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In the Matter of Final and Binding Final Offer Arbitration	:	WISCONSIN EMPLOYMENT RELATIONS COMMISSION
Between	:	AWARD
HARTFORD EDUCATION ASSOCIATION	:	Case XV
and	:	No. 27840 MED/ARB-1108
HARTFORD UNION HIGH SCHOOL DISTRICT	:	Decision No. 18845-A

I. HEARING. A hearing in the above entitled matter was held on November 18, 1981, at the Hartford Union High School, Hartford, Wisconsin.

II. APPEARANCES.

KINDNER, HONZIK, MARSACK, HAYMAN & WALSH by KRISTIN BERGSTROM, Attorney, appeared for the Employer.

JOHN WEIGELT and DENNIS EISENBERG, Executive UniServ Directors, appeared for the Association.

III. NATURE OF THE PROCEEDINGS. This is a proceeding in final and binding final offer arbitration under Section 111.70 (4) (cm) 6 of the Municipal Employment Relations Act of the State of Wisconsin. On April 14, 1981, the Hartford Education Association filed a petition requesting the Wisconsin Employment Relations Commission to initiate mediation-arbitration pursuant to the statute. A Commission staff member, after investigation, advised the Commission that the parties remained at impasse. The Commission concluded that an impasse existed within the meaning of the statute, certified that the conditions precedent to mediation-arbitration were met, and ordered such mediation-arbitration on July 23, 1981. The parties having selected Frank P. Zeidler, Milwaukee, as arbitrator, the Commission appointed him on August 11, 1981.

Citizens of the jurisdiction served requested a public hearing. A public hearing therefore was held on October 20, 1981, beginning at 7 p.m. at the Hartford Union High School. Mediation began at 8 p.m. on that day and was concluded on that day when the parties remained at impasse. The parties were then notified by the mediator-arbitrator that an arbitration hearing would be held on November 18, 1981. The hearing was held as noted above. Briefs were filed on January 8, 1982.

The final offers deal with two issues, wages and early retirement.

The duration of the old contract was to August 31, 1981, and was to continue in full force and effect from year to year unless written notice was given by either party prior to February 2.

IV. THE FINAL OFFERS.

A. The following is the final offer of the Board.

STEP	B.A.	B.A.+8	B.A.+10	B.A.+24	B.A.+30	M.A.-17	M.A.+6	M.A.+16	V.A.+24
1	12,803	13,124	13,443	13,763	14,083	14,404	14,723	15,044	15,363
2	13,443	13,763	14,083	14,404	14,723	15,044	15,363	15,684	16,004
3	14,083	14,404	14,723	15,044	16,363	15,684	16,004	16,324	16,644
4	14,723	15,044	15,363	15,684	16,004	16,324	16,644	16,964	17,284
5	15,363	15,684	16,004	16,324	16,644	16,964	17,284	17,604	17,924
6	16,004	16,324	16,644	16,964	17,284	17,604	17,924	18,245	18,564
7	16,644	16,964	17,284	17,604	17,924	18,245	18,564	18,884	19,204
8	17,284	17,604	17,924	18,245	18,564	18,884	19,204	19,525	19,845
9	17,924	18,245	18,564	18,884	19,204	19,525	19,845	20,165	20,484
10	18,564	18,884	19,204	19,525	19,845	20,165	20,484	20,805	21,125
11		19,525	19,845	20,165	20,484	20,805	21,125	21,445	21,765
12			20,484	20,805	21,125	21,445	21,765	22,085	22,405
13				21,445	21,765	22,085	22,405	22,726	23,045
14					22,405	22,726	23,045	23,366	23,685
15					23,045	23,366	23,685	24,005	24,326
16									
	Hartford Union High School								
	Beavertown Finance Center								

1.10

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EARLY RETIREMENT

The Board agrees to provide an early retirement benefit under STRS as authorized by Section 42.245(2)(bm) Wis. Stats. to teachers who qualify. The Board shall pay the full cost of the STRS differential required to provide full retirement when qualified teachers retire at age 62 or older. The Board will pay the differential cost until the teacher reaches age 65.

This early retirement policy applies to teachers who voluntarily retire at the conclusion of the 1981-1982 school year, and at the conclusion of succeeding school years. It shall not apply to any discharged, terminated, or non-renewed teacher or to a teacher who is receiving long-term disability benefits.

To receive early retirement benefits, a teacher must be eligible, apply and be qualified as determined by the Board:

Eligibility

1.) The teacher must have been employed as a full time teacher at Hartford Union High School for a minimum of 15 consecutive years prior to applying for early retirement;

2.) The teacher must be at least sixty-two years of age by June 30th of the year in which he or she applies for early retirement.

Application

The teacher must submit a written, voluntary resignation to the Superintendent before February 1 of the year prior to retirement and request the early retirement benefit.

Qualification

1.) A teacher may receive the early retirement benefits provided that the replacement cost and early retirement benefits do not equal or exceed the cost of retaining eligible employees.

2.) No more than 3 teachers may be eligible for early retirement benefits in a given year unless a greater number is approved by the Board. The number and selection of teachers for early retirement benefits shall be at the sole discretion of the Board.

Contribution to STRS .

The District shall make payment to STRS pursuant to the requirements of Section 42.245(2)(hm) Wis. Stats. and the administrative rules of STRS. The amount of the District payment shall be that calculated and required by STRS. The Board shall provide each retiring employee with a Letter of Agreement which specifies the estimated amount that will be paid to STRS on behalf of the retiring employees. A copy of the letter shall be forwarded to the Association.

Limitations

1.) If the current law and regulations concerning STRS are materially altered in any way, this Article shall be null and void; early retirement benefits shall be re-negotiated by the parties.

2.) If any aspect of this Article is found to be discriminatory and violative of the Federal Age Discrimination in Employment Act, the Wisconsin Fair Employment Act, or any other state or federal law by any court of competent jurisdiction, then the entire Article shall be considered null and void for new applicants.

Insurance Coverage

Teachers who qualify for early retirement benefits may participate in the health insurance program:

1.) The Board will make the same hospital/surgical/medical insurance contributions that are made for other teachers until age sixty-five; provided that the Board's health insurance contributions shall terminate automatically

a) if the retired teacher files for <sup>un-</sup>employment compensation benefits and that claim has a financial impact on the District, or

b) if the employee obtains insurance coverage from another employer.

2.) Teachers who qualify for early retirement may maintain other insurance coverage and make the necessary payments to the Board, subject to the eligibility requirements and rules of the insurance carrier.

B. The following is the final offer of the Association.

H. E. A. FINAL OFFER #1 07/16/81

STEP	B.A.	EA+8	BA+16	EA+24	MANIF EA+30	M.A.	MA+8	MA+16	MA+24	
1	12,921	13,246	13,568	13,891	14,214	14,537	14,859	15,184	15,506	
2	13,568	13,891	14,214	14,537	14,859	15,184	15,506	15,830	16,152	
3	14,214	14,537	14,859	15,184	15,506	15,830	16,152	16,475	16,798	
4	14,859	15,184	15,506	15,830	16,152	16,475	16,798	17,122	17,445	
5	15,506	15,830	16,152	16,475	16,798	17,122	17,445	17,768	18,090	
6	16,152	16,475	16,798	17,122	17,445	17,768	18,090	18,414	18,736	
7	16,798	17,122	17,445	17,768	18,090	18,414	18,736	19,060	19,383	
8	17,445	17,768	18,090	18,414	18,736	19,060	19,383	19,706	20,029	
9	18,090	18,414	18,736	19,060	19,383	19,706	20,029	20,352	20,674	
10	18,736	19,060	19,383	19,706	20,029	20,352	20,674	20,999	21,321	
11		19,706	20,029	20,352	20,674	20,999	21,321	21,644	21,967	
12			20,674	20,999	21,321	21,644	21,967	22,290	22,613	
13				21,644	21,967	22,290	22,613	22,937	23,259	
14					22,613	22,937	23,259	23,583	23,905	
15						23,259	23,583	23,905	24,228	24,551

## VOLUNTARY EARLY RETIREMENT

(a) Eligibility and Notice. For purposes of this Article the terms "retire", "retiring", and "retirement" shall be construed to limit eligibility and benefits to employes who have taught at least ten (10) years in the District and who are eligible to apply for and receive a retirement annuity from the State Teacher's Retirement System (STRS). Early retirement benefits shall be available to teachers who resign from their regular teaching position. Teachers who plan to take early retirement shall notify the Board of their intention to do so at least ninety (90) days prior to their expected date of retirement.

(b) Contribution to STRS. Teachers shall be eligible to receive early retirement benefits from the STRS as authorized by Section 42.245(2) (bm), Wis. Stats. The District shall make payments to the STRS pursuant to the requirements of Section 42.245(2) (bm), Wis. Stats. and the administrative rules of the STRS. The amount of the District payment shall be that calculated and required by STRS. The Board shall provide each retiring employee with a Letter of Agreement which specifies the amounts to be paid to STRS in behalf of the retiring employee and which shall bind the Board to make the payments as specified. A copy of said Letter shall be forwarded to the Association.

(c) Insurance Coverage. Teachers who retire shall be eligible to remain in the group insurance coverages maintained by the District. For all retiring teachers, the Board shall make the same hospital/surgical/medical insurance contributions on behalf of retirees, for a period of three (3) years following a retiree's retirement, that is made on behalf of all other unit employees; except that, where a retiring teacher becomes eligible for medicare, the Board shall pay the cost of the medicare policy plus the cost of additional insurance coverage which, when added to medicare, is equivalent to the coverage provided all unit employees. Retiring employees who wish to maintain other insurance coverages shall, subject to the eligibility requirements and rules of the insurance carrier, make the necessary payments to the Board for the desired coverages.

V. FACTORS CONSIDERED. The following factors have been considered in this award, as stated in Section 111.70 (4) (cm) 7:

"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 employees 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."

VI. THE LAWFUL AUTHORITY OF THE EMPLOYER. There are issues here as to the lawful authority of the Employer to meet either offer. They appear in the parties' offers on early retirement and will be discussed there.

VII. THE STIPULATIONS OF THE PARTIES. The parties have stipulated to an agreement with all other issues related to their new agreement.

VIII. THE INTERESTS AND WELFARE OF THE PUBLIC. The interests and welfare of the public are being treated here in relation to specific issues.

IX. THE FINANCIAL ABILITY OF THE UNIT OF GOVERNMENT TO MEET THE COSTS. The financial ability of the Employer to meet the costs has been raised by the Employer in both of the issues here, and this factor will be treated in relation to those issues. However, the equalized property value for the district was \$617,156,249, the tax levy \$2,382,018, and the rate 3.86, an increase of 9%.

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Table 1

Exhibit # A 12

HARTFORD COMPARABLE STAFFING DATA 1980-81

<u>School</u>	<u># Students</u>	<u># Teachers</u>	<u>Prof. Staff</u>	<u>Teacher Ratios</u>	<u>Prof. Ratios</u>
West Bend	6,446	398.24	447.54	16.2	14.4
New Berlin	5,513	351.50	377.50	15.7	14.6
Oconomowoc	4,944	291.04	318.74	17.0	15.5
Menomonee Falls	4,794	302.10	332.60	15.9	14.4
Hartford UHS	1,845(4,725)	95.16(287.28)	101.16(310.28)	19.4(16.4)	18.2(15.22)
Nicolet UHS	1,818(4,672)	116.20(306.35)	126.20(337.45)	15.6(15.3)	14.4(13.8)
Arrowhead UHS	1,580(4,598)	85.29(274.93)	94.29(298.93)	18.5(16.7)	16.8(15.4)
Mukwanago	4,529	248.60	280.60	18.2	16.1
Muskego	4,079	233.78	254.78	17.4	16.0
Watertown	3,472	193.75	218.95	17.9	15.9
Kettle Moraine	3,469	222.84	248.86	15.6	13.9
Hamilton	3,355	217.40	234.40	15.4	14.3
Germantown	3,042	181.60	202.60	16.8	15.0
Hartford Rank	5/13	6/13	6/13	13/13*(7/13)	13/13*(8/13)
Average	(4,435)	(269.95)	(297.17)	16.9(16.5)	15.3(15.0)

( - Totals with K-8 feeder schools  
 \ - High school only ranked



The following table shows the 9-12 students in the above list of compared schools (Assn. 14):

Table 2

HARTFORD/COMPARABLES HIGH SCHOOL MEMBERSHIP - 1980-81(1)

<u>School</u>	<u># Students (9-12 Only)</u>
West Bend	2,546
New Berlin	2,222
Oconomowoc	1,814
Menomonee Falls	2,332
Hartford UHS	1,845
Nicolet UHS	1,818
Arrowhead UHS	1,580
Mukwonago	1,345
Muskego	1,571
Watertown	1,416
Kettle Moraine	1,116
Hamilton	1,435
Germantown	1,215
Average	1,712
Hartford Rank	4/13

The following is the list of comparables used by the Board in its exhibits (Board Ex. 7):

Table 3

COMPARABLE SCHOOL DISTRICTS\*

<u>School District</u>	<u>1980-81 Pupil Enrollment</u>	<u>1980-81 Staff Size (F.T.E.)**</u>
Beaver Dam	3283	191.7
Germantown	3042	181.6
Hartford Union H.S.	1845	95.16
Oconomowoc	4944	291.04
Watertown	3472	193.75
Waupun	2692	141.2
West Bend	6446	398.24

\*As determined by Arbitrator Kay B. Hutchinson in Hartford Union High School District, Case XII, No. 23751, MED/ARB-263, (September 12, 1979)

\*\*F.T.E. - Full-Time Equivalency

Source of Data: Publication by the Wisconsin Department of Public Instruction, Information Services Section, entitled "Census, Enrollment, Ethnic and Staff Information Report"

Q) Source: DPI Bulletin No. 1322, 1980-81 Basic Facts

B. The Association Position on Comparable Districts. Hartford Union High School is in CESA District 16. There are 18 schools in this district. Schools not in CESA District 16 in the Association list are Watertown and Nicolet, the latter being in CESA 19 which includes Milwaukee County. The Association considers as a secondary list other high schools of comparable size in CESA, namely Waukesha and Elmbrook, and the high schools of Milwaukee County.

The Association selected school districts in the Milwaukee region for comparability. It states that data shown in its Exhibit A16A reveal that a large percentage of teachers go to the Milwaukee area for purchases and services. It also asserts collectively bargained wages for Milwaukee for the construction trades in Milwaukee include Washington County in the trade area.

The Association notes that four of the districts it has selected in its primary list had not settled at the time of the hearing. These were West Bend, Nicolet, Arrowhead and Germantown. The primary comparables were selected from the CESA 16 school districts plus Nicolet Union High School and Watertown. Nicolet was chosen because of proximity and the fact that it is a Union High School District, and Watertown because of geographic proximity and because it has been used in past lists. School districts eliminated from the CESA 16 list were eliminated because of lack of comparability in size.

The Association did not include the Hartford Elementary School District, and excluded certain K-8 feeder districts to Hartford, because they were in a "catch-up" situation.

While the Association would include the Milwaukee County school districts in its primary list of comparables, it has excluded them from that list because the power relation of employees to extract contract benefits is perceived to be less in the CESA 16 area. The CESA districts however are formed out of local districts having a high degree of comparability. The Association contends that awards in arbitration have reflected the view that schools in CESA districts are comparable.

With respect to the Board's contention that the Board's list of comparable districts should be the basis of comparability, the Association holds that Arbitrator Hutchinson, who made a previous award using these schools, did so reluctantly; and she implied that this list was not a satisfactory basis for comparison. The Board's list has essentially identified athletic conference schools. While the Association is not taking a position on the use of athletic conference schools in certain portions of Wisconsin, it is asking the arbitrator to review whether that criterion should apply here.

The Association says that it never agreed on any comparables in negotiations, and the matter of lists was never discussed face to face, across the board, between the parties.

C. The Board's Position. The Board says that it made an unbiased choice in selecting comparables by selecting the same districts that Arbitrator Hutchinson used in the last arbitration involving the parties. These districts are not wholly favorable to the Hartford District, were selected from among the comparables offered, and included schools with pupil enrollment and staff size that are significantly larger. The Association, on the contrary, has selected districts to get the best numbers; but during negotiations, it had used the same list as the Board used.

The five districts selected by Arbitrator Hutchinson were cited in common by the parties, and she selected one other school cited by the Board. With the exception of Germantown, each school was a member of the Little 10 Athletic Conference. Athletic conference schools are grouped on the basis of enrollment and geography and are considered comparable. Arbitrators have supported the comparability of conference districts.

There is also a basis to be found for comparing Union districts with K-12 districts in the same conference, according to Arbitrator Hutchinson.

The Board sees no reason to determine a new set of comparables. The previous arbitrator rejected inclusion of Milwaukee County districts and most Waukesha County districts. The Association's exhibits are old and its arguments are old, and not based on current information which would justify a change. The Board regards the Association's survey of where its members shop as worthless, in part because of lack of statistical controls. Similarly the Board considers the Association maps of where private sector settlements are valid also as worthless, because no criteria were established in how the jurisdictional areas were arrived at.

As for the using of CESA 16 schools for comparability, the Board holds that Hartford Union High School being in CESA 16 is not meaningful. The Board purchases its special education services from CESA 13, the schools of which are more comparable to Hartford than Waukesha County CESA 16 schools.

The Board regards the schools in the northern tier of Waukesha County as part of suburban Milwaukee and "bedroom" suburbs, whereas Hartford is an independent trading center. The Board does not consider Hartford to be in the proximity of an urban area.

The Board cites decisions in arbitration to support a re-affirmation of comparables used in other cases.

The Board also contends that the Association switched the comparables it was using in negotiations and came up with a new list at arbitration time.

D. Discussion. The matter of determining comparability in this matter presents some difficulty. The Board's argument for the use of districts accepted by a previous arbitrator would have more weight if there were data about all of the districts in the Board's list as to student population, teaching staff, and other information. The Board has not supplied such data, and in the absence of it, this arbitrator is reluctant to make a judgment that the Board's entire list is the most valid one.

However, some of the Board's list of comparables are also included in the Association's list, and these districts which both hold as comparable will be considered by this arbitrator to be among the list of primary comparables. Board comparables about which the arbitrator has little data are Beaver Dam and Waupun. The arbitrator also considers these two districts as comprising areas more rural and distant from the Milwaukee metropolitan area than the other districts which are more strongly influenced by the economic conditions in that area. The arbitrator also has but little information on Arrowhead.

The districts held in common by both parties are West Bend, Oconomowoc, Hartford, Watertown and Germantown. Two of these districts, however, had not settled at the time of this hearing, and so their value for comparison is diminished. That leaves but three districts held in common by the parties to be fully useful here.

A review of the Association list of comparables reveals some districts which the arbitrator believes have only secondary value for comparison. These are districts in the southern tier of Waukesha County districts. They are the New Berlin, Mukwonago, and Kettle Moraine Districts.

Other districts which the arbitrator believes have value in comparison because of proximity and size of the high school component are Menomonee Falls, Arrowhead, and Hamilton. They are in the same economic and trading area north and west of Milwaukee.

The arbitrator does not believe that the Nicolet District should be considered as a primary comparison district, even though it is a union high school district. This is because it is in Milwaukee County and has a very much stronger tax base per student than other union high school districts (Ex. A. 62).

Thus the arbitrator on the basis of data supplied believes that the following districts are the most comparable:

<u>District</u>	<u>Students</u>
Hartford	1,845
Menomonee Falls	2,332
Oconomowoc	1,814
Watertown	1,416
Arrowhead	1,580
Hamilton	1,435
Germantown	1,215
West Bend	2,546

Of secondary value in comparison are the districts of Waupun, Beaver Dam, New Berlin, Mukwonago, Kettle Moraine and Nicolet.

The arbitrator has not used the three union high school districts for primary comparison, because one has not settled and one other, Nicolet, is in Milwaukee County with its special internal economic influences. However, the arbitrator believes that the Hartford District is somewhat influenced by the Milwaukee metropolitan region economy and is not simply an independent trading center surrounded by a strictly rural economy.

#### XI. WAGES - COSTS OF SALARY AND TOTAL SALARY AND BENEFITS.

The following table is derived from Association Exhibits A53, and A54, as corrected in a letter from the Association as of November 25, 1981:

Table 4

COSTS OF SALARY AND BENEFITS, RETURNING TEACHER  
METHOD, ASSOCIATION ESTIMATE

I. Salary Alone

<u>Offer</u>	<u>Salary 1980-81</u>	<u>Proposed Salary 1981-82</u>	<u>Inc.</u>	<u>% Inc.</u>
Association	\$1,720,090	\$1,920,890	\$200,800	11.67
Board	1,720,090	1,903,220	183,130	10.65
Aver. Assn.	18,250	20,381	2,131	11.67
Aver. Bd.	18,250	20,193	1,943	10.65

II. Salary and Benefits

	<u>Salary and Benefits 1980-81</u>	<u>Proposed Salary and Benefits 1981-82</u>	<u>Inc.</u>	<u>% Inc.</u>
Association	\$2,297,374	\$2,582,887	\$285,691	12.43
Board	2,289,340	2,561,858	264,484	11.51
Aver. Assn.	24,375	27,405	3,029	12.43
Aver. Bd.	24,375	27,182	2,806	11.51

The Association claimed in its Exhibit 49 that the Board costs should be further reduced by the amount of \$18,072 which represents interest to the Board at 12% in money which otherwise would have been paid to the employees. The Board calculated in Board Exhibit 138 that at the most this could be \$4,964. Using these data, the Association says in Exs. A53A and A54A that its overall cost would only be 12.21% and the Board's overall cost would be 11.30%. In each case this calculated savings would cause a drop of about 0.2% in either offer for all costs.

The following information is derived from Board Exhibits 15 and 16:

Table 5

COSTS OF SALARY AND BENEFITS, BOARD ESTIMATE

I. Salary Alone

<u>Offer</u>	<u>Salary 1980-81</u>	<u>Proposed Salary 1981-82</u>	<u>Inc.</u>	<u>% Inc.</u>
Association	\$1,719,518	\$1,920,877	\$201,369	11.7

The Association contends that Board Exhibits 15 and 16 are inaccurate in total costs, because life insurance (not shown separately here) is improperly calculated. If the Association calculation is correct, then the salary costs are about 1.0% apart and overall costs about 0.9% apart. The Board rejects the Association criticism of its calculations in Board Exhibits 15 and 16.

The following are selected steps in the salary schedule to show comparison of the offers (Bd. 8 and 9):

Table 6

SELECTED STEPS IN THE SALARY SCHEDULE IN THE OFFERS  
FOR 1981-82

Offer	BA Base	MA Base	MA Top	MA + 24 Top
Association	12,921	14,537	23,583	24,551
Board	12,803	14,404	23,366	24,326
Difference	118	133	217	225

XII. WAGES - COMPARISONS

The following are comparisons on 1981-82 settlements and offers in the primary and secondary comparables as ascertained from Association and Board exhibits:

Table 7

SELECTED STEPS IN SALARY SCHEDULES OR PROPOSED SALARY SCHEDULES,  
1981-82, FOR PRIMARY AND SECONDARY LISTS OF COMPARABLE DISTRICTS\*

A. Primary List

<u>District</u>	<u>BA Base</u>	<u>MA Base</u>	<u>Schedule Maximum</u>	<u>Longevity at Maximum</u>
Arrowhead	-	-	-	
Germantown				
Assn.	12,970	14,917	26,599	
Bd.	12,875	14,806	26,394	
Hamilton	12,848	14,526	26,980**	+ 1,440
Hartford				
Assn.	12,921	14,537	24,551	
Bd.	12,803	14,083	24,326	
Menomonee Falls	12,740	14,409	26,295	
Oconomowoc	13,200	14,860	25,835	800
Watertown	12,950	14,393	25,390	
West Bend				
Assn.	12,833	14,245	26,435	
Bd.	12,773	14,178	26,310	

(continued)

Table 7 - continued

B. Secondary List

<u>District</u>	<u>BA Base</u>	<u>MA Base</u>	<u>Schedule Maximum</u>	<u>Longevity at Maximum</u>
Beaver Dam	12,550	14,434	23,865	
Kettle Moraine	12,742	14,287	24,273	1,119
Mukwonago	12,996	14,432	25,646	1,200
Muskego-Norway	13,040	13,955	28,740	
New Berlin	13,220	14,805	26,640	600
Nicolet				
Assn.	12,866	13,833	29,678	
Bd.	12,778	13,738	29,475	
Waupun	12,525	14,153	23,171	
Hartford				
Assn.	12,921	14,537	24,551	
Bd.	12,803	14,083	24,326	

\* Data from Board Exhibits 17, 18, 19 and 20, and Association Exhibits 51, 68, 70B, 71, 72B, 73B, 74A & D, 75B, 76A, 77A, and 78A.

\*\* This amount is shown as \$25,540 in Association Exhibit 64B.

The following information is derived from Association Exhibit 59:

Table 8

COMPARISON OF SALARY INCREASES PER TEACHER FOR 1981

A. Primary List

<u>District</u>	<u>Increase</u>	<u>% Increase</u>
Arrowhead	-	-
Germantown		
Assn.	2,061	11.69
Bd.	1,919	10.43
Hamilton	2,073	11.9
Hartford		
Assn.	2,131	11.67
Bd.	1,943	10.65(1)
Menomonee Falls	2,333	11.52
Oconomowoc	2,193	11.52
Watertown	2,108	11.35
West Bend		
Assn.	2,055	11.99
Bd.	1,935	11.29

B. Secondary List

Beaver Dam	-	-
Kettle Moraine	1,842	11.1
Mukwonago	1,903	11.11
Muskego	1,979	11.36
Nicolet		
Assn.	2,597	11.85
Bd.	2,429	11.08
New Berlin	-	-
Waupun	-	-
Hartford		
Assn.	2,131	11.67
Bd.	1,943	10.65(1)

(1) Board states that its offer costs 10.7%.

The Association asserts that the average of all settled districts for increase is \$2,061, an increase of 11.69%. The average of all its figures including both offers in unsettled cases and an estimate of a 14% increase in New Berlin is an increase of 11.53% (Assn. 59).

The Association listed all 1981-82 CESA 19 salary settlements. The districts are in Milwaukee and Ozaukee Counties. The average dollar increase was listed as \$2,288 and the average percentage increase as 11.44% (Assn. 60). The Board notes that this exhibit is not correct in that the Board offer is a 10.7% increase.

The following information is abstracted from Board Exhibits 15 and 21:

Table 9

TOTAL SETTLEMENT COSTS FOR SELECTED DISTRICTS, 1981-82

<u>District</u>	<u>Total Settlement Cost, 1981-82</u>	<u>Dollar Increase</u>	<u>% Increase</u>
Hartford			
Assn.	\$2,583,890	\$287,685	12.5
Bd.	2,560,843	264,635	11.6
Oconomowoc	7,283,350	775,314	11.9
Watertown	5,425,365	608,251	12.6
Beaver Dam	4,474,303	505,681	12.74
Waupun	3,086,149	327,646	11.87

The first three districts above are in the primary comparison group. The Association argues that the overall settlement costs for Oconomowoc were 12.2% (letter, Nov. 25, 1981). The Board stands by its calculation (letter, Dec. 1, 1981). The Association says that the salary increase in Waupun was 11.3% and the overall cost 12.2%.

The Board reports that with respect to settlements in 1981 up to October 1st, 162 districts reported an average total settlement increase of 11.3% and the average base salary increased \$930, or 8.3% (Bd. 22).

The Board provided information on salary schedules of its group of comparables from 1978-1981. The following table is abstracted from these exhibits 24 through 46:

Table 10

SALARIES AT SELECTED STEPS FROM BOARD'S LIST OF COMPARABLE, 1978 to 1981

A. 1978-1979

<u>District</u>	<u>BA Base</u>	<u>Rank</u>	<u>MA Base</u>	<u>Rank</u>	<u>Sch. Max.</u>	<u>Rank</u>
Beaver Dam	\$ 9,900	7	\$11,212	4	\$18,055	7
Germantown	10,260	1	11,799	2	20,520	3
Hartford	10,050	5	11,050	7	19,200	6
Oconomowoc	10,200	2/3	11,800	1	21,045	1
Watertown	10,150	4	11,674	3	19,902	4
Waupun	10,000	6	11,100	6	19,425	5
West Bend	10,200	2/3	11,177	5	20,600	2



Table 10 - continued

B. 1979-80

<u>District</u>	<u>BA Base</u>	<u>Rank</u>	<u>MA Base</u>	<u>Rank</u>	<u>Sch. Max.</u>	<u>Rank</u>
Beaver Dam	\$10,500	7	\$11,891	6	\$19,149	7
	10,600		12,005		19,333	
Germantown	10,930	2	12,570	2	21,860	3
Hartford	10,650	6	11,980	5	20,240	5
Oconomowoc	11,085	1	12,685	1	22,460 + L	2
Watertown	10,800	3	12,420	3	21,162	4
Waupun	10,660	5	12,046	4	19,721	6
West Bend	10,700	4	11,877	7	22,577	1

C. 1980-81

Beaver Dam	11,540	4	13,185	4	21,187	6
Germantown	11,950	2	13,744	1	24,500	1
Hartford	11,500	5	12,938	6	21,850	5
Oconomowoc	12,000	1	13,660	2	24,410	2
Watertown	11,800	3	13,570	3	23,135	4
Waupun	11,450	6	12,939	5	21,183	7
West Bend	11,325	7	12,571	7	23,896	3

The arbitrator's conclusions on these data will appear in Section XV C, following.

XIII. WAGES - COMPARISONS WITH OTHER SCHOOL PERSONNEL.

The following chart is derived from Board Exhibit 47:

Table 11

1981-1982 SALARY INCREASES  
FOR SCHOOL PERSONNEL OTHER THAN TEACHERS

	<u>Average Salary Percentage Increase</u>	<u>Mode Salary Increase</u>
SCHOOL ADMINISTRATORS		
Five Employees	10.84	10.2
SCHOOL SECRETARIES		
Twenty Employees	9.61	9
SCHOOL CUSTODIANS		
Twelve Employees	9.21	9.3
SCHOOL COOKS		
Ten Employees	9	9

The percentage increase for each category of school personnel is based upon salary alone; the fringe benefits were not included. The mode salary was the percentage increase most commonly received in each group.

Source: Hartford Union  
High School Administration

XIV. WAGES - COMPARISON WITH WAGES IN THE PRIVATE SECTOR.

Board Exhibit 48 related to salary increases in the private sector in the Hartford area. Percentage increases at six major employers were given. The percentages ranged from 8% to 10%. Four of the six employers reported employment down. Four companies anticipated raises of 8 to 10% in the next year and two did not know.

The Board also inquired about wage increases in private firms in its comparable districts' jurisdictions. Increases ranged from 3% to 11% with the most being around 6% to 8% (A 49).

The Board included in its exhibits information that median first year wage gains as of October 26, 1981, brought a 9.8% increase, and that the business outlook showed serious trouble which was not temporary.

XV. WAGES - THE POSITION OF THE PARTIES AND THE ARBITRATOR'S OPINION ON WAGES.

A. The Association's Position. The Association notes that although it and the Board have used slightly differing methods for costing final offers, the results are not so different, and it is clear that the Board can pay the Association offer. The Association contends that when the Hartford salary schedule for 1980-81 is ranked on a cell by cell basis within the BA and MA lanes with the districts the Association has found comparable, the Hartford salaries with the exception of the BA bottom step are less. The Association also contends that the average dollar increase of \$2,131 for the 94.25 FTE members is reasonable on the basis of comparisons. It judges that this average increase is less than the average increase in Oconomowoc.

The Association stresses that there is an importance in comparing union high school districts with union high school districts. Hartford District, then, when compared to the nearby Arrowhead District (A 56) was deficient in 1980-81 in all areas of the salary schedule with the exception of a few steps at the top of three BA lanes. However, with respect to the BA + 0 lane, the salary difference between Hartford High and Arrowhead at the top (Step 15) amounted to \$2,925. The Association says that this alone demonstrates why there is a need for catching up in the Hartford District.\*

The Association comments on its exhibits comparing the Hartford offers with the CESA 16 schools that the Association considers comparable. The salary offers of Hartford are lower than the average salary found in the CESA 16 schools. Some of these CESA 16 schools also have longevity, so the differences are more significant.

The Association notes that the Hartford District has been at the lower end of the range, even using the comparables of the Board; but it notes that its offer does not get it out of this range and "hop" over other districts. It notes that the Board's offer falls a full percentage below the average offer of the Association's comparables.

The Association also contends that the Board average increase of \$1,943 per teacher is below that already obtained by two of the Board's comparables, Oconomowoc and Watertown. The Association states that the Board average offer is \$160 below the average increases obtained by teachers in CESA 19 districts which the Association considers as secondary comparables.

\*The Board says A 56 is incorrect because it shows a MA + 30 lane and a Step 16, which Hartford does not have. The Association says that the use of Step 16 is correct as it represents a teacher with 16 years' experience.

The Association says that its exhibit shows that the Hartford District has a lower cost per member than all of the other comparable districts, but the teachers have a larger load. This reinforces the need for catch-up.

The Association states that Board Exhibit 21 supports the Association position in that Board comparables Beaver Dam and Watertown have percentage increases exceeding that of the Hartford increase for total expenditures.

The Association states that state-wide basis of comparison is unfair because the cost of living of Hartford in the Milwaukee metropolitan area exceeds the cost of living in remote areas of the state.

B. The Board's Position. The Board states that it has made a reasoned decision in its salary proposal. It relies on the testimony given at the hearing by Mr. James Roethle, a Board member and financial analyst, who testified that the Board as a political body needed to consider as many economic factors as possible so that the community would accept the decision, and it would still be equitable for the teachers. The Board has accomplished these goals. It considered the impact of the national recession and the deteriorating economy with many people out of work and people with lower wage increases or no increase at all. The Board says that it is unfair to give the highest wage increase that has ever been demanded when the people suffering the effects of the economy have to pay for it. This would produce community resentment against the teachers, since their proposal is excessive compared to what others are getting. Local area settlements for wages are between 8 and 10%; also, the average settlement for teachers throughout Wisconsin is 8.3%. In Hartford other public employees received a smaller percentage increase than did the teachers, including the school administrators. Also a lessening rate of inflation does not justify the teachers' demands.

The Board also holds that its salary proposal is equitable in relation to comparable schools and that the dollar increase per teacher for its list of comparables shows that the Board offer for salary and total benefits is second highest. With respect to take-home pay, the Board offer occupies a respectable middle position. Moreover since 37% of the teachers are at the top of the schedule, 63% of the teachers will get an 11.3% increase.

The Board notes that Hartford has always ranked at or near the bottom of salaries in the comparable districts for many years, but it has been slowly moving upward, and it continues that upward movement in the present proposal.

The Board contends that over one-half of the teachers in the steps will be getting an 11.3% increase without counting fringe benefits, and it notes that between 15 and 20 teachers each year will move to a higher lane at a cost of one-half of one percent of the total salary costs.

The Board states that its offer is fair and equitable compared to other salaries in the community. Actually a really equitable offer would be one percent less than the Board offer, and the Board does not recognize any need for catching up.

The Board notes that its exhibits show that there is a cloudy outlook for the economy that will not readily be reversed. The public employer must be sensitive to the public outlook where retrenchment and careful money handling is required. Public employment is a kind of business and must be treated as such. Thus the Board offer under the economic uncertainties is fair and equitable.

The Board reported that out of 180 salary surveys received by the Wisconsin Association of School Boards, 162 responded with information on the total package increase. This averaged 11.3%. The average base salary increase was \$930 or 8.3% for 1981-82. The Board notes that its proposed dollar and percentage increases for base salary and total compensation exceed this.

On the basis of the same survey, the Board notes that it is paying full health and life insurance costs and has disability and dental insurance benefits. Health and dental insurance costs have gone up substantially, and one should not only look, then, just at base wages.

C. The Opinion and Conclusions of the Arbitrator. The arbitrator, on the basis of the data, testimony, and arguments supplied, is of the following opinion and conclusions:

1. The Employer has the ability to meet the costs of either offer.
2. The past pattern of wages in the Hartford District has been such that Hartford placed in the low end of the lists whether the Board list is used or the Association list is used.
3. The Board makes a slight improvement in its own offer, and the Association offer does not make significant changes in the ranking of the parties with respect to others.
4. The Board is lowest for schedule maximums among the primary group and lowest among the secondary group, but its offer is better than the rates in Beaver Dam and Waupun in most cases. These districts, however, as has been noted, are farther from the influence of the commercial and manufacturing area of Milwaukee.
5. Union high school districts in this matter do not admit of comparison as the primary comparables. Three districts are listed here, Nicolet, Arrowhead and Hartford. Of these three districts, no current data is available on Arrowhead, and Nicolet, because of its Milwaukee County location, must be considered in the list of comparables of secondary value.
6. On the basis of the data shown in Tables 7, 8, and 9, it is the opinion of the arbitrator that the Board offer is a low one in comparison to both the primary and secondary groups, both in dollar amount and percentage increase.
7. On the basis of the data in Table 9, the arbitrator is of the opinion that the Board's offer is low with respect to the Board's own list of comparables.
8. On the basis of the past history of the conditions found listed in Table 10, plus the slightly higher pupil load for Hartford District teachers, the arbitrator is of the opinion that the Hartford District has a problem of needing some movement toward catching up, particularly at schedule maximums.
9. In comparison with other employees of the Hartford District, the Board offer is a favorable offer from a percentage increase standpoint.
10. In comparison with employees in the private sector in Hartford, the Board offer is adequate.

11. On the matter of whether it is in the interests of the people of the Hartford jurisdiction to meet the cost of the Association offer, when there is a recession and people are being laid off, this appears to the arbitrator to be the most weighty argument of the Board for its whole offer. However, the arbitrator is of the opinion that of the factors to be weighed, the conditions which prevailed in the settlement in 1981-82 of comparable districts are more weighty, and that the Association offer is more comparable to settlements for the school year of 1981-82, both in base wages and overall costs. Therefore the weight of the factor of comparability is being judged to lie with the Association offer.

12. In weighing the comparability of the increases in wages for employees other than teachers under the control of the Board, and of employees in the private sector against the comparability of the teachers with other teachers, the arbitrator holds that the latter type of comparability should be given greater weight, in that the latter type of comparability concerns employees doing the same type of work. As observed earlier, in this type of comparability the Association offer meets the statutory criterion more closely.

XVI. COST OF LIVING.

The Association provided information concerning the cost of living, and what it believes has been the impact on the purchasing power of the teachers. In its calculations it used the Milwaukee Consumer Price Index for Urban Wage Earners and Clerical Workers. Association Exhibit 45 states the 1975 CPI for Milwaukee as 155.4 and the 1981 level at 283.4, an increase of 82.4%. The exhibit does not specifically state for what period the stated indices apply, but some reference to July 1, 1981, in Association Exhibit 45 leads the arbitrator to the conclusion that the time the indices apply is at July 1, 1981. The following table makes the point of Association Exhibit 45:

Table 12

ASSOCIATION ESTIMATE OF LOSS OF TEACHER PURCHASING POWER

<u>Year</u>	<u>CPI</u>	<u>% Inc.</u>	<u>BA Base</u>	<u>MA Maximum</u>
1975	155.4		8,550	
1981	283.5	82.4		
Bd.			12,803	23,366
Assn.			12,921	23,583
1981 at CPI Change			15,598	28,551

Association Exhibit 48 A showed the Milwaukee CPI-W to stand at 283.5 for May 1981 and at 291.2 for July 1981. The July CPI-W index for Milwaukee was an increase of 13.8%, whereas the U. S. increase was 10.8% (Assn. 48 B).

The Association also presented data showing that the median household effective buying income for Washington County was \$22,613 in 1979-80, and went to \$25,895 in 1980-81, an increase of 14.51%.

Board Exhibit 74 gave information on the CPI-W for the Milwaukee area for September 1981. The index stood at 292.1, a change of 0.3% from the previous two months, and 11% from a year ago.

Discussion. The data furnished by both parties presents some contrasting information. The Association data for July 1981 shows that the CPI-W for Milwaukee in July 19, 1981, showed an increase of 13.8%, whereas the later date of the Board showed that in September the index showed an 11.0% increase. Which of these data should be applied here? It is the custom of this arbitrator to apply the data that was developed just prior to the initiation of a contract. Thus the July 1981 data is applicable, as it indicates that during the time of the previous teaching year, the wages of the employees lost purchasing power. The data now being developed as shown in the September CPI-W here and the November CPI-W later show a declining rate of increase, and these data will then be applicable for any future agreement that may be reached.

On this basis the arbitrator holds that the Association offer more closely met the standard of change in the cost of living for the period at the time the agreement was supposed to have commenced for the school year of 1981-82.

The arbitrator is not persuaded by the argument of the Association that the factor of lost purchasing power should be given much weight. While it is of some interest, it must be deemed that all unions in delayed settlements experience this phenomenon, so it is an experience comparable to all parties' settlements.

XVII. OVERALL COMPENSATION. Information on overall costs has been reported earlier. Data was furnished in Association Exhibits 53 and 54, and Board Exhibits 15, 16 and 21. The overall cost of the Association offer would come to 12.5% and to the Board offer of 11.6%. The arbitrator believes on the basis of the data in Table 9 that the Association offer produces a more comparable offer on the basis of a 12.25% average increase for Oconomowoc, Watertown, Beaver Dam, and Waupun.

XVIII. BENEFITS - EARLY RETIREMENT.

A. The parties have been negotiating on early retirement proposals. These have been fully stated in the final offers. The following is the arbitrator's comparative analysis of the offers.

Table 13

COMPARISON OF CONDITIONS IN  
EARLY RETIREMENT OFFERS

	<u>Association</u>	<u>Board</u>
1. Eligibility	a. 10 years in District b. Eligible under STRS c. Regular teaching position	a. 62 years by June 30 of retirement years b. Retirement at conclusion of teaching year, beginning 1981-82 c. No persons discharged, terminated, or on long-term disability d. Full-time teacher e. 15 consecutive years of teaching

Table 13 - continued

	<u>Association</u>	<u>Board</u>
2. Notice	a. 90 days ahead	a. Voluntary retirement by Feb. 1 "of the year prior to retirement." b. Request for benefit
3. STRS Contribution	a. District to make payment as required by S. 42.245 (2) (bm) and admin. rule b. Bd. to provide letter on amounts to be paid. Bd. bound. Assn. gets copy.	a. Bd. to pay full cost of STRS differential till age 65 b. Bd. to provide letter of agreement. Assn. to get copy
4. Insurance	a. Retirees eligible for group insurance b. Bd. to make same contribution as for others for three years c. If retiree on medicare, Bd. to pay medicare, plus additional amt. equal to coverage of others d. Additional coverage open to employee, subject to payment by employees and other terms	a. Bd. to provide same hospital/surgical/medical insurance as others until 65 b. Termination if unemployment compensation sought at cost to Bd. c. Termination of other insurance coverage d. Other insurance possible under terms e. Medicare coverage (Bd. letter 11/25/81)
5. Qualifications		a. Replacement costs and benefits must be less than the cost of retaining the employee b. No more than 3 employees eligible at any one time unless Bd. agrees c. Sole discretion with Bd. to select number and persons
6. Limitations		a. Article void if law or regulations are materially altered b. Article void if found discriminatory by court
7. Effective date	a. 90 days	a. End of school year

The Association and the Board provided information on various conditions in districts they considered comparable. The following table is abstracted from Association Exhibits 22, 23, 24, 25, 26, 27, 28, 29, and 30, and Board Exhibit 65:

Table 14

## COMPARISON OF ELEMENTS OF EARLY RETIREMENT FEATURES IN COMPARABLE DISTRICTS

<u>District</u>	<u>Min. Age</u>	<u>Years Service</u>	<u>Notice Day</u>	<u>Duration Obligation</u>	<u>Effective Date</u>	<u>Qualifications</u>	<u>Limitations</u>	<u>Insurance</u>
A. Hartford Assn.	55	10	90 Da.	3 yrs.	After 90 Da.	No	No	(Health for 3 yrs.
Bd.	62	15 cons.	2/1	3 yrs.	End of yr.	Yes <sup>(4)</sup> (5)	Yes	(Medicare, Health to 65. Exceptions 3/4 Health & Life to 65
Arrowhead	60	20	N.S.	To 65	N.S.	No	No	---
Germantown	55	15	8/15 <sup>(3)</sup>	Sec. 42.245	End of yr.	No	No	Fam. Health to 65
Hamilton	62	20	1/15	To 65	62 in 1st sem.	No	No	
Meno. Falls	60	15	2/1	To 65	9/1 after yr. end	No <sup>(5)</sup>	No	Health for 5 yrs. or 65
Oconomowoc	55	15	2/1 <sup>(2)</sup>	3 yrs.	At new sch. yr.	No	No	1/4 Life Ins. <sup>(6)</sup> 1/2 Health Ins.
Watertown	55	10	1 sem: 10/1 2 sem: 2/1	3 yrs.	End of sem.	No	No	3 yrs. or 70 Health ins.
West Bend Assn.	55	10	2/1	3 yrs.	End of sem.	No	No	Health & Dental 3 yrs. or 70
B. Beaver Dam	62	20	2/1	3 yrs.				50% to 61 100%, 62-64
Kettle Moraine	55	10	2/1	3 yrs.	End of yr.	Yes	Yes	Health & Dental 3 yrs.
Mukwonago	60/62	15/10 (cons.)	2/1	To 65	End of yr.	Yes <sup>(4)</sup>	Yes	Health to sch. yr. when 65
New Berlin								
Nicolet	60	10	N.S.	To 65		No		As for teachers
Waupun								
Muskego	62	0	2/15	To 65	End of yr.	No	No	Health to 65

(1) N.S. - not stated

(2) Year preceding retirement

(3) Prior to final contract year

(4) Based on replacement costs

(5) Maximum of 3

(6) Bd. says Oconomowoc pays 100% for 3 yrs. more



The Association in one of its exhibits states that only one person would be eligible for retirement under the Board's proposal if that person were born in 1920 between January and June. Under its proposal the latest retirement birth year would be 1927, and ten persons would be eligible (Assn. 32).

The Board supplied through its exhibit 58 an example of how the Board would calculate whether a replacement teacher would cost less than a retiring teacher. The Board, using the example of a retiring teacher at the step of M+16, earning \$21,000, having given 30 years of service and retiring at age 62 years, found this teacher would cost the Board approximately \$7,800 the first year and \$7,500 the third year if replaced by a teacher at BA+0, leaving the Board with a net savings of from \$5,400 to \$7,000.

The Board contends that one fourth of the state school districts have early retirement, and nearly all have some restrictions beyond those provided in Chapter 42, Stats. 85% have a minimum retirement year, and the most frequent minimum is 15 years. 20% of the districts have a maximum number of applicants. Timing of notification is also present (Bd. 64).

Other Board exhibits relate to efforts in the legislature to get a law enacted which presents the actual mechanism for combining the state employees' system, the state teachers' system and the Milwaukee teachers' system of retirement, and the concern expressed by the Wisconsin League of Municipalities that this law will broaden the exposure of the public employer. Costs might quadruple by the year 2019 (Exs. 69-73 inc.).

B. The Association's Position. The Association argues that there must be a flexibility in an early retirement system including opportunities for teachers suffering from "burn-out" to retire. This flexibility should allow a teacher to retire at the age of 55 when one can pursue an alternative career if that is desired. The Association objects to the limited opportunity afforded by the Board with the minimum age of 62. The Association also argues that ten years of teaching is a sufficient period of time for the Board to have benefited from the teacher sufficiently to justify retirement. A period of service for retirement longer than ten years would not be fair to older workers for the Board then would refrain from hiring a person 45 years or older.

The Association particularly objects to the Board's requirement of 15 years consecutive service. Under this proposal a teacher may have served 14 years and in the 15th year be cut back to a part-time position, and thus would be ineligible for early retirement. Also any teacher who took an unpaid leave of absence at sometime would be eliminated. The Board's provision is overly demanding, arbitrary and unfair. The Association holds that its provision is fairer, because it does not have the consecutive years' feature. Thus an employer can diminish the workload of a teacher without jeopardizing the retirement provisions.

The Association notes that the early retirement benefit does not increase the financial burden of the district, because the benefit is only for three years.

The Association objects to the replacement cost feature as being inhibitive of implementing the early retirement.

The Association also argues that the actual language of the provision related to the time of the notice means that the applicant must apply before February 1 of the year prior to the retirement year. Thus notice would have to be given in 1982 for retirement in 1983.

The Association holds that the ability of the district to predict the cost of a replacement teacher for the retiring teacher is impossible. Layoff procedures and other variables of employee management may cause a district not to hire new employees until the termination of the school year or into summer. The district would not permit replacement until the cost had been calculated. However, if the employer wants to do this, it is always possible to replace an experienced teacher by a less experienced teacher. Therefore the restriction in the contract is not needed.

The Association objects to the Board's proposal that no more than three teachers may be eligible for early retirement in a given year. This is discriminatory and may expose the school district to liability for discrimination. As for the number and selection of the teachers by the Board, the Board has no method of determining selection. A situation could arise when a teacher reaching 62 would be denied benefits which three other retirees are getting. The Department of Employee Trust Funds, however, would hold that the teacher was entitled to an annuity, but the Board's provision would deny those benefits. This discriminatory and arbitrary provision alone should cause the proposal to fail. Further provision permits discretionary treatment. If the provision is found discriminatory, then the benefit would cease entirely.

The Association also holds that its proposed Medicare coverage for the retiring teachers would reduce the cost to the District in most cases. The Association contends that the Board's proposal does not provide this coverage since nothing in the Board's proposal makes specific reference to this.

The Association supports its 90 day requirement notice on the ground that it provides more flexibility for the teacher in determining a retirement date, and that it is similar to the time by which the teacher must return a signed contract, and further it will assure a retiring teacher of receiving benefits immediately upon retirement. Under the Board's proposal the teacher may be denied benefits which arise automatically from reaching the age of 62 because of the uncertainty of the notice date and the qualification restricting the total to three teachers.

The 90 day provision provides flexibility for a teacher in an emergency, and it provides the District sufficient time to locate and employ a replacement teacher. If the teacher retires during the course of the year, a provision in the agreement would cover this.

The Association holds that because under the Board's proposal and terms, the next person available for retirement would not become so for two years. Under the Association's proposal a number of teachers would be available to retire immediately, and this would produce a saving for the Board by replacements with less expensive teachers.

C. The Board's Position. The Board states that it has made a straight-forward, early retirement proposal which complies with the state law. As the law does, the Board offer sets the retirement age beginning at 62 whereas the Association offer sets it at 55 with no adequate description of how its proposal would work. The Association contention that the language is ambiguous in setting forth a requirement to file the year previous is not correct. The Board offer has the beginning age as required by the statute, early retirement is to occur at the end of the school year so that classes are not disrupted, and the Board has time to find a replacement; and insurance is an added benefit, but the retired teacher is not to have this benefit if eligible for alternate coverage.

The Board's offer meets its goals of a better teaching staff and cost savings. This occurs through the provision in the Board offer under which the Board selects and limits the number of teachers who take early retirement, and through the provision by which the cost of the replacing process must be less than keeping the teacher.

The Board notes that its provisions are those most commonly found in comparable districts, especially its provision of retirement at 62 and the provision for 15 years of consecutive service. The Board, however, would attempt to provide an early retirement benefit for any teacher who wanted to so retire.

The Board was concerned about the costs it would incur if the current STRS law was changed. The Board in its provision reserves the right to negotiate. A change in the law had been before the legislature which would have increased the cost of the STRS provision by 1.2% to 1.5% of payroll. Though this change is no longer proposed, the Board still is concerned that the early retirement law may be changed in such a way that the Board cannot bargain about it or control it.

The Board is also concerned about age discrimination. It states that the early retirement benefit discriminates among the "protected" group on the basis of age. A new interpretation of the Age Discrimination in Employment Act might make both early retirement proposals illegal. The proposed changes proposed both by the Board and the Association are made not in recognition of employment discrimination that the older teacher might face, but rather to extend a benefit. Under a new interpretation of the Equal Employment Opportunity Commission, these proposals are discriminatory. If so, the Board's proposal voids the provision.

The Board states that the Association's early retirement proposal is ambiguous and legally unworkable. The statute calls for age 62 as the first time for early retirement, yet the Association calls for retirement at 55. This is not consistent, and the Association has not stated how these two concepts can be reconciled. The provision is therefore legally unworkable.

The Board also holds that the Association proposal is administratively unworkable and burdensome. The Association requires that the Board provide a letter of agreement which specifies the amount to be paid to STRS on behalf of a retiring employee. The Board says that this cannot be done, since it will not know the amount until the STRS tells the employer what that will be; and this process may take six months.

The idea that a teacher can retire at any time in the school year also places a burden on the students and the administrators who will need to find a replacement. This is irresponsible on the part of the Association.

The Board contends that the Association proposal is not concerned about the costs of its provision. The cost includes the cost of annuity, insurance, and the replacement teacher. The Association offer undercuts the cost savings, because it offers early retirement at 55 which means a significantly higher annuity cost than retirement at 62, and is dependent upon the hiring of an entry level teacher, making no provision if the District wants a more expensive teacher. Also the Association fails to limit the number of teachers who may take early retirement, regardless of the cost to the Board.

In the insurance benefits under the Association offer, the retiring teacher receives without limitation the same benefits as a working teacher even though the teacher takes another job which also gives insurance coverage.

In addition to these defects, the Board asserts that there are other inadequacies in the Association proposal. A teacher would work for ten years at any time, return and take early retirement, and this during any time in the school year.

According to Mary Schuette, a Board member, among the major considerations of the Board in accepting early retirement was that it could be done at a savings to the Board, but the Board wanted tight control over the new provisions. The Board does not believe that the qualifications under which the number of teachers eligible for early retirement is set at three a year with the persons and number selected by the Board should be any problem, since under the Board offer, the Board would not face this problem until 1985, and the matter can be subject to later negotiation.

D. Discussion. In reviewing the proposals from the standpoint of comparability as revealed in Table 14, the arbitrator finds that the minimum age provision of 55 is found in three of the districts of primary comparison and in one of those in secondary comparison. The minimum age of 62 is found in one of the primary group and three of the secondary group, and that three districts provide for a retirement at 60 years. The arbitrator grouping both primary and secondary groups, and grouping the 60 and 62 minimums together, believes that the Board offer is comparable on minimum age.

Reviewing years of service, the arbitrator believes that with both primary and secondary district groups, the Board offer is comparable.

Among the primary group, it is clearly more comparable. With respect to the time of notice, the Board offer is more comparable. This also obtains with respect to when the effective date of retirement can occur.

The Board offer, however, with its qualifications and limitations is not comparable. It is comparable in its insurance coverage.

On the basis of comparability, the arbitrator believes that the Board offer meets the criterion slightly better than the Association offer, and the main reason for that determination is the 90 day notice time proposed by the Association.

The matter of whether either of the offers is so injurious to the public interest for other reasons needs to be addressed. Both parties have raised this issue.

On the matter of whether the Association offer is unworkable because of the 55 year minimum age, the arbitrator believes that since three of the most comparable districts have this provision and four districts in the combined groups have it, the provision of 55 itself appears not to be unworkable.

With respect to the Association proposal for early retirement after ten years of service not necessarily consecutive, the arbitrator believes that this time offer is not particularly in the public interest if it would allow an employee to come back, work for a short time, and quit. However, the arbitrator believes that the Board can control this possibility. Thus this short provision need not be fatal to the entire Association offer.

The weakest provisions as far as the public interest is concerned are that of the short notice, and the opportunity for employees to quit in the middle of a semester. However, such an eventuality can occur for reasons of accident or sickness.

The qualifications on basis of number and the persons to be able to receive the benefit the arbitrator considers to be a weakness in the Board offer, and the qualifications would subject it to charges of discrimination if someone otherwise qualified would be denied early retirement on the basis of number. The arbitrator considers that the probability exists that the issue of discrimination could arise. Further the Board offer may possibly not permit even one employee during the term of this agreement to obtain early retirement.

The arbitrator does not find that the provisions and limitations under which the agreement might become void particularly onerous for the Association, but these are not found comparably elsewhere. They should not be a bar to the acceptance of the Board offer. The arbitrator finds that the Board offer on insurance is more reasonable from the public interest standpoint than the Association offer.

On the issue of the ability to pay, the arbitrator believes that the Association offer, even with its opportunity for more retirees, conceivably could result in reduced costs on the whole because of the replacement of teachers higher in the salary lanes with those at the beginning steps.

On the whole, the arbitrator considering the interest and welfare of the public, and the ability of the District to pay, and the comparability of the offers, believes that the Board's is somewhat more reasonable. However, both parties' offers contain aspects of large uncertainty as to their legality and practicality, and therefore the total offer must not hinge on which of these two offers is the better, since either one, if accepted, would not put an end to possible disputes.

#### XIX. CHANGES DURING THE PENDENCY OF THE PROCEEDINGS.

Two changes in conditions since the pendency of the proceedings need to be noted here. One is that the fear that the Board would face a drastic change in the STRS law which would require it to raise its payroll cost substantially does not exist now. The other is that the Milwaukee area consumer price index for wage earners and clerical workers stood at 291.5 in November, down 0.2% from the previous two months and up 9% above the previous November. The former is a factor in favor of the Association offer, and the latter is a factor in favor of the Board offer.

Some settlements of districts occurred during the pendency of this matter, and the Board referred to one such settlement at Germantown, and the Association referred to one at Nicolet. The arbitrator believes that this new evidence being introduced after the hearing was closed cannot be given weight since in neither case was the evidence produced subject to cross examination.

#### XX. SUMMARY OF THE ARBITRATOR'S FINDINGS AND CONCLUSIONS.

The following is a summary of the findings and conclusions of the arbitrator:

1. There are issues here as to the lawful authority of the Employer to meet either offer with respect to early retirement. The arbitrator finds that both parties have doubtful provisions, but neither party's offer is of such evident illegality as to make an award to the other party on it.

2. The parties have stipulated to all other matters except those considered here.

3. Both parties have challenged the offer of the other on the matter of the interests and welfare of the public in both of the provisions in dispute. This criterion has been applied in the conclusions reached by the arbitrator and are referred to in the text.

4. The Board has raised the matter of whether the Association has considered the financial cost for wages and early retirement at the time the Board is under public pressure to keep costs down. This matter has been considered in the conclusions reached by the arbitrator and is discussed in the preceding text.

5. As to comparability of districts, the arbitrator finds that the selections of districts proposed as comparable by both parties were not fully persuasive for lack of data, for geographical reasons, and for economic reasons. The arbitrator has used from among the two lists, the following districts as most comparable: Hartford, Menomonee Falls, Oconomowoc, Watertown, Arrowhead, Hamilton, Germantown and West Bend. The selection is based on size of the high school populations, proximity, and economic area. Other schools were considered to have a secondary value for comparison. The data was insufficient to use union high school districts for primary comparison.

6. On the matter of wages, the Employer has the ability to meet the costs of either offer.

7. Though the Board offer makes a slight advance from the historic lower status in relation to its own list of comparables, and the comparables developed by the arbitrator, yet the evidence is that the Hartford schedule has a problem of catching up to comparable districts, particularly at the lane and schedule maximums. The Association offer is considered as more closely meeting the standard of comparison in this respect.

8. With respect to comparisons of other employees in the Hartford District, the Board offer meets that standard of comparability from a percentage offer.

9. In comparison with employees in the private sector, the Board offer is adequate.

10. On the basis of the fact that the Association offer more nearly meets the standard of changes in cost of living just prior to the time the agreement for 1981-82 will have commenced, the arbitrator holds that the Association offer meets this standard more closely, even though the rate of increase of the CPI-W is now falling.

11. The arbitrator holds that the Association offer on overall costs is more comparable to the changes in the overall costs for comparable districts.

12. The arbitrator finds that in the matter of early retirement, both parties have provisions which, if put into effect, may prolong the dispute over conditions surrounding this benefit as to legality and workability. However, on the whole, the Board offer more nearly meets the standards of comparability with respect to notice and minimum age.

13. With respect to changes during the pendency of the proceedings, the ending of a movement to change the STRS law which the Board regarded as hostile to the public interest is a factor which falls in favor of the Association, because this objection to the Association proposal is removed. However, a factor in favor of the Board offer is that the rate of increase of the CPI-W for Milwaukee is dropping.

14. Of the foregoing matters, the arbitrator considers that two of the factors are most weighty by far: the Association proposal for wages and the Board proposal on the matter of early retirement. Of these two the arbitrator finds that the Association offer on wages is the more weighty and therefore holds that the agreement between the parties for the ensuing period should include the Association offer.

XXI. AWARD. The agreement between the Hartford Education Association and the Hartford Unified High School District should include the terms of the final offer of the Hartford Education Association.

*Frank P. Zeidler*  
FRANK P. ZEIDLER  
MEDIATOR/ARBITRATOR

DATE February 6, 1982