STATE OF WISCONSIN

BEFORE THE MEDIATOR/ARBITRATOR

In the Matter of the Mediation/Arbitration Between

SOUTH MILWAUKEE EDUCATION ASSOCIATION

and

SCHOOL DISTRICT OF SOUTH MILWAUKEE

Case XIV
No. 26674 Med/Arb 836
Decision No. 18243-A

APPEARANCES:

Mulcahy & Wherry, S.C., attorneys and counselors at law, by Michael L. Roshar, appearing on behalf of the School District of South Milwaukee.

James H. Gibson, Wisconsin Education Association Council UniServ Council Number 10, appearing on behalf of the South Milwaukee Education Association.

ARBITRATION HEARING BACKGROUND:

On December 4, 1980, the undersigned was notified by the Wisconsin Employment Relations Commission of appointment as mediator/arbitrator, pursuant to Section 111.70(4)(cm)6 of the Municipal Employment Relations Act in the matter of impasse between the South Milwaukee Education Association, hereinafter referred to as the Association, and the School District of South Milwaukee, referred to herein as the Employer. Pursuant to the statutory requirement, mediation proceedings were conducted between the parties on January 28, 1981. Mediation failed to resolve the impasse. On that same evening, an arbitration hearing before the mediator/arbitrator was held. At that time the parties were given full opportunity to present relevant evidence and make oral argument. The proceedings were not transcribed, but post hearing briefs and reply briefs were filed with and exchanged through the mediator/arbitrator.

THE ISSUES:

Three issues remain at impasse between the parties. They are health insurance, the duration of the contract, and the salary schedule. The final offers of the parties appear attached as Appendix "A" and "B".

STATUTORY CRITERIA:

Since no voluntary impasse procedure was agreed to between the parties regarding the above impasse, the undersigned, under the Municipal Employment Relations Act, is required to choose the entire final offer of one of the parties on all unresolved issues.

Section 111.70(4)(cm)7 requires the mediator/arbitrator to consider the following criteria in the decision process:

A. The lawful authority of the municipal employer.

B. The 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 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.

THE COMPARABLES:

In this dispute the parties have voluntarily agreed upon a pool of comparable districts which were established in a previous arbitration within the District. The pool of comparables is divided into three categories: most comparable, regionally comparable, and generally comparable. The Employer contends that with most of the communities in the "most comparable" category in mediation/arbitration, the undersigned must look to the "regionally comparable" districts to establish criteria reflecting the settlement trend in the area. Additionally, the Employer argues that the broader pool, known as the "generally comparable" pool of comparables, should be used since data is available there concerning both voluntary settlements and arbitration awards.

The Association, concurring with the Employer that the comparables should be those utilized during the negotiation process, contends the most relevant of the comparable districts are West Allis, Wauwatosa and Franklin since they are the most recent decisions available and were voluntary settlements. The Association also argues that arbitration awards are less relevant in deciding which of the final offers is more reasonable.

The undersigned finds that both arbitration awards and voluntary settlements establish the level of compensation and contractual benefits available in an area and that both must be considered when addressing comparables. Further, since data is now available, via the arbitration awards, in a number of the "most comparable" communities, as well as the "regionally comparable communities", the undersigned used it in examining the comparable data.

DISCUSSION:

Although there are only three issues still in dispute between the parties, the dispute is rather detailed, thus, the undersigned will address the arguments and the discussion as separate issues.

Health Insurance:

Position of the Parties: The Employer contends its offer provides the same or better health insurance benefits than the Association's offer and they are offered at a lesser cost. In support of its argument the Employer contends the level of benefits offered by the District is identical to the Association's proposal in thirteen areas. The Employer notes that while it offered some of the benefits in 1981-1982, the mediation/arbitration procedure results essentially in everything being implemented at the same time. The result is both the Employer and the Association seek a number of the same benefits. Further, the Employer contends its proposal is superior to the Association's proposal in four areas of coverage and individual circumstances dictate which proposal is better in one other area. The Employer continues one benefit sought by the Association is generally not used by the unit employees and that its offer on major medical deductible insurance with 100% major medical coverage on the most used services are better benefits than the employees currently enjoy. Finally, the Employer states the major medical stop loss coverage it offers is advantageous to the teachers.

In response to the Association's criticisms pertinent to the District offering improvements and benefits unsolicited by the Association, the District contends that its attempt to provide these improvements and new benefits are made in order to provide a more complete health plan for its employees. Then, the Employer concludes that not only does it offer the same and better benefits, but it does so at less cost than the insurance sought by the Association.

The Association contends the District has offered a few but not all of the improvements sought by it and further, the District chooses to phase them in over a two year period. Additionally, the Association notes the District has offered benefits which are not common and which are not sought by the Association. During negotiations a misunderstanding regarding existing insurance benefits occurred between the parties. Although it was clarified at the close of the arbitration hearing and the Association now agrees some of the benefits it seeks are already in existence or will be in existence in 1981-1982, it contends its offer is the better offer since there is substantive differences in benefits available under the two proposals in at least seven areas. Further, the Association rejects the Employer's contention that it offers better major medical coverage and an added benefit of stop loss coverage since these offer little or no change in the current circumstances, are a no cost item to the insurance company and are of little value to the teachers.

Discussion: There are seven areas of coverage wherein the parties differ. The undersigned, however, finds the coverage sought by the Association and the coverage offered by the Employer is not substantially different. The coverage for provision of full benefits after formal discharge for treatment of nervous and mental disorders in a hospital or sanitarium, the coverage for the

usual and customary payments for all surgery including oral surgery, and the coverage for dental services for extraction and initial placement of natural teeth beginning with the first tooth, are not substantially different. In only extremely unusual cases would there be a cost to Association members under the benefit provided by the Employer.

The Association argues the coverage provided for the full, usual and customary radiation therapy for both malignant and benign conditions could have a detrimental effect in the cost to the teachers if a condition existed where the malignancy was not proven. The undersigned finds, however, that the major medical coverage, which provides 100% of the coverage on an out-patient basis in this situation, would result in a major medical deduction cost to the teachers of $400 for a single individual or $1,000 for family coverage. This is not a cost which would create a substantial burden.

The undersigned concurs with the Association that the Employer does not offer coverage for payment of local ambulance services and that it is possible this coverage would be beneficial to unit members. The undersigned notes that currently the benefit would not be as well utilized as it might in the future since a majority of the unit live where this service is provided free by the community in which they reside.

In regard to the major medical coverage when basic benefits are exhausted pertinent to treatment of nervous and mental disorders, the undersigned finds the Association's quarrel is actually with the date that full benefits are re-extended to the individual and not with this coverage. The Employer does provide this coverage.

The final area of difference between the parties lies in the prescription drug coverage. The Employer offers 100% coverage of prescription drugs under their major medical coverage and contends that this is more beneficial to the Employee who has a serious problem which requires the regular use and administration of drugs. The Association's proposal is a $2 deductible on any drug purchased. The Association contends the Employer's offer is more costly and less convenient to administer. The undersigned concludes the Association-sought coverage would benefit the Association to a greater extent.

The undersigned finds, as the parties have argued, that although the insurance coverage is at issue between the parties, it is not the determinative issue. Further, the undersigned concludes the coverage sought by the Association and the coverage offered by the Employer is such that neither offer lends itself to a persuasive conclusion that one should be selected over the other.

Duration:

Position of the Parties: The Employer contends its offer seeking a two year contract is supported by the comparables and is in the public interest. It seeks a two year contract with an economic reopener on wages only, provided the All Urban Consumers CPI exceeds 12% from May, 1980 to May, 1981 or is less than 8% during that same period of time.

In support of its position the Employer presents a number of arguments. It contends that among the comparable districts, multi-year contracts are common. Further, it states the specific reason for its proposal is that since the current contract contains many economic provisions which increase as the salary increases thus justifying no need for additional economic reopeners and the Employer and the Association have been in almost year round negotiation over the past ten years which has given the Association ample opportunity to improve

contractual language. The Employer also asserts it is a virtual certainty that the wage reopener will occur since all indications point to a continued high cost of living. Finally, the Employer declares that since they have been in almost year round negotiations, a time consuming and expensive process, it would be in the public interest to establish some labor stability and to allow the parties time to work out the wrinkles that might exist under a new agreement.

The Association argues there is no support for, nor pattern of, multi-year contracts within the District. Therefore, the contract should only be one year in duration. Further, the Association contends that if it is unable to negotiate in 1981-1982 there will be a significant impact on the problems which exist within the District. In support of its position the Association declares only one two year agreement has existed in the past ten years. Thus, the established pattern within the District is that of one year contracts. The Association continues that an analysis of the comparability data shows most contracts within the comparable districts will be renegotiated in 1981 either because they expire in 1981 or because several reopeners exist. As a result, the Association contends, other area teachers will have a significant advantage over the South Milwaukee teachers. The Association adds the restrictive reopener offered by the District will significantly impact upon the Association. Citing that the parties reached tenative agreement on less than half of the proposals brought to the table and that the problems have not disappeared, the Association argues it must be able to renegotiate these items in 1981. In addition, the Association notes there is a special problem pertinent to the special education teacher work load, which must be resolved. Noting that it attempted to address this problem in negotiations this year and discovered the problem too complex to deal with superficially, the Association states it has created a task force of UniServ District teachers to make recommendations for proposed changes in 1981-1982.

The Association takes issue with the Employer's proposal tying the economic reopener to the "All Urban Consumer" Index. It argues forms of the "Urban Wage Earners and Clerical Workers" Index have been used before. Finally, the Association asserts the salary reopener is unique with potentially far-reaching consequences for many years to come, if it exists, and therefore, the Employer's offer should be rejected.

Discussion: The undersigned concurs with the Association that within the District, itself, there has been no history of multi-year contracts. The undersigned also notes, however, that the Employer is correct regarding the existence of a significant number of multi-year contracts within the comparables. Thus, the duration issue must be considered in terms of what will transpire for other area districts in 1981-1982.

As a result of arbitration awards, a number of two year contracts now exist within the "most comparable" and the "regionally comparable" districts. It is noted, however, that although the two year contracts do exist, many of them also contain reopeners on other items. Additionally, within the "generally comparable" districts, a majority of one year contracts do exist. Further, it is clear that among all of the comparables the majority of the districts will bargain more than salary for the 1981-1982 school year. Thus, the undersigned finds the Employer's offer of an economic reopener unusual as it is one of the few tied to salary only negotiations in 1981.

The Employer's argument that a two year contract should exist

to allow opportunity for implementing the contract contains merit, however, it does not justify restricting negotiations to the extent the offer has proposed. The Employer's offer is the only offer among the comparables which ties the economic reopener to a rise in the Consumer Price Index. Additionally, the index which the Employer proposes using is not generally the index used when dealing with wage reopeners or wage escalators. Finally, the undersigned finds that while the District has argued there is a virtual certainty that wages will be negotiated in 1981-1982, the undersigned is not so persuaded. A review of the economic indicators in the All Urban Consumer Index shows that the January to January index rate was 12.6% and the March to March rate was 11.2%. Based on this year's decline as well as last year's increase in the May, 1980 index, the undersigned finds that the inflationary rate would need to increase by 3.9% in order to have a 12% inflationary increase from May, 1980 to May, 1981. The likelihood of that happening appears minimal. The result is the Employer asks the undersigned to attempt to decide an appropriate percentage increase for salaries in 1981-1982 when no settlements or awards in the area are available for determining reasonable increases during that period of time. On this basis, the undersigned finds the Association's offer, in regard to duration, the more reasonable offer.

Wages:

Position of the Parties: The Employer contends it has offered a wage and benefit package which is highly competitive and which was specifically drafted to be equitable to those teachers at the top of the salary schedule which now comprise more than 50% of the bargaining unit. It continues that it has been able to compensate its most loyal teachers, while maintaining equity for those teachers who are in the middle of the schedule.

In regard to the comparables, the Employer states its offer maintains the District's position among the comparables and therefore the most important question is whether a 10.1% or a 13% increase in compensation for 1980-1981 is more reasonable. Citing the arbitration award in South Milwaukee in 1979-1980, the Employer argues the Association's "catch up" award placed South Milwaukee above average among the four "most comparable" districts. Further, the Employer declares that it is also above average among the "generally comparable" districts. It continues the previous award placed the District in a highly competitive position relative to compensation of teachers and gave the Association the highest percentage wage increase in the area. This, together with the fact that no settlement data or arbitration awards for 1980-1981 support a 12.8% increase in wages, leaves the Association without rational support for its argument concludes the Employer.

The Employer continues it has achieved a well balanced salary increase adjustment by offering its teachers at the maximum step, where 50% of the bargaining unit exists, an increase which exceeds the average settlement among those eleven districts which are in the "generally comparable" group by $389 or 1.53% at the BA Maximum level and by $348 or 1.5% at the MA Maximum level. Further, the Employer posits this is accomplished while those employees moving through the salary schedule receive increases between 9.49% and 11.71%.

The Employer rejects the Association's argument for further "catch up". It states the settlements in West Allis, Wauwatosa and Germantown are flawed. There is disagreement over the cost of the West Allis settlement; the Wauwatosa settlement

occurred after a previous settlement of 7.4%, which must be considered, and no teacher within the South Milwaukee District resides in Germantown. Thus, the Employer continues, reliance on these communities for economic data is ill conceived.

The Employer contends that settlements in Whitefish Bay and Nicolet, discounted by the Association because they were achieved some time ago, actually are more comparable than the districts cited by the Association. The Employer states they are more comparable because the settlements were achieved when the Consumer Price Index rates were much higher. Additionally, they reflect a settlement figure which makes the Employer's offer of 9.8% in a lower period of inflation more comparable than the Association's demands.

The Employer finds fault with the methodology used by the Association in its attempt to analyze the data in comparable districts. It states the Association's method ignores the fact that salary schedules reflect unique teacher placement within each system. It continues the Association also ignores the immediate annual wage adjustments granted South Milwaukee teachers for each educational credit earned. Finally, the Employer argues the Association's analysis ignores the benefits South Milwaukee teachers have received and enjoyed over a longer period of time than any other group in the comparable area thus resulting in misleading statements regarding benefit improvement.

As its final argument, the Employer contends the Consumer Price Index exaggerates the cost of living increases and therefore alternative measurements must be used. Citing that the Consumer Price Index is flawed and when this flaw is taken into consideration, and/or other measurements are used, the Employer avows its offer more nearly matches the increase in the cost of living. The Employer concludes that no matter which index is used, the South Milwaukee teachers have caught up to the area comparables and its offer adequately maintains the status attained thus its offer is the more reasonable offer.

The Association, arguing that there are serious deficiencies in the Employer's offer and their offer more appropriately compares with the cost of living criteria, states its offer is the one which must be selected. In support of its position, the Association declares that when comparisons with voluntary settlements are made, rather than with arbitration awards, the Association's offer is more comparable. The Association argues there is no evidence to support a 9.8% average increase in salaries for 1981-1982 in the event the May to May Consumer Price Index does not exceed 12%. The result, argues the Association, is the Employer asks the arbitrator to set a voluntary settlement course. Further, the Association finds fault with the Employer's reopener clause since the percent spread for reopening causes the Association to bear a greater loss in dollar value than the Employer before reopening can occur and since the date for renegotiation places the District in a situation where the Association will be under more pressure to settle than other districts who began earlier in the year.

The Association continues that additionally, the CPI-W has been the index used between the parties and is the one used by over 8.51 million workers in the nation. The Association states this is the appropriate measure of cost of living. It continues that if this index is used neither offer will provide enough of a dollar increase on the average to allow teachers to meet the cost of inflation, but that the Association's offer will come closer.

In regard to analyzing the comparable data, the Association

contends the most reliable method is based upon placing each of the South Milwaukee teachers on the salary schedule of a comparable district and then calculating the average salary from these figures for comparison purposes. The average salary is then compared with the average salary of the South Milwaukee teachers on their own salary schedule. When this is done, the Association contends that the comparison allows the undersigned to more appropriately determine the "size of the gap" and helps to define the appropriate "catch up" factor. The Association notes that on its own salary schedule South Milwaukee teachers rank second, fourth and fifth among the varying sets of comparables. However, the Association continues that when South Milwaukee teachers are placed on the other salary schedules, the size of the increase proposed for South Milwaukee teachers is substantially diminished. Further, the Association states the 1980-1981 pattern of final offers shows the Association's offer is lowest among the Association final offers in seven districts and if those offers are accepted the increase sought by the Association will be among the lowest sought. The Association contends settlements in West Allis, Wauwatosa and Franklin are the most pertinent comparisons which should be made. In support of its position it argues these are pertinent because they are the most current voluntary settlements and they are geographically close to South Milwaukee. The Association concludes that if these voluntary settlements are used for comparison, the Association's offer compares more favorably than does the Employer's offer.

Discussion: Both parties agree wages is the most important issue. The Employer states its offer is competitive and maintains the status quo while the Association argues there is additional "catch up" needed. Before the undersigned addresses which of the final offers, regarding wages, is more reasonable, it is important to settle the issue of whether or not settlements and/or awards should be considered in analyzing the comparables and what weight should be given to the data. The undersigned notes parties seeking and entering into voluntary settlement usually engage in a compromise process which generally results in wage increases to bargaining unit members which are higher than initial offers by Employers. Carried through, it can be concluded voluntary settlements generally reflect an increase which may be slightly higher than increases offered in final offer stages of mediation/arbitration. On the other hand, arbitration awards decided by arbitrators who must consider which total final offer is more reasonable may not necessarily reflect appropriate wage increases. As a result, the undersigned believes that both settlements and arbitration awards should be considered when the compensation level for a comparable area is analyzed. Together they reflect the pay and benefits available in the area and a trend of compensation is established.

Since the parties agree on the general comparables, but differ on which comparables should receive the most weight since data was not available, it is incumbent upon the undersigned to note that the data is now generally available. Thus, the undersigned gave most weight to the districts within the "most comparable" and within the "regionally comparable" categories. The undersigned concurs with the previous arbitrators before her that West Allis and Wauwatosa are significantly larger than the other districts being compared and thus cannot be accorded as much weight as the Association seeks. The settlements of these two communities and Germantown, as well as two voluntary settlements achieved in mediation/arbitration, are the only agreements within all of the comparable districts that exceed a 11% increase in compensation. The rest, a result of voluntary settlements and arbitration awards, provided increases of 9.4% to 10.4%. Thus, the Employer's offer is more reasonable in comparison to percentage increases within the area.

As to the arguments advanced by the Employer pertinent to the Consumer Price Index, the undersigned continues to acknowledge it as an appropriate measurement of the inflationary rate within the economy. The Consumer Price Index does not purport to reflect how individuals spend their money but attempts to reflect the economic conditions of the nation. Therefore, it is as accurate a measurement as the PCE or any other index, but must be used cautiously as a measure of determining appropriate increases for the cost of living since it has not been proven that any measurement of economic condition can accurately reflect the status of the economy. Thus the undersigned notes that the Consumer Price Index and/or the Personal Consumption Expenditures Index are both measurements of the economic status of our country and as such are considered along with the settlements and arbitration award data which also reflect what the area considers appropriate increases for the cost of living.

The Association has argued the need for additional "catch up". It argues with respect to the comparisons that when its teachers are placed on the schedules of the other districts and their average increase is compared its teachers do not fare as well as other districts' teachers do. The undersigned finds, however, that while the method used by the Association is an acceptable method and results in valid comparisons, some weight should be given to the fact that schedules do vary according to the placement of teachers within the given district and the fact that there is no requirement that all districts compensate their teachers on the same salary schedules. The undersigned also finds the District did achieve "catch up" in the prior arbitration award. Further, the undersigned notes, that although percentage increases may produce different dollar increases, when percentage increases are similar among districts, the result is the rankings remain stable. Therefore, while the Association's members may not fare as well on other districts' schedules, the Association has not demonstrated need for additional "catch up".

The undersigned is concerned over the effect of the duration issue. A finding that the Employer's offer is reasonable in 1980-1981 would set the salary increase for the Association in 1981-1982 at 9.5%. Contrary to the Association's argument, the undersigned does not believe that acceptance of a 9.5% increase in an arbitration award would result in setting a course for voluntary settlement in the upcoming year. Thus, this argument is discounted. However, the question the undersigned must answer is will a 9.5% increase in salary in the upcoming year create significant disadvantages for the Association.

The undersigned notes that over the past year the inflationary rate has fluctuated from 12% to 19%. During that period of time settlement and arbitration awards have generally been reached in the 9% to 13% increase area and occasionally an increase has been granted higher than those figures. Normally, however, the undersigned finds that the percentage increase settled upon by the parties has reflected a couple of percentage points less than the existing inflation rate. Further, the undersigned notes the trend since January has been that the inflationary index appears to be dropping. If the drop in rate continues or if the rate stays below 12%, the undersigned finds that the 9.5% offered by the District is not an outrageously low figure and may well be within the area of other districts' settlements. However, if wages are not reopened and if the inflationary rate passes 12% for a significant period of time and if area settlements are significantly higher than 9.5%, the undersigned becomes concerned that the South Milwaukee teachers will have a less than adequate salary schedule in 1981-1982 and there

will again be the need for "catch up".

The undersigned cannot divide the issue and must select one of the total final offers. Thus, the undersigned finds that while there is concern over the duration issue, the implementation of the Association's offer, given the settlements and the arbitration awards in the comparable areas would result in an increase for the Association which is substantially higher than the majority of both the voluntary settlements and the arbitration awards in all three sets of comparables. Thus, although the Association may not be able to reopen and the inflationary rate for 1981-1982 may result in other districts settling with their employees at a rate higher than 9.5%, the 13% sought by the Association in a one year contract is less reasonable than the Employer's offer.

Thus, having reviewed the evidence and arguments and after applying the statutory criteria and having concluded that the Employer's offer is more reasonable as pertains to the wage issue and that the wage issue is the determinative issue, the undersigned makes the following

AWARD

The final offer of the Employer, along with the stipulations of the parties which reflect prior agreements in bargaining, as well as those provisions of the predecessor collective bargaining agreement which remained unchanged during the course of bargaining, are to be incorporated into the collective bargaining agreement for 1980 and 1981 as required by statute.

Dated this 15thday of June, 1981, at La Crosse, Wisconsin.

Sharon K. Imes
Mediator/Arbitrator

SKI/mls

APPENDIX "A"

SCHOOL DISTRICT OF SOUTH MILWAUKEE

Case XIV, No. 26674, MED/ARB-836

1. Health Insurance:

A. 1980-1981: Add the following benefits to the current health insurance coverage:

1) Full usual and customary payment for inpatient nervous and mental disorders.

2) Full usual and customary payment of all outpatient diagnostic x-ray and lab services.

3) Full payment of outpatient expenses for injury if the visit occurs within seventy-two (72) hours of the injury.

4) Major medical maximum benefit equal to Two Hundred and Fifty Thousand Dollars ($250,000.00).

B. 1981-1982: Add the following benefits:

1) Improve major medical coverage by:

a) Limiting deductibles to two (2) Fifty Dollar ($50.00) deductibles per calendar year instead of current three (3).

b) Provide one hundred percent (100%) payment for physician office calls, house calls, psychiatric services (performed by a physician), and chiropractic services.

c) One hundred percent (100%) payment for all prescriptions (excluding contraceptives) which are legend drugs.

d) Stop loss on all other covered services:

(1) Individual (includes an individual under family contract) - eighty percent (80%) up to Two Thousand Dollars ($2,000.00), one hundred percent (100%) thereafter to Two Hundred and Fifty Thousand Dollars ($250,000.00). Individual's maximum liability is Four Hundred Dollars ($400.00).

(2) Family - eighty percent (80%) up to Five Thousand Dollars ($5,000.00), one hundred percent (100%) thereafter to Two Hundred and Fifty Thousand Dollars ($250,000.00). Family maximum liability is One Thousand Dollars ($1,000.00).

2. Duration: The Board is proposing a two (2) year contract subject to the following reopener:

"In the event that the percentage increase in the Consumer Price Index - All Urban Consumers, Milwaukee Area (1967 = 100), between May, 1980 and May, 1981 exceeds twelve percent (12%), the Union may exercise an option to reopen negotiations on the 1981-1982 salary schedule only.

In the event that the percentage increase in the Consumer Price Index - All Urban Consumers, Milwaukee Area (1967 = 100), between May, 1980 and May, 1981 is less than eight percent (8%), the School Board may exercise an option to reopen negotiations on the 1981-1982 salary schedule only.

In either case, notice of intent to reopen must be served, in writing, upon the other party on or before July 15, 1981.

It is expressly agreed that if said option is exercised, any increased costs in applicable fringe benefits during the term of the Agreement will be considered during those reopener negotiations."

3. Salary Schedule:

A. 1980-1981:

BA minimum	$12,000.00
BA maximum	$20,805.00
Increment	$ 640.00
MA minimum	$13,400.00
MA maximum	$23,970.00
Increment	$ 720.00

An amount will be granted by recommendation of the Administration of a total of six percent (6%) of the individual's base salary (not including the increment) not to exceed the maximum of the schedule. This provision shall not apply to teachers who are at or above the maximum salaries in 1979-80.

Each teacher at or above maximum of either the Bachelor's or Master's degree level in 1979-80 shall receive an increase of nine and one-half percent (9.5%) over their 1979-80 salary.

B. 1981-1982:

BA minimum	$12,720.00
BA maximum	$22,785.00
Increment	$ 680.00
MA minimum	$14,205.00
MA maximum	$26,245.00
Increment	$ 765.00

An amount will be granted by recommendation of the Administration of a total of six percent (6%) of the individual's base salary (not including the increment) not to exceed the maximum of the schedule. This provision shall not apply to teachers who are at or above the maximum salaries in 1980-81.

Each teacher at or above maximum of either the Bachelor's or Master's degree level in 1980-81 shall receive an increase of nine and one-half percent (9.5%) over their 1980-81 salary.

APPENDIX "B"

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South Milwaukee Education Association
FINAL OFFER FOR ARBITRATION
November 7, 1980

1. Article VIII, Section B.1, Health Insurance, p. 15 - Improve the health insurance benefits in the following ways effective as soon as possible following receipt of the Arbitrator's award.

   a. Full usual and customary payment for in-patient nervous and mental disorders.

   b. Treat nervous and mental disorders the same as any other illness. That is when a patient is confined to a general hospital or sanitarium, benefits for treatment should be available for a maximum of 365 days. Full benefits would be restored immediately after formal discharge.

   c. Full usual and customary payment of all out-patient diagnostic x-ray and lab services.

   d. Full usual and customary payments for all surgery including oral surgery.

   e. Full usual and customary radiation therapy for both malignant and benign conditions.

   f. Full payment of out-patient expenses for injury if the visit occurs within 72 hours of the injury.

   g. Full payment for subsequent visits following out-patient services.

   h. Full payment for local ambulance services.

   i. Full payment for blood, blood plasma and its administration from the first pint.

   j. Major medical maximum benefit = $250,000.

   k. Major medical coverage for chiropractic services.

   l. Major medical coverage for dental services for the extraction and initial replacement of natural teeth beginning with the first tooth.

   m. Major medical coverage for sanitarium expenses if and when the basic benefit is exhausted.

   n. $2 prescription drug program in accordance with the WEA Insurance Trust specifications.

   o. Full payment of the first $500 of expenses for out-patient treatment of nervous and mental disorders. Thereafter payment for out-patient psychiatric treatment will be limited to 80% of all charges.

   p. Coverage of pre-existing conditions for new employes including pregnancy.

   q. Employes retiring prior to age 70 and qualifying for state teachers retirement will be allowed to continue in the group plan at the group rate

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r. Allow teachers in layoff status or on a leave of absence to stay in the group insurance plan.

s. Allow the spouse and dependents of a deceased employe to stay in the group plan.

2. Article XVI, p. 29 - Duration - Change the effective date in the first paragraph to "July 1, 1980". Change the contract term in the second paragraph to "July 1, 1980 to June 30, 1981".

3. Appendix C - 1980-1981 Salary Schedule

	BA	MA
Minimum	$12,300	$13,740
Maximum	$21,377	$24,627
Increment	$650	$740

An amount will be granted by recommendation of the Administration of a total of 9.0% of the individual's base salary (not including the increment) not to exceed the maximum of the schedule. This provision shall not apply to teachers who were at or above the maximum salaries in 1979-80.

Each teacher at or above the maximum of either the Bachelor's or Master's Degree level in 1979-80 shall receive an increase of 12.5% over their 1979-80 base salary (including longevity pay, if any).

Janet Gibson — 11/6/80

On behalf of the SMEA — Date