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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

: In the Matter of the Petition of :
: REEDSVILLE EDUCATION ASSOCIATION :
: To Initiate Mediation-Arbitration :
: Between Said Petitioner and :
: REEDSVILLE PUBLIC SCHOOLS :
: -----

Case VI
No. 26305 Med/Arb-739
Decision No. 18024-A

Appearances:

Mr. Kenneth Cole, Director Employee Relations Services, Wisconsin Association of School Boards, Inc. appearing on behalf of the Reedsville School District.

Mr. Dennis W. Muehl, Executive Director, Bayland Teachers United appearing on behalf of the Reedsville Education Association.

Arbitration Award:

On September 4, 1980, the Wisconsin Employment Relations Commission appointed the undersigned as Mediator-Arbitrator pursuant to 111.70(4)(cm)6b of the Municipal Employment Relations Act, in the matter of a dispute existing between the Reedsville Education Association, referred to hereafter as the Association, and the Reedsville School District, referred to hereafter as the Employer. Pursuant to the statutory responsibilities the undersigned conducted a mediation meeting between the Employer and the Association on October 30, 1980. The mediation effort proved unsuccessful and due notice was then given to the parties of their rights to withdraw their final offers under 111.70(4)(cm)6c. Neither party chose to withdraw its final offer and an arbitration hearing was then held on December 18, 1980. The parties were both present at the hearing and given full opportunity to present oral and written evidence and to make relevant argument. No transcript of the proceedings was made. Briefs were filed by the parties and simultaneously exchanged through the arbitrator on January 26, 1981.

The Issues:

Five issues remained unresolved when the parties reached impasse and these were certified in the final offers of the parties by the WERC as follows:

Association Final Offer

1. State Teachers Retirement Fund.
"Five percent (5%) of the teachers' eligible earnings will be paid by the Board toward teachers required deposits in the State Teachers Retirement Fund."
2. Health Insurance.
"The Board will participate in medical coverage for teachers as follows: All insured shall pay the first \$2.50 per month of the Health Insurance premium, the Board shall pay the next \$81.00 or part thereof during the 1980-81 fiscal year. Any cost above this combined premium shall be assumed by the insured."
3. Dental Insurance.
"The Board will participate in dental coverage for teachers as follows: All insured shall pay the first \$2.00 per month of the Dental Insurance premium. The Board shall pay the next \$25.40 or part thereof during the 1980-81 fiscal year as appropriate. Any cost above this combined premium shall be assumed by the insured. The dental program will be implemented as soon as possible following the issuance of the arbitration award."

4. Extra Curricular Pay Schedule

Football		Volleyball	
1 Head Coach	605	1 Coach	605
1 Asst. Coach	424	1 Asst. Coach	424
1 J.V. Coach	424		
1 Frosh Coach	303	1 Band	242
Basketball		Class Advisors	
1 Head Coach	968	4 Seniors	91
1 Girls Coach	968	4 Juniors	91
2 Asst. Coach	605		
1 Frosh Coach	424	1 Class Play	363
1 Grade School	424	2 Forensics	272
Baseball		1 School Newspaper	242
1 Head Coach	605	1 Chorus	212
1 Asst. Coach	242	1 Cheerleading	212
Track		1 A.F.S.	363
2 Head Coach	605	1 S.A.A.	212
2 Asst. Coach	424	1 F.T.A.	146
Wrestling		1 F.F.A.	303
1 Head Coach	968	1 F.H.A.	303
1 Asst. Coach	605	1 Annual	393
Cross Country		1 F.B.L.A.	212
1 Coach	605	1 Grade Cheerleading	133
		1 Pom Pom Squad	182
		1 Athletic Director	363
		1 Grade School Camp	73

The Board agrees to pay \$11.00 for assigned ticket takers, scorers, timers, dance chaperones, bus chaperones and chain officials. Such payments will be made only if the administration directs the employee to perform such duties. The Board reserves the right to make all such assignments and such assignments will be mandatory.

Behind the Wheel Driver Education outside of school hours will be paid at \$6.66 per hour as specified by the Administration and the Board.

5. Base Salary (1980-81)

\$11,200

(\$400 vertical increment and \$300 horizontal increment)

Employer Final Offer

1. State Teachers Retirement Fund.

"The Board will make an annual contribution toward each teacher's share of the Wisconsin State Teacher Retirement Fund on the following basis:

1st through 5th year - \$550.00

6th through 10th year - \$650.00

11th through 16th year - \$750.00

This amount will be prorated if a teacher teaches less than a complete school year, and if a teacher teaches less than full-time.

2. Health Insurance

"The Board will participate in medical coverage for teachers as follows: All insured shall pay the first \$2.50 per month of the Health Insurance premium. The Board shall pay the next \$80.00 or part thereof during the 1980-81 fiscal year. Any cost above the combined premium shall be assumed by the insured.

3. Dental Insurance

No existing program and none offered by the Employer.

4. Extra Curricular Pay Schedule

Football		Volleyball	
1 Head Coach	605	1 Coach	575
1 Asst. Coach	423	1 Asst. Coach	385
1 J.V. Coach	423		
1 Frosh Coach	302	1 Band	275
Basketball		Class Advisors	
1 Head Coach	968	4 Seniors	90
1 Girls Coach	968	4 Juniors	90
2 Asst. Coach	605		
1 Frosh Coach	423	1 Class Play	363
1 Grade School	423	2 Forensics	272
Baseball		1 School Newspaper	242
1 Head Coach	575	1 Chorus	211
1 Asst. Coach	220	1 Cheerleading	211
Track		1 A.F.S.	363
2 Head Coach	575	1 S.A.A.	211
2 Asst. Coach	385	1 F.T.A.	145
Wrestling		1 F.F.A.	302
1 Head Coach	968	1 F.H.A.	302
1 Asst. Coach	605	1 Annual	393
Cross Country		1 F.B.L.A.	225
1 Coach	475	1 Grade Cheerleading	133
		1 Pom Pom Squad	181
		1 Athletic Director	363
		1 Grade School Camp	72

The Board agrees to pay \$11.00 for assigned ticket takers, scorers, timers, dance chaperones, bus chaperones, and chain officials. Such payment will be made only if the administration directs the employee to perform such duties. The Board reserves the right to make all such assignments and such assignments will be madatory.

Behind the Wheel Driver Education outside of school hours will be paid at \$6.65 per hour as specified by the Administration and the Board.

5. Base Salary (1980-81)

\$11,100

(\$400 vertical increment and \$300 horizontal increment)

Statutory Criteria:

The discussion set forth below will evaluate each of the final offers of the parties, taking into consideration as appropriate the following statutory criteria found at Section 111.70(4)(cm) 7 Wis Stats.

- 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 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.

Discussion

The "Comparables" Criterion (111.70(4)(cm) 7.d)

As so often happens in interest arbitration disputes the parties in the instant case are in disagreement over the manner in which criterion d., comparison of wages, hours and conditions of employment ... is to be applied in resolving this dispute. The Employer proposes the athletic conference be used with three of the conference's districts omitted: Valders, Gibraltar, and Sevastopol. In addition, under standards of size and geographical proximity the School Districts of Valders, Chilton, Kiel, and Stockbridge would be added as an additional set of relevant comparisons. It should be noted that the Employer argues that since Gibraltar and Sevastopol are members of the Olympian Athletic Conference only for football they therefore should not be considered while Valders left the conference in 1980-81.

For its part the Association would also place primary reliance on the athletic conference to which Reedsville belongs but would include Valders as well as Gibraltar and Sevastopol. The Association, however, would extend its set of comparisons to include all school districts in CESA 10 in which Reedsville also participates. The Association would argue that a special relationship exists among all CESA 10 schools as exemplified by an "insurance combine" involving 17 of the 20 school districts of this particular CESA.

In as much as there is a substantial overlap in the school districts each party proposes as comparables, particularly given the agreement on the emphasis to be placed on the athletic conference the undersigned finds as appropriate the following school districts for comparison:

Brillion	Sevastopol
Denmark	Wrightstown
Freedom	* Chilton
Gibraltar	* Kiel
Hilbert	* Stockbridge
Mishicot	* Valders

* Not members of the Olympian Conference but participate in CESA 10.

The above districts all appear on the lists of comparables offered by both parties. Should the above be inadequate in their application to any of the five bargaining issues in dispute between the parties, however, the arbitrator will modify his own list accordingly.

The Base Salary Issue

Only \$100 separates the base salary offers of \$11,200 vs \$11,100. The Employer does not plead inability to pay and certainly under nearly any set of circumstances the difference is likely to have little impact economically on the Reedsville School District. As the Employer contends in his brief the dispute involves matters of principle rather than large sums of money.

Despite the negligible sum involved an assessment must still be undertaken of the parties' respective positions if the mandate of the law is to be fulfilled. Thus, beginning with the comparables we find first of all, the District's offer would drop the Reedsville salary position substantially. On the Arbitrator's list

the Reedsville Board offer would drop the District from fifth in 1979-80 to eighth in 1980-81 while the Association's offer would leave the District's rank unchanged. Using the shorter list of conference schools suggested by the Employer and examining not only the BA base, but BA maximum, MA Base, and so forth. The Board offer would drop the District's salary ranking for 3 of the 4 salary categories considered, leaving the remaining category unchanged (Employer Exhibits numbered 8-11). The Association's offer would not alter the District's position for any of the four salary categories.

The BA base salary at the first step is generally the keystone of the whole teacher salary structure. Any change in this base figure has important consequences for the entire structure and therefore the change in this figure from one year to the next is not treated lightly by the parties. Using the arbitrator's expanded list of comparison districts we find that the average change in the BA base salary from 1979-80 to 1980-81 was 7.8 percent. For the Employers Modified Conference list it was 8.0 percent. In the case of the Employer's offer the percent change was 6.7 and for the Education Association the figure is 7.7 percent. Thus the Education Association's base salary offer is much more nearly in line with comparable school districts even when using those comparisons proposed by the Employer himself.

In view of the foregoing the undersigned finds the more reasonable salary position to be that of the Association and therefore favors it over that of the Employer.

Extra Curricular Pay Issue

As the employer states, here as with the base salary issue, "the difference in the positions of the parties is not a substantial sum of money." The Board's position on this issue is that with its offer on extra curricular pay it seeks "to equalize" the rates of compensation for coaches.

The Association, on the other hand, contends that it is attempting to "build equity." This would be achieved under the principle that equal coaching work should receive equal pay within the district and also by bringing the Reedsville extra curricular pay plan closer to the average for the Conference.

It should be noted that the Employer did not enter evidence into the record in support of its position. Thus, its assertion with regard to the fairness or reasonableness of its offer can not properly be evaluated. The Association, on the other hand provided a number of exhibits which thus became the basis of the undersigned's analysis of the extra curricular pay issue. Moreover, the Employer did not challenge the accuracy or authenticity of the Association's evidence as it was presented at the hearing.

While the evidence available to the arbitrator is not unequivocal it does not demonstrate that the Association's offer would be out of line with those extra curricular payments made by the other districts in the athletic conference. Even with the Association's final offer Reedsville would still be below the average pay for most of the coaching and related positions for the conference. (Association Exhibits 24-26).

Finally, as a review of the parties' final offer on extra curricular pay reveals there was much more agreement than disagreement. Some 47 coaches and extra curricula positions are listed in the Reedsville School District Master Contract of which the parties were essentially in agreement over 36. The average increase of those to which the parties voluntarily agreed was about 10 percent. If the ten percent figure is applied to those 11 over which there was no agreement one arrives very close to the amount requested by the Association. This seems logically consistent with what the Employer and the Association already agree to and in addition is not disruptive of the existing position with regard to these payments in the Conference.

Given the above conclusions, the undersigned favors the Association's final offer on extra curricula payments.

The Health Insurance Issue

Both parties are agreed that the individual teacher will pay the first \$2.50 per month of the health insurance premium. Beyond this point the Employer and the

Association part company with the District willing to pay the next \$80.00 of the premium and the Association requesting \$81.00. The sum in question is small again but perhaps reflective of the difficulties the parties have encountered in finding a mutually agreeable settlement for even the most apparently inconsequential amounts in dispute.

At the core of the conflict over this issue is an increase in the cost of the premium by the carrier from \$79.50 per month for family coverage to \$83.50. Under the expired portion of the master contract the Employer paid \$75.00.

Looking at the practice within both the Athletic Conference and the arbitrator's extended set of comparisons is not particularly enlightening. Seven of twelve in the larger set pay 100 percent while four of eight do so in the Conference. Also with one exception those District's which do require teacher contributions toward the premiums expect a higher amount than that either required or proposed by the Reedsville School District. Moreover, the record does not show how the health insurance payment plans have shifted, if at all, among the comparison districts in recent years.

It is clear also that no basic principle is involved here which might require 100 percent payment by the Employer for the first time -- or conversely a substantial contribution by the teachers for the first time. Teachers have apparently contributed historically and neither party proposes to alter that practice. Instead, the dispute is over how much of the increased cost of the premium is to be borne by each of the two disputants.

One point not clearly ascertainable by the undersigned is how much of the cost was carried by the teachers in 1979-80. The Master Agreement for 1979-80 (Joint Exhibit #1) states that teachers paid the first \$2.50, the District paid the next \$75.00, and "any cost above this combined premium shall be assumed by the insured." The Association's Brief at page 14 indicates the cost of the premium for the previous fiscal year was \$79.50. Simple mathematics would suggest that those teachers electing the family plan would have paid \$4.50 ($\$79.50 - \$75.00 + \2.50) during the past fiscal year.

The Association contends that the Employer's offer would result in a benefit reduction by virtue of the fact that the teacher under a family plan would pay \$2.50 plus the difference between what the carrier charged and the Board paid; i.e. \$1.00, for a total of \$3.50. Unless the figures presented in the Association's Brief are in error the Employer's offer does not result in a reduction in benefits, but an improvement. By raising the amount picked up from \$75.00 to \$80.00 the Employer has absorbed fully the premium cost plus some thing beyond.

Under the circumstances, the undersigned finds the Employer's final offer on health insurance reasonable and prefers it to that made by the Association.

State Teachers Retirement Fund Issue

The difference between the parties' final offers with regard to STRS is that basically the Employer would make flat rate payments as its annual contribution for the teachers pension plans of \$550, \$650, and \$750 based on years of service. The Association, on the other hand, requests that the district pay five percent of the Teachers' eligible earnings into the retirement fund.

The Employer's position in support of its offer is that the "issue impacts substantially on the bargaining relationship of the parties. There is no 'quid pro quo.'" That is, it believes that the Association offered nothing in return and therefore, "this is no bargain for the Board." (Employer's Brief, page 5.) The Employer also contends that a review of the Districts it considers comparable does not show that full STRS payments are universal and in fact only five of ten school districts have adopted the 5 percent concept embodied in the Association's final offer.

The Association's argument, in a nutshell, is that its offer is clearly supported by the practice of STRS payments by the other districts in the conference as well as those in the broader set of CESA 10 group. Beyond the comparables criterion the Association also states that the Employer's offer would reduce the level of benefits received by the teachers without providing a persuasive rationale for doing so.

The following table lays out the Arbitrator's extended set of comparisons which contains both the school districts of the athletic conference as well as those in close proximity to Reedsville.

STRS Practice

<u>School District</u>	<u>Board Payment</u>
* Brillion	5 percent gross salary
* Denmark	5 percent gross salary
* Freedom	5 percent gross salary
* Hilbert	Max. of \$950.00
* Mishicot	5 percent gross salary
* Wrightstown	5 percent gross salary
* Gibraltar	5 percent gross salary
* Sevastopol	5 percent gross salary
Valders	\$510 - \$850.00
Stockbridge	5 percent gross salary
Kiel	5 percent gross salary
Chilton	\$400 to 5% gross salary
* Reedsville	
Board Final Offer	\$550 - \$750.00
Association Final Offer	5 percent gross salary

* Athletic Conference

As is evident from the table the practice is widespread that a district will pay into the State Teachers' Retirement System on the basis of 5 percent of the gross salary. Beyond Reedsville, the only exception is Hilbert which pays a flat rate of \$950.00 which apparently is sufficient to cover all payments received by teachers.

Under the circumstances, the undersigned finds little to quarrel with in the Association's offer on STRS and therefore favors it over that of the Employer.

The Dental Insurance Issue

The Association demands that the Employer shall pay \$25.40 toward a premium for dental insurance per month for each teacher. The individual teacher in turn would pay the first \$2.00 per month on the premium and also assume any cost above \$27.40. The Employer makes no counter offer on dental insurance.

The Employer strongly contends that this issue, along with that involving the STRS payment are the key issues in the dispute and that principle, more so than money is basically involved. It is argued that were the Association to obtain dental insurance without a "quid pro quo" the bargaining relationship will have been seriously altered. In furtherance of its position the District cites Arbitrator Edward B. Krinsky in School District of Barron (Case XII, No. 22481 Med/Arb-14, Decision No. 16276-A.)

The Employer also makes reference in its arguments to the athletic conference and contiguous districts, alleging that provision for dental insurance has not gained "universal acceptance."

Finally, the District also believes that the dental plan is costly by comparison to other plans and therefore would provide benefits which will surpass any provided by a comparable school district.

The Association, in contrast, finds the comparables support its position on dental insurance, stressing what it sees to be the prevalence of such insurance in both the athletic conference and CESA 10.

Beginning with the practice of the athletic conference plus four contiguous school districts which make up the Arbitrator's set of comparables one finds that eight of the twelve districts do provide dental insurance to its teachers. Thus while dental insurance has not gained "universal acceptance" it is indeed prevalent.

Next, in order to examine the Employer's contention that to grant the Association's final offer on dental insurance would provide the teachers with benefits far surpassing any available in like districts the undersigned calculated, as a measure of this allegation, the percent paid by the districts in the comparison set which supply dental insurance. The average percent of the premium for a single teacher paid was 97 percent and for a family was 91 percent. This compares with the Association's final offer which would require 77 percent of the single teacher premium and 91 percent of the family premium be paid by the Employer.

While the above evidence would seem to support the Association we can not dispose of this issue without confronting the Employer's main line of defense. That is, to grant the Association's final offer on dental insurance would destabilize the parties' bargaining relationship such that "collective bargaining in [the] district in future years could become non-existent." As indicated above Arbitrator Krinsky was cited in support of this belief. It is necessary to examine Krinsky's award to see what relevance, if any, it holds for the instant case.

In School District of Barron the District sought to substantially restructure the existing salary schedule without providing a persuasive argument why this was necessary. Experienced teachers, under the District's plan would have been treated less favorably than inexperienced teachers. Krinsky found that the existing salary structure compared very favorably with those school districts for the athletic conference of which Barron was a part. Thus, absent a persuasive case Arbitrator Krinsky was not inclined to impose a fundamental change in the bargaining relationship.

The undersigned subscribes to the view articulated by Arbitrator Krinsky. However, there are several keys to the application of this principle. First, the evidence for the change must be persuasive. Second, the change must be fundamental. Briefly taking up each of these points, the undersigned finds the evidence supplied by the Reedsville Education Association sufficiently persuasive in fact to accept the Association's final offer. The "comparables" reveal widespread adoption of dental insurance (8 of 12 districts) and the benefits, if anything are less than the average for the comparison districts.

Moreover, the arbitrator does not see a "fundamental" issue with dental insurance such that if granted bargaining would henceforth be chilled. In the Barron case cited by the Employer, Arbitrator Krinsky was faced with "Fair Share" as an Association demand, which, when that particular case was heard was quite novel. Yet, Krinsky was unable to see this as a fundamental issue which should not be the subject of arbitration. In deed, the Association's final offer in Barron School District ultimately prevailed.

In the matter at hand, no such issue as fair share confronts the arbitrator. Rather the parties have reached impasse over the Association's demand for dental insurance which the Employer rejects. In the opinion of the arbitrator more substantial issues than dental insurance will determine how well the two parties to this dispute relate to each other in the ensuing years.

On balance, the arbitrator finds more reasonable the Association's offer on dental insurance.

Additional Discussion

The parties also raised the appropriateness of other statutory criteria beyond those dealt with above. First, both parties cite criterion "e," cost of living as pertinent. The arbitrator has considered this criterion and finds both final offers within the accepted measures of cost of living and therefore sees no need for extended discussion of its role in the instant case.

Second, the Employer puts forward criterion "h," which provides for "such other factors ... which are normally or traditionally taken into consideration ..." The undersigned finds himself hard pressed to apply this criterion specifically to any particular aspect of the instant case. Criterion "h" is a "catch all," a residual category that is available should everything else fail. Under the circumstances, the arbitrator sees no need for its employment in this case.

Finally, the Association has made a strong plea that criterion "f" be considered as a determinant in the arbitrator's decision. This criterion looks to "(t)he overall compensation presently received..." (Association Brief, pp. 30-31). As the Association argues one could reasonably conclude that absent a contract with a grievance procedure, grievance arbitration, layoff-recall procedure, fair share, and other rights and benefits common to the contracts of the comparison set of school district, the over-all compensation, employment, and benefits of the teachers in the instant case are not at parity with their counter parts elsewhere. However, these are considerations for future bargaining and not directly at issue in this case. Further, the undersigned believes, that in any event, other statutory criteria are dispositive of the dispute and therefore it would needlessly complicate the case to seek to measure and evaluate all compensation, benefits, and rights found in the comparison contracts. Instead, the evidence for resolution of the dispute is already at hand from the parties' oral and written evidence and testimony.

Summary

Having explored each issue above, the arbitrator has found in favor of the Association on base salary, extra curricula pay, state retirement insurance contribution, and dental insurance. On the remaining issue, health insurance the Employer's position was found more reasonable. Having considered all of the issues in light of the evidence presented, the arguments, and the statutory criteria, the undersigned renders the following:

AWARD

The final offer of the Association is to be incorporated into the Collective Bargaining Agreement for the period beginning July 1, 1980 through June 30, 1981.

Dated at Madison, Wisconsin this 14th day of April 1981.



Richard U. Miller
ARBITRATOR