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In the matter of the Petition of  
KENOSHA UNIFIED SCHOOL DISTRICT NO. 1  
To Initiate Mediation-Arbitration  
Between Said Petitioner and  
KENOSHA EDUCATIONAL AIDES ASSOCIATION  
(KEAA)

WERC Case LXII AUG 5 1979  
No. 23375  
MED/ARB-188 WISCONSIN EMPLOYMENT  
Decision No. 16851-A RELATIONS COMMISSION

I. MEDIATION. Mediation in the above entitled matter took place on April 9, 1979, from 7 p.m. to 10 p.m. at the Kenosha Municipal Building, Kenosha, Wisconsin. The parties remained at impasse.

II. HEARING IN ARBITRATION. A hearing in the above entitled matter was held on May 9, 1979, at the Courthouse, Kenosha, Wisconsin, beginning at 4:30 p.m.

III. APPEARANCES.

For the Association:

SCHROEDER, VENTURA & BREITENBACH, by BRUCE E. SCHROEDER, Attorney

For the District:

DAVIS, KUELTHAU, VERGERONT, STOVER & LEICHTFUSS, S.C. by  
CLIFFORD B. BUELOW, Attorney

IV. NATURE OF PROCEEDINGS. This is a proceeding in final and binding final offer arbitration between the Kenosha Unified School District No. 1 and the Kenosha Educational Aides Association (KEAA) pursuant to Section 111.70 (4) (cm) 6 of the Wisconsin Municipal Employment Relations Act. The parties were in negotiations for a collective bargaining agreement to replace an agreement which expired on June 30, 1978. The District filed a position on August 8, 1978, requesting mediation-arbitration under the MER Act. The Commission conducted an investigation and the Investigator notified the Commission on February 15, 1979, that the parties remained at impasse. The Commission therefore found that the parties had substantially complied with the statutes, certified that the conditions precedent to mediation-arbitration as required by law existed, and ordered final and binding arbitration. The parties thereafter selected Frank P. Zeidler as mediator-arbitrator, and the Commission appointed him on March 5, 1979. The proceedings thereafter went through another mediation stage as reported above and to arbitration.

V. FINAL OFFERS. The remaining issues between the parties are given herewith.

A. KENOSHA EDUCATIONAL AIDES ASSOCIATION

Wages

The Association proposes the following salary schedules:

SALARY SCHEDULE

Effective 7/1/78

	Weekly Salary			Hourly Rate		
	Min.	1	2	Min.	1	2
Full-time School Aides	129.85	134.75	140.00	3.71	3.85	4.00
Full-time Head Start Aides	103.80	108.30	112.80	3.46	3.61	3.76

SALARY SCHEDULE

Effective 7/1/79

	Weekly Salary			Hourly Rate		
	Min.	1	2	Min.	1	2
Full-time School Aides	142.10	147.00	152.25	4.06	4.20	4.35
Full-time Head Start Aides	114.30	118.80	123.30	3.81	3.96	4.11

Noon hour supervisors shall be compensated at a rate of \$3.88 per hour.  
Part-time aides shall be compensated at a rate of \$3.58 per hour.

Health Insurance

The Association proposes an amendment to Article VII D. as follows:

The Board will pay up to \$373.68 for the single premium or up to \$1,004.16 for family premium for hospital, surgical and major medical insurance for full-time employees. The Board will assume the increases in premium costs for the 1979-1980 school year.

B. THE DISTRICT'S OFFER

Wages

Wage Increases as Reflected in Appendix A

1978-79

- Full-time School Aides - 31¢ increase per hour plus increments.
- Full-time Head Start Aides - 31¢ increase per hour plus increments.
- Noon Hour Supervisors - 26¢ increase per hour.
- Part-time Aides - 36¢ increase per hour.

1979-80

- Full-time School Aides - 35¢ increase per hour plus increments.
- Full-time Head Start Aides - 35¢ increase per hour plus increments.
- Noon Hour Supervisors - 26¢ per hour.
- Part-time Aides - 36¢ per hour.

Health Insurance

Article VII, D. Group Health Insurance. The Board will pay up to \$373.68 for the single premium or up to \$1004.16 for family premium for hospital, surgical and major medical insurance for full-time employees. The Board will assume the increases in premium cost for the 1979-80 school years. Starting in September of 1979, employees who participate in health insurance will contribute through a monthly payroll deduction for three dollars for single coverage or five dollars for family coverage.

VI. FACTORS TO BE CONSIDERED. Section 111.70 (4) (cm) 7 states that the arbitrator shall give weight to the following factors:

7. "Factors considered." In making any decision under the arbitration procedures authorized by this subsection, the mediator-arbitrator shall 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 employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes performing similar services and with other employes generally in the 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 employes, 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 or 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.

VII. **LAWFUL AUTHORITY OF THE EMPLOYER.** There is no question on the lawful authority of the Employer to meet either offer.

VIII. **STIPULATIONS OF THE PARTIES.** The parties have stipulated to all other matters in relation to their proposed agreement.

IX. **THE INTERESTS AND WELFARE OF THE PUBLIC AND THE ABILITY OF THE EMPLOYER TO MEET THE COSTS.** There is no question concerning the ability of the Board to meet either proposed final offer. The Board however says that it is not in the interests of the public to pay the Association offer because of an excessive increase and because the Association offer would cause the Board to waste money paying for insurance that is a form of double coverage in families in which one earner is already getting family coverage from another Employer. The arguments of the parties on these matters will be presented in relation to the appropriate specific offer.

X. **COMPARISON OF WAGES.**

A. **COST OF OFFERS.** There are about 87 fulltime instructional aides, ten head start employees, ten part-time employees and 121 noon hour supervisors in the bargaining unit (Bd. Bk. 32). The following table shows a comparison of the cost of the offers. The information was derived from pages 32-41 inclusive of the Board's book.

TABLE I

COSTS FOR WAGE OFFERS WITHOUT ROLL-UP  
THIRD (TOP) STEP, FOR SELECTED CLASSIFICATIONS

Full-time Instructional Employees

<u>Year</u>	<u>Hrly. Rate</u>	<u>Weekly Rate (35 Hrs)</u>	<u>No. of Weeks</u>	<u>Incr. %</u>
1977-78	3.65	127.75	37	
1978-79				
KEAA Offer	4.00	140.00	37	9.6
Board Offer	3.96	138.60	37	8.5
1979-80				
KEAA Offer	4.35	152.25	37	8.8
Board Offer	4.31	150.88	37	8.9

Head Start Employees

1977-78	3.41	102.30	37	
1978-79				
KEAA Offer	3.76	112.80	37	10.3
Board Offer	3.72	111.60	37	9.1
1979-80				
KEAA Offer	4.11	123.30	37	9.3
Board Offer	4.07	122.10	37	9.4

From the same Board exhibits, the following information of total wages is obtained. It should be noted that total costs reflect the changes in the increments of employees as they move upward in the step semester. Also it reflects a change in the number of part-time employees, but not in the number of hours such employees work.

TABLE II

TOTAL WAGES OF AIDES AND HEAD START EMPLOYEES AT ALL STEPS,  
PART-TIME EMPLOYEES, AND NOON HOUR SUPERVISORS

<u>Classification</u>	<u>1977-78</u>	<u>1978-79</u>		<u>1979-80</u>	
		<u>KEAA</u>	<u>Bd.</u>	<u>KEAA</u>	<u>Bd.</u>
F.T.I. Aides	400,660.95	443,459.80	438,953.20	487,373.25	482,866.65
Head Start	36,519.00	40,570.50	40,126.50	45,121.50	44,676.60
Part-Time	8,751.00	9,853.20	9,853.20	10,954.80	10,954.80
Noon Hr. Supv.	102,967.20	110,934.90	110,934.90	118,902.60	118,902.60
Total	548,897.85				
\$Inc. Above 1977-78		55,920.55	50,969.95	57,539.75	57,532.85
%Inc.		9.5	9.3	9.5	9.6

The next two tables, derived from the same source, show percent increases, and an overall increase in wages for 1978-1979.

TABLE III

PERCENT INCREASES, TOTAL COSTS, VARIOUS CLASSIFICATIONS

<u>Classification</u>	<u>1978-79 over 1977-78</u>		<u>1979-80 over 1978-79</u>	
	<u>KEAA</u>	<u>Bd.</u>	<u>KEAA</u>	<u>Bd.</u>
F.T.I. Aide	10.7	9.6	9.9	10
Head Start	11.1	9.9	11.2	11.3
Part-Time	12.6	12.6	11.2	11.2
Noon Hr. Supv.	7.7	7.7	7.2	7.2

TABLE IV

COMPARISON OF INCREASED AIDES COMPENSATION COSTS,  
INCLUDING RETIREMENT\* AND SOCIAL SECURITY  
1978-1979

	<u>Current</u>	<u>\$ Increase</u>	<u>% Increase</u>
1977-1978	\$643,472.95		
1978-1979			
KEAA		\$65,555.66	10.2
Bd.		59,752.06	9.3

\*Board pays employee and Employer share

The specific percentage increases for the employees under the proposed offer are given in this table derived from Association Exhibit 1:

TABLE V

SALARY PROPOSALS

Percentage Increases  
For Specific Classifications at Specific Steps

ASSOCIATION:

July 1, 1978;

	<u>Minimum</u>	<u>1</u>	<u>2</u>
Full-Time School Aide	10.4	10.0	9.6
Head Start Aides	11.3	10.7	10.3
Noon Hour Supervisors		7.7	
Part-Time Aide		12.6	

July 1, 1979;

	<u>Minimum</u>	<u>1</u>	<u>2</u>
Full-Time School Aide	9.4	9.1	8.8
Head Start Aides	10.1	9.7	9.3
Noon Hour Supervisors		7.2	
Part-Time Aide		11.2	

BOARD:

July 1, 1978;

(Figure in Parenthesis are Hourly Rates)

	<u>Minimum</u>	<u>1</u>	<u>2</u>
Full-Time School Aide	9.2 (3.71)	8.9 (3.81)	8.5 (3.96)
Head Start Aides	10.0 (3.42)	9.5 (3.57)	9.1 (3.72)
Noon Hour Supervisors		7.7 (3.62)	
Part-Time Aides		12.6 (3.22)	

July 1, 1979;

	<u>Minimum</u>	<u>1</u>	<u>2</u>
Full-Time School Aide	9.4 (4.06)	9.2 (4.16)	8.8 (4.31)
Head Start Aides	10.2 (3.77)	9.8 (3.92)	9.4 (4.07)
Noon Hour Supervisors		7.2 (3.88)	
Part-Time Aides		11.2 (3.58)	

B. SCHOOL DISTRICTS USED FOR COMPARISONS. The Board alone furnished information on comparable salaries in districts it considered as comparable. The Board listed the 27 largest school districts in Wisconsin, excluding the Milwaukee District. Among these Kenosha was fourth with 19,367 students. It was preceded by Madison, Racine, and Green Bay (Bd. Bk. 2). From this list the Board abstracted the twelve largest districts, excluding Milwaukee and Kenosha. Those districts are Appleton, Elmbrook/Brookfield, Eau Claire, Green Bay, Janesville, Madison, Oshkosh, Racine, Sheboygan, Waukesha, Wausau, and West Allis. The Board also abstracted the twelve largest school districts within the southeastern Wisconsin area. Again it excluded Milwaukee and Kenosha. These districts were Beloit, Elmbrook/Brookfield, Janesville, Madison, Menomonee Falls, New Berlin, Oak Creek, Oconomowoc, Racine, Waukesha, Wauwatosa, and West Allis.

Concerning the twelve largest school districts, ten districts pay a minimum to aides smaller than the Kenosha minimum proposed by the Board for 1978-79. Seven districts have a smaller maximum than the Kenosha maximum. The Racine minimum is \$2.68 as compared to the Kenosha proposed Board minimum of \$3.67, and the Racine maximum is \$4.06 as compared to the Kenosha proposed maximum of \$3.96. In Kenosha there are two steps to the maximum, and in Racine, there are 14 steps to the maximum. The Employer's offer is 21.5% greater than the average hourly minimum rate by the twelve districts, and the Employer maximum is 10.3% higher than the average maximum (Bd. Bk. 5).

As to the twelve southeastern Wisconsin school districts, three have no classification similar to the classifications involved here. Of the remaining nine districts, all pay a lower minimum wage than the Board offer for 1978-79. However at the maximum, five districts pay a higher maximum. The Board's offer is 24.0% greater than the average for the minimum in the nine districts. At the maximum, the Board is 1.6% above the average (Bd. Bk. 6).

C. COMPARISON WITH OTHER EMPLOYEE BARGAINING UNITS. Board Book 7 presented the following table for information on percentages received by other Board bargaining units:

TABLE VI

PERCENTAGE INCREASES RECEIVED BY OTHER BOARD BARGAINING UNITS

<u>Unit</u>	<u>No. of Employees</u>	<u>1978-1979 % Increase</u>	<u>1979-1980 % Increase</u>
1. Teachers	1,131	6.5	In Negotiations
2. Service Employees	213	7.5 <u>1/</u> 7.9 <u>2/</u>	7.5 <u>1/</u> 7.5 <u>2/</u>
3. Substitute Teachers	120	5.3	5.1
4. Secretarial Employees	119	7.8	To Be Negotiated
5. Painters	7	7.4 <u>3/</u>	7.0
6. Carpenters	5	6.6 <u>3/</u>	6.2

1/ Employer's final salary offer.

2/ Union's final salary offer.

3/ Painters and Carpenters pay for their own health insurance. This percentage increase was calculated prior to the increase in health insurance premium for 1978-79 and 1979-80. Therefore, the actual percentage increase is less than 7.4% and 6.6% and 7% and 6.2% as noted above.

D. CONSUMER PRICE INDEX. The parties in their exhibits provided information on the change in the Consumer Price Index. This information was for the index relating to Urban Wage Earners and Clerical Workers, All Cities Average. According to Board Book 59, the following conditions obtained:

1976	Annual Average Change	5.8%
1977	Annual Average Change	6.5%
1978	June, 1978 change from June, 1977	7.4%

From Association Exhibits 2 and 3, the information is provided that the annual increase in July of 1978 over July, 1977 was 7.7%, and in February, 1979, the annual increase reflected from the previous February was 9.9%. The Consumer Price Index had changed in the Milwaukee area 9.6% from January, 1978 to January, 1979.

Association Exhibits 4 and 5 were copies of pages from the Labor Relations Reporter of unknown dates. One exhibit says that the prices of finished consumer goods rose 1.4% in January (presumably 1979). Consumer food prices jumped 1.8% in the month while other nondurable goods rose 1.2% during the month. The producer price index for finished goods also rose 1.0% in February.

E. PRESIDENTIAL WAGE AND PRICE GUIDELINES. The Employer supplied a copy of a portion of the FEDERAL REGISTER, VOL. 42, No. 250 - Thursday, December 28, 1978. The portion dealt with Noninflationary Pay and Price Behavior. Part 705 B-1 calls for an annual increase of 7% which includes private fringe benefits. The Association, however, points to an exemption in Para. 705 B-8 in which employees earning \$4.00 or less per hour in straight-time hourly wages in October 1, 1978, must be excluded from each employee unit in making pay-rate computations.

F. THE ASSOCIATION POSITION ON WAGES. The Association holds that no single argument for its position is as significant as the comparison of similar employees. In this respect it challenges the submission of comparables made by the Board. It objects to the exclusion of the City of Milwaukee from the 27 largest districts, notes that several of the districts cited in the 27 are in the Milwaukee SMSA, and contends that the inclusion of school districts like those at Superior, Eau Claire, and even Green Bay, have no relevance to the matter here.

The omission of Milwaukee also from the 12 largest school districts in southeastern Wisconsin is also objected to, since most of the districts are in the Milwaukee metropolitan area.

The Association notes that the only dispute between the parties on wages is the first year offer in which the Association is asking 35¢ and the Board is offering 31¢. The Association notes that its proposal would amount to an increase of between 0.8% and 1.3% greater than that proposed by the Board in the first year, and in the second year the Board's offer would exceed the Association's offer only by 0.1%. Against this must be measured the rise in the cost of living which has been accelerating at a rapid rate and which has risen 10.4 points in the eight months from July, 1978 to February, 1979. The Association also notes that several specific



items like food are rising above 1% per month, and no abatement is in sight. To deny the Association the 4¢ an hour increase is unfair, and further the Board has undoubtedly earned a significant amount of interest on the wages withheld pending this decision.

The employees are low wage employees and do not come under the Presidential wage and price guidelines. Their jobs are important, and the increase proposed by the Association for the aides is not extravagant. To pay the Association members this increase is not contrary to public policy, and the Board itself recognizes the legitimate concern of these low wage employees to a higher wage in face of inflation by making an offer that also exceeds the guidelines. The less than \$5000 cost of the Association proposal over the Board proposal does not support the argument that the Association's proposal will unjustly enrich its members, cause a financial hardship to the Board, or endanger the national economic situation.

The Association opposes the Board argument that the Association offer does not reflect the change in purchasing power by the cost of living. The Association specifically points to the statutory factor to be considered by the arbitrator, namely the changes in circumstances during the pendency of the arbitration proceedings. This is mandatory on the arbitrator. The Board in its argument is defying reality.

The Association also argues that while the arbitrator is to give "great weight" to comparative increases for other employee groups, yet in the case of Kenosha, several of the groups compared had their agreements concluded before the changes in circumstances which resulted in an inflationary spiral. Further the comparisons made by the Board are not reliable, because they are too condensed to be relied on. Although the Board contended it is comparing "regular teacher aides", it has given no definition of what they are, and other categories of employees were lumped into one group in the various lists of communities given by the Board.

The Association further notes that in the 12 largest districts, four had a higher maximum hourly rate than Kenosha, and of the southeastern Wisconsin schools, nine had a higher maximum than Kenosha.

G. THE BOARD'S POSITION. The Board holds that the Association's salary offer is contrary to the public policy of wage restraint. The Board notes that the arbitrator must consider the public interest and welfare under the statutory guidelines. There is now a strong public policy of controlling inflation through wage restraint, and arbitrators have made decisions on this fact. While the Wage and Price Guidelines are not applicable to this final offer, yet the public policy cannot be ignored by the arbitrator, and the arbitrator must consider the Presidential appeal for wage restraint. There is now a compelling national interest to reduce inflation through such restraint. The Association offer comes to 11.1% for head start employees, and 10.7% for full-time instructional aides for 1978-79, and this coupled with the 15% increase of the Employer in health insurance grossly exceeds the wage guidelines.

The Board also says that its own offer more nearly reflects the change in purchasing power reflected by the CPI. The appropriate time frame for determining the change in the cost of living is the year immediately preceding the time the new agreement is to begin. The year upon which to

base the determination of the change is from July 1, 1977, to June 30, 1978. During this time the change in the CPI was 7.4%. The Board proposal with 9.9% and 9.6% more nearly reflects the change in purchasing power.

The Board also notes that its final salary offer is greater than that received by the Employer's other bargaining units. Every other unit received a substantially lesser wage increase for 1978-79 than that proposed in this case by the Employer. The arbitrator must give these comparisons greater weight. The arbitrator should not depart from the pattern of the wage settlement unless the evidence shows that the employees in the unit suffer in comparison with wages paid to comparable employees in comparable communities, which is not the case here.

The Board also contends that the Board's offer compared even more favorably when compared with the salaries paid by the 12 largest school districts (Bd. Bk. pp. 2, 4). The Board contends that the Kenosha Aides are paid more than the aides of any other school district in the area, and further that the Employer's final offer proposes a wage 24.0% greater than the average of wages paid by the other southeastern Wisconsin large school districts. Further the Board's wage offer is 36.9% greater than that paid by the Racine School District, the nearest large school district.

As to the Association position, the Board says that the Association position must be rejected, because it totally disregards all other school districts in the State and compares aides to attorneys, sheriffs, social workers, and other employee groups. The Employer on the other hand excluded Milwaukee for obvious reasons from the comparison, because it is in a classification by itself. The Board also holds that the Association is also asking for the exclusion of all districts in the Milwaukee area, when there are schools in the area which are comparable in size to Kenosha. It even excludes Racine which is the nearest and most comparable large district. The Association's method of comparing aides with different types of employees is beyond the scope of the arbitrator's authority to consider, and on the other hand, the Board's comparables are more reliable, because they involve similar types of employers and employees.

Concerning the claim of the Association that the recent rises in the CPI favor the Association offer, the Board says that a large part of the rise in CPI has been in health costs. The employees have been sheltered from this cost by the Board's paying the cost.

The Board also says that its exhibits (Bd. Bk. 60-86) show that the Association was dilatory in dealing with the arbitration process, and during this time the CPI increased nearly 3%.

H. DISCUSSION ON WAGES. With respect to wages, the matter of comparables is considered first. The Board offered a list of comparables in the classification of Aide. Of these there are degrees of comparability. The arbitrator finds that the most comparable district is that of Racine because of its proximity and size, and its being within an economic area somewhat overlapping with Kenosha. The next order of comparable districts are those districts in southeastern Wisconsin near to the Racine, Kenosha, and Milwaukee Standard Metropolitan Statistical Areas. These districts include New Berlin, Waukesha, Menomonee Falls, West Allis, Racine, Elmbrook, Oak Creek, and Wauwatosa. The latter two districts are reported to have had no classifications of Teacher Aides.

As to the exclusion of the Milwaukee Public School District, the arbitrator holds that because of its size and special status, it is not sufficiently comparable to be used here in this issue.

As to the comparability of Kenosha with the 12 largest districts in the State, the arbitrator believes this has some value for comparison, but notes that the Board used only the minimum salary for aides in making its summary (Bd. Bk. 5), and this does not present a full picture. In comparing maximums, four districts offer higher rates than Kenosha which is fourth in district size. However this list has a defect in that some of the school districts cited are fairly remote from Kenosha.

As to the six districts in southeastern Wisconsin which are most comparable, the average for school aides in these districts on July 1, 1978, was \$3.62. This average is brought down by the low rate of \$2.70 per hour offered in Elmbrook, and is raised by the highest rate of \$4.53 in New Berlin. However, the Kenosha Board offer compares very favorably with the average.

The Board offer is lower in its maximum by 10¢ below the Racine maximum, and is higher by 99¢ than the Racine minimum. Inspection of the Board's exhibits (Bd. Bk. 32, 33, 35, 38, 40) show that the bulk of the Kenosha aides will be at the maximum step and so it might be more feasible to compare maximums for the 1978-79 period between Racine and Kenosha. However, the information is not adequate as to what kind of aides are to be found in the Racine District, nor what the 14 step increment program means as compared to Kenosha's three step program. Hence the arbitrator sees no compelling reason for the Kenosha District to offer a higher wage based on the Racine experience.

As for the rise in the Consumer Price Index, the arbitrator has held to a practice of considering chiefly the rise in the index for the year immediately preceding the proposed renewal of the agreement as the basis upon which an agreement could have been voluntarily reached. This increase is 7.4%. The Board offer at 8.5% for the aide maximum and 9.1 for the head start maximum exceeds the CPI in base wage and must be considered adequate. The Board's total increase for all wages in all categories of 9.3% as compared to 9.5% for 1978-79 must be considered adequate (Bd. Bk. 34, 36).

There are the arguments of not exceeding the Presidential guidelines to be considered. The arbitrator here holds with the Association that the employees, being low wage employees, are exempt from the application of the Presidential guidelines. The intensive argument of the Board that the Association offer should be denied on the ground that the principle of wage restraint should also apply to the Association employees, even if they are exempt from the wage guidelines, has been considered by the arbitrator. The arbitrator believes that because the employees are low wage employees, the final offers should be considered in light of what is comparable with what other employees in similar classifications are getting, and makes his judgment here under this concept.

It should be further noted that the arbitrator believes that the offer of the Board is adequate when considered in comparison with what other employees have obtained from the same Employer (Table VI).

XI. COMPARISON OF INSURANCE OFFERS.

A. The offers have been stated earlier. In sum the Board is asking that the employees make a contribution in the second year toward the insurance costs, and the Association is asking for full payment toward insurance by the Board. Both parties agree that the Board will pay up to \$373.68 for a single premium and up to \$1,004.16 for a family premium for health insurance in 1978-79, and that the Board will assume the full cost in 1979-80. However the Board asks that employees have \$3.00 deducted for the single plan and \$5.00 for the family plan in 1979-80. The Board says it experienced a 15.7% rise in the cost of insurance for 1978-79. Mr. Gary Covelli, then Coordinator of Staff Relations, said that this was the largest dollar increase he had experienced, in the neighborhood of \$130 for the year, although there may have been a larger percentage increase, 26% around 1974.

After the previous agreement expired and the cost of health insurance went up, the Board informed the aides that they would have to pay the increased cost. According to the Board, 20 employees switched after the start of school from family coverage to no coverage or from family coverage to single coverage. The changes were made after the start of school (Bd. Bk. 14-16).

The Board supplied the following information as to the changes in usage of health coverage (Bd. Bk. 13):

TABLE VII

FULL-TIME AIDES THAT HAVE SIGNED UP  
FOR HEALTH INSURANCE COVERAGE

1975-76 School Year (March 1976)

	56 Family	62.2%
	10 Single	11.1%
	<u>24</u> No Coverage	<u>26.7%</u>
Total	90 Full-Time	100.0%

1977-78 School Year (February 1978)

	55 Family	58.5%
	12 Single	12.8%
	<u>27</u> No Coverage	<u>28.7%</u>
Total	94	100.0%

1978-79 School Year (April 1979)

	34 Family	35.1%
	11 Single	11.3%
	<u>52</u> No Coverage	<u>53.6%</u>
Total	97	100.0%

The Board in a letter to the arbitrator dated July 16, 1979, advised him that it was advised by its insurance carrier that the health insurance premiums for 1979-80 would increase by approximately 14%.

The Coordinator says that the Board has been concerned over duplication of health insurance in some of the families, and it believes that this experience after September, 1978, shows that the Board was making duplicate and unnecessary payments for employees who have other family coverage.

Board Books 8 and 9 were a compilation of health insurance plans offered in the 12 largest school districts of the State, cited earlier. One of the districts, Appleton, offers no health insurance. Three districts, Elmbrook, Janesville, and West Allis, required no employee contributions. Eau Claire requires no contribution except for one of its family plans beginning July 1, 1979. Green Bay required nothing for a single plan and 10% for a family plan. Madison has two single family plans requiring no payment and one which does, and three family plans which require employee contributions. Oshkosh, Racine and Wausau require payments from the employees. Sheboygan requires a 10% payment only on the family plan, and Waukesha, which required a 50% payment for health insurance in both single and family plans on July 1, 1978, does not require any contribution as of July 1, 1979. The Board says that this shows that only three of eleven districts have labor agreements which do not provide for employee contributions.

Of the twelve districts used as comparables by the Board in southeastern Wisconsin, two districts do not provide health insurance, two do not employ Aides, and four require no employee contribution. The situation in Madison, Racine, and Waukesha has been described above. Menomonee Falls requires no contribution for the single plan and a contribution of \$7.23/mo. for the family plan (Bd. Bk. 10, 11).

The Board pays the health insurance for three bargaining units: service employees, secretarial employees and teachers. Painters and carpenters can participate in Group Health Insurance coverage, but the premiums will be paid by deductions from their hourly rate (Bd. Bk. 12).

The Board also presented a witness, Mr. W. Thatcher Peterson, Director of Employee Relations, Racine Unified School District. Mr. Peterson submitted evidence on the experience of the Racine District on employee contributions to health insurance. Emp. Ex. 1 was a summary of the participation of Aides in health insurance in the Racine District. The following is abstracted from this exhibit:

TABLE VIII

PERCENTAGE OF RACINE AIDES PARTICIPATING IN HEALTH INSURANCE

<u>Date</u>	<u>Employee Contribution</u>	<u>No. Eligible</u>	<u>% Participating</u>		
			<u>Family</u>	<u>Single</u>	<u>Waived</u>
Jan., 1975	\$ 0	278	59	25.9	15.1
July, 1975	3.05 F .35 S	384	39.3	22.9	37.8
Jan., 1976	3.05 F	349	40.1	26.1	33.8
July, 1976	22.16 F 6.93 S	362	17.4	25.4	57.2
May, 1979	21.88 F 8.04 S	342	14.9	23.1	62

The Director says that the drop which occurred after a premium rise was due to the action of people with other family coverage electing not to pay for the coverage offered by the Racine District. He says he has this information from personal knowledge and personal information of a reliable sort transmitted to him.

Bd. Bks. 43, 44 gave a projection of premium increases in health insurance. The following table contains abstracted information:

TABLE IX

HOURLY INCREASES OF HEALTH INSURANCE  
AND SHARING OF COSTS

	<u>1978-1979</u>		<u>1979-1980</u> (Assume 15% Inc.)	
	<u>Hourly Increase ¢</u>		<u>Single</u>	<u>Family</u>
	<u>Single</u>	<u>Family</u>		
Full-Time School Aides (1285 Hours)	3.8	10.1	4.3	11.6
Full-Time Head Start (1110 Hours)	4.4	11.8	5.1	13.6

  

	<u>1979-1980</u> (Assume 15% Inc.) <u>Sharing of Hourly Increase ¢</u>			
	<u>Single</u>		<u>Family</u>	
	<u>Board</u>	<u>Employee</u>	<u>Board</u>	<u>Employee</u>
Full-Time School Aides (1285 Hours)	1.5	2.8	7.0	4.6
Full-Time Head Start (1110 Hours)	1.9	3.2	8.2	5.4

The Association provided in its Exhibits 8 - 26 incl. evidences of contracts entered into by the Board or other public agencies in the Kenosha area in which the Employer pays the full cost of health insurance.

These contracts or agreements included the following categories:

County of Kenosha

- Kenosha, County Welfare Department Professional and Clerical Employees, Local 990, Welfare, Professional and Clerical Employees. (1979-1981)
- Kenosha County Court House Local 990, Court House Employees. (1979-1981)
- Kenosha County Institutions Employees, Local 1392. (1979-1981)
- Kenosha County Employees, Local 1090. (1976-1978)
- Kenosha County Assistant Attorney's Association. (1978-1980)
- Kenosha County Deputy Sheriff's Union. (1978-1980)
- Kenosha County Employees, Local 70, Highway. (1979-1981)
- Kenosha County Service Employees, Local Union 168 Maintenance and Custodial Workers. (1977-1979)

City of Kenosha

Kenosha Professional Policemen's Association. (1978-1979)  
Kenosha Fire Fighters, Local 414, IAFF. (1978-1979)  
Division #998, Amalgamated Transit Union. (1978-1979)  
Local 71, AFSCME. (1978-1979)

Gateway Vocational, Technical and Adult Education District

Gateway Federation of Teachers Local 1924, WFT, AFT. (1976-1978)  
Clerical Employees Local 2738. (1977-1979)  
Service Employees Local No. 168. (1975-1978)

Kenosha Unified School District

Kenosha Education Association. (1977-1979)  
Secretarial and Clerical Salary and Welfare Employees. (1977-1979)  
Service Employees. (1975-1978)

The Association's Exhibit 26 was a copy of the Board's Final Offer for Service Employees dated January 3, 1979, in which the Board offered to assume the increases in premium costs for the 1979-80 school year.

The Retail Clerks Unions Local No. 526 and No. 1403 for 1976 to 1979 requires the Employer to pay for health insurance (Assn. Ex. 27).

The Board in its 1976-1979 offer for General Administrative, Instructional, Administrative, Supervisory, and Technical Personnel, offered to pay the full health insurance premium (Assn. 30).

B. THE ASSOCIATION'S POSITION. The Association says that there has been a long standing agreement of the parties in every collective bargaining agreement for the Board to pay the entire cost of health insurance. The Board is now proposing the cost of contributing towards health insurance be placed on those least able to afford the contribution. The Board currently provides full paid insurance for teachers, administrators, clerical employees and custodians, and on January 3 of this year it proposed in its final offer to service employees to continue fully paid health insurance for two years.

The Association notes that all of Kenosha County employees and all of the City of Kenosha employees receive fully paid health insurance, and that three employee units at Gateway Technical Institute also have fully paid health insurance. Moreover all of the County employees and two of the three employee units at Gateway have fully paid dental coverage.

The Association says that if this issue over health insurance existed in the private sector, the Association would never submit to the offer of the Board, and the Board would never submit such a proposal. In view of the existence of fully paid plans in the Kenosha area, and in view of the recent offer of the Board to the service employees, the Board is discriminatory against the low-paid aides. In the private sector the Employer offer would produce a job action.

The Association says that the Board has not proposed the most effective method of dealing with the problem; more suitable measures exist.

The Association says that if there is a 15.7% second year increase in the health program, this increase would be consumed by the employees' contributions. However there is doubt that there will be another 15% increase for the year 1979-1980. Since the County contends that the 15% increase in 1978-1979 was one of the highest ever experienced, it is unlikely that such an increase will occur again.

The Association says that its final offer does not promote a waste of tax dollars as the Board claims. It disputes the testimony of the Racine Director of Employee Relations about the reason for the waiving of family insurance. The Association says his opinions were based on "office gossip" and observation of divorces. This is not adequate testimony.

The Association disputes the claim of the Board that the Association knows its employees have been abusing "freebie" health insurance and that not one of its members is without insurance coverage. The Association resists the Board contention that one specially named employee abused health insurance.

The Association contends that the Board itself irresponsibly abused its authority and neglected its legal obligation by never doing anything with the situation. The Association made several proposals in the past, but the Board preferred to deal with it at the bargaining table. Yet the Board this very year offered service employees full coverage in the process of bargaining.

The Association says that its health insurance offer when combined with its salary offer does not exceed the guidelines or CPI for reasons of exemption of employees. The Board itself, however, has exceeded the guidelines itself in the offer it is making to the service employees.

The Association says that the comparisons with other Kenosha public employees should be determinative. It is obvious that nearly all public employees in Kenosha get fully paid health insurance. The Association contends that the crossing guards or substitute teachers are not proper comparison groups.

C. THE BOARD'S POSITION. The Board contends that the Association's final offer promotes a waste of public dollars by signing up for double coverage, because it is "free". This is contrary to the public interest. The two witnesses of the Board show in their testimony that requiring employees to contribute to the cost of health insurance reduces unnecessary double coverage. The experience in Racine and Kenosha has been that when double coverage is no longer a "freebie", employees elect no coverage. Further the uncontradicted evidence in Kenosha is that each of the employees who dropped family coverage did so because of coverage in a spouse's policy; and further none of these who dropped were now without coverage. The Board named an Association member who attended the arbitration hearing, who had dropped coverage, but did not testify as to her status.



The Board notes that employee abuse of health insurance coverage and sky-rocketing costs compel a change to where employees should make some contribution. It cites the statements of a fact finder and of an arbitrator to this effect. It says its offer is in the public interest and is a reasonable attempt to deal with a serious problem.

The Board says that the Association insurance offer and the wage offer grossly exceed the CPI and the guidelines for its application, and it notes the hourly rates of insurance costs for aides (11.6¢) and head start employees (13.6¢). The Association is thus flaunting the public interest in controlling inflation.

The Board holds that in comparing offers with other units of government, a comparison with the other bargaining units should be determinative. It is beyond the scope of authority of the arbitrator to compare employees in other units of government doing a different work. In the case of Kenosha, the most analogous unit is the substitute teachers who receive no health insurance. Carpenters and painters contribute towards their own health insurance. Only three units have fully provided health insurance. They are currently in bargaining, and the Employer has proposed to the teacher unit and the secretaries that they pay toward their health insurance.

The Board notes that Racine requires its aides to contribute 25% to health premiums. The Board says its employees are among the best paid in the State, and the Board offer maintains their high level of benefits. However, the Board emphasizes that the employees have been abusing "freebie" health insurance, and the public interest demands that this waste be controlled.

The Board also notes that the State of Wisconsin requires its employees to make a substantial contribution to health insurance, and calls attention to what Racine requires. The Board rejects the argument of the Association that the Board is discriminating against a small group of employees least able to pay. The Employer intentionally proposed a 4¢ per hour increase for the second year of the agreement to offset any and all premium costs.

The Board also rejects the argument that because it offered the service employees full coverage, it should do likewise for the aides. The Board says that the aides abused their coverage, and in the case of service employees, the Board offer on insurance brought a quid-pro-quo from the Union.

D. DISCUSSION. With respect to comparables, the arbitrator believes on this question of insurance, there again are orders of comparability. The most comparable group consists of bargaining units within the Kenosha District itself.

The next most comparable group consists of the comparable southeastern Wisconsin districts, including Racine. A third group in rank consists of the Kenosha area public employers.

On the basis of internal conditions within the Kenosha District, the arbitrator believes that because of their relatively regular employment, the aides and head start employees are more akin to teachers and secretarial employees than they are to substitute teachers. On this point the arbitrator believes that the Association more nearly meets the guideline of comparability.

Further the offer of the Board to service employees of full coverage, even though made on a quid-pro-quo basis, militates against the Board's own strong argument that unless employees pay something toward their health coverage, they will abuse it. Further the arbitrator notes the administrators and non-bargaining unit employees have full coverage.

In comparison with southeastern Wisconsin districts, the record shows that five of eight applicable districts will not be requiring the employee to pay anything toward insurance in 1979-1980. However Racine, the nearest district, requires a 25% contribution. On this point, the requirement of the nearest district of a contribution balances out the effect of most of the applicable districts not requiring any payment. A judgment on evidence derived from comparable districts cannot be conclusive, therefore.

As to evidence of full coverage paid by the Employer within Kenosha area public employees, the evidence substantially supports the offer of the Association. On the basis then of practice within the Board's own jurisdiction, and Kenosha area public employees, the offer of the Association on insurance must be held to more nearly meet the guideline of comparability.

The arguments of the Employer on public interest must be carefully considered. There is evidence of some degree of credibility that some employees, who are members of families, have double coverage, in that a spouse also has family coverage. It is important in the interests of the public that tax dollars not be wasted. In the instant matter there is evidence that a requirement of some employee contribution reduces the claims for coverage, because the employee is also under another coverage. This is an argument in favor of the Employer's offer.

In Table IX it should be noted that the cost of the aides required contribution, as an example, whether there is a 15% increase in premium cost or not, would be 2.8¢ per hour for the single plan and 4.6¢ for the family plan. The Employer says that it is offering 35¢ per hour increase, which is 4¢ higher than its base wage offer would have been for 1979-80 just to cover the new costs of the employees' contribution. The increase of 4¢, it should be noted, covers the increased cost in the single plan, and it is 0.6¢ short of the new family plan cost to the employee.

The argument of the Association is that the Board is requiring something from the employees least able to afford it, and that the Board has alternative methods of reducing double coverage.

Weighing all of the above propositions, the arbitrator believes that the weightiest condition is the comparable pattern of full coverage existing within the Employer's own unit, and the general pattern of full coverage in public employment in the area. The arbitrator is reluctant to recommend the imposition of a pattern of coverage which has not been arrived at in freely achieved agreement. The arbitrator also believes that the public interest in reducing unnecessary coverage can be satisfied by methods other than final and binding final offer arbitration.

XII. TOTAL COMPENSATION.

A. The total compensation in this case is the total cost of the wage offers and the insurance costs. The arbitrator has prepared this table for the total compensation of aides and head start employees.

TABLE X

ESTIMATE OF TOTAL COMPENSATION FOR AIDES  
AND HEAD START EMPLOYEES, HOURLY COSTS

1978-1979

	<u>1977-78</u> <u>Base Rate</u>	<u>1978-79</u> <u>Inc.</u>	<u>Inc. Ins.</u> <u>Cost-Family</u>	<u>Total</u> <u>Inc. ¢</u>	<u>%</u> <u>Inc.</u>
Aides					
Assn.	3.65	.35	.101	.451	12.2
Board	3.65	.31	.101	.411	11.5
H.S.					
Assn.	3.41	.35	.118	.468	13.7
Board	3.41	.31	.118	.428	10.9

1979-1980

	<u>Total</u> <u>1978-79</u> <u>(Incl. Ins.)</u>	<u>1979-80</u> <u>Inc.</u>	<u>Employee</u> <u>Effective</u> <u>Ins. Cost</u> <u>No Rise</u>	<u>15% Inc.</u>	<u>Effective</u> <u>Total Comp.</u> <u>No Rise</u>	<u>15%</u>	<u>% Inc.</u>	
							<u>No Rise</u>	<u>15%</u>
Aides								
Assn.	4.10	.35	-.046	.07	.304	.420	7.4	10.2
Board	4.06	.35	-.046	.07	.304	.420	7.5	10.3
H.S.								
Assn.	3.878	.35	-.054	.082	.296	.432	7.6	11.1
Board	3.838	.35	-.054	.082	.296	.432	7.7	11.3

B. DISCUSSION. The Board holds that the overall compensation in the Association offer far exceeds the wage and price guidelines and the CPI, and that the offer of the Board more nearly conforms to that guideline. The Association, as noted, contends that its members are exempt from wage and price guidelines.

The arbitrator believes that the matter of total compensation as compared to the change in the CPI is proper here, even though consideration of the Presidential Wage and Price guidelines is of lesser value because of the exemptions of the employees.

Looking at the CPI for the period ending in June, 1978, the Board offer is adequate for 1978-79. However for 1979-80 there was the prospect that the Board offer would not meet the change in conditions from 1978-79, where the change in the CPI is running as of May, 1979, for all urban consumers, at a 10.8% increase over the previous year. If the 14% increase in insurance anticipated by the Board occurs, then the Board offer would be adequate.

On the whole, the arbitrator believes that the Board offer for total compensation is sufficient to be reasonable and to meet the guideline for total compensation.

XIII. CHANGES DURING THE PENDENCY OF THE PROCEEDINGS. The matter of the change in the CPI while these proceedings have been pending has been discussed with relation to other subjects and requires no further discussion here.

The arbitrator noted that he has been advised on July 16, 1979, by the counsel for the District that the school district itself was advised by its insurance carrier that the health insurance premiums for the 1979-80 school year would increase by approximately 14%.

#### XIV. SUMMARY.

A summary of the conclusions and opinions of the arbitrator with respect to the final offers of the parties is now given:

1. There is no question as to the lawful authority of the Board to meet either offer.
2. There is no question of the ability to pay either offer.
3. The Board holds that it is not in the interest of the public for the Employer to pay the Association offer, because it will waste tax dollars through double coverage. There is a likelihood the double coverage can produce unnecessary coverage of health insurance, but the Board has weakened its stand on this principle by offering full coverage to other employees. Further there may be other methods of reducing double coverage, apart from a requirement of the employee to pay toward the coverage. Thus the issue of unnecessary coverage and hence waste of dollars is not necessarily being barred from solution under the Association offer. The issues of comparisons of wages and insurance and total compensation becomes more weighty.
4. With respect to basic wages alone, the Board offer is adequate in comparison with the nearest district, Racine, and with nearby southeastern Wisconsin districts.

5. The Board offer is adequate when it is considered in light of percentage increases offered other employees in the District.

6. The wage offer with respect to the rise in the CPI for 1978-79 is adequate.

7. With respect to the Presidential Wage and Price guidelines, the arbitrator has considered them, but believes that because the employees are low employees under the guidelines, they are exempt from the guidelines.

8. With respect to full health insurance coverage, the Association offer for such full coverage is more comparable to the conditions obtaining for a number of the more comparable bargaining units under the Board, and to the conditions obtaining in the Kenosha area. It is not comparable to the condition obtaining in Racine, the nearest comparable school district. The arbitrator believes that the weightiest condition is the comparable pattern of full coverage in the Board's own unit and within the Kenosha area for public employees.

9. In total compensation, the Board's offer is adequate for both years, owing to increased costs for health insurance.

10. The two weightiest factors are the Board's more reasonable total compensation offer, and the greater comparability of the Association's offer on health insurance with the conditions prevailing among the more comparable bargaining units under the Board, and among Kenosha area public employees. Of these two factors, the arbitrator holds that the weightier factor is the Board's offer of total compensation which has increased because of health insurance costs. The arbitrator has weighed carefully the fact that the Board's final offer produces a departure from the established practice of the Employer paying full cost of health insurance, but the total percentage increase in compensation is sufficiently above the percentage increases experienced by other bargaining units of the same Employer, and this factor of comparability in total compensation must be considered also.

XV. AWARD. The agreement for 1978-1980 between the Kenosha Unified School District and the Kenosha Educational Aides Association should include the offer of the District.

*Frank D. Zeller*  
*Mediator - Arbitrator*  
*July 31, 1979*