

BEFORE THE ARBITRATOR

In the Matter of the  
Interest Arbitration between

MONTICELLO SCHOOL DISTRICT  
(SUPPORT STAFF)

And

MONTICELLO EDUCATIONAL SUPPORT STAFF

Case 19 No. 63367  
Int/Arb-10147  
Dec. No. 31029-A

**INTEREST ARBITRATION AWARD**

Appearances:

Ms. Shana L. Lewis, Lathrop & Clark, LLP, on behalf of the Monticello School District.

Ms. Ellen La Luzerne, Executive Director, Capital Area UniServ South on behalf of the Monticello Educational Support Staff.

The above-captioned parties, hereinafter referred to as the District and the Union respectively, have been parties to a series of collective bargaining agreements throughout the years. The parties were able to resolve most issues for the 2004-2005 successor agreement except for the issues of wages and health and dental insurance. The Union filed a petition with the Wisconsin Employment Relations Commission wherein it alleged that an impasse existed between it and the District. The Union requested that arbitration be initiated for the purpose of issuing a final and binding award to resolve the impasse existing between the parties. The undersigned was selected as arbitrator from a panel provided by the Wisconsin Employment Relations Commission. Hearing was held in Monticello, Wisconsin on November 22, 2004. A stenographic transcript of the proceedings was made. All parties were given the opportunity to appear, to present testimony and evidence, and to examine and cross-examine witnesses. The parties completed their post-hearing briefing schedule on January 25, 2005. The record was closed upon receipt of the last reply brief. Now, having considered the evidence adduced at the hearing, the arguments of the parties, the contract language, and the record as a whole, the undersigned issues the following Award.

**ISSUE AND FINAL OFFERS:**

The Arbitrator is charged with selecting a final offer for incorporation into the parties' collective bargaining agreement. Both parties had the following language in their respective final offers:

Except as set forth in this Final Offer, or in the Tentative Agreements reached between the parties, the terms and conditions of the Agreement shall become the terms and conditions of the 2004-2005 Agreement.

Both parties' final offers contained provisions increasing Sick leave Payments and Wellness Pay from \$20 to \$25.00 per day of unused sick leave and changing to a three-tiered drug card \$0/5/20 in effect for the Teachers' bargaining unit beginning August 1, 2004. Both offers also reflect for the 2003-2004 school year, an across-the board increase to each cell of the wage schedule in the amount of \$.15.

## **UNION'S FINAL OFFER**

### ARTICLE 16 – ECONOMIC PROVISIONS

#### 16.01 Wages

\$ .40 (for 2004-2005) per hour to each cell of the Wage Schedules in Appendix A.

With respect to Health and Dental Insurance Premium Contributions, the Union withdraws its proposal to continue the grand-parenting clause contained in the 2002-2004 Agreement and proposes as follows:

#### 16.04 Health Insurance

- A. The board will contribute ninety-five percent (95%) of the gross monthly premiums for single and family health insurance coverage for all full-time employees.
- C. The board will contribute ninety-five percent (95%) of the single insurance premium for all bus drivers driving two routes per day.

#### 16.05 Dental Insurance

- A. The board will contribute ninety-five percent (95%) of the gross monthly premiums for single and family dental insurance coverage for all full-time employees.
- C. The board will contribute ninety-five (95%) for the single dental insurance premiums for all bus drivers driving two routes per day.

The Union submitted an Appendix A to reflect the wage changes noted above.

## **DISTRICT'S FINAL OFFER**

2004-2005 Across-the board increases to each cell of the wage schedule in the amount of \$.50.

The District also submitted a schedule reflecting its proposed wage changes as noted above.

The District's offer maintains the language in the 2001-2003 agreement on health and dental premium contribution.

**APPLICABLE CONTRACT LANGUAGE IN THE 2001-2003 AGREEMENT:**

16.04 Health Insurance

- A. The Board will contribute ninety-five percent (95%) of the gross monthly premiums for single and family health insurance coverage for all full-time full-year employees. The Board will contribute ninety percent (90%) of the gross monthly premium costs for single and family health insurance coverage for all full-time school year employees.
- B. The Board will contribute a pro-rated portion of gross monthly premium costs for single and family health insurance for employees working less than thirty-five (35) hours per week based on thirty-five hours per week as full time.
- C. The Board will contribute ninety percent (90%) of the single health insurance premium amount for all bus drivers driving two routes per day.

16.05 Dental Insurance premium contributions were set forth on the same pro-rated basis.

Side Letter Addressing the Grandfather of Contribution Levels for Health and Dental Insurance to Existing Employees

Employees with a greater Board contribution towards health and/or dental insurance will continue to receive on a non-precedential basis the same level of benefits as they received as of the ratification date of the 1998-2002 Master Contract through June 30, 2004, at which time this agreement will sunset and benefit levels for said employees shall be provided as per the Master Contract Agreement in effect on that date (or a predecessor thereto if no Master Contract Agreement is in effect on that date), including during any hiatus period.

**SUMMARY OF DISPUTE:**

The dispute between the parties for a successor agreement is limited to a disagreement on wages and health and dental insurance premium contributions. As noted above both parties would increase the wage schedule by \$.15 per cell for 2003-2004, the first year of the successor agreement.

The Union's offer increases the schedule by \$.40 per cell for the second year, 2004-2005. The District's offer increases the schedule by \$.50 per cell for the second year, 2004-2005. As is evident from the offers, the District is offering \$.10 more per cell in the second year than is the Union.

The Union offer provides that effective retroactively to July 1, 2003, the District will contribute ninety-five percent (95%) of the gross monthly premiums for both single and family health and dental insurance coverage for all full-time school year employees and an increased pro-rated contribution of the single health and dental insurance premium for all bus drivers driving two routes per day for all nongrand-fathered employees. At the sunset of the grand-fathering language, all employees who are eligible for health and dental insurance will receive the ninety-five percent (95%) district contribution.

The District's offer does not include a proposal for health and dental insurance because it relies upon the language set forth in the 2001-2003 agreement and the sunset of the side letter grand-fathering certain bargaining unit members.

The sunset of the side letter results in a ninety percent (90%) contribution on the part of the District for full-time school year employees and a ninety-five percent (95%) contribution by the District for full year full-time employees under the single plan. Based upon the side letter, certain employees who had been receiving a 100% contribution by the Board toward the single plan, will receive only a 95% contribution if they are full time full year employees or a 90% contribution if they are full-time school year employees

#### **STATUTORY CRITERIA:**

The criteria to be utilized by the Arbitrator in rendering the award are set forth in Section 111.70(4)(cm), Wis. Stats., as follows:

7. 'Factor given greatest weight.' In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give the greatest weight to any state law or directive lawfully issued by a state legislative or administrative officer, body or agency which places limitations on expenditures that may be made or revenues that may be collected by a municipal employer.
- 7g. 'Factor given greater weight.' In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give greater weight to economic conditions in the jurisdiction of the municipal employer than to any of the factors specified under subd. 7r.
- 7r. 'Other factors considered.' In making any decision under the arbitration procedures authorized in this paragraph, the arbitrator or arbitration panel shall also give weight to the following factors:
  - a. The lawful authority of the municipal employer.
  - b. Stipulations of the parties.
  - c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.

- d. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of employees performing similar services.
- e. Comparison of the wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees generally in public employment in the same community and in comparable communities.
- f. Comparison of the wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees in private employment in the same community and in comparable communities.
- g. The average consumer prices for goods and services, commonly known as the cost of living.
- h. The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- i. Changes in any of the foregoing circumstances during the pendency of the arbitration.
- j. Such other factors, not confined to the foregoing, which are normally or traditionally taken in consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

## **POSITION OF THE PARTIES:**

### UNION'S INITIAL BRIEF

As background, the Union notes that prior to the first agreement between the parties, the District contributed 100% toward single health and dental insurance plans for its support staff and employees needing family plans paid the difference between the single and family plan. In the initial agreement between the parties, the District agreed to contribute 95% toward either single or family plans for full year full-time employees and 90% toward premiums for full-time school year employees as a way to provide increased payments toward family health and dental insurance for those school year employees. The parties at that time also agreed to a side bar that grand-fathered staff with single insurance at the one hundred percent district contribution rate. The Union had hoped to re-negotiate the 100% contribution for those few employees until they retired.

According to the Union, its membership voted to take less money in wages so that it could retain a higher contribution on the District's part for the health and dental insurance and so that all employees would receive the same percentage of contribution from the District. The Union membership is looking for equity of treatment on the part of the District. In the Union's view, its offer should be positively received because it provides internal equity for full-time staff working either the full year or the school year

and reflects a quid pro quo for the agreement to switch to a three-tiered drug card and a slightly lower pay increase. In contrast, the District's offer continues to provide lesser benefits for school year support staff continuing the inequities between school year teaching staff and full year support staff and does not provide any recognition of the group's acceptance of a lesser benefit with regard to their drug card and smaller wage increase.

Under the "greatest weight criterion," the dollar value costs between the two proposals are insignificant and do not warrant major consideration as a determining factor. The District's Fund 10 Balance contains more than enough to provide financial stability for the District and after a dip to provide for maintenance and improvements, the fund has now increased a percentage point from 2002-03 to 2003-04, from 23% to 24%. This 24% Fund 10 Balance equates to \$1,104.102 for the District. Its annual 2003-2004 budget is approximately \$3,795,408 while for 2004-05 it is \$3,975,404. There is only an \$8,146.18 difference between the proposals over the two-year period. This can hardly make a dent in the overall financial picture.

The lay-off of support staff has created significant saving for the district and they are the only group to endure staffing cuts. Furthermore, the Monticello mill rate shows that taxpayers in the district are taxed at a lower rate than their counterparts elsewhere. Even though the District may claim an inability to pay, it has the option to raise additional money through a referendum. Generating funds above the revenue controls is not an insurmountable task and the difference between the two offers is so minimal that this should not be given consideration in determining in this case. Thus the substantial Fund 10 Balance, the small dollar difference in the offers and the District's past willingness to pass referenda when called upon to do so undermine any argument about the District's ability to afford the Union's proposal.

With respect to the "greater weight criterion", economic conditions for Monticello are not significantly different from other comparable districts in the area as evidenced by the area unemployment rate and percentage of people who are above the poverty level for Wisconsin. Citing the comparison group of districts within a 25-mile radius of Monticello, the Union points to unemployment statistics for Green, Dane, Rock, Lafayette and Iowa counties, stressing that most of the comparable districts are in Green or Dane Counties. Green County is slightly above average with a 5.9% unemployment rate while the average is 5.42%. In reviewing the percent of Persons by Ration of Income in 1999 to Poverty Level for Wisconsin School Districts, Monticello falls in the average range. Green County is not significantly different from surrounding communities and does not have unique economic circumstances so as to warrant acceptance of the District's offer.

In reviewing the "other factors criteria" of Section 7g, the Union does not find criteria a. or b. to be significant considerations. It has made its arguments regarding the interests and welfare of the public and the financial ability to meet the costs of the Union's offer above. It is really the comparison of wages, hours, and conditions of employment as set forth in criteria d., e. and f. which should determine the outcome as

they favor the Union's offer. The Union suggests the unionized school districts within a 25-mile radius of Monticello as being the appropriate comparison group for the arbitration. This group consists of support staff in the following districts: Belleville, Brodhead, Monroe, New Glarus, Parkview, Verona, Black Hawk, Evansville, Mount Horeb, Oregon and Pecatonica. The Union would exclude non-union groups and Barneveld as it is almost 10 miles further from Monticello than any of the other districts.

In the Union's view, using non-union districts for comparison purposes unfavorably skews the outcome and should not be utilized. Citing Arbitrator Roberts' view that non-union data should not be used and acknowledging Arbitrator Torosion's conclusion that the use of non-union data should vary depending on the issue, the Union asserts that the primary issue of insurance contribution levels should not be viewed in light of non-union districts because the trade off between wages and health insurance premiums contributions has been significant for unionized employees. Here, it is clear that members of this bargaining unit recognized the need to make the trade off between wages and health insurance contribution levels.

The 95% health insurance contribution rate is within the average for contributions rate of area support staff and achieves equity between the full year and school year staff. The average contribution rate for health insurance for comparable unionized districts is 95% for single and 93% for family with respect to school year employees and 95% for both single and family contributions for full year employees. For dental insurance the same percentages apply for school year employees but for full year employees the average single contribution is 96% and the family contribution is 95%. Pro-ration and eligibility for insurance ranges anywhere from full benefits at 20 hours per week to pro-ration based on hours worked per year to no benefits for school year staff.

A compelling argument to support the Union's offer is that most districts covered by "wall-to-wall" collective bargaining units in the comparable group make no distinction between full year and school year employees for health or dental insurance contribution levels. Of the 11 districts cited by the Union, 8 have the same contribution level for school and full year employees. If the wall-to-wall units only are considered, only Pecatonica differentiates between school year and full year status for benefit contribution levels. It is inaccurate for the District to claim that it has a high rate of contribution compared to other districts with respect to its pro-ration policy.

The 95% contribution level for health and dental insurance is within the normal range for comparable school districts and the Union's offer is not out of line with other districts. The District's offer is out of line since the vast majority of districts do not differentiate insurance contributions based on school year versus full year status.

The Union's offer is consistent with the level of contribution for the other unionized staff, namely the teachers' bargaining unit. The contribution level of 95% is consistent with the teachers' agreement and the pro-rating proposal is similar as well because pro-ration in the teachers' agreement is based upon full-time equivalency. Seven of the districts offering health insurance to teachers have the same contribution level for

both full year and school year support staff as they have for teachers. Other districts do not differentiate between teaching and support staff for district health insurance benefit contribution levels and neither should Monticello.

With respect to the dental plan, the District pays 100% for all full and part-time employees in the teachers' bargaining unit but the cost is substantially lower for dental insurance. Citing the Rio Schools, (Support Staff), Dec. No. 30092-A, (10-30-01) decision of Arbitrator Torosian, the Union argues that internal comparability is important, especially when it comes to benefits. Unless there is good reason to deviate, uniformity of benefits among employees of the same employer, clearly outweighs external comparables notwithstanding the party arguing for internal comparability.

The Union stresses that its salary proposal is preferable because it recognizes the trade off between insurance costs and hourly wages. The Union was more interested in emphasizing internal equity for benefits rather than gaining ground in the wage area. Wage comparisons in this wall-to-wall unit are difficult at best. Reviewing wage rates for educational assistants, custodial staff, bus drivers, and secretarial staff, in no instance is the Union's proposed average wage above the average for any of the job families of any of the comparables. Neither offer is designed to bring the wage rates up to the average. Accepting the Union's proposal maintains the group's standing with regard to wages while bringing them more in line for benefits by closing the benefit gap between school and full year employees.

Stressing that the average settlement pattern for the same two year period for the comparable group is 10.57%, the Union points out that it is 10.39% under the Union's offer and 9.75% under the District's offer. If Monroe is considered, the two year average increases to 10.79%. The Union's offer is closer to the average on the basis of overall cost and should be favored by the arbitrator.

In the Union's view, the CPI does not adequately reflect consumer costs and is irrelevant. Moreover, one of the comparables, the Monroe School District Support Staff, settled and ratified an agreement. In that bargain, the parties switched from a benefit contribution levels based on hours worked per year to one based on hours worked per week that contained no distinction between school year and full year staff. The Monroe Support Staff also gained a number of other benefits increasing the package costs to 13.5% over the same two-year period.

The Union proposal is much closer to the internal and external comparables with respect to contribution level for health insurance. The \$8,000.00 difference between the two proposals is not significant enough to justify reliance on revenue controls or ability to pay as reasons for selecting the District's offer.

#### DISTRICT'S INITIAL BRIEF

The District stresses that the Union's offer demands a five percent increase in the District's contribution for all full-time school year employees, and an increased pro-rated



contribution for part-time employees and eligible bus drivers of 5%. Its offer, in contrast, maintains the *status quo ante* concerning health and dental insurance premium contributions. Both offers effectively abolish the side letter that had been in effect through June 30, 2004.

In order to properly analyze the offers, the District agrees that the arbitrator must define and establish the appropriate comparability group of similar districts. It characterizes the dispute as an inability on the part of the parties to come to an agreement concerning the health and dental insurance contributions to be made by the District given the ever-increasing costs of health and dental insurance and the overall total compensation to be received by bargaining unit members. The District's offer with respect to health and dental insurance contributions is the *status quo ante* and the Union's offer incorporates a change in the District's obligations. Any determination must include consideration of whether the Union provided an adequate *quid pro quo* for its proposed change of the *status quo*.

In evaluating the "greatest weight" criterion, the District offer is preferable to that of the Union. This criterion was adopted to ensure that arbitrators' decision do not result in wage increases that unduly pressure school districts to exceed the statutory revenue limits. This factor is not simply an ordinary ability-to-pay consideration. Revenue limits as a limitation on the total amount of revenue derived by school districts from general school aids and property taxes are based upon student enrollments, the Consumer Price Index, and the District's prior year controlled revenue and there are penalties for districts that exceed the revenue limits in a given year. Based upon several interest arbitration decisions, the District must show that the monetary difference between the two Final Offers is significant such that a selection of one Offer over the other could have concrete deleterious effects on the overall operations of the District. To prevail under this fact, a district must also show that it is taxing at the maximum permissible rate and is having financial difficulties that it is addressing by the elimination of jobs or programs and that it will need to take similar steps in the future if its offer is not selected.

Revenue limitations make it clear that districts will not have much new money to spend on schools in the future. The District's offer considers the long-term impact of agreeing to increasing insurance premiums. The Union's offer, if accepted will place uncontrollable burdens on the District in the future when revenue limitations continue to restrict the money the District has to spend for continually escalating health and dental insurance costs. The District's revenue per member amounts are low and getting lower when compared to comparable districts. Monticello's revenue per member base has decreased while the average for comparable districts is increasing.

While districts are not required to levy the full amount of their allowable levies, Monticello has done so for the past three years. Unlike some of the other districts who did not levy the full allowable amount in the past, Monticello has no ability to increase taxes in order to deal with increased costs for the health and dental insurance premiums of its support staff employees. In addressing the argument that the District can always raise additional funds through a referendum, the District notes that only about half were

successful and most were for non-recurring expenses such as new school buildings or updating current buildings. The District has already asked taxpayers to provide additional funds in November of 2002 for building maintenance and remodeling projects. It is unlikely that the public would consent to giving the district additional funds through a referendum in the next few years for recurring expenses such as salaries and benefit costs.

The District argues that it has not been the beneficiary of increased revenue limits to the same extent as the comparable districts, the average increase in revenue for 2002-2003 being 3.54% while Monticello's increase was 1.27%. Furthermore, one of the factors utilized in determining revenue limits, i.e., student enrollment is declining and expected to continue to decline. There has been a 5.5% decline in the two years covered by the agreement. Significant declines in the school age population are predicted for Green County through 2020 and with the advent of open enrollment, the District can no longer predict its student enrollment. The funds follow the student to the "new" school district.

The District is already feeling the pinch of the revenue limits. In the current 2004-05 budget, the District is projecting a deficit of over \$200,000. Acknowledging that the District presently has a respectable fund balance, the District, citing arbitral precedent, argues that salary and benefit costs should not be paid out of the District's fund balance. The fund balance is used to secure a good bond rating and to pay for unforeseen expenditure needs.

The future impact of the Union's offer makes the District's offer more favorable. Conceding that the estimated monetary difference between the two final offers is not significant for the current contract years, the estimated monetary difference for the future is quite significant in that it will have a negative impact on the District's future financial health. The District admits that it cannot assert that the Union's offer would cause a major financial impact for the contract period in question as compared to the District's offer. However, assuming a modest 13% increase in health insurance and 5% for dental insurance the total cost difference between the two offers will be substantial, with the Union's offer being the more expensive offer by far. Approximately \$20,000 over a ten-year period is not a small amount of money for a district the size of Monticello. This represents 4.3% of the base year total package for the support staff alone. The District's offer attempts to address the pressure created from outrageously rising health insurance costs and State imposed revenue caps by maintaining its premium contribution at the current benefit level.

In the District's view, the Union must demonstrate that a significant and unanticipated problem exists, that the proposed change reasonably addresses the problem and that it is accompanied by an appropriate *quid pro quo*. No evidence has been presented that a significant or unanticipated problem exists, nor has the Union presented anything close to a *quid pro quo* for the proposed change. The \$.10 per hour wage proposal would not result in over \$ 20,000 in future costs as projected from the premium contribution proposals. Moreover, wages and benefits in comparable districts do not

suggest that the Union proposal is significantly different so as to constitute sufficient *quid pro quo* for such a substantial change in health insurance contributions.

Local economic conditions also support the selection of the District's offer. Monticello is in the bottom half of the comparables with respect to median household income and in the bottom third for adjusted gross income. The unemployment rate has been steadily increasing in Green County, the county in which the District is located. Deterioration of the economic conditions in Southwest Wisconsin has caused the departure of private employers, such as Argyle Industries, from the area. Looking at the voluntary agreement reached with the teachers, a freeze in salaries for the 2003-04 was viewed as reasonable. Looking at nearby school districts, many of the surrounding school districts are also experiencing declining economic conditions. Brodhead, Albany and Black Hawk School Districts have all faced financial difficulties.

With respect to the "stipulations of the parties" criterion, the District claims that the improvements to which it has already agreed in sick leave and wellness benefits favor the District's offer. The "interests and welfare of the public and the financial ability of the District to meet the costs of the proposed settlement," criterion favors the District's offer because the Union's offer inserts greater risk for the District in the future so that the public is best served when the District can plan for the future with greater certainty. The Union never really presented its offer in negotiations at the bargaining table. The Union's offer is based on the notion that the District simply needs to secure additional revenue through a referendum which would not be in the public's interest.

With regard to comparability data, the District stresses that this is the first interest arbitration and the first time an arbitrator will define the comparability pool. The schools in the athletic conference are often considered a primary group of comparables at least for professional staff but not always for support staff units. Here, the athletic conference is in flux. Monticello is a member of the Eastern Division of the Six Rivers conference for all sports except football, wrestling and cross country which are included in the Trailways Conference. Rather than attempting to determine which athletic conference to use, the District proposes that all school districts within a 35-mile radius be used as the comparable pool although its size is not really comparable to some of these districts. This group consists of Albany, Argyle, Barneveld, Belleville, Black Hawk, Brodhead, Evansville, Juda, Monroe, Mount Horeb, New Glarus, Oregon, Parkview, Pecatonica and Verona. Exclusion of non-union support staff in three of these districts, Albany, Argyle, and Barneveld, as the Union argues, is unwarranted.

Full-time school year employees are defined as those working 35 or more hours per week. These employees can work for as few as 1288 hours per year and still be eligible for benefits. Because the only dispute with respect to District premium contributions involves the full and part-time school year employees including eligible bus-drivers, those are the employee comparables for which the District provides analysis. The range of benefit contributions for school year employees in the comparable districts varies. Any and all of the situations involving comparable districts must be compared with Monticello's status quo where support staff school year employees who are

employed 17.5 hours per week or driving two routes per day are eligible to receive paid health insurance. Furthermore, the average percentage paid by the comparable school districts on behalf of full-time school year employees is 73% toward family health insurance coverage and 77% toward single health insurance coverage. The situation with dental insurance is similar but the average percentage paid by comparable districts for full-time school year employees is 60% toward the family plan and 69% toward the single dental premium.

Comparable total package settlements also support the District's offer. Monticello's total package decrease for 2003-2004 is in part due to the expiration of the side letter where four employees had their contribution decreased from 100% to 95% effective July 1, 2004. The Union's offer would eliminate any savings for the District as a result of the side letter's expiration and require it to pay additional funds to increase the percentage contribution made by the District on behalf of all school year employees. Because most of the comparables have already settled for 2003-2005, selection of the Union offer would result in Monticello being the fifth highest in total package for 2003-2004. For 2005-05, both offers fall short of the average total package, but the District's is slightly higher at 3.6%.

Review of comparable wage increases and wage/rate rankings supports the District offer because adoption of that offer does not result in a loss in ranking in any of the job position categories in the 2004-2005 contract year. In contrast, the Union's offer would result in a lower than average cent-per-cell increase and a loss in rank for specific job categories.

Insofar as the District's teachers are concerned, the District argues that it is difficult if not impossible to compare benefits for the two units. It notes that teachers are generally hired for the school year only and not on a full-year basis and that pro-ration occurs for part-time teachers based upon the teacher's full-time equivalency. This is exactly what the District wants to do by comparing support staff who work the full year with those who only work during the school year. The District stresses that it is not the only school district within the comparables that provides a different insurance contribution level to its teachers, as compared to its support staff unit. It is uncommon for comparable districts to contribute the same percentage for both their teacher and support units. Admitting that about half of the districts treat teacher and school year support staff the same in contributing toward dental plans, only five of the fifteen contribute the same percentage toward teacher and school year support staff health plans.

Any comparisons to private employment favor the District's offer. Although both offers are below the 2002 average wage increase of 4.3% across all industries for Green County, the District offer is closer to the average. Almost all employers, public and private, have moved to policies requiring employees to pay a larger portion of their health care insurance costs. The District's offer is consistent with that trend. Comparison with the CPI also favors the District's offer. As the cost of living indicator, the CPI can appropriately be measured against the total package data. When the prior agreement expired on June 30, 2003, the CPI was 170.1. This was a 2.04% increase over the figure

for June of 2002. From February 2003 to February 2004, the CPI has only increased by .29%. The CPI criterion favors the District.

The overall compensation presently received supports the District's offer because bargaining unit members receive generous holiday pay, vacation benefits, leaves of absence and insurance coverage as well as improvements to sick leave and wellness payouts. The current benefit contribution on the part of the District is quite generous in terms of eligibility for the benefit contribution and the percentage contributed as compared to the average for school year employees. Significantly, under the District's offer, it will continue to contribute 90% of single health insurance premiums on behalf of bus drivers when most bus drivers in comparable school districts do not receive paid health insurance at all.

Bargaining history also favors the District's offer. This unit was organized in 1998. In March of 2000, the parties underwent mediation of the first agreement. As part of the negotiations, a grand-fathering clause side letter was agreed to. It provided that four employees who were currently receiving 100% contribution toward a single health plan would continue to receive that level of contribution. In the negotiation of the side letter, the Union proposed that when the grand-fathering expired, the language would be subject to contract negotiations. The District rejected this modification insisting that the side letter expire and all employees revert to express language with respect to contributions pursuant to Article 16 of the agreement.

Finally the arbitrator should select the offer closest to what the parties would or should have agreed upon at the bargaining table. In today's climate, parties are not agreeing to increases in the employer premium contributions. It would be highly unlikely, if not impossible, to negotiate a voluntary agreement that includes an increased contribution on the part of the District. Because it could not have obtained a voluntary agreement with this provision included, the District's offer should be selected.

#### UNION'S REPLY BRIEF

The Union's main arguments are the need for internal equity and external comparability and a smaller pay increase in exchange for providing a change in insurance contribution levels. While the District argues that the greatest weight factor supports its offer, for the immediate future, it concedes that the difference is just a little over \$8,000. This is not enough to support using this factor as the deciding factor in favor of the District. With respect to the District's argument that the Union offer places increased and uncontrollable burdens on the District, the Union points out that neither the District nor the Union can predict the future, so that predicting a 5% increase in insurance contribution for one group of employees in the District will destroy the District's financial security. This assertion on the District's part borders on hyperbole. The Union points out that it has been willing to modify the internal structure of the health insurance benefit by switching to the lower cost point of service insurance option and a three-tiered drug card. The trade off for insurance is reflected in the wage offer and the Union is willing to take a lower wage offer for the increased contribution.

The Union disputes that Monticello's revenue per pupil is less than that of comparable schools. Monticello does not have a significantly lower amount of revenue allowed per pupil than the other comparables. According to the Union, the offers before the arbitrator would hardly warrant the need to ask taxpayers for additional funds by way of referendum. With respect to the District's argument that it is experiencing declining enrollments, the Union insists that the District controls staffing levels, over which the Union cannot bargain, so the District can accommodate the decrease or increase in student enrollment. Providing equitable and adequate benefits and compensation is a key issue for most unions and the Union's offer falls in line with this general goal. This is, or should be, in the interest of the District as well, because if it does not remain competitive in this area, it could find itself unable to attract and retain quality staff.

The Union does not believe that its offer would require the District to dip into its fund balance to afford the Union's insurance proposal because the current budget can easily handle the proposed costs in either offer. Noting that the reduction in the real costs of the bargaining unit have been achieved through layoffs, the Union stresses that it has already helped to improve the District's fund balance.

Upon reviewing the escalating costs for health and dental insurance for a ten-year period based on a 13% increase per year, the Union does not believe that it is realistic to speculate that in 2014-15, that insurance in its current form will remain. Utilizing actual staff in place for 2004-05, the difference between the two proposals is relatively insignificant even when projected into the future, being approximately \$2,108.00. Furthermore, should other events present themselves, the Union and the District will be back at the table to negotiate the trade off between wages and benefits.

In the Union's view, the Albany School District situation does not resemble that of Monticello. Albany's situation is irrelevant to the instant interest arbitration.

The Union believes that it has offered an adequate *quid pro quo* for the benefit contribution increase. It has agreed to a three-tiered drug card and is asking for ten cents less for the 2004-05 school year. This is the case, although Monticello's hourly pay rates stand below the average in every job category. The Union is not asking for "catch up" on the wage rates because health insurance is the priority. The three-tiered drug card provides a lower level of benefit and lower premium rates. This change, in and of itself, would qualify for the modification in the insurance contribution rates.

The Union alleges that the District has skewed the data to favor its offer, because under the District's proposed comparables, Iowa and Lafayette Counties only contain one comparable district each. Green County exports many workers to Dane and Rock Counties so that Lafayette's loss of a major employer did not adversely impact the workers in Green County. The Union also points out that since the recently reported arbitration hearing, Wisconsin's economic outlook relative to job creation has been on the upswing.

With respect to the professional bargaining unit, the qualified economic offer requires that unit to balance wages and benefits in negotiations. Overall settlements in percentage terms are generally lower than those for support staffs since benefits make up a higher proportion of the overall costs for support staff.

The average cent-per-cell increase across all support staff categories for the two year period covering the final offers was reported as \$.64 on the hourly wage rates. Both offers are lower than this average. The District does not provide any justification for its lower than average hourly rate increase in comparison to other districts with similar poor economic conditions. Those surrounding districts saw fit to provide average package increases of about 10.71% for the same two-year period for their support staffs. The District's 9.75% offer is a whole percentage point lower than the average and it has provided no justification for this.

The rationale behind the Union's proposal was to preserve the cohesion in the bargaining unit and abolish dissension that differing benefit levels create. Furthermore, District speculations as to the rationale for the Union's offer are irrelevant. In addition to Union arguments that non-union districts should not be concluded in the comparables, it maintains that Barneveld is too far to be considered comparable because it is outside the commuting range for support staff.

With respect to the dental insurance proposal, the Union recognizes that a request for a 100% contribution regardless of full-time equivalency does not match the external comparables for support staff. The health insurance contribution at 95% for full-time employees is much closer to both internal and external comparables.

Insurance is a critical issue for most workers and has been given as the reason a worker will accept a job with a school district although he or she may lack work in the summer. Here again, the trade off is wages versus benefits. The District's offer with respect to support staff implies that full-time school support staff should be considered as less than full-time although teachers are scheduled to work a substantially similar number of days and are considered full time for purposes of benefit contribution. In this vein, the Union points to Article 8 of the master agreement defining a full-time employees as "an employee scheduled to work greater than thirty-five (35) hours per week." Although school year and full year employees are defined, Article 8 does not define full-time in reference to school year or full year employees. Hours worked per week is the definition used.

In conclusion, the Union submits that its final offer goes to providing equity among the staff, is clearly affordable and contains sufficient changes to insurance combined with a lower wage offer that provides ample trade off for the modification to the insurance contribution levels. It requests that its offer be selected.

## DISTRICT'S REPLY BRIEF

The District claims that the Union has failed to discuss the majority of statutory factors and arbitral precedent, all but conceding that the Union's offer is not the most reasonable. The District claims that the Union misrepresents the substance of the side letter claiming that it did not agree to contribute one hundred percent of the premiums on behalf of staff covered under single health and dental plans. Rather, it agreed to maintain the existing contribution level on behalf of existing employees at whatever increased level they had been receiving, no distinction being made between single or family insurance benefits. This misrepresentation serves to minimize the amount the District has contributed toward the health and dental insurance premiums in the past.

Prior to the master contract agreement, for 12-month employees, the District paid 100% of the premiums for both family and single health and dental insurance. For school year employees, the Board paid 100% of the premiums for single health and dental insurance. For bus drivers, the Board paid a set dollar amount, \$171.71 per month toward the family or single health insurance premium and \$19.74 per month toward the family or single dental premium.

The District agreed to increase its contribution to 90% of both health and dental premiums for full-time school year employees, regardless of whether they chose single or family coverage. Had the District continued with its pre-master agreement practice, for full-time school year employees, it would only be obligated to pay about 44% of the family plan premium. Thus the initial agreement represented a substantial increase on the District's part. The Union's offer would provide a considerable benefit to employees who just a few years ago, received a substantial increase in the same benefit.

In the District's view, the Union's internal equity argument is inherently flawed. This is the case because the Union's offer does not eliminate the pro-ration of contributions made on behalf of part-time employees. It is inconsistent for the Union to suggest that full-time school year employees who work only 9 months per year should receive the same insurance contribution rate as full-time full year employees who work all 12 months of the year, when part-time employees who work less than 35 hours per week receive a pro-rated amount of insurance contributions. The inconsistency is apparent when comparing contributions for bus drivers as opposed to kitchen staff. Bus drivers working 15 hours per week receive a 90% contribution while kitchen staff working 20 hours per week receive only a 54% contribution. The District also notes that the Union has not asked for equity with the professionals regarding dental premium contributions.

Union suggestions that the District Fund 10 Balance should subsidize the support staff salary and benefits are flawed. Fund 10 is a security blanket to provide for financial emergencies, not a funding mechanism for general operations. Layoffs do generate savings but these particular staff layoffs were necessary prior to consideration of cost increases in salaries and fringe benefits for staff employees. The Union's suggestion that the lower-than-average mill rate demonstrates an ability to pay is absurd. As noted



above, it has been steadily decreasing over the last three years. Monticello's mill rate of only .24 is below average. The argument that the District could secure additional money through a referendum disregards the bigger picture. It would be difficult to talk the community into accepting a referendum for recurring costs, let alone another one so close to the previous one.

Noting that the Union acknowledges that economic conditions in Green County and the surrounding area are not pretty and that the unemployment rate is higher than average, the District argues that the test is not whether the economic conditions in the area are unique, it is whether they justify selection of a more costly offer. The past looks bleak and the future does not look much better.

The "interests and welfare of the public" criterion is more than a simple reiteration of the ability to pay factor. The arbitrator must consider current economic and political environments, maintaining a level of wages and benefits sufficient to attract and retain high quality employees and a skilled and trained work force.

The District argues that Barneveld is comparable to Monticello, given the number of support staff and total staff employed and similar number of students enrolled. Both districts are in the Six Rivers Athletic Conference for certain sports. And there is no good reason to exclude Barneveld.

The Union's comparison of the District's insurance contributions rates with those of the comparable districts is skewed. The Union has not abolished a two-tiered system as it suggests but simply perpetuated a different two-tier system. Furthermore, there is an inherent inequity in providing the same benefit to two employees, one who work nine months of the year and the other who works twelve months out of the year.

The Union's calculations are further skewed by excluding all unfavorable school districts with the comparable pool. To arrive at its conclusions, it must exclude Albany, Argyle, Juda and Barneveld, the non-union districts and unionized district comparables like the Brodhead custodians and Evansville food service employees who do not receive contributions for school year employees. Inclusion of just Barneveld would decrease the contribution rate from ninety-five to ninety percent which is the rate proposed by the District. Were Brodhead custodians and the Evansville food service included, the average school contribution for family health insurance for full-time school year employees would decrease from 95% to 85%. Using the District's proposed comparability pool, for family insurance the percentages decrease from 95% to 74%.

Medians being more useful than averages, the median full-time school year employee contribution is 90% for family and 92% for single health insurance. The median full year full-time contribution for the same plans is 90% for family and 95% for single plan. Even lower percentages constitute the median contribution for both groups insofar as the family dental plan is considered, 85% and 90% for school year and full year employees respectively. Regardless of whether averages or medians are applied, the District's final offer is preferable.

The District points out that many arbitrators in recent awards have been reluctant to select offers which increase employers' costs with regard to benefits. In light of this trend it is hard to understand how the Union can propose to increase the District's share of both health and dental insurance contributions. It is not the right time to be requesting increases in insurance benefits. The District's offer, on the other hand, does not reduce the District's insurance contribution but continues the *status quo*.

The Union's offer is not consistent with the level of contribution for the professional staff. The Union's final offer itself accepts that it is necessary and reasonable to make such distinction because it makes distinctions between contributions on behalf of bus drivers and other full-time school year employees.

The Union's offer does not recognize the trade off between insurance costs and hourly wage rates. A \$.40 per hour wage increase proposal is not a substantial *quid pro quo* for a substantial insurance increase. The slight decrease in the request for a wage increase cannot constitute adequate *quid pro quo* for a proposal that could result in \$20,000 in the future. The immediate impact of the increased health and dental contributions will cost the District \$5,166 in 2003-04 and \$5,888 in 2004-05; while the wage difference of \$.10 will only cost \$2,449 in 2004-05. The District disputes that the switch to a three-tiered drug card is also a *quid pro quo* for the increased insurance benefits but rather a recognition that the external comparables required such a movement because most of the support staff units had already agreed to this move. Of 16 units, five agreed to the same card and another five agreed to drug cards requiring employees to pay more than District employees pay. Given this, the Union cannot argue that the slightly lower wage increase and the move to the three-tiered drug card on August 1, 2004 represented a *quid pro quo* for a complete overhaul of the district's health and dental insurance contribution obligations.

The Union's offer is not equal to similar settlements in the area. The lower total package in the District's offer for the 2004-2005 is due in part to the impact of the side letter that expired on June 30, 2004 requiring a higher contribution for four employees. The Union's offer eliminates any saving for the district resulting from the side letter's expiration and requires the payment of additional funds to increase the percentage of contribution on behalf of all school year employees.

The CPI is a relevant factor for consideration because it includes a health insurance component. Whether it is evaluated on a total package or wage only comparison, the CPI clearly supports the District's offer.

The Monroe School District's settlement for 2004 supports selection of the District's final offer. Monroe agreed to a 6.83 % total package in the 2004-5 school year which included a wage schedule freeze across all categories of employees. It restructured benefits for new hires. Existing employees treated more favorably are grand-fathered. The new plan includes a July 1, 2005 change to the POS health insurance plan with initially a lower district contribution of 80% toward single and family plans. Single and

family dental contributions are lowered to 80% from 90% throughout the term of the agreement. While the parties agreed to a reduction in the eligibility threshold for insurance coverage from 30 to 20 hours, they also instituted a new pro-ration based on a 37.5 hour work week, a change from the previous 30 hour/week threshold. The Monroe agreement buttresses the District's argument that what the Union is requesting is not supported by the necessary *quid pro quo*, such as a salary freeze or increased pro-ration of benefits which has occurred in neighboring districts. The Monroe agreement supports the District's final offer.

The District believes its offer to be the more preferable under the statutory criteria.

### **DISCUSSION AND OPINION:**

The parties have negotiated two previous agreements. This is the first time that they have had to resort to interest arbitration. The instant dispute essentially revolves around the issue of District contribution toward the premiums of bargaining unit members' health and dental insurance. While wages are also included in the final offers, the parties have agreed upon the wage for the first year of the agreement. The Union's offer for the second year with respect to wages is \$.10 lower than that proposed by the District as part of a proposed *quid pro quo* for the change in health and dental insurance contribution contained in the Union's offer.

Because this is the first interest arbitration, there has been no previous determination of the external comparables. As Arbitrator Petri observed in *Random Lake School District*, Decision No. 30545 (2003), in formulating their respective recommendation it is recognized that each party has an incentive to urge arbitral consideration of those intra-industry comparables which best support selection of its final offer. Most arbitrators, in recognition that they are extensions of the collective negotiations process, are reluctant to ignore comparisons upon which the parties themselves have relied in the past in their negotiations. Here, the parties agree that Belleville, Black Hawk, Brodhead, Evansville, Juda, Monroe, Mount Horeb, New Glarus, Oregon, Parkview, Pecatonica and Verona are appropriate comparable districts. They are districts who are also members of one or two of the athletic conferences to which Monticello has been assigned and they fall within a twenty-five mile geographical radius of Monticello.

The Union would exclude Albany, Argyle, and Barneveld, as comparables. It argues that all three districts are unrepresented by any labor organization and therefore should not be included in the comparables. With respect to Barneveld, the Union also objects that it is too remote in distance to be considered an appropriate comparable. Athletic conferences have not always been determinative of comparables with respect to support staff units and some of these districts are much larger than Monticello. However, inasmuch as the parties have agreed to use the districts set forth above, the undersigned concludes that they are appropriate comparables.

With respect to the three unrepresented non-union districts, arbitrators have taken opposing positions as to whether unrepresented groups should be considered in setting external comparables. The undersigned believes that it may well be appropriate to exclude these unrepresented units in making comparisons where the issues are focused narrowly upon particular lesser fringe benefits that have traditionally been negotiated in the context of collective bargaining. Since these groups have not been organized and the benefits in question are not likely to exist for unorganized employees because the employer may unilaterally establish these conditions of employment, the Union's objection is well taken insofar as these lesser benefits are concerned. However, with respect to wages and health insurance, these are the two factors that drive the labor market. Employees seek or avoid employment with certain public employers based upon wages offered and health insurance packages available to the employee and/or his/her family. Often, it is health insurance benefits alone that dictate selection of employment in one district over that in another. As Arbitrator Torosian observed, "regardless of organizational status, employers are competing for the same employees. The market place is the market place, regardless of how determined."<sup>1</sup> Therefore, it is appropriate to consider Albany and Argyle as external comparables for purposes here, where the issues are wages and health/dental contributions, notwithstanding their status as unrepresented employee groups. Barneveld presents a different story. At 34 miles from Monticello, it is too geographically remote to stand as a comparable under the circumstances.

The parties' bargaining history in this matter is extremely relevant. The grandfather side agreement notwithstanding, the express language set forth in Section 16.04 and 16.05 of the previous agreement constitutes the *status quo* with respect to the District's health and dental insurance premium contribution. This is the position from which any proposed change in premium contribution level must be viewed.

The Union tacitly accepts that this pro-ration and distinction between full-time full year and full-time school year employees with respect to premium contributions is the bargaining *status quo* from which it must negotiate because it proposes a slightly lower wage increase in the second year and points to acceptance of a three-tiered drug card as an appropriate *quid pro quo* for the premium contribution change to a 95% contribution for both groups.

Past bargaining history has demonstrated that although the District has agreed to improve its percentage of contribution with respect to the premiums for employees in the support unit, it has zealously sought to maintain, and successfully bargained in the past, the continuation of making distinctions in its health and dental premium contributions based upon whether the employee worked for the full or school year, the number of hours worked as a part-time employee, and the number of routes driven by bus drivers.

One other serious preliminary issue needs to be addressed. The sum of approximately \$8,000.00 is all that is in dispute monetarily. The parties agree that the estimated monetary difference between the two final offers is not significant for the

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<sup>1</sup>*Rio School (Support Staff)*, Dec. No. 30092-A (Torosian, 2001).

current contract years. The disagreement is with respect to the future impact of the two offers.

Any evaluation of the offers submitted by the parties must begin within the statutory framework set forth above. Section 111.70(4)(cm) 7. is relevant insofar as State law has placed revenue caps on the District's ability to raise revenues to pay for either offer. As Arbitrators Vernon and Yeager have observed, it obligates arbitrators to take into account the financial and budgetary influence, impact and pressures that come to bear under legislative revenue limitations.<sup>2</sup> Here, as in the *Whitewater* case, there is no end of data from which both parties can argue the merits of their respective offers citing the impact of the imposed revenue caps and resulting budgetary constraints on Monticello vis-a-vis its comparable neighboring districts. Because the monetary difference in the two offers is not significant and neither offer will substantially impact on the District's financial condition during the term of the agreement, although consideration has been given to this factor, in this case it does not clearly favor one party over another and the case will be determined by evaluation of the lesser factors.

Likewise, Section 111.70(4)(cm)7g. is not determinative. The District makes no argument that it is unable to pay, although it does persuasively argue that it is feeling the pinch of revenue limits such that it should not be required to obligate itself to pay a greater contribution toward future health and dental premiums than it is presently paying. Because, as both parties agree, the monetary difference in the offers for the duration of this two year agreement is minimal, Section 111.70(4)(cm)7 g. slightly favors the Union's offer with respect to wages and the District's offer with respect to health insurance premium contribution. It is not, however, dispositive.

It is the lesser factors that dictate the outcome in this case.

Much has been written about the ever-escalating cost of health insurance premiums and the struggles of public employers to continue to provide for this benefit for their employees. The crisis in health care costs cannot be solved at the bargaining table. These rising costs affect the willingness of public employers to commit to future costs that they cannot adequately anticipate and account for within their ever-tightening budgetary constraints. Monticello is experiencing the same financial constraints as its comparable neighboring districts. The external comparables when Albany and Argyle are included favor the District's offer. The significant comparison is the average and median contribution for full-time school year employees in the comparable districts. Monticello's current contribution does not fall outside of the range for employees in any of the support categories and in some circumstances is considerably more generous.

The professional employee internal comparable favors the Union's proposal. However, as the District has pointed out, the bargaining history with regard to the professional unit is different from that of the support staff. The teachers have been organized and bargaining for a much longer period of time. The bargaining history with

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<sup>2</sup> *Tomahawk School District*, Dec. No. 30024 (Vernon, 2001); *Whitewater School District*, Dec. No. 30740 (Yaeger, 2004).

respect to all benefits either acquired or ceded is different from that of the support staff. Furthermore, market influences existing in the hiring and retention of teachers are substantially different than those existing for the hiring of support staff.

Monticello's current contribution is at a reasonable benefit level and the past bargaining history establishes that the parties arrived at that level of contribution through the negotiation process. The Union must justify its proposed change in the *status quo* by demonstrating that a significant and unanticipated problem exists, that the proposed change reasonably addresses the problem and that it is accompanied by an appropriate *quid pro quo*.

The Union's primary contention is that it wants equity among its members. The bargaining unit voted to take less on wages and accept a three-tiered drug card to gain increased contribution levels for school year full-time employees and bus drivers. The equity argument alone is insufficient to demonstrate that a significant problem exists that needs to be addressed. Furthermore, as the District has pointed out, the Union's own offer would still not accomplish equity as the Union views it, because the offer continues to provide for pro-ration of contributions for part-time employees. Furthermore, it could be argued that the District's offer preserves a more equitable relationship between the amount of time its employees work and the degree of its contribution to the health/dental premiums.

Even assuming that a significant problem had been established, the Union has not offered a sufficient *quid pro quo*. There is no set answer as to what constitutes a sufficient *quid pro quo* among arbitrators. Generally speaking, the greater the need for the change, the less can be offered as a *quid pro quo* and vice versa, the less the need for the change, the greater the *quid pro quo*. The Union argues that the three-tiered drug card and the \$.10 per hour are sufficient. The acceptance of the three-tiered drug card as part of the *quid pro quo* is debatable given its voluntary acceptance by comparable districts. While the proposed *quid pro quo* need not amount to the exact dollar amount of the requested improvement, it should be substantive in nature. Here, the \$.10 per hour proposed is not a sufficient exchange for the proposed benefit for either this contract period or the future.

Arbitrators, in recognizing the *status quo*, the bargaining history of the parties at the table and the *quid pro quo* offered, must be careful not to award through interest arbitration a benefit or improvement which a party could not achieve through negotiations at the bargaining table. As other arbitrators have observed, there is no doubt that issues regarding health insurance play a large, sometimes dominant, role in negotiations in both the private and public sectors, due to the rapidly escalating premium costs and projections for future premium increases.<sup>3</sup> In these difficult economic times, the Union has not demonstrated that such an improvement as contained in its final offer could be gained at the table.

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<sup>3</sup> *Manitowac Public School District*, Dec. No. 30470, (Weisberger, 2003).

Having considered all of the other remaining criteria, the undersigned is unwilling to select an offer granting a major improvement in the health insurance benefits to this unit without a substantial demonstration of the need for such an improvement and the offer of a substantive *quid pro quo* in the context of the financial constraints under which the District is currently operating.

### **AWARD**

The District's final offer for 2003-2004 and 2004-2005 is adopted as the award in this proceeding and incorporated into the parties' collective bargaining agreement.

Dated this 22nd day of February 2005, in Madison, Wisconsin.

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Mary Jo Schiavoni, Arbitrator