change or Amendment |

Only Article 27, Compensation, remains in dispute.

## STATUTORY PROVISIONS

**19 *Del. C.* §1315. Binding interest arbitration.**

a. Within 7 working days of receipt of a petition or recommendation to initiate binding interest arbitration, the Board shall make a determination, with or without a formal hearing, as to whether a good faith effort has been made by both parties to resolve their labor dispute through negotiations and mediation and shall certify the parties at impasse and authorize the initiation of binding arbitration procedures except that any discretionary subject shall not be subject to binding arbitration.

b. Pursuant to §4006(f) of Title 14, the Board shall appoint the Executive Director or the Executive Director's designee to act as binding interest arbitrator subject to agreement of the parties. Such delegation shall not limit a party's right to appeal to the Board. If the parties do not agree to use the Executive Director as the binding interest arbitrator the parties shall select an arbitrator by mutual agreement. If the parties cannot agree on an arbitrator, either party may request a list of 9 arbitrators from the American Arbitration Association. One arbitrator shall be chosen by the parties by alternately striking names from such list. Who strikes first shall be

[28] Article 16, Compassionate Leave, was modified to conform this section with 29 *Del. C.* §5025 – §5126.

determined by coin toss. Nothing herein shall prevent the parties from mutually agreeing to alternative methods to achieve a final and binding resolution of any impasse.

c. The binding interest arbitrator shall hold hearings in order to define the area or areas of dispute, to determine facts relating to the dispute and to render a decision on unresolved contractual issues. The hearings shall be held at times, dates and places established by the arbitrator. The arbitrator shall be empowered to administer oaths and issue subpoenas on behalf of the parties to the dispute or on the arbitrator's own behalf.

d. The arbitrator shall make written findings of facts and a decision for the resolution of the dispute; provided, however, that the decision shall be limited to a determination of which of the parties' last, best, final offers shall be accepted in its entirety. In arriving at a determination, the arbitrator shall specify the basis for the arbitrator's findings, taking into consideration, in addition to any other relevant factors, the following:

(1) The interests and welfare of the public.

(2) Comparison of the wages, salaries, benefits, hours and conditions of employment of the employees involved in the arbitration proceedings with the wages, salaries, benefits, hours and conditions of employment of other employees performing the same or similar services or requiring similar skills under similar working conditions in the same community and in comparable communities and with other employees generally in the same community and in comparable communities.

(3) The overall compensation presently received by the employees inclusive of direct wages, salary, vacations, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment and all other benefits received.

(4) Stipulations of the parties.

(5) The lawful authority of the public employer.

(6) The financial ability of the public employer based on existing revenues, to meet the costs of any proposed settlements; provided that, any enhancement to such financial ability derived from savings experienced by such public employer as a result of a strike shall not be considered by the arbitrator.

(7) 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, binding arbitration or otherwise between parties, in the public service or in private employment.

In making determinations, the arbitrator shall give due weight to each relevant factor. All of the above factors shall be presumed relevant. If any factor is found not to be relevant, the arbitrator shall detail in the arbitrator's findings the specific reason why that factor is not judged relevant in arriving at the arbitrator's determination. With the exception of paragraph (d)(6) of this section, no single factor in subsection, shall be dispositive.

e. Within 30 days after the conclusion of the hearings but not later than 120 days from the day of appointment, the arbitrator shall serve the arbitrator's written determination for resolution of the dispute on the public employer, the certified exclusive representative and the Board. The decision of the arbitrator shall become an order of the Board within 5 business days after it has been served on the parties.

f. The cost of binding interest arbitration shall be borne equally by the parties involved in the dispute.

g. Nothing in this chapter shall be construed to prohibit or otherwise impede a public employer and certified exclusive representative from continuing to bargain in good faith over terms and conditions of employment or from using the services of a mediator at any time during the conduct of collective bargaining. If at any point in the impasse proceedings invoked under this chapter, the parties are able to conclude their labor dispute with a voluntarily reached agreement, the Board shall be so notified, and all impasse resolution proceedings shall be forthwith terminated.

## PRINCIPLE POSITIONS OF THE PARTIES

Teamsters Local 326

The State does not dispute that the retention/longevity recognition payments included in the May 11, 2023 MOA for FY 2024 and FY 2025 were agreed upon in order to get TASC wages to a level which were competitive for recruitment and retention. Both parties anticipated competitive wage rates would be established in the next round of bargaining, for the term of July 1, 2025 forward. The State's last, best, final offer, because it does not take into consideration the annual wages (with the recognition payments) that TASC case managers were actually being paid through June 30, 2025, it will reduce their wages by, on average, $4,036.27 in FY 2026, $2,700.89 in FY 2027, and $1,335.42 in FY 2028, for a total reduction, on average, of $8,072.49 over the life of the proposed 3-year agreement.

The State's exhibits establish that the BHCMs' wage rate, without the retention/longevity recognition payments, are 8.5% below the average wage being paid to other BHCMs statewide. The average wage rate for TASC case managers lags the average wage rates paid to unrepresented merit case managers in the same classifications by $3,519.94 for BHCMs and $941.72 for HHSCMs.

The Union also noted that the State has negotiated more favorable wage rates for other BHCMs and HHSCMs employed by DHSS but represented in other bargaining units by LiUNA Local 1029 and CWA Local 13101. Adopting the State's offer will result in the average wage rate of TASC case managers lagging behind the FY 2026 wage rates for employees in identical classifications represented by LiUNA and CWA by 10.7% and 14.3%, respectively.

In addition to its full-time case managers (where there are 3 vacant HHSCM plus one vacant BHCM positions), TASC was budgeted an additional 11 casual/seasonal HHSCM positions, of which 9 were vacant at the time of this proceeding.[29] As casual/seasonal employees are only permitted to work up to 29.5 hours/week, (approximately 79% of a full time 37.5 hour workweek) the nine vacancies provide additional personnel line funds which may be considered to fund the Union's proposal. Because the State has failed to fill these positions, the TASC case managers continue higher

[29] TR at p. 63, Testimony of Champney.

than necessary caseloads without appropriate remuneration.

Teamsters 326 has accepted the State's last, best, final offer in Year 1 (FY 2026) of the new collective bargaining agreement. Its offer of an 18% general increase in Year 2 (FY 2027) recaptures the FY 2024 and FY 2025 retention/longevity recognition payments and includes a "reasonable cost of living adjustment." It does not propose a 3rd year be included in this agreement.

Finally, the Union concludes consideration of the two "ghost" Administrative Specialist II positions has minimal impact on the relative costs of the competing offers as the State has chosen not to fill the positions for many months.

<u>DHSS/DSAMH/TASC</u>

The State asserts Teamsters 326 has failed to prove that its last, best, final offer is the more reasonable under the statutory requirements. The Union failed to provide compelling comparability data either during negotiations or during the binding interest arbitration process. The State has clearly established that the appropriate comparators for the TASC bargaining unit positions are other Delaware merit employees working in the same classifications.

It asserts an 18% wage increase in the second year of the agreement will "decimate the historical equity and proportionality among case managers throughout DHSS".[30] It asserts that current average case manager salaries statewide are "skewed because of specific and unique circumstances that pertain to only a few employees overall, which are unrelated to the nature of the work they share with the TASC case managers."[31]

[30] State Opening Argument, p. 18 (10/24/25).

[31] <u>Supra</u>, p. 19. It is noted that no evidence was entered into the record to support this argument.

It also challenges the Union's argument that the expiration of an agreement to provide retention/longevity recognition payments in FY 2024 and FY 2025 supports the proposed 18% general wage increase in the second year of the collective bargaining agreement. The payments explicitly did not establish new annual wage rates, were not universally available, and by the negotiated terms expired at the end of FY 25. The Union has no basis on which to assert there was a reasonable expectation that the retention/longevity recognition payments would continue.

The State asserts the Union's arguments and comparative analysis are flawed and unpersuasive. It concludes the State's last, best, final offer is more reasonable and appropriate under the statutory criteria.

## DISCUSSION

### I. State Motion to Exclude Teamsters Local 326's July 8, 2025 Last, Best, Final Offer is Denied as Moot

The parties' initial last, best, final offers were submitted and docketed on or after July 8, 2025, and were exchanged by PERB on July 9, 2025. Following a prehearing conference on July 21, 2025, the September 11, 2025, binding interest arbitration hearing was scheduled and noticed on August 5, 2025.

On or about September 3, 2025, the State filed a Motion to Exclude Teamsters Local 326's July 8 Last, Best, Final Offer. The State asserted that because a complete collective bargaining agreement was not secured prior to May 1, 2025, or any date prior to July 1, 2025, there was no appropriation made or which could be made to increase the general wage increases set forth in Section 8(a) of the Epilogue to the FY 2026 Budget

Act. It asserted that 19 *Del. C.* §1311 A (c)[32] precluded consideration of the Union's July 8 last, best, final offer, both because the Union offer is retroactive to July 1, 2025, and because no appropriation has been made to fund a 10% increase for this bargaining unit in FY 2026. Finally, it argued that proposals concerning Healthcare and Hazardous Duty Pay are not negotiable under the Merit Law and Merit Rules adopted thereunder.

Firstly, the Union's July 8 last, best, final offer did <u>not</u> include any proposal relating to either Healthcare or Hazardous Duty Pay. The State acknowledged in a September 5 correspondence under the subject line "Teamsters' Modified LBFO", "… [T]he State would like to clarify in advance of the hearing that the Teamsters have now withdrawn the demands for hazardous duty pay, longevity pay, and additional compensation tied to healthcare…" Whether the State believed the Union's July 8 offer was broader than its stated terms is of no consequence. The State's claim is dismissed because Teamsters 326's last, best, final offer does not include either a Healthcare or Hazardous Duty Pay proposal.

The Union submitted an alternative last, best, final offer as Exhibit 14, in an email dated September 4, 2025, which set forth a new wage proposal:

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| FY 2026 | 2% general wage increase from 7/13/25 – 12/27/25 (reflects the 2% Merit increase) |
| FY 2027 | 18% general wage increase |

During the binding interest arbitration hearing, this arbitrator asked the Union to clarify its last, best, final offer, and Union Counsel verified that it was accepting the State's FY 2026 proposal of 2% effective July 13, 2025 with an additional 2% to be effective December 28, 2025, resulting in a 3% general wage increase for FY 2026. The Union's offer for FY 2027

[32] 19 *Del. C.* §1311 A (c): To the extent a finalized agreement on compensation items requires legislative approval or the appropriation of funds, the Governor shall recommend the same to the General Assembly for the ensuing fiscal years and the agreement provision requiring such appropriation shall be contingent upon the specific appropriation of funds by the General Assembly.

remains at 18%.[33]

By email dated September 10, 2025, this arbitrator requested the State clarify whether it was amending its last, best, final offer from that previously submitted on July 9, after noticing a State exhibit which increased its wage offer. Counsel for the State responded by email:

> … Your assessment is correct that the State's offer of 2% (effective 7/13/25) + 2% (effective 12/28/25) equates to a 3% general increase, in FY 2026, over the employees' FY 2025 salaries. It was presented as a 2% + 2% increase in the State's July 31, 2025 pre-hearing responsive submission, Section D, p. 3.[34]
>
> The 3% general wage increase offer for FY 2027 is a change from the 2% offer presented in the State's July 9, 2025 LBFO. The increased offer was presented to the Union on July 23, 2025, and was included in the State's July 31st responsive submission, Section D, p. 3. The intent was to negotiate a resolution, ultimately unsuccessfully, but the State also chose not to rescind its new offer…

Concerning the FY 2026 wage offers, the State acknowledged in its letter dated

[33] TR at p. 143-144.

[34] The July 31, 2025 correspondence from the State was in response to the Union's request for information prior to the BIA hearing. The referenced Section D: Costing of State's LBFO stated:

States *[sic]* LBFO submitted July 9, 2025

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| FY 2026 | 3% general increase |
| FY 2027 | 2% general increase |
| FY 2028 | 2% general increase |

On July 23, 2025, the State revised its offer to the IBT, as follows:

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|---|---|
| FY 2026 | 2% general increase form 7/13/25 – 12/27/2025 (reflects the 2% Merit increase) |
| FY 2026 | 2% general increase effective 12/28/2025 |
| FY 2027 | 3% general increase |
| FY 2028 | 2% general increase |

The State's LBFO does not include any term for negotiable compensation other than the general wage increase rates. Its cost analysis is based on the revised July 23, 2025, offer and current filled positions, and includes OEC's such as pension and payroll taxes, as follows:

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| FY 2026 (consolidation of the 2% + 2%) | $ 47,984.28 |
| FY 2027 | $ 49,106.03 |
| FY 2028 | $ 33,696.73 |
| - | $130,787.04 |

September 10, 2025:

> As a follow-up to pre-hearing matters and in anticipation of the hearing and respective party case-presentations on September 11, 2025, the State is hereby providing notice that it will not advance a specific claim of "financial ability", under 19 *Del. C.* §1315(d)(6), as part of its case-in-chief. The State maintains its position that the Teamsters' LBFO is inappropriate and not suitable for selection under law…

Both parties amended their last, best, final offers to increase the general wage increase for FY 2026 beyond the 2% general wage increase allocated in the Budget Act. Once the State modified its FY 2026 wage offer and the Union accepted that offer as its FY 2026 wage proposal, there is no remaining dispute.

Wherefore, the State's Motion is moot and is dismissed.

## II. Consideration of the merits of the last, best, final offers

Turning to a consideration of the criteria set forth in 19 *Del. C.* §1315, each statutory factor was initially considered to be relevant. These statutory restrictions,

> … present significant challenges to an arbitrator. Parties in collective bargaining often become so entwined in their adversarial embrace that they cannot see beyond their struggle. Instead of being allowed the advantage of a neutral perspective that might yield a more equitable solution, an interest arbitrator under the statute must choose a winner from among *[those proposed by]* two unsuccessful negotiators … *In Re: State of Delaware & AFSCME Council 81 (Unit 11),* BIA 08-05-625, VII PERB 5193, 5198 (R. Colflesh, 2011).

It is well established in Delaware that binding interest arbitration,

> … is the final stage of the impasse resolution procedure and is implemented only when the negotiation and mediation processes have failed and the parties have abdicated their statutory responsibility to collectively bargain to the arbitrator to determine the terms of the labor/management relationship for the period in issue. The arbitrator does not stand in the place of either negotiating team or act on behalf of either party. Positions which may foster or support movement toward resolution in negotiations and/or mediation (and are reasonable negotiating positions) may not stand

> up when evaluated under the statutory criteria for interest arbitration set forth in [the statute]. *FOP Lodge 15 and City of Dover*, BIA 11-07-820, VII PERB 5345, 5388 (2012).

At the opening of the hearing, the parties presented a Joint Exhibit 1, which memorialized the resolution of the issues identified therein by the parties. The "Tentative/Mutual Agreements" are considered for purposes of the binding interest arbitration proceeding to be stipulations of agreement which will be included in the final collective bargaining agreement, pursuant to §1315(d)(4). Any provision of the predecessor collective bargaining agreement which is not modified by the parties' agreement as memorialized in Joint Exhibit 1 or by this binding interest arbitration decision, shall remain unchanged from the provisions of the July 1, 2023 – June 30, 2025 agreement.

There was no challenge raised by either party to the lawful authority of the public employer which is identified as a consideration in §1315(d)(5); consequently, this criterion is not a factor in reaching the decision herein.

<u>Interest and Welfare of the Public:</u>

The public interest and welfare are best served by having functioning State operations which address the needs of those whom the State's courts have determined require oversight, management, and support during their treatment and recovery from substance use and mental health challenges. TASC has a corollary need to staff its operations with qualified case managers and staff to ensure it is able to meet its mission to provide the services that courts and the public expect.

Unfortunately, these parties have been unable to mutually establish a fair and competitive wage structure for this bargaining unit. The PERA requires the binding interest arbitration process be used to resolve negotiations in these circumstances. Requiring the arbitrator to choose between the last, best, final offer of each party presupposes the parties have negotiated down to positions from which further voluntary movement is not possible. Because these parties have been unable to successfully conclude their negotiations, it is in the public interest to implement an agreement pursuant to the statutory binding interest arbitration process.

Financial Ability of the State:

The State's Motion asserted the Union's initial last, best, final offer which included a 10% wage increase in FY 2026 was prohibited by application of the language found in Section 8(a) of the Epilogue to the FY 2026 Budget Act. Because the modified final offers of both the State and the Union are identical for FY 2026, this criteria is not dispositive. Obviously if the State can afford to fund its own offer (which good faith requires), it also has the ability to afford an identical offer by the Union.

Comparisons with Comparable Employees Performing Similar Services:

Section 1315(d)(2) requires this arbitrator to consider the offers of the parties concerning wages, salaries, benefits, hours, and conditions of employment relative to those of comparable groups of similar employees in the same community, in comparable communities, and with employees generally in the same and comparable communities.

Teamsters 326 offered general information on what it asserted were comparable positions in government agencies in areas contiguous to Delaware, including Charles City, Maryland, the State of New Jersey, and Philadelphia, Pennsylvania, which it summarized in Union Exhibit 6. The exhibit also made a comparison of TASC positions to other Delaware merit case managers. Teamster 326 Business Manager Leonard McCartney testified he identified the positions the Union asserts are comparables[35] by conducting job searches on the internet for Drug and Alcohol Case Manager.[36] He further testified he did not complete a review of the job descriptions, and focused only on the salaries.[37] The Union did not offer any evidence concerning the customary comparability factors as required by the statute, including wages, salaries, benefits, hours, and conditions of employment, nor did it provide evidence as to why it considered the cited entities to be comparable communities. These factors most commonly include employer/agency size, relative caseloads, required licensing/certifications, use of technology, and cost of living analysis. For these reasons, the comparators offered by the Union do not meet the statutory criteria and could not be analyzed.

Section 5915(a) of Title 29 addresses the comparability expectation of the State merit system, as administered by the Department of Human Resources:

> The rules shall provide for the preparation, maintenance and revision of a position classification plan for all positions in the classified service and all merit comparable positions, based upon similarity of duties performed and responsibilities assumed so that uniform qualifications and pay ranges shall apply to all positions in the same classification.

State merit employes, working for the Department of Health and Social Services and other State agencies in identical classifications are, by definition, comparable positions. They share the same duties and skills; are required to meet the same prerequisites to hold their positions; and work for the same employer, i.e. the State of Delaware. All full-time state merit employees have the same overall compensation structure, including the assigned Pay Grade 11 wage range for HHSCMs and BHCMs. They earn paid time

[35] See Teamsters Exhibits 7, 8, 9, 10, and 11.
[36] TR at p. 185, 199.
[37] TR at pp. 200 – 204.

off under the same system, have the same holidays, follow the same procedures for excused leaves, and have access to the same benefits, including insurance, pensions, medical and hospitalization insurance, continuity and stability of employment, and other benefits.

The appropriate comparators based on the evidence presented is limited to State merit system case managers employed statewide.

Comparison of overall compensation:

The analysis now turns to consideration of the relative merits of the last, best, final offers. The only differences between the two offers are 1) the contract length; and 2) in the Year 2 and Year 3 wage offers. The State proposes a three-year agreement whereas the Union has proposed a two-year agreement. The State proposes a 3% general wage increase for FY 2027 (Year 2) and additional 2% general wage increase in FY 2028 (Year 3). The Union proposes an 18% general wage increase in FY 2027 (Year 2), proposing to reopen negotiations for a successor agreement to be effective July 1, 2027.

Unfortunately, the financial analysis provided by the parties was less than enlightening and provided limited insight. The State provided extensive numerically based documents and testimony in which it employed flawed logic and assumptions. State Exhibit 11 includes a list of HHSCMs statewide and their current (FY 2026) annual wage rates. Apart from 3 Department of State, Office of Veterans Affairs and 2 Department of Services for Children Youth and Their Families, Division of Management Support Services, all of the listed HHSCM positions are employed in various DHSS divisions. The highlighted section on the first page of State Exhibit 11 are the TASC HHSCM positions, which can be compared to numbers for those same HHSCM positions in the State revised Exhibit 23. The FY 2026 salaries effective 7/13/25 are different in the columns which should include identical numbers to reflect the general 2% increase on TASC HHSCM annual wage rates over FY 2025. The numbers in the State's calculations (i.e., with the yellow highlighting) are different from those in the Union's green highlighted chart.[38] There are 21 TASC HHSCM positions listed on State Exhibit 11 including 2 which are presumed to be vacant and to which the 2% general wage increase was not applied (the wage rate remained $44, 579.49).

State Exhibit 4, which is the costing of the State's revised last, best, final offer[39] is problematic and overstates the costs of the State's proposal. Firstly, by testimony of the Deputy Director of the Budget Development and Planning Unit of the Office of Management and Budget, Casual Seasonal ("C/S") employees (of which there are 11 on the spreadsheet) have an Other Employment Costs ("OEC") multiplier of only 9%, not the 33.43% rate which applies to full-time employees. C/S employees are not eligible for a health insurance benefit. And C/S employees do not work a full-time 37.5 hours/week schedule. Rather than using the actual FY salary of the filled C/S positions of $35,366.40,[40] the cost analysis in State Exhibit 4 used a full-time salary at 80% of the FY 2025 PG 11 midpoint, equating to a 13% overstatement of the base cost of the 11 vacant C/S position. The estimated costs for the vacant C/S positions were further inflated by using a 33.43% OEC rate and including the average health insurance cost of $21,220, across all 3 years of the State's costing of its own 3-year proposal. While these numbers were apparently not included or relied on in the State's costing of the relative proposals[41], the entry of State

[38] *See* Brooks, Sytsma-Sherman, Thompson, and Branch-Davis.

[39] TR at pp. 126 - 127.

[40] The FY 2025 salary for both the C/S BHCM II (Wilson, Line 23) and the C/S HHSCM II (Early, Line 6) are identical, $35,366.40 (noting that this number represents a hire in rate for these C/S employees of approximately 89% the FY 2025 PG 11 salary, adjusted for the max 29.5 hours/week schedule of C/S).

[41] State Exhibits 23 and 24.

Exhibit 4 into this record serves only to provide another point of contention and did not advance the State's arguments. Indeed, when the State submitted its revised Exhibit 23, it explicitly noted that OMB does not budget for C/S positions, but does include vacant full-time positions in its calculations.

The State has argued that comparing negotiated wage rates, which include wage scales under which the employees advance based on tenure, is not an apples to apples comparison. It is noted that a wage scale has not been negotiated for this bargaining unit. The wage scales which have been negotiated into some collective bargaining agreements for case managers are not substantively differentiable from wages paid to case managers who are not working under wage scales for purposes of comparison. Section 1311A(f) of the PERA requires that negotiated wage rates and scales must remain within the pay range established in the annual Budget Act for a given pay grade. Where an employee falls within the budgeted pay grade range is immaterial, whether placed there by negotiated terms, comparability analysis, critical reclassification or any of the other means by which wage assignments are made. Further, the State is an equal partner to any negotiated wage scales included in a collective bargaining agreement. It is also noted that only 18% of the BHCMs employed statewide (6/34) are not represented in bargaining units, while only 13% of HHSCMs employed statewide are unrepresented (47/358).[42]

There is an inherent weakness in comparing only average wage rates, which are impacted by the number of new employees hired (often at lower wage rates), and the loss of experienced employees at higher wage rates. For employees who are not working under negotiated wage scales, there is no path to advance through the budgeted pay ranges in the

[42] State revised Exhibits 7 and 8.

annual Budget Act, except perhaps through a critical reclassification, a standard market variation, or a wage "blanket", all of which are subject to DHR approval (and the cost to approval by OMB and Controller General) on an agency by agency basis. There is no information in this record that any of these options have been applied to unrepresented merit system Pay Grade 11 classifications at issue here.

This comparative analysis in a binding interest arbitration proceeding is limited by the documents and testimony in the record. The analysis provided in this case was based only on averages, hopefully weighted averages but that was never made clear by the OMB witness. Initially, comparing only average salaries, in FY 2025, TASC BHCMs (of which there are only 3) were 8.5% behind the 31 other BHCMs across State government[43] The 21 TASC HHSCMs were 1.3% behind the other 337 HHSCMs employed across State government in FY 2025.[44] As both parties have offered the same 3% annualized wage increase for FY 2026 (i.e., 2% July 13 and an additional 2% December 28), the State estimates the average wages for TASC case managers will be negative 7.6% for the 3 BHCMs and negative 0.4% for HHSCMs.

Using the average salaries provided in the State's revised Exhibits 7 and 8[45], a comparison of the relative average salary levels <u>compared to the FY 2025 and FY 2026 midpoints</u> (100% rate) discloses that the TASC case managers are not as far behind as was argued. It is noted, firstly, that all average wage rates for case manager positions statewide, are well above the 80% rate, implying that new employees are being hired above the

[43] State revised Exhibit 7.

[44] State revised Exhibit 8.

[45] Because both of the TASC Administrative Specialist II positions are currently vacant, those positions were not extensively reviewed by the parties. When/if the two vacancies are filled, they will have minimal impact, as the average wages for TASC and non-TASC positions included on State Exhibit 9 are very close to the midpoint of the salary range.

minimum 80% level, which the State used in its calculations.[46]

| **BHCM** Revised State Ex. 7 | | | | | |
|---|---|---|---|---|---|
| **Agency** | **REP/Merit** | **# EE** | **Avg FY 25 Salary** | **FY 25 Midpoint** | **% of mid** |
| DHSS/DSAMH, DPC | AFSCME ** | 5 | $44,983.69 | $50,558.00 | 89% |
| DHSS/DSAMH TASC | Teamsters | 3 | $45,471.09 | $50,558.00 | 90% |
| DHSS/DDDS Comm. Services | AFSCME ** | 2 | $46,677.02 | $50,558.00 | 92% |
| DHSS/DSAMH Admin | Merit | 1 | $48,991.03 | $50,558.00 | 97% |
| DHSS/DSAMH/Comm. MH | Merit | 3 | $48,991.03 | $50,558.00 | 97% |
| DHSS/DDDS Stockley | Merit | 1 | $48,991.03 | $50,558.00 | 97% |
| DHSS/DDDS Comm. Services | Merit | 1 | $48,991.03 | $50,558.00 | 97% |
| DSCYF/DPBHS | LiUNA | 5 | $50,416.20 | $50,558.00 | 100% |
| DHSS/DSAMH/Comm. MH | LiUNA | 13 | $52,012.49 | $50,558.00 | 103% |
| | *Total* | *34* | | | |
| **HHSCM** Revised State Ex. 8 | | | | | |
| **Agency** | **REP/Merit** | **# EE** | **Avg FY 25 Salary** | **FY 25 Midpoint** | **% of mid** |
| DHSS/DSS State Service Ctrs | AFSCME ** | 3 | $45,471.09 | $50,558.00 | 90% |
| DHSS/DSS/Social Services | AFSCME ** | 187 | $45,595.38 | $50,558.00 | 90% |
| DHSS/TASC | Teamsters | 21 | $45,651.55 | $50,558.00 | 90% |
| DHSS/M&M Assistant | AFSCME ** | 50 | $45,791.10 | $50,558.00 | 91% |
| DHSS/DDDS Comm. Services | AFSCME ** | 21 | $46,274.47 | $50,558.00 | 92% |
| DOS/DVH | Merit | 3 | $46,593.05 | $50,558.00 | 92% |
| DHSS/Office of Secretary | Merit | 1 | $46,593.05 | $50,558.00 | 92% |
| DHSS/DDS/Administration | Merit | 1 | $46,593.05 | $50,558.00 | 92% |
| DHSS/DDDS Comm. Services | Merit | 19 | $46,593.05 | $50,558.00 | 92% |
| DSCYF/MSS/Fiscal | Merit | 2 | $46,593.05 | $50,558.00 | 92% |
| DHSS/DPH Comm. Health | Merit | 21 | $46,707.24 | $50,558.00 | 92% |
| DHSS/DSAAPD/Comm. Servi | CWA | 26 | $50,938.24 | $50,558.00 | 101% |
| DHSS/DSAAPD/DHCI | CWA | 3 | $51,000.33 | $50,558.00 | 101% |
| | *Total* | *358* | | | |

** At the time of this binding interest arbitration proceeding, the AFSCME Locals which also represent BHCMs and HHSCMs in other departments were also in negotiations for successor agreements to be effective July 1, 2025 and had also requested binding interest arbitration to resolve their negotiations.

The State's assertion that the lag in average wage for BHCMs would decrease from -8.5% to -2.9% and for HHSCMs from -1.3% to +4.75% over the three years of its offer, is based on the State's presumption that TASC would be the only PG 11 case managers statewide who would receive

[46] Testimony of Marlin, p.155.

increases in FY 2026-2027.[47] It is not credible to believe the State, acting in good faith, did not make its proposal based on its best estimate of future general wage increases in FY 2027 and FY 2028.

The presumption that there will be no other employees who receive wage increases in Years 2 (FY 2027) and 3 (FY 2028) has no basis in present or historical reality, including that other case managers in DHSS bargaining units are under existing collective bargaining agreements which include both full wage scales with longevity advancement and annual wage increases. Certainly the DHSS Director and the Deputy Secretary would have been aware of the existing collective bargaining agreements between DHSS and LiUNA and CWA, as should the State's counsel. In its exhibits, the State averaged the salaries into its computations for case managers represented by both LiUNA and CWA, yet apparently failed to investigate whether there were negotiated agreements which covered some or all of the three years in which it proposed wage increases in its offer. As a result, the State's calculations of the wage lags for the TASC employees over the life of the contract are understated and improperly calculated. Using the higher average FY 2025 average salary for TASC BHCMs, it is evident that the TASC case managers remain, on average, farther from the recognized 100% midpoint salary rate of $51,569 for FY 2026, and behind their comparators statewide.

| **FY 2026** (based on State Revised Ex. 7 & 8 multiplied by FY 26 negotiated wage increases) | | | | | |
|---|---|---|---|---|---|
| | **% Increase** | | **Avg FY 26 Salary** | **FY 26 Midpoint** | **% of mid** |
| TASC BCHM & HHSCM | 3% | | $46,835.10 | $51,569.00 | 91% |
| Merit only Weighted Average (53 positions) FY 25 $46,909.76 | 2% | | $47,847.96 | $51,569.00 | 93% |
| LiUNA (DSCYF/DPHBS)[48] | 2% | | $50,416.20 | $51,569.00 | 98% |
| LiUNA (DSAMH/Comm. MH) [49] | 6.4% | | $52,126.46 | $51,569.00 | 101% |
| CWA (DSAAPD/Comm. Serv.) | 3% | | $52,466.39 | $51,569.00 | 102% |

[47] TR at p. 150 – 153. Ms. Marlin testified she did not project any growth for non-TASC case managers.

[48] DSCYF, DPBHS, Intake and Consultation & Assessment Services Unit and LIUNA Local 1029, July 1, 2025, through June 30, 2028.

[49] DHSS, DSAMH, Crisis Intervention Services & LiUNA Local 1029, November 6, 2024 through June 30, 2027.

| | | | | | |
|---|---|---|---|---|---|
| [50] | | | | | |
| CWA (DSAAPD/DHCI) | 3% | | $52,530.03 | $51,569.00 | 102% |

Teamsters 326 argues strenuously that the TASC case managers have suffered a great injustice because they lost the retention/longevity recognition payments which were negotiated into the predecessor MOA for FY 2024 and FY 2025. The State, on the other hand, chose simply to ignore that the recognition payments existed and based its offer only on the annual wages for FY 25.[51] There is no dispute that retention/longevity recognition payments were made in FY 2024 and FY 2025, yet the record in this binding interest arbitration is devoid of any actual accounting as to who or how many TASC case managers received the payments. In Union Exhibit 6, the Union assigned retention bonuses to all 25 TASC case managers, including one who has a seniority date of 5/19/25 (Thompson), well after the FY 2025 payment was made on July 31, 2024. In its responsive submission, the State argues that the Union has mischaracterized the MOA and that none of the employees hired after May 11, 2023 were eligible to receive the payment. Again, the record provides no testimonial or evidentiary evidence on which to evaluate either claim. Regardless of who or how many TASC case managers received retention/longevity recognition payments, the money was certainly paid in real dollars and used to sustain and enrich the lives of bargaining unit members in times of increasing costs. The loss of the retention/longevity recognition payments is certainly felt and sets the standard against which some of the bargaining unit employees will measure their work satisfaction.

There is more to any negotiation process than simply considering the cost. While the cost is something which can be measured, at least in theory, the impact of wage increases and retention

[50] By Memorandum of Agreement executed on April 30, 2024, DHSS, DSAAPD and CWA Local 13101, extended their 2021-2024 collective bargaining agreement to include wage increases through July 30, 2027.

[51] TR at p. 165. Ms. Marlin testified she was unaware of the retention/longevity recognition payments in FY 2025 and based her calculations exclusively on the FY 2025 annual salary data she received from the Department of Human Resources.

bonuses on the ability of an agency to meet its operational goals is too often lost in the process. A review of the seniority of the bargaining unit employees included in State Exhibit 22 lays bare a relatively young workforce. The seniority dates, per Article 7 of the parties' agreement, are based on "an employee's length of continuous service in a bargaining unit position." Where employees can be better compensated doing similar work in other agencies of the same employer (without loss of benefits, accrued leave, pension, etc.), an agency often has a difficult time retaining employees once they are trained and have experience. There can be no doubt that the work the TASC case managers perform is critically important to the safety and wellbeing of its clients and that it impacts the lives of Delawareans generally. Helping citizens struggling with substance abuse and mental health issues to move out of court supervision and into productive lives is important and should be supported.

Although the State's offer for a 3% increase in FY 2027 and an additional 2% in FY 2028 does not allow TASC case managers to maintain or improve their wages in comparison to other case managers statewide, the record is not sufficient to find the Union's last, best, final offer for an 18% increase in FY 2027 (Year 2) as the more reasonable under the statutory criteria. Having so found, it is unnecessary to evaluate the efficacy of a two-year verses a three-year agreement, as the State's offer must be adopted in its entirety.

Finally, the delay in issuing this decision was in hopes that the parties would be moved to re-engage in more productive negotiations after the hearing and when they had the opportunity to examine the record. The process did result in their moving into unity for the first year of the agreement, but nudges to finish the negotiations, unfortunately, were unheeded. Establishing a collective bargaining agreement through binding interest arbitration is never as productive as reaching an agreement through effective negotiations. It is, in the end, not a panacea, but only a means to end an unproductive and unsuccessful negotiation process.

## DECISION

For the reasons discussed above, based on the record created by the parties in this proceeding, the last, best, final offer of the State is determined to be the more reasonable based upon the statutory criteria set forth in 19 *Del. C.* §1315. This decision is primarily based on the insufficiency of the record to support the Union's offer of a two-year contract with an 18% general increase in FY 2027.

The relative merits of the last, best, final offers were considered in their entirety and balanced according to the statutory criteria. All of the exhibits, testimony, arguments, and cited cases submitted by the parties were carefully reviewed and considered in reaching this decision.

WHEREFORE, the parties are directed to implement their stipulated mutual agreements and the final offer of the State, including a retroactive payment to December 28, 2025, of an additional 2% and a 3% wage increase on the revised FY 2026 wage rates, to be effective July 12, 2026, for FY 2027. The general wage rate for FY 2028 will be 2%. The term of the collective bargaining agreement is July 1, 2025 through June 30, 2028; all references to the term of the Agreement should be updated. All other terms of the predecessor agreement shall remain unchanged, except as modified by the tentative agreements reached by the parties and referenced in this decision.

The parties are directed to notify the Public Employment Relations Board of compliance with this Order within sixty (60) days of the date below.

**IT IS SO ORDERED.**

D. Murray-Sheppard

DATE: July 30, 2026

DEBORAH L. MURRAY-SHEPPARD
Executive Director
Del. Public Employment Relations Bd.