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WISCONSIN EMPLOYMENT RELATIONS COMMISSION

BEFORE THE MEDIATOR-ARBITRATOR

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

\* \* \* \* \*

In the Matter of the Arbitration Between \*

NORTHWEST UNITED EDUCATORS \*

and \*

COOPERATIVE EDUCATIONAL SERVICE AGENCY #6 \*

\* \* \* \* \*

ARBITRATION AWARD  
CASE V  
No. 22475 MED/ARB-11  
Decision No. 16279-B

APPEARANCES:

For the Union: Alan D. Manson, Executive Director, Northwest United Educators, Rice Lake

For the Employer: Stevens L. Riley, Esquire, Losby, Riley & Farr, S.C., Eau Claire

BACKGROUND

On January 13, 1978, Northwest United Educators (hereinafter referred to as the Union), filed a petition with the Wisconsin Employment Relations Commission (WERC) requesting that the Commission initiate mediation-arbitration pursuant to Section 111.70(4)(cm)(6) of the Municipal Employment Relations Act to resolve a collective bargaining impasse between the Cooperative Educational Service Agency (CESA) #6 and the Union. The Union is the certified exclusive collective bargaining representative for a unit consisting of all employees employed by the employer as account clerks and clerk secretaries and the IMC clerk, excluding all other employees.

On March 30, 1978, the WERC found that the parties had substantially complied with the procedures set forth in Section 111.70(4)(cm) required prior to the initiation of mediation-arbitration and that an impasse existed within the meaning of Section 111.70(4)(cm)(6). On April 11, 1978, after the parties notified the WERC that they had selected the undersigned, the WERC appointed the undersigned as mediator-arbitrator to resolve the impasse pursuant to Section 111.70(cm)(6)(b-g). No citizens' petition pursuant to Section 111.70(4)(cm)(6)(b) was filed with the WERC.

By agreement the mediator-arbitrator met with the parties on May 9, 1978, at the CESA #6 offices in Chippewa Falls, Wisconsin, at 7:30 p.m. to mediate the dispute. Although some of the issues then at impasse were resolved, the parties failed to reach a complete settlement. After notification to the parties of her intent to resolve the dispute by arbitration, the mediator-arbitrator held an arbitration meeting (hearing) pursuant to Section 111.70(4)(cm)(6)(d) on July 17, 1978, at the CESA #6 offices, Chippewa Falls. The meeting was open to the public. At the meeting, the parties had a full opportunity to present witnesses, introduce evidence, and make supporting arguments. Following the meeting, written briefs were filed by the parties with the undersigned and exchanged. The last communication from the parties in this proceeding was dated October 19, 1978.

### THE ISSUES

Under Wisconsin's Municipal Employment Relations Act, as recently amended by Chapter 178 of the Laws of 1977, the mediator-arbitrator must resolve the impasse between the parties by selecting the total final offer of the Employer or the total offer of the Union unless the parties have adopted alternative procedures. In this arbitration proceeding, final offers covering three unresolved issues are before the mediator-arbitrator and no alternative procedures have been agreed to. The three unresolved issues concern wages, retirement, and union security. The final offers of the Employer and the Union on these issues are attached hereto as Annex A. All other matters were settled by stipulation of the parties.

### STATUTORY CRITERIA

In resolving this dispute, the mediator-arbitrator is directed by Section 111.70(4)(cm)(7) to consider and 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 other employees performing similar services and with other employees generally in public employment in the same community and in comparable communities and in private employment in the same community and in comparable communities.
- e. The average consumer prices for goods and services, commonly known as the cost-of-living.
- f. 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.
- g. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- h. Such other factors, not confined to the foregoing, which are normally and traditionally taken into 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.

### POSITIONS OF THE PARTIES

#### The Union

At the arbitration meeting (hearing) and in its brief, the Union offered a number of reasons to support the selection of its offer as the more reasonable one in each of the three disputed areas. First, as to union security, the Union argues that its fair share proposal (with an indemnification and hold harmless clause) is well justified because (a) the financial burden for exclusive representation of a small bargaining unit such as this one (approximately 15 employees) with high turnover\*

\*there were four resignations effective August 1978.

is heavy; (b) other similarly situated units already have fair share arrangements; and (c) fair share agreements by their very nature acknowledge the legitimate role, responsibility and power of unions in collective bargaining.

Specifically, the Union notes the high costs of exclusive representation, referring particularly to the Union's substantial financial obligation in a mediation-arbitration proceeding such as this one; it points to the inclusion of a fair share agreement in the current contract covering clerical and secretarial employees of the Chippewa Falls School District, the only constituent district of CESA #6 which has a clerical bargaining unit; and refers to Arbitrator James Stern's recent decision on fair share in the Manitowe Public School District case which discusses policy reasons supporting fair share agreements. Accordingly, the Union justifies its demand on this issue because of need and equity.

The Union rejects the Employer's arguments that its proposal is illegal, that the indemnification and hold harmless clause offers insufficient protection for the Employer, and that the comparability criterion permits CESA #6 to follow the practice of the majority of its constituent school districts where fair share agreements are to date rare.

Second, on the retirement issue, the Union notes that the total cost of its retirement proposal is small, that its offer represents a "phasing in" similar to what CESA #6 voluntarily implemented for its professional staff four years before and that the Employer's present practice and final offer adversely affect only the lowest paid CESA #6 employees. In addition to these arguments, the Union relies heavily upon comparability data. It notes that with the exception of the State of Wisconsin (where the state pays 4% and the employees contribute 1% of salary toward retirement) all public employers to which the Union compares CESA #6 provide full employer payment of employee contributions for retirement benefits.

On the issue of wages, the Union first argues that the Employer's classification scheme which combines account clerk and clerk secretary positions represents a "significant departure" from the Employer's prior practice. Therefore, if there is to be such a change, there is a heavy burden on the Employer to justify this "drastic" change. In addition, the Union presented evidence that the existing practice of CESA #6 (which distinguishes the wages of account clerks from wages of clerk secretaries) is common to a broad variety of public and private sector employers.

As for justification of its basic wage package for the two-year period covered by the proposed agreement, the Union argues that there is a clear need to "catch up" in the first year and then maintain that "caught up" position during the second year by means of the cost of living formula which it proposes. To support this position, the Union argues that the appropriate comparability standard to determine wages for this clerical and secretarial unit is similarly situated employees working in the private sector nationally; for the State of Wisconsin; for CESA #4; for the cities and school districts of Altoona, Bloomer, Chippewa Falls, Eau Claire, and Menomonie; for the two Vocational Technical and Adult Education (VTAE) Districts #1\* and Indianhead; and for the counties of Chippewa, Dunn, and Eau Claire. The Union selected these comparables

\*with clerical workers employed in Eau Claire and Chippewa Falls.

primarily because they are closer in size and distance to Chippewa Falls where CESA #6 is located and where a majority of the members of the bargaining unit reside. The Union rejects the comparability approach of the Employer which depends heavily upon the wages paid by the constituent school districts of CESA #6, other northern CESAs, and a recent Chippewa Falls Job Service wage survey. In addition, the Union is critical of the Employer's comparables because many are not specifically identified, no job descriptions have been provided to assure similarities of jobs, and there is a general lack of sufficient information to evaluate properly the data submitted.

The Union supports its second year cost of living proposal by noting that it contains a cap and is very similar to the present agreements covering secretarial and clerical employees of the State of Wisconsin and the Chippewa Falls School District where employees are receiving 7-1/2%\* and 9.1% respectively in addition to step increments for additional experience.

For all these reasons, the Union concludes that its final offer more closely approximates the statutory criteria than the Employer's final offer.

#### The Employer

Like the Union, the Employer at the arbitration meeting (hearing) and in its brief produced a number of different facts and arguments to support the selection of its final offer as the more reasonable one. As to the issue of union security, the Employer notes that this is to be the first collective bargaining agreement covering this bargaining unit, one which will soon expire; negotiations for a second agreement will commence in the near future. The Employer states its belief that a fair share agreement along the lines proposed by the Union is more appropriate after the parties have had a chance to develop a more "mature" relationship. It also expresses a concern that the fair share proposal submitted by the Union is illegal in that dues collected under the Union's language may not be attributable solely to the cost of collective bargaining and contract administration. Because of the recent Browne decision by the Wisconsin Supreme Court, the Employer contends that it is the Union's obligation to establish that its fair share proposal conforms to applicable statutes, as interpreted by federal and state courts and this for the Union has failed to do. Since the language proposed by the Union is currently the subject matter of litigation before the Wisconsin Employment Relations Commission, the Employer concludes that it would be improper to select the Union's final offer on this matter in the absence of a showing that the dues to be collected are limited to the appropriate costs of collective bargaining and contract administration.

In addition, the Employer supports its position on union security by pointing out that only 4 of the 25 school districts comprising CESA #6 have fair share arrangements, that the clerical unit at Chippewa Falls School District which does have such an agreement has been bargaining for several years, and that there is no validity to the Union's claim that it needs fair shares because of high turnover.

The Employer also argues that the hold harmless and indemnification language proposed by the Union provides insufficient protection for the Employer. Finally, the Employer rejects the Union argument that a fair share arrangement is needed for this unit at this time because of high unit turnover.

\*or a 46¢ per hour increase, whichever is greater.

On the contribution to retirement issue, the Employer makes three distinct arguments to support its offer. First, the Employer points out that only 5 of 17 constituent school districts of CESA #6 answering a survey pay their clerical and secretarial employees' contribution for retirement. Thus, the Employer's offer to pay for a bargaining unit employee's contribution for retirement after four years of service goes beyond what the Employer believes comparability requires. Second, the Employer's retirement proposal is more equitable in that it makes less of a distinction than does the Union's proposal between "regular" bargaining unit members and those hired with special funds who are not eligible to participate in the retirement fund because of the special nature of their hiring. Third, the Employer argues that its retirement proposal taken together with its wage proposal provides an integrated economic package in that an employee will begin to enjoy the benefit of the Employer's additional contribution for retirement after the employee has qualified for the last scheduled wage increase, but prior to qualifying for the first longevity payment.

Turning to the third issue in dispute, the Employer (like the Union) concentrates its major arguments to support its wage proposal. The Employer initially points to the many advantages of its simpler classification scheme. By eliminating the multiplicity of wage categories and combining the classifications of account clerk and clerk secretary under a unified wage scheme, the Employer's proposal recognizes their existing, interchangeable functions, achieves highly desirable flexibility and efficiency, and eliminates numerous potential grievance disputes arising from job assignments or pay classifications.

As to the economics of its wage proposal, the Employer first refutes a Union argument that money is obviously available to fund the Union's wage proposals because CESA #6 returns moneys to constituent school districts at the end of each fiscal year. The Employer notes that these funds do not belong to CESA #6, but represent designated funds from constituent districts receiving contracted services and CESA is obligated to return these funds if unexpended. For the Employer, the most relevant comparables consist of the school districts comprising CESA #6, other northern CESAs and Chippewa Falls employers. The Employer specifically demonstrates that its economic offer compares most favorably with the negotiated contract currently covering clericals in the Chippewa Falls School District, a unit which has been bargaining for several years; the agreement contains a 4 step salary schedule corresponding to the Employer's. The Employer is critical of many of the Union's comparables which include national figures for clericals in the private sector, clerical employees of the State of Wisconsin and public employee clericals in Eau Claire. It believes that overall national figures and Wisconsin state employee figures are too general and thus valueless and that Eau Claire should be eliminated from any comparisons because it participates only in a very limited way in CESA #6, its industrial situation differs substantially from Chippewa Falls, and most CESA #6 clerical employees live in Chippewa Falls.

The Employer summarizes by noting that its wage proposals for both years of this collective bargaining agreement are well above any cost of living increases and represent a substantial increase for each member of the bargaining unit. The Employer calculates that its first year wage offer represents a 15.95% increase and the Union's offer represents a 21.56% increase. For the second year, the Employer has calculated that its wage proposal, including step increases, represents a 9.52% increase while the Union's proposal represents an 11.59% increase. It notes its opposition to initiating any cost of living concept. Accordingly, the Employer urges that its wage offer be preferred because of its desirable classification scheme and the generous financial settlement represented by its salary schedules and longevity pay for the term of the agreement. For all the above reasons, the Employer concludes that its final offer is fair and the more reasonable one.

DISCUSSION

Union Security

Union proposals for a fair share agreement have become one of the most vigorously contested issues at impasse in Wisconsin municipal employment during 1978. Strong ideological disagreements on this topic separate many employers and unions. The issue is more difficult to settle than a more traditional economic dispute because it is less suited to resolution by resort to comparability data. In this proceeding, the Employer makes a strong argument that since this is the parties' first contract, it is inappropriate to force the Employer to accept this form of union security through mediation-arbitration. This argument clearly implies that there will come a time when the Employer will agree to a fair share agreement, but "not now." On the other hand, the Union has an equally strong position. It was selected almost unanimously by members of the organizing unit in an election held on July 11, 1977. It is required by law to be the exclusive bargaining representative of all the members of the bargaining unit and must fairly represent all unit members in all aspects of collective bargaining and contract administration. Therefore, the Union argues, it should receive financial support from all unit members. It specifically notes that participation in proceedings such as this one is very costly, particularly for small units of employees and small employers. Both the Union and the Employer have thus made reasonable arguments to support their respective positions.

The Employer has not only raised the question of the appropriateness of imposing a fair share agreement during the first round of collective bargaining between the parties, it has also raised the issue of legality in connection with the Union's proposal, which it believes is determinative. Based upon her reading of Abood v. Detroit Board of Education and Browne v. Milwaukee Board of School Directors, the mediator-arbitrator does not believe that the Union's proposal is illegal on its face since both federal and state courts have interpreted required fees under an agency shop or fair share agreement to cover only the costs of collective bargaining and contract administration. Moreover, some assistance or guidelines for deciding what types of expenditures properly fall within these two categories will soon be available from the WERC as a result of pending cases before it (including Browne). Therefore, the Employer's illegality argument does not resolve the dispute. Neither does the Employer's argument that the indemnification clause offers insufficient protection.

Since none of the above arguments of the parties on this issue are determinative of the union security issue and the application of statutory criteria does not provide a ready answer to the problem of determining which one of two reasonable proposals is more reasonable, the mediator-arbitrator has decided to look at the other issues in dispute and base her decision on these other issues. It should be noted, however, that if the Union does not secure a fair share agreement as a result of this proceeding, bargaining for a new contract will commence soon and a renewed demand for a fair share agreement should have increased support in view of the arguments made by both sides in this proceeding.

Retirement Contribution

This is a collective bargaining issue which is more suitable to traditional analysis in the context of interest arbitration. In matters of employee fringe benefits, it is customary to look first at what the employer is already providing to its other employees. In this case, for all employees other than those in this bargaining unit, the Employer currently pays the entire employee retirement contribution. In addition, the Union's proposal in this area follows the "phase in" pattern adopted by CESA #6 in 1974-75 when it first began to cover the employee's retirement contribution for its professional employees. As the Union also notes, it is difficult to

justify an employer's failure to provide this type of economic fringe benefits for those on the lowest end of the wage scale while those with more substantial salaries have these same costs paid by the Employer, particularly when there is also strong comparability data to support the Union's demand. As will be discussed more fully below, the mediator-arbitrator has concluded that it is more reasonable that, for its clerical unit, CESA #6 look to its immediate geographical area where the CESA office is located and where unit members work and live for comparability. Therefore, it is very important to note that the following public employers pay full employee retirement contribution costs: Chippewa Falls School District, County of Chippewa and City of Chippewa Falls. In each case, clerical employees are members of bargaining units enjoying this benefit. The mediator-arbitrator also believes that some (albeit lesser) recognition should be given to the recent settlement covering the CESA #4 unit which includes clericals wherein full retirement benefits (greater than those sought by the Union in this proceeding) were agreed to. As to the two arguments made by the Employer regarding the more "equitable" nature of its proposal, the mediator-arbitrator assigns less weight to these considerations in view of the clear weight of the above evidence and arguments. Accordingly, she concludes that if retirement were the sole issue at impasse, the Union's offer would be selected, primarily based upon the most relevant comparability data.

### Wages

In this arbitration proceeding, wages have been labelled the most important outstanding issue by both parties. The proposals of the Employer and Union differ significantly in four distinct aspects: (1) combining (or not combining) the job classifications of account clerk and clerk secretary for pay purposes, (2) the number of steps within each of the three rankings (4 steps with longevity pay v. 6 steps), (3) the pay proposals of the respective parties for 1977-78, and (4) the pay proposals of the respective parties for 1978-79. As to the first distinction, it must be acknowledged that the Employer makes a significant argument that its classification scheme promotes flexibility and interchangeability, reduces petty classification disputes, and appears to be in line with modern productivity concepts (particularly in connection with CESA #6's centralization of its accounting system in January 1977). It is also the pattern followed in the CESA #4 bargaining unit which, although smaller, still performs clerical functions very similar to CESA #6. However, the Union argues that this classification scheme represents a significant departure from CESA #6's own practices and this change is opposed to a prevailing practice of recognizing pay distinctions between account clerks and clerk secretaries. Because of this, the Union argues that the Employer has the burden to justify such a departure from its own past practice and it has failed to do so. In the view of the mediator-arbitrator, this is another closely balanced dispute which must be resolved through the consideration of the merits of the economic wage packages of the Employer and Union respectively.

Before scrutinizing the wage proposals, it is critical to determine at this point what are the most significant comparables, in the judgment of the mediator-arbitrator, since there are irreconcilable differences in the parties' approaches to comparables. After reviewing all the arguments made and data presented by the parties, the mediator-arbitrator has reached the following conclusions in regard to appropriate comparables in this dispute:

(1) Eau Claire practices should be given little weight because it is three to four times larger than Chippewa Falls, its school district participates in CESA #6 in only a limited way, and, most important, it constitutes a different job market for clerical and secretarial employees.

(2) National figures for private sector clerical and secretarial employees, wages of State of Wisconsin clericals, and the wage patterns of the constituent school districts comprising CESA #6 should also not be given great weight because these data are not particularly relevant to the specific economic market in which CESA #6 and its clerical employees operate. Although in the past, CESA #6 based its

economic and other policies upon the practices of its constituent districts, this past practice necessarily ignores many economic realities which govern employment of clerical workers living and working in Chippewa Falls.

(3) The most relevant wage data to be considered is that covering employers located in Chippewa Falls, particularly the school district, the city and the county, because members of this CESA #6 unit are part of that labor market. While private sector employment wages are also very relevant, unfortunately the Job Service of Chippewa County wage survey conducted earlier in 1978 and submitted in this proceeding does not provide sufficient information to produce a very useful picture of private sector practices.

(4) The recently negotiated settlement covering the non-professional unit in CESA #4 is also relevant, but will be given less weight than (3) above because it too relates to a different labor market. The number of clericals in that unit does not negate the value of this comparable, however.

(5) Other comparables presented (such as VTAE District #1 and VTAE Indianhead, other cities, counties, and school districts) were also considered, but given less weight than the Chippewa Falls data.

Applying the above conclusions to the numerous exhibits presented by both parties in this proceeding, the 1977-78 offer of the Employer is substantially higher than the salary schedule of the Chippewa Falls Public Schools and the 1977-78 offer of the Union is substantially in line with the CESA #4 settlement. While it is difficult to make an accurate judgment concerning the County of Chippewa and the City of Chippewa Falls without more complete job descriptions and wage data for the period covered by this dispute and because of significantly different wage "spreads," it appears that the City's and County's wages for clericals falls between the Employer's wage package (calculated at 15.95% for the 1977-78 year) and the Union's wage package (calculated at 21.56% for the 1977-78 year). In general terms, the mediator-arbitrator must conclude that the Employer's offer is on the "low side" and the Union's offer is on the "high side" based upon the most relevant comparability data.

As for the second year, the Union's demand utilizes a cost of living approach (with a cap) which does not take into account at all the value or part of the value of step increments. In utilizing this approach, the Union cites the current agreements of the State of Wisconsin and the Chippewa Falls School District covering clerical employees. While the question of whether or not to include step increments for additional experience in any calculus of cost of living is a matter of intense controversy with no consensus on the horizon, this mediator-arbitrator believes that some recognition should be given to these Employer costs in the context of the two year proposals of both parties. Giving economic value to these steps, the Employer's offer has been calculated to average 9.52% and the Union's offer to average 11.59% for 1978-79.

Without accounting for the economic value of each party's assumption of retirement contribution offer, but including at full economic value step increases, the Employer's offer represents an average increase of approximately 25.5% spread over a two-year period while the Union's offer averages 33%. Eliminating the economic value of step increases as well as the economic value of each party's retirement contribution offer, the Employer's offer represents an average increase of approximately 21% over two years and the Union's offer represents an average increase of approximately 28.5%. While it must be acknowledged that the Employer's total economic package (including retirement) does not necessarily represent a complete "catch-up" to reflect all relevant comparability data, bargaining unit employees will find themselves in a favorable economic position vis-a-vis employees in the clerical bargaining unit of the Chippewa Falls School District following implementation of the Employer's package and will enjoy a substantial economic increase over their 1976-77 salaries and fringe benefits.



There is no simple solution to the dilemma facing the mediator-arbitrator. She is forced to choose between the total final offer package of the Employer and the total final offer package of the Union in a situation in which she would clearly prefer to exercise some discretion to fashion an award that would be more in line with comparability data, better meet the needs of both parties, and grant recognition to some of the meritorious arguments advanced by the Union. This discretion does not exist in this proceeding. In view of the substantial economic improvements contained in the Employer's package (although recognizing that it does not necessarily represent a complete "catch up"), the mediator-arbitrator has determined to select the Employer's final offer.

AWARD

Based upon full consideration of the statutory criteria embodied in Section 111.70(4)(cm)(7), the exhibits, testimony, arguments, and briefs of the parties, and for the reasons stated above, the mediator-arbitrator selects the final offer of the Employer and orders that it be incorporated into the collective bargaining agreement between the parties.

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June Miller Weisberger  
Mediator-Arbitrator

Madison, Wisconsin  
December 4, 1978

CESA #6 CLERICAL UNIT  
SUMMARY OF FINAL POSITIONS  
ON OPEN ISSUES

ARTICLE XV  
UNION SECURITY

EMPLOYER POSITION

- A. The Board agrees to deduct union dues from the wages of each employee who voluntarily authorizes such deductions in writing by signing the following:

"This authorization may be removed by me on thirty (30) days notice by written notice to the treasurer of the union and the Board. Without such notice, it is deemed renewed from year to year until removed by me or upon termination of my employment.

\_\_\_\_\_  
(date)

\_\_\_\_\_  
(signature)

- B. All funds collected by the Board as a result of dues deductions shall be remitted promptly to the appropriate financial officer designated by the Union.

UNION POSITION

- A. NUE, as the exclusive representative of all the employees in the bargaining unit, will represent all such employees, NUE and non-NUE, fairly and equally, and all employees in the unit will be required to pay, as provided in this Article, their fair share of the costs of representation by the NUE. No employee shall be required to join the NUE, but membership in NUE shall be made available to all employees who apply consistent with the NUE constitution and by-laws. No employee shall be denied NUE membership because of race, creed, or sex.
- B. The employer agrees that effective thirty (30) days after the date of initial employment it will deduct from the monthly earnings of all employees in the collective bargaining unit an amount of money equivalent of the monthly dues certified by NUE as the current dues uniformly required of all members, and pay said amount to the treasurer of NUE on or before the end of the month following the month in which such deduction was made. Changes in the amount of dues to be deducted shall be certified by NUE fifteen (15) days before the effective date of the change. The employer will provide NUE with a list of employees from whom such deductions are made with each monthly remittance to NUE.

Annex A

- C. NUE and the Wisconsin Education Association Council do hereby indemnify and shall save the CESA #6 Board of Control harmless against any and all claims, demands, suits, or other forms of liability including court costs that shall arise out of or by reason of action taken or not taken by the Board, which Board action or non-action is in compliance with the provisions of this Agreement, and in reliance on any list or certificates which have been furnished to the Board pursuant to this Article, provided that any such claim, demands, suits, or other forms of liability shall be under the exclusive control of the Wisconsin Education Association Council and its attorneys.
- D. This provision shall become effective upon the date this Agreement is signed.

ARTICLE XVII  
RETIREMENT

EMPLOYER POSITION

The Board agrees to continue to contribute the employer's share for those employees participating in the Wisconsin Retirement Fund. In addition, for those employees with more than four (4) years full time seniority, the employer agrees to contribute his/her share of the contribution on his/her behalf to be made toward the Wisconsin Retirement Fund up to a maximum of 5%.

UNION POSITION

The Board agrees to contribute the employer's share and up to \$300.00 per year of the employee's share for those employees participating in the Wisconsin Retirement Fund. Participation shall be provided for all employees in the bargaining unit who are eligible according to the terms of the Wisconsin Retirement Fund.

ARTICLE XVIII  
SALARIES

EMPLOYER POSITION

<u>July 1, 1977--June 30, 1978</u>	<u>Beginning</u>	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>
A. Account Clerk I Cler/Sec. I	2.65	2.75	2.85	2.95
B. Account Clerk II Clerk/Sec. II IMC Clerk	3.05	3.17	3.29	3.41
C. Account Clerk III Clerk/Sec. III	3.50	3.64	3.78	3.92
<u>July 1, 1978--December 30, 1978</u>				
A. Account Clerk I Clerk/Sec. I	2.80	2.90	3.00	3.10
B. Account Clerk II Clerk/Sec. II IMC Clerk	3.20	3.32	3.44	3.56
C. Account Clerk III Clerk/Sec. III	3.65	3.79	3.93	4.07
<u>January 1, 1979--June 30, 1979</u>				
A. Account Clerk I Clerk/Sec. I	2.95	3.05	3.15	3.25
B. Account Clerk II Clerk/Sec. II IMC Clerk	3.35	3.47	3.59	3.71
C. Account Clerk III Clerk/Sec. III	3.80	3.94	4.08	4.22

Longevity Pay. Regular part-time and regular full-time employees shall be eligible to receive the following longevity bonuses:

- A. After six (6) or more years of continuous service with the employer each such employee shall be paid:
  1. As of June 30, 3% of their regular hourly earnings (exclusive of holiday or vacation pay) for the period from January 1 to June 30.
  2. As of December 31, 3% of their regular hourly earnings (exclusive of holiday or vacation pay) for the period from July 1 to December 31.

- B. After ten (10) or more years of continuous service with the employer each such employee shall be paid:
1. As of June 30, 6% of their regular hourly earnings (exclusive of holiday or vacation pay) for the period from January 1 to June 30.
  2. As of December 31, 6% of their regular hourly earnings (exclusive of holiday or vacation pay) for the period from July 1 to December 31.
- C. After fourteen (14) or more years of continuous service with the employer each such employee shall be paid:
1. As of June 30, 9% of their regular hourly earnings (exclusive of holiday or vacation pay) for the period from January 1 to June 30.
  2. As of December 31, 9% of their regular hourly earnings (exclusive of holiday or vacation pay) for the period from July 1 to December 31.

Payments of the foregoing shall be made by checks separate from the employee's regular payroll check and paid as close to June 30 and December 31 as is reasonably possible.

UNION POSITION

A. Clerk/Secretary

<u>Years</u>	<u>I</u>	<u>II</u>	<u>III</u>
0	\$2.70	\$3.09	\$3.52
1	\$2.82	\$3.23	\$3.68
2	\$2.94	\$3.37	\$3.84
3	\$3.09	\$3.53	\$4.02
4	--	\$3.69	\$4.20
5	--	--	\$4.39

B. Account/Clerk

<u>Years</u>	<u>I</u>	<u>II</u>	<u>III</u>
0	\$2.82	\$3.21	\$3.65
1	\$2.95	\$3.35	\$3.81
2	\$3.08	\$3.51	\$3.99
3	\$3.22	\$3.66	\$4.17
4	--	\$3.82	\$4.35
5	--	---	\$4.55

C. For the purpose of implementing this Agreement, the following employees shall be initially classified as listed for the 1977-78 term of the Agreement.

Larson	- c/s - II - 0	Henneman	- a/c - II - I
Swoboda	- c/s - II - 0	Helgeson	- a/c - III- 0
Kerckhove	- c/s - II - 1	Ives	- a/c - III- 3
Kiumenauer	- c/s - II - 3	Royce	- a/c - III- 4
Whiting	- c/s - III- 1	Chance	- a/c - III- 4
Ojibway	- c/s - III- 2	LeCleir	- c/s - I - 0
Potter	- c/s - II - 1	Meier	- c/s - I - 0
Jaworski	- c/s - II - 1		
Schacht	- a/c - I - 0		

D. Promotions to a higher classification shall place the employee on the step which has the next highest wage (e.g. a/c - II - 4 moves to a/c - III - 2).

E. The Board may grant credit for experience outside the Agency when initially placing an employee on the schedule.

F. All new employees and present employees after initial classification (see Section C, Article XVIII) shall be paid at the next step rate after each year (July 1-June 30) of employment. New employees who work 6 months or more prior to their first June 30 date shall advance to the next step on July 1. New employees who work less than 6 months prior to their first June 30 shall remain at their initial step until their second June 30 date.

G. The above schedule shall be in effect from July 1, 1977 to June 30, 1978.

H. On the first day of July, 1978, all wage rates in this Agreement shall be increased by a factor to be computed as follows

1. Divide the May 1978 Consumer Price Index (CPI) by the May 1977 CPI.

2. The factor shall be rounded to the nearest one-thousandth.

Example: May 1978 CPI = 191.91  
May 1977 CPI = 182.6  
 $191.91 \div 182.6 = 1.051$   
1.051 x each wage rate for 1977-78

3. The CPI is defined as the CPI published by the Bureau of Labor Statistics, United States Department of Labor for the Minneapolis Area.

4. The maximum increase of any rate of pay shall be seven percent should the CPI increase more than seven percent.

5. In the event the May CPI is not available by July 1, the wage rates will be adjusted as soon as possible after the May CPI statistics are available and shall be retroactive to July 1.