

STATE OF WISCONSIN

ARBITRATION AWARD

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In the Matter of the Arbitration :  
between :  
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SERVICE EMPLOYEES INTERNATIONAL UNION, : Re: Case XXVIII,  
LOCAL 21, AFL-CIO : No. 22752  
 : MED/ARB-63  
and : Decision No. 16327-A  
 :  
SCHOOL DISTRICT OF LA CROSSE :  
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The petition in this dispute was filed by Service Employees International Union, Local 21, AFL-CIO. The Union represents a unit consisting of all regular full-time and regular part-time custodians, general maintenance men I and II, engineers, bus drivers and storekeepers employed by La Crosse Joint School District No. 5. The parties had met several times during the autumn of 1977 to discuss the terms of a renewal of their existing agreement, which expired on December 31, 1977. After several more negotiation sessions early in 1978 the Union filed a petition with the Wisconsin Employment Relations Commission alleging that an impasse existed and requesting the initiation of mediation/arbitration pursuant to Section 111.70(4)(cm)6 of the Municipal Employment Relations Act. Following mediation by a member of the WERC staff the Commission concluded that an impasse existed and ordered the initiation of mediation/arbitration. The undersigned was subsequently appointed as the mediator/arbitrator.

A mediation session was conducted by the undersigned on the evening of June 12. No concessions were made by either party from the final offers they had filed with WERC early in April. Thereupon the matter was set for hearing. A hearing was held in La Crosse on July 21.

Appearances were as follows:

For La Crosse Joint School District No. 5, Patricia M. Heim, Attorney of Edwards, Parke & Heim, Ltd., 502 Exchange Building, P.O. Box 1147, La Crosse, Wisconsin 54601. Mrs. Heim was accompanied by Karl L. Monson, Wisconsin Association of School Boards, Madison; Dick Swantz, Superintendent, James Wais, Financial Officer, and Ralph Geary, Jr., Member of the School Board, all of La Crosse Joint School District No. 5.

For Local 21, Service Employees International Union, AFL-CIO, James Birnbaum, Attorney, of Johns, Flaherty & Gillette, S.C., Suite 616, Exchange Building, 205 Fifth Avenue South, La Crosse, Wisconsin 54601. Mr. Birnbaum was accompanied by Professor Douglas Sweetland, Labor Economist, University of Wisconsin - La Crosse; and by Al Forer, Don Iverson, and Don Lesky, members of Local 21.

The parties presented evidence from documents and by direct examination of witnesses. Each party had opportunities for cross examination of the other's witnesses and to request clarification of matters in the documents. There was no record kept other than the arbitrator's own notes. At the conclusion of the hearing the parties agreed to send written briefs to the arbitrator for him to exchange dated no later than August 2. On August 1 Mr. Birnbaum requested a one day extension of time, which was granted. The briefs were actually exchanged on August 7.

THE ISSUES

In this proceeding the arbitrator is expected to choose the offer of one party or the other in its entirety. The final offers were as follows:

By the Employer:

We propose to amend the 1976-1977 agreement in the following areas:

1978 - WAGES - INCREASE THE CURRENT SCHEDULE by  
33¢ per hour across the board.

1979 - WAGES - INCREASE THE AMENDED RATE SCHEDULE by  
38¢ per hour across the board.

NIGHT SHIFT PREMIUM - INCREASE THE RATE by 5¢  
per hour

SICK LEAVE ACCUMULATION - INCREASE THE 114 days  
to 118 days.

(At the pre-hearing session the Employer stipulated that the offer for each year would be effective as of January 1 of that year and that Step One on the wage schedule would be eliminated.)

By the Union:

PROPOSED ITEMS FOR NEGOTIATIONS FOR THE YEAR 1978

- 1...CHANGE all dates to appropriate new date for 1978
- 2...ARTICLE V INSURANCE ..PAGE 7  
Paragraph A.  
Update policy..Improvement is needed in our  
Hospital-Surgical coverage to better cover  
employees.
- 3...ARTICLE IX..VACATIONS..PAGE 9  
Paragraph D.  
Change to read..Sixteen years or more of service, 20 days.
- 4...ARTICLE XIII SICK LEAVE..PAGE 13  
Paragraph A.  
Increase sick leave accumulation to 120 days. Upon retirement,  
30%, at the option of the employee, may be converted to hospital-  
surgical insurance premiums or paid in cash upon termination.
- 5...APPENDIX A WAGES..PAGE 18  
Eliminate step one in accordance with the present master plan and  
have only one step on the wage schedule. A 40¢ per hour increase  
for all employees, and including overtime, to be retro-active to  
January 1, 1978 and 10¢ per hour increases 7/1/78.

1976-1977 contract continues as present except for as modified on these  
two pages.

CHANGES PROPOSED FOR THE YEAR 1979

- 1...Change all dates to appropriate new dates of 1979.
- 2...ARTICLE IX VACATIONS PAGE 9  
Paragraph C.  
Eight years and less than 16 years of service..15 days.
- 3...ARTICLE VI HOLIDAYS.  
Paragraph C.  
Easter Monday to be included.
- 4...An increase in wages for all employees in the amount of 55¢  
per hour to become effective Jan. 1, 1979.

CURRENT EMPLOYMENT CONDITIONS

Although there were no precise figures supplied for the current month, it appeared from the testimony that the numbers of persons in the classifications in the collective bargaining unit and their 1977 rates were about as follows:

<u>Classification</u>	<u>Number</u>	<u>Hourly Rate - 1977</u>
Maintenance Man I	1	\$3.25
Maintenance Man II	8	3.85
Custodian	45	4.78
Storekeeper	1	4.94
Engineer-Custodian I	6	4.94
Engineer-Custodian II	13	5.08
Engineer-Custodian III	4	5.24
	78	Weighted Average: \$4.75

The Employer, however, used the figure \$4.77 as the weighted average for the 1977 rates paid employees in the unit, so we will consider that to be the accurate figure. Based on the average wage paid, the cents per hour amounts proposed by the parties can be calculated as follows in terms of percentages:

Percentage Increases Effective:	1/1/78	7/1/78	1/1/79
Union proposal of \$.40, \$.10, and \$.55	8.4	1.9*	10.4
Employer proposal of \$.33 and \$.38	6.9		7.5

\* If the Union proposal for 1978 is calculated as \$.45 for the year (since \$.10 is for only six months), based on the 1977 average, the percentage increase for 1978 is 9.4. Based on the average rate for 1978, the calculation of the 1979 increase would be 10.5 per cent.

The present sick leave policy calls for accrual at the rate of one day per month of employment or twelve days each year with a maximum total accrual of 114 days. There is currently no provision for payment of any of the accrued days in cash or conversion to hospital-surgical insurance premiums at the time of retirement. No information was adduced by either party as to the number of days individual employees have accrued.

The night shift premium policy in the 1977 agreement calls for a premium of 10 cents per hour for daily scheduled work between the hours of 3:00 p.m. and 11:00 p.m. and 15 cents per hour for daily scheduled work between the hours of 11:00 p.m. and 6:00 a.m.

The Employer currently pays 90 per cent of the cost of family and 100 per cent of the cost of single hospitalization-surgical medical insurance plan coverage. The 1977 agreement adds that "the employees shall have a voice in the selection of such future insurance plan through their negotiating committee."

In the 1977 agreement there is the following schedule of vacation entitlement:

- (a) Less than one year of service -- one day for each full month worked with a maximum of five (5) days.
- (b) More than one year and less than ten (10) years of service -- ten (10) days.
- (c) Ten years and less than twenty years of service -- fifteen (15) days.
- (d) Twenty years or more of service -- twenty (20) days.
- (e) Twenty-five years or more of service -- twenty-five (25) days.

Union testimony indicated that there were 35 employees with between one and ten years of service, 22 with from ten to twenty years, 10 with from twenty to twenty-five years, and 7 with over twenty-five years of service. Union testimony

indicated that 11 employees would receive one additional week of vacation during the first contract year, but the Employer estimated 13 additional weeks of vacation during 1978 if the Union's vacation proposal became effective.

The 1977 agreement provides for six paid legal holidays. Employees who work on those days are paid at straight time (a minimum of 4 hours) in addition to holiday pay. There are also four other days each year when employees are provided time off without deduction of pay (but with no provision for extra payment if worked). The parties disagree on the question of whether the two categories can or cannot be lumped together and called 10 holidays. The Union proposal is to add Easter Monday to the six holidays in the first category. This would then provide for extra payment for work performed on that date.

#### THE POSITION OF THE UNION

The Union supports its proposals with a comparison of wage rates and other conditions of employment for workers in similar classifications in both public and private employment in the community and in other similar communities in the State of Wisconsin and with an analysis of changes in the cost-of-living as well as a history of the real wages of certain of these employees since 1970. The Union presented the testimony of an expert witness who analyzed the past, current and prospective economic conditions of the City of La Crosse. This testimony indicated generally that although manufacturing employment in the city declined substantially during the late 1950s and the 1960s, there have recently been substantial increases in employment in construction, commerce, and the public sector. The unemployment rate for La Crosse, which had been higher than the rate for the State of Wisconsin and the United States from 1968 through 1974, has been lower than the U.S. rate since 1975 and lower than the Wisconsin rate in 1977. Since 1975 the difference between the La Crosse and the U.S. unemployment rate has increased. In 1977 the U.S. rate was 6.9 in comparison with the La Crosse rate of 4.4 and the State of Wisconsin rate of 4.9.

The testimony also indicated that while La Crosse has been a low wage area, as measured by production worker earnings reported by the U.S. Department of Labor, these wage rates have climbed in recent years. Although they are still about 15 per cent lower than average rates in the State, average La Crosse production worker earnings are approaching the average for the nation as a whole.

The Union produced testimony to show the following effect of changes in the cost-of-living on the real wages of the Engineer-Custodian III classification:

<u>Year</u>	<u>Hourly wage rate in \$</u>	<u>CPI-U.S.</u>	<u>Col. 1 ÷ Col. 2 = Real Hourly Wage</u>
1970	3.44	100.0	3.44
1971	3.62	104.3	3.47
1972	3.82	107.7	3.55
1973	3.95	114.4	3.45
1974	4.18	127.0	3.29
1975	4.45	138.6	3.21
1976	4.70	146.6	3.21
1977	5.24	156.1	3.36

For employees in the Custodian-Engineer III classification, therefore, the Union asserts that there has been about a 2.3 per cent decrease in real wages since 1970. If the Employer's wage proposal is adopted in this proceeding, the Union argues that the real wage would be unchanged if the U.S. has a 6 per cent inflation rate for 1978, a figure the Union believes is quite conservative in light of recent changes in the Index. For all these general and specific reasons the Union believes that its proposal is more appropriate than that of the Employer.

The Union also argues that the settlement in this dispute should follow the settlement negotiated between the City of La Crosse and Local 180 of this same international union, which represents a general unit of City employees. That settlement, negotiated earlier this year, provided for a wage increase identical to the one proposed by this Union. According to the Union, that settlement also

included some of the other terms proposed by this Union, including 120 days of sick leave accumulation, and a slightly more generous vacation entitlement for 1979. The Union points out that the choice of converting 30 per cent of the sick leave days accrual to cash or to hospital-medical insurance premium payment is a standard condition of employment in all City of La Crosse bargaining units.

About ten of the employees in the City unit perform maintenance and custodial functions that the Union considers to be about the same as those performed by the members of this unit. Consequently the Union argues that adoption of its proposal would tend to bring the rates of payment for the jobs in the two units more closely into alignment. The Union asserts that rates for maintenance-custodial classifications in the City unit are as follows:

MAINTENANCE & CUSTODIAL CLASSIFICATIONS - CITY HALL

	<u>1977 Rate</u>	<u>1978 Rate</u>	<u>1979 Rate</u>
Maintenance I	\$4.61	\$5.01	\$5.66
Janitor	4.96	5.36	6.02

Although the Employer introduced job descriptions for classifications in this unit and in the City unit that the Employer argued differentiated the jobs and indicated that the City classifications required more skill, the Union asserts that the City Hall Custodian job is essentially the same as the Custodian job in this unit.

The Union also introduced figures that purported to show that the City and its police unit had negotiated a settlement recently that increased rates by an annual average of 8.4 per cent each year over a two year period.

Within the Employer's own organization there are four other units. Although the Teachers unit was in arbitration at the time of this hearing, the Union asserts that the Employer's final offer equals 9.4 per cent in wages. The Secretarial unit also settled for what the Union asserts were percentage wage increases substantially above their own proposal in this case. (The Union estimated the annual increase over an 18 month period for Clerk/Typists to be 19.6 per cent and for Payroll Clerks 17.5 per cent, a low and a high classification in the Secretarial unit.) The Union also asserts that the average percentage increase for School District administrators this year was 8.5 per cent.

The Union introduced comparisons of the classifications in this unit with similar classifications in what were described as comparable school districts in 16 other cities in the State of Wisconsin. In only four cases were the rates lower than those in this unit in La Crosse.

On the issue of cost-of-living the Union argues that in all likelihood the Consumer Price Index will rise between 7 and 9 per cent in 1978 and probably at least the same in 1979. Traditionally wages have risen at a rate that exceeds increases in the cost-of-living by an amount equivalent to the trend rate of increase in productivity. Since this has been about 2.5 per cent over the years, the percentage increases in the Union proposal for 1978 and 1979 are in line with the stated trend.

On the issue of the benefit proposals (which was partially recounted above in the comparisons made with the settlement in the City unit) the Union made the following points: On sick leave it is asserted that the Police unit as well as the other SEIU unit in the City of La Crosse have 120 days of sick leave accumulation, as do City of Winona employees. The La Crosse Fire Fighters have 68 shift days. Nine of the sixteen school districts in Wisconsin with which the Union compares La Crosse have a 120 day or more sick leave accrual limit.

Because of its restrictive definition of what constitutes a paid holiday, the Union failed to demonstrate that the number of holidays it proposes is in effect anywhere else in the public sector except in the Employer's public school Secretaries unit, which has eleven paid holidays.

The Union's vacation comparisons indicated that several units of City employees and other units of private sector employees in the City of La Crosse have the liberalized vacation benefits proposed by the Union or a policy more liberal. The SEIU Local 180 unit and the Police and Fire Fighter units all have about the same vacation benefit as the one proposed by the Union here. Heileman

Brewing Corporation and La Crosse Rubber Company have somewhat more liberal policies, as does the State of Wisconsin and consequently the employees at the University of Wisconsin-La Crosse and at Western Wisconsin Technical Institute. Most of the school districts with which the Union compares itself elsewhere in the State of Wisconsin appear to have more liberal vacation policies than those proposed here by the Union.

The Union's comparisons on health insurance are a bit difficult to summarize, since the Union's proposal is not specific. The proposal, however, does not relate to the amount contributed by the Employer for individuals and family premiums, which seems to be the evidence presented by the Union. In this area the comparative figures shown by the Union appear to be irrelevant.

#### POSITION OF THE EMPLOYER

The Employer supports its position with four arguments as set forth in Chapter 111.70 of the Statute, specifically Paragraphs 7 c., interest and welfare of the public; 7 d., comparative wages, hours and conditions of employment; 7 e., cost-of-living; and 7 f., overall compensation.

The Employer asserts that the interests and welfare of the public require choosing its position for several reasons: First, a choice of the Union's proposal by the arbitrator would set a precedent for higher demands by other public employee unions in the area and especially other units of custodians. Second, it would tend to chill negotiations in the future by providing an added incentive for this Union and other unions to avoid settlements through negotiations in hopes of obtaining more from an arbitrator. This would have a detrimental effect for the public. Third, and for various reasons including recent public concern over increased taxes and government spending, a choice of the Union's proposal would adversely affect public confidence in elected officialdom and most particularly the members of the Board of this School District.

The Employer uses several kinds of comparisons to buttress its offer. These include wages and benefits of employees in the same or similar classifications employed by other public employers both in the City and County of La Crosse and in the same region of the State of Wisconsin; comparable rates of similar classifications in private sector industrial concerns in La Crosse; and the patterns of settlements by other units of employees of this School District.

With reference to settlements with unions in its other bargaining units the Employer estimates its own wage and benefits offer to be 8 per cent for 1978 and 7.5 for 1979. Its estimate of the wages and benefits total of the Union proposal for 1978 is 11 per cent (although in one exhibit it is shown as 10.7 per cent) and 11.4 per cent for 1979. In comparison, the Employer asserts that it settled with Teacher Aids for 9.1 per cent, with Cooks for 7.6 per cent, Secretaries for 6.6 per cent, and expects to settle with Teachers for 8.2 to 8.5 per cent for 1978. (These all involve 18 month agreements.)

As to paid holidays, compared to the current 10 for this unit and the Union proposal of 11, the Secretaries have 11, the Aids 5 (after 1,000 hours of employment), the Teachers 3, and the Cooks none. In comparison with the Union proposal of 120 days sick leave accumulation limit and the Board's offer of 118, the Teachers and the Aids have 114 and the Secretaries and Cooks have 110. None of the other units has the option of taking cash or 30 per cent of unused sick leave days as payment for hospital-surgical premium upon retirement. All other units have the same or less liberal paid vacation provisions than what is currently in effect and that is being proposed by the Employer to continue in effect for the two year contract period. The Employer argues that the Union proposal for "better health insurance" lacks specific meaning. Custodians, teachers and secretaries all have 100 per cent Employer payment for individuals and 90 per cent payment for family hospital-surgical insurance premiums.

As to comparisons with City custodial employees the Employer makes several points. First, it is argued that they constitute only 11 employees in a diversified bargaining unit of about 215 employees which includes many higher and many lower paid classifications. Although the Union considers the \$.40, \$.10, and \$.55 settlement in that unit to constitute a pattern for this one, the Employer argues that because of the diversity in composition of that unit it is an inappropriate comparison. The Employer points out that the percentage increase for many of the higher paid classifications in that unit is only about 6 per cent, (although the Employer calculates the City settlement for custodial employees as 9.5 per cent in 1978 and

11.6 per cent in 1979). Also, the City and Local 180 settlement was negotiated, not arbitrated, and for 1978 involved only wages. And finally, with reference to the 11 employees in the custodian and related classifications in the City unit, the Employer is convinced that their duties involve considerably more skill and responsibility. In addition, the City Custodian classification is expected upon occasion to work irregular hours and on Saturdays, Sundays and holidays, a condition not applicable to employees in this unit.

The Employer cited the rates for County employees in the Custodial classifications which in 1977 were something like \$.97 per hour lower on the average ( 8 employees) and are in 1978 a dollar or more lower per hour than the average rate that would be in effect in this unit if the Employer proposal were adopted in arbitration. The Employer points out as well that the County rates were set by a recent arbitration award.

The Employer notes that the current rate for Maintenance Custodian employed in La Crosse by the University of Wisconsin is \$5.06 per hour after a \$.46 per hour increase on July 1 of this year. This rate is 4 cents below the average for this unit if the Employer's proposal is adopted and 5 cents below the rate for the 45 custodians in this unit if the Employer's rate is adopted. The Employer does agree that the employees classified by the Western Technical Institute as Building Maintenance Helpers are paid \$5.47 per hour, the one rate of public employees in the area that is higher than the comparable rate in this unit. (Although the Union insists that the City Hall Custodian, with a rate of \$5.45 should be compared with the Custodian classification in this unit, the Employer asserts that the proper comparison is with the City classification of Janitor, which carries a current rate of \$5.01.)

As to private employers in La Crosse only the Trane Company (\$5.82 early in 1978) and Norplex (\$5.41 currently) pay janitors more than the School District. All other private employers surveyed in the City of La Crosse pay lower rates.

The regional comparisons used by the City involve 11 school districts adjacent or fairly close to La Crosse. (The most distant appeared to be Prairie du Chien, about 60 miles away.) All pay their custodians and maintenance classifications substantially less than this Employer. None of them, however, were in cities as large as La Crosse or had student bodies that were of a comparable size.

The Employer's exhibits showed comparisons of conditions for vacations, holidays, and hospital-surgical insurance benefits with the various employers with whom wage comparisons were made. In general these indicated more liberal conditions in existence for some private employers but generally comparable conditions for public employers. There are more liberal health insurance payment provisions at Western Wisconsin Technical Institute and the City and County of La Crosse, but less liberal ones at the University of Wisconsin. The District was generally more liberal than other public employers for sick leave except for the City of La Crosse.

On the issue of cost-of-living increase the Employer emphasizes that the Department of Labor has projected a 7 per cent increase in the cost-of-living for 1978, a figure which the Employer asserts is exceeded by its wage offer (7.8 per cent) as well as by its wage and benefits offer (8.0 per cent). The Employer also asserts that its 1979 proposal will exceed the Department of Labor's projected 6.2 to 7.2 per cent increase in the Consumer Price Index for 1979.

Finally, the Employer argues that its liberal overall compensation package and the results of its proposal have provided a liberal set of employment conditions to these employees both currently and in past years. Best evidence that the conditions are and will continue to be satisfactory under the Employer's proposal is that almost the only turnover of the employees in the unit in the past several years has resulted from either death or retirement.

#### OPINION

There is a problem in calculating the relative impact of the two proposals. The Union has based its percentage calculations of wage increases on the rate for Engineer-Custodian III, the highest paid classification in the unit. As a result, the Union percentage estimates of the effects of its own proposal tend to be

understated in terms of average impact. The percentage increase calculated in this way is 7.6 in 1978 and 11.5 in 1979. But on the basis of the weighted average rate for workers in the unit these figures would be 8.4 for 1978 and 12.6 for 1979. The Union does not make any estimate of the cost of its fringe proposals, commenting on the Employer's estimates by saying that "the basis of calculation of the percentage of increase is a figure arbitrarily arrived at in valuing certain fringe benefits. . . (and) the School District has admitted that these figures have in some cases been pulled out of the air."

On its side, the Employer has calculated percentage increases to include fringes, using 1977 payroll costs as a base. Its own proposal has been calculated as an increase of 8.0 per cent in 1978 and 7.5 per cent in 1979. On that basis the Employer estimates the Union's proposal for 1978 to be 10.7 per cent and its 1979 proposal to be 11.4 per cent. (In another exhibit, however, the Employer calculates the Union proposal, including fringes as constituting 10.7 per cent each year.)

It is probably true, as the Union argues, that some of the figures in the Employer calculations are arbitrarily arrived at. The figures include roll-up costs, a figure for elimination of wage progression that had been agreed to in the bargaining, and calculations for extra vacations, holidays, and increased insurance costs. But since the calculations are the same, the results (using the figures from Employer Exhibit #32) are a good indication of the cost differences between the two proposals. The difference appears to be somewhat less than 3 per cent in 1978 and somewhat more than 3 per cent in 1979.

I am not convinced that the comparisons used by either side in this dispute are appropriate for arriving at a determination. The geographical labor market for custodians and janitors is a very limited one. There is no validity in using the fifteen cities of comparable size in Wisconsin for this group. Such a comparison is appropriate for teachers, whose labor market is statewide. It is also appropriate for fire fighters and police officers for the reason that there are no other comparisons that can be found within the communities in the immediate area. It is not appropriate for janitors and custodians. For the same reason I reject the Employer's use of the eleven school districts in the immediate vicinity of La Crosse. It is unlikely that the labor market for these jobs extends to those school districts.

This group has by far the largest collection of custodial classifications in the City of La Crosse and in the area surrounding it. Although tying rates for employees in this unit to the rates for custodial classifications in the general City unit cannot be summarily rejected, such a conclusion would surely imply, metaphorically, that the tail should wag the dog. It would be much more appropriate that the rates for custodial classifications employed by the City, County, and State of Wisconsin in La Crosse should be tied to the rates for these employees. The custodial classifications of the City of La Crosse represent about 5 per cent of the 215 employees in the unit. Whatever theory the City and the Union had in negotiating their earlier settlement, it is unlikely that the rates for custodial classifications were their main concern. Nor do I think that these classifications play an important role in any of the results of collective bargaining for the private sector employers cited by the parties here.

In my opinion, therefore, the most practical and reasonable way to arrive at a comparability standard in this dispute is to calculate a weighted average of all the custodial classifications of the public employers in La Crosse as cited in the materials presented by the parties. This would include the City, the County, the University of Wisconsin-LaCrosse, and the Western Wisconsin Technical Institute. The Employer in its Exhibit No. 19 has furnished data for the following calculation:

<u>Employer</u>	<u>Job Title</u>	<u>1978 Hourly Wage</u>	<u>No. of Employees</u>	<u>Col. 3 X Col. 4</u>
WWTI	Bldg. Maint. Sup. II	\$6.09	5	\$30.45
	Bldg. Maint. Helper	5.47	11	60.17
	Trainee CETA	4.21	2	8.42

City of	City Hall			
La Crosse	Custodian	5.45	2	10.90
	Janitor	5.01	4	20.04
	Bldg. Engr.	6.10	1	6.10
	Auditorium Engr.	5.41	1	5.41
	Supt., Auditor.	6.10	1	6.10
	Airport Janitor	4.80	2	9.60
Univ. of	Light House-			
Wisconsin-	keeping	4.48	3	13.44
La Crosse	Maintenance			
	Custodian	5.06	25	126.50
	Lead Worker	5.48	2	10.96
County of	Lead Bldg.			
La Crosse	Maintenance	4.72	1	4.72
	Lead Janitor	4.19	1	4.19
	Janitor	4.03	6	24.18
	Totals		67	\$341.18

Weighted Average:  $(\$341.18 \div 67) = \$5.09$

The weighted average of the custodial jobs among the four public sector employers used in the calculations turns out to be about the same for 1978 (\$5.09) as the figure obtained by adding the Employer's offer of \$.33 per hour to the weighted average rate for the employees in the unit (\$4.77 + \$.33) or \$5.10.

Although the Union asserts in its brief that the Employer figures in Exhibit 19, upon which the above calculations were based, are not 1978 wage rates, I believe that the assertion is not accurate. I have checked the figures submitted to the Employer by the four other public employers (Employer Exhibits 15 through 18) as well as the July 24 arbitration award of Robert J. Mueller in the County unit, and it is my opinion that the rates shown in Employer Exhibit 19 and the numbers of employees in each classification are essentially accurate as of the date of the hearing in this case.

I have also considered the issue of whether the two proposals are consonant with increases in the cost-of-living as measured by the U.S. Department of Labor's Consumer Price Index. At the time of the hearing the annual rate of increase in the Index was about 10 per cent. The parties differed in their projections of the rate that would finally be achieved for the entire year 1978 and for 1979. As recounted above, the Employer cited a prediction that the 1978 rate would be between 6.8 to 7.8 per cent for the entire year 1978 and between 6.2 and 7.2 per cent for 1979. The Union's expert witness estimated a 7 to 9 per cent increase over the next year. The Employer's estimate of the size of its 1978 wage increase (7.6 per cent) and my own estimate of 6.9 per cent are fairly consonant with the increases that are occurring in the CPI and would not involve a significant erosion of real wages for members of the unit. The Employer's estimate of 7.5 per cent for its wage proposal for 1979 and my own estimate of 7.5 per cent are also roughly consistent with current predictions of the 1979 increase in the CPI.

While I agree with the Union's argument that for the nation the trend rate of increase in wages has exceeded increases in the cost-of-living by approximately the amount of the trend increase in productivity (around 2.5 per cent), there are variations in the speed of advance in different industries and occupations. In the 1970s public education is generally not classified as a growth industry. It is unlikely that employment in the La Crosse public schools is going to increase in the next few years. In both Union Exhibit #2, Table 12, page 34 and Union Exhibit #3, Table 51, page 42, the population projection for the age group "Under 17" in La Crosse County is down from 1975 to 1980. That data show the following among what can be considered for this purpose the public school age group:

	<u>1970</u>	<u>1975</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
Population					
Under 17	26,616	24,700	24,170	24,710	25,880

While such data must be viewed with caution, they are consistent with what appears to be happening generally in the country as the effects of the baby boom of the 1940s and 1950s dissipates before the predicted effect of their own family formation causes another upsurge in school-age population in the mid and late 1980s. In

view of these demographic circumstances it seems likely that some of the members of this unit will not be replaced in the coming years as they are terminated by death and retirement. I doubt that it will be necessary to expand the present force. Although no figures were presented, the School District's Financial Director testified that three or four employees had terminated in 1977 and that only one was a voluntary termination. The Union responded by citing turnover figures in Table 12, page 34, of its Exhibit #2 for La Crosse County showing that quits in manufacturing were 1.1, 1.0, and 0.9 per hundred for 1973, 1974, and 1975 respectively. The Union neglected to say, however, that these figures represent monthly rather than yearly quit rates. I would have preferred better quit rate evidence from the Employer, but since the Union did not really dispute the testimony that only one employee had quit during the past year, it is my opinion that the turnover rate for the custodial force employed by this Employer is very low when compared to rates reported for employees in manufacturing jobs in the private sector. (I know of no published turnover figures for comparable public sector employers.) It is not unreasonable to infer that the employees in this unit like the security of their jobs.

As to other settlements in the City of La Crosse and within the work force of this Employer, I make the following comments: Although the Union calculates the increase for the police unit as an average of 8.4 per cent over a two year period, if the dollar increases are calculated in the same fashion used by the arbitrator in this case on page 5, then those increases are 7 per cent on January 1, 1978, 1 per cent on July 1, 1978, 7 per cent on January 1, 1979, and 1 per cent on July 1, 1979. These are closer to the figures for this Employer's offer than the Union's calculations indicate. As to the other units with which the Employer has already settled, it is difficult to make judgments, since they are 18 month agreements. The Employer calculates the settlement with Aids as 9.1 per cent, which is higher than the proposal in this unit. The Employer's calculations for Cooks (7.6 per cent) and Secretaries (6.6 per cent) are the same or lower. Unfortunately the Union did not present useful testimony or argument to refute the Employer calculations for the settlements with these other units.

At this point I need to comment on the fringe benefit proposals of the parties. I treat them in reverse order as presented in the Union's proposal.

Holidays. The Union's testimony on this issue was misleading. While it is true that the 1977 agreement talks of "6 paid legal holidays," it also refers to four other days (Christmas Eve day, New Year's Eve day, Good Friday, and the Friday after Thanksgiving) when "Employees shall be provided time off without deduction of pay. . ." Although they are not public holidays as are the other six, nor is there a provision for payment if worked, they are paid days off and it is misleading to argue that the present agreement provides only six paid holidays. None of the other public employers with which I have compared wages above have more than 10 holidays. It appears to be true that the employees in the Secretaries unit get 11 "paid holidays" according to the Union's Exhibit 31. Since there are only about 8 true "holidays" observed in the State of Wisconsin, the Union does not explain how these 11 can be termed "paid holidays" when employees in this unit have only 6 "paid holidays." Based on the criterion of comparable public employment in La Crosse, the Union has not made a good case for 11 paid days off.

Vacations. The Union has made a convincing argument on this issue. Three of the four public employers with which I have compared this unit have more liberal vacation provisions. If this were the only issue, I would sustain the Union's proposal.

Sick Leave. The difference between the parties on the accrual limit is trifling. Comparisons with other public employers in La Crosse are mixed. Western Wisconsin Technical Institute and La Crosse County have lower accrual limits. The University of Wisconsin-La Crosse has unlimited accrual. The City of La Crosse units have the conditions proposed by the Union here. In my opinion the important issue in this dispute involves payment of 30 per cent of the accrued leave in cash or conversion to hospital-surgical insurance premiums upon retirement. I see no merit in the Employer's objection on grounds that persons terminating before retirement might claim eligibility. The language is clear, and at the hearing the Union offered to stipulate that it would be effective only when employees retired. This kind of provision has considerable merit as an incentive for employees not to malingere. I would have preferred to see some evidence on the amounts of sick leave that employees in the unit have accumulated or what the effects of the condition have been in the City units in reducing the amount of sick leave taken. In my opinion

the Employer in this dispute should not deny this kind of proposal unless a very careful analysis indicates that it is too expensive. In this case my preference for seeing it put into effect is overcome by (a) my inability to separate it out from the entire proposal, and (b) the lack of showing that it is in effect among a majority of the public employers that I have used for comparative purposes.

Insurance. I reject the Employer's assertion that the Union's health insurance proposal is "incapable of interpretation. . . (and that) For this reason alone, the entire Union's offer should be rejected." The 1977 agreement contains the following phrase: ". . . and the employees shall have a voice in the selection of such future insurance plan through their negotiating committee." It is true that the proposal for an improvement in the coverage of the plan is not specific. But there was ample testimony from an employee at the hearing to tell the Employer what the Union feels is required in improvement of the coverage. In my opinion the Employer should sit down with Union representatives after this dispute has been resolved by this award and discuss improvements of the kind that the Union believes can be made without any change in the Employer's premium contributions. On the other hand, the Union's proposal lacks specificity and could hardly be considered persuasive enough to affect the award in this proceeding.

Partly for the reasons expressed in my discussion of the fringes and partly for the reason that we do not know what the inflation rate will be in the remainder of this year and in 1979, I would be better satisfied if the settlement in this case carried a bit more than has been offered by the Employer. I am obligated, however, to choose one proposal or the other. Under all the circumstances as described herein, and after taking into consideration all the criteria that I am required to consider under the terms of the statute, I make the following

AWARD

The final offer of the Employer shall constitute the award in this arbitration and shall be incorporated into the agreement.

Dated: September 13, 1978  
at Madison, Wisconsin

Signed: David B. Johnson /s/  
David B. Johnson  
Arbitrator