

JUN 15 1982

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 In the Matter of the Petition of :  
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 MIDDLETON-CROSS PLAINS :  
 AREA SCHOOL DISTRICT :  
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 To Initiate Mediation-Arbitration : Case XXIII  
 between said Petitioner and : No. 27870  
 : Decision No. 19133-A  
 :  
 MIDDLETON EDUCATION ASSOCIATION :  
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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

APPEARANCES:

Mulcahy & Wherry, S.C., Attorneys at Law, by  
John T. Coughlin, appearing on behalf of the District

Mallory K. Keener, Executive Director, Capital Area  
UniServ South, W.E.A.C., appearing on behalf of the  
Association

ARBITRATION AWARD

The Middleton-Cross Plains Area School District, hereinafter referred to as the District, and the Middleton Education Association, hereinafter referred to as the Association, were unable to voluntarily resolve a number of the issues in dispute in their negotiations for a new 1981-1983 collective bargaining agreement to replace their expiring 1979-1981 collective bargaining agreement and the District, on April 21, 1981, petitioned the Wisconsin Employment Relations Commission (WERC) for the purpose of initiating mediation-arbitration pursuant to the provisions of Section 111.70(4)(cm)6 of the Wisconsin Statutes. The WERC investigated the dispute and, upon determination that there was an impasse which could not be resolved through mediation, certified the matter to mediation-arbitration. The parties selected the undersigned from a panel of mediator-arbitrators submitted to them by the WERC and the WERC issued an order, dated November 16, 1981, appointing the undersigned as mediator-arbitrator. The undersigned endeavored to mediate the dispute on January 29, 1982 and a number of contract language issues were resolved by voluntary agreement of the parties including issues dealing with the school calendar, coverage for part-time employment, voluntary transfers, insurance, penalty for breach of individual contract, the additive schedule, vacancies and layoffs. By written stipulation the parties amended their final offers to delete these items and to otherwise reflect their agreement on the wording of these provisions in the 1981-1983 agreement. The parties were unable to resolve the remaining seven issues, all having to do with compensation and fringe benefits and a hearing was held on February 4, 1982, at which time the parties presented their evidence. A verbatim transcript of the hearing was prepared and the parties filed post hearing briefs and reply briefs, the last of which were received on April 21, 1982. Full consideration has been given to the evidence and arguments presented in rendering the award herein.

THE ISSUES IN DISPUTE:

There are seven remaining issues "in dispute" between the parties. They are:

I. Per Class Rates for In-House Temporary Substitutes

A. District's Offer. Under the 1979-1981 agreement, teachers who agreed to substitute for an absent teacher at the middle school or high school level received \$6.25 per class and teachers who agreed to substitute at the elementary level for absent music, physical education or art teachers received \$5.75 per class. The District proposes to increase these rates to \$9.00 and \$8.00 respectively for the term of the 1981-1983 agreement.

B. Association's Offer. The Association proposes no change in the per class compensation for teachers who agree to substitute for an absent teacher.

## II. Hourly Rates for Curriculum Development Work

A. District's Offer. Under the 1979-1981 agreement teachers who were employed on a part-time basis for curriculum work or other similar professional assignments were compensated at a flat rate of \$5.75 per hour, unless they were the chairperson of a curriculum committee, in which case they received \$6.25 per hour. The District proposes to increase these rates to \$8.00 and \$9.00 respectively for the term of the 1981-1983 agreement.

B. Association's Offer. The Association proposes no change in the hourly compensation for teachers who perform this work.

## III. Reimbursement Rate for Use of Personal Automobile

A. District's Offer. Under the 1979-1981 agreement teachers who were required to travel between schools due to contract assignment or for the conduct of District approved business were reimbursed at the rate of 17¢ per mile for the use of their personal automobile. The District proposes to increase this rate to 20¢ per mile.

B. Association's Offer. The Association proposes no change in the rate of reimbursement for teachers who are required to travel for the District.

## IV. Professional Advancement Requirements (Improvement Units)

A. District's Offer. Under the terms of the 1979-1981 agreement teachers were expected to meet certain requirements in order to continue to advance on the salary schedule. One of those requirements, dealing with vertical (step) advancement, was that teachers who failed to obtain a prescribed number of credits or Improvement Units within a prescribed period of time would not be allowed to advance vertically until they had met those requirements. An Improvement Unit was defined as "professional effort and accomplishment approximately equal to one college semester hour of credit" and was to be "based primarily upon time and effort expended (approximately 20 hours per unit) except where otherwise specified." The District has proposed no change in the definition of an Improvement Unit.

B. Association's Offer. The Association has proposed that the definition of an Improvement Unit be changed so that the time and effort expended would be reduced to 10 hours per unit.

## V. Dental Insurance

A. District's Offer. The District does not currently provide dental insurance for its employees and its final offer does not propose to include a dental insurance program in the 1981-1983 agreement.

B. Association's Offer. The Association's final offer proposes that the District establish a dental insurance program for the 1981-1982 and 1982-1983 school years which includes certain specified benefits to be set out in an appendix to the agreement (identified as "Appendix IV" in its final offer) and that the District pay the full premium for the cost of single coverage in both years, and \$25.00 per month during the 1981-1982 contract period and \$35.00 per month during the 1982-1983 contract period toward the cost of family coverage.

## VI. Health Insurance Premiums

A. District's Offer. Under the 1979-1981 agreement the District agreed to pay the full premium for the cost of single coverage under the existing health insurance plan for both years and \$76.00 per month during the 1979-1980 contract period and \$85.00 per month during the 1980-1981 contract period toward the cost of family coverage under that plan. The District has proposed to continue to pay the full premium for the cost of single coverage during both years of the new agreement and to pay up to \$122.00 per month during the 1981-1982 contract period and up to \$132.00 per month during the 1982-1983

contract period toward the cost of family coverage. The actual cost of single and family coverage in 1981-1982 was \$58.71 and \$161.94, respectively. Thus the District proposes to pay what amounts to 100% and 75% of the actual cost of the premiums for this insurance coverage in 1981-1982. The actual premiums for 1982-1983 were not known at the time of the hearing herein. If there is no increase in premiums the District will be paying what amounts to 82% of the cost of the family coverage; however any increase beyond \$14 per month will result in the District paying what amounts to less than 75% of the cost of family coverage.

B. Association's Offer. The Association's proposal with regard to the District's contribution toward 1981-1982 health insurance premiums is identical to the District's proposal. However, in the second year of the agreement, the Association proposes that the District pay the full single premium and up to \$162.00 per month towards the cost of family coverage. Thus, if there is no increase (or a reduction) in the cost of family coverage in the second year of the agreement, the District would be required to pay what amounts to 100% of the actual cost of both single and family coverage. The family premiums would have to increase by approximately \$54.00 per month (or 33%) before the District would be contributing less than 75% towards the cost of the family premium under the Association's proposal.

#### VII. Salary Schedule for 1982-1983

A. District's Offer. Under the terms of the 1979-1981 agreement, the parties agreed to a 1979-1980 salary schedule and then further agreed that for 1980-1981 the salary schedule would be adjusted by a percentage figure which represented the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (herein CPI) "over the previous year from May 1, 1979 to April 30, 1980 (May Index) minus one (1.0) percentage point." Said provision also provided that the maximum percentage value used would be 11%. The Bureau of Labor Statistics figures reflect that the relevant percentage change, as reflected in the May 1980, index, was 14.5%. Thus, under the terms of the 1979-1981 agreement, the 11% cap was exceeded and therefore the salary schedule for 1980-1981 was adjusted by the maximum 10% allowed under the terms of the 1979-1981 agreement.

The parties have agreed on a salary schedule for the 1981-1982 school year. That schedule is structurally the same as the schedules which were in effect under the 1979-1981 agreement. It has six credit lanes (BA; BA+12; BA+24; BA+36 or MA; BA+48 or MA+12 and MA+24). The BA lane has a total of eight steps (including the entry level or base step) with a range from \$12,650 to \$16,192. The BA+12 lane has 10 steps with a range from \$13,024.50 to \$17,583.50; the BA+24 lane has 14 steps with a range from \$13,409 to \$19,987; the BA+36 or MA lane has 16 steps with a range from \$13,915 to \$22,453.75; the BA+48 or MA+12 lane has 18 steps with a range from \$14,421 to \$24,098.25; and the MA+24 lane has 18 steps with a range from \$14,927 to \$24,604.15.

In its proposal for a 1982-1983 salary schedule, the District proposes that the same method that was used under the 1979-1981 agreement be used, with one modification. Instead of utilizing the percentage change in the CPI less 1% the District proposes to utilize the percentage change in the CPI less 2%. Thus, since the actual change in the CPI for the period in question was 6.3% <sup>1/</sup>, the District's proposal would adjust the agreed 1981-1982 salary scheduled base figure upward by 4.3%.

B. Association's Offer. The Association's proposal for a 1982-1983 salary schedule is based on a fixed \$13,650 base figure which represents a 7.9% increase regardless of the actual increase in the CPI. It further departs from the 1980-1981 procedure by providing for an additional adjustment of 1% or 2%, depending on whether the CPI exceeds 8% or 9% respectively. Thus, under the Association's

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<sup>1/</sup>The parties were notified by letter dated June 2, 1982 of the undersigned's intent to give consideration to the latest changes in the CPI.

proposal, if the CPI had gone up more than 8% but less than 9%, the Association's proposed schedule would have been adjusted by an additional 1% for a total adjustment of 8.9%. Similarly, if the CPI had gone up more than 9% but less than 10% the Association's proposed schedule would have been adjusted by an additional 2% for a total adjustment of 9.9%. The Association's proposal also provides that the maximum CPI percentage change used would be 10%, so that any increase in the CPI in excess of 10% would result in an additional 2% adjustment or a maximum increase of 9.9%. Since the relevant CPI figure increased by 6.3% for the period in question, the Association's proposed salary schedule, which has a fixed \$13,650 base, and includes a 7.9% increase, would be the schedule utilized in 1982-1983 if the Association's offer is selected. A copy of that schedule is attached hereto and marked "Appendix A."

#### DISTRICT'S POSITION:

The District contends that the appropriate comparability pool includes districts surrounding Middleton as well as districts included in the Badger Athletic Conference; that its wage and benefit offer is constructed in such a manner that it not only matches but exceeds the increases in the cost of living; that the evidence presented unequivocally demonstrates that its wage offer is more reasonable than the Association's; that its offer with respect to mileage, in-house substitute pay and curriculum development pay allows it to maintain a competitive position both internally and externally; that the Association's final offer with respect to health and dental insurance causes the total compensation package to increase to a level that is totally unacceptable and unsupported; and that other factors normally considered in determining conditions of employment via collective bargaining or as a result of impasse procedures do not support the Association's proposal with respect to the issue of improvement units.

#### Comparables

On the issue of comparability, the District first reviews the various criteria identified by arbitrators in determining whether proposed groupings of municipalities or school districts are "comparable." The District then identifies six criteria that it claims to have utilized in determining its grouping of 17 school districts: geographic proximity; average pupil membership and full-time equivalency staff; athletic conference; per pupil operating costs; full value tax rates; and state aids. On this basis, the District has utilized the seven schools in the Badger Athletic Conference (Fort Atkinson, Middleton, Monona Grove, Monroe, Oregon, Sauk Prairie, and Stoughton); the one additional Madison area district utilized by the Association (Sun Prairie), and nine other districts which are either contiguous to Middleton or in close proximity to Madison, which the District contends is an appropriate consideration where the comparisons are drawn to a suburban system such as Middleton, (Deerfield, DeForest, Lodi, Marshall, McFarland, Mount Horeb, Verona, Waunakee, and Wisconsin Heights).

While the District agrees with the Association's use of the Badger Athletic Conference Schools and Sun Prairie, the District contends that its proposal to limit comparisons to this grouping is based on too narrow a view of comparable districts, and, contrary to its claims, does not emphasize geographic proximity as well as size. In this regard, the District notes that the Association would only use one contiguous district, Sauk Prairie, which also happens to be in the Athletic Conference. The District would include all contiguous districts.

With regard to the Association's claim that a prior fact finding award <sup>2/</sup> and a mediation-arbitration award <sup>3/</sup> support its list of comparable schools, the District argues that the Association has distorted the content of those decisions. Factfinder Krinsky relied

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<sup>2/</sup>Sun Prairie Joint School District No. 2, WERC Decision No. 15936 (3/78).

<sup>3/</sup>Joint School District No. 2, Sun Prairie et al., WERC Decision No. 16780 (7/79).

on the relationship of smaller, less urban districts in the Athletic Conference to justify a recommendation that Sun Prairie should pay more and Arbitrator Zeidler noted that Middleton, Stoughton, Oregon and Monona Grove were the "most" comparable to Sun Prairie, but that districts like Sauk Prairie, Lodi, Waunakee, DeForest and Columbus were smaller and "less" comparable, and that Beaver Dam, Watertown and Fort Atkinson have "some value" for comparison because of their larger size but were the farthest away from the "Madison influence." The arbitrary use of an athletic conference may make sense in an essentially rural district such as the Lake Mills case cited by the Association <sup>4/</sup>, but the District contends that it is essential to consider districts which have the same geographic relationship to Madison as comparable regardless of size. This is especially important when one considers that Sun Prairie is not the only Madison area school that has settled for the 1982-1983 school year. Both Deerfield and DeForest also have agreed to 1982-1983 wage schedules.

#### Cost of Living

The District argues that the various measures of "cost of living" should be considered in this case when evaluating the respective final offers of the parties. While the parties are in agreement as to the 1981-1982 salary schedule, there is a dispute on the total level of compensation. The "cost of living" is relevant to the second year of the agreement because of the parties' recent history of utilizing that concept in determining second year wage increases. In 1981, the May CPI increased by 9.8%, yet the wages only increase reflected in the 1981-1982 schedule equals 10.49%. The total package increase under the District's offer is 11.34% and 12.3% under the Association's offer, even though the District provides health insurance (a major cost in the CPI) and the Association would add dental coverage.

The District also points out that the CPI, which the parties have agreed to utilize to measure the "cost of living," has been criticized for exaggerating the actual cost of living because of its inclusion of health care costs and new housing costs and its use of a fixed market basket of goods and services. It also points out that the Bureau of Labor Statistics has agreed to modify the CPI in response to such criticism and that certain arbitrators have likewise found fault with the CPI. The District urges that the undersigned focus on the pattern of local wage settlements in comparable districts (10.47%) and the implicit price deflator for personal consumption expenditures (PCE), compiled quarterly by the Commerce Department. The latter increase, as of the second quarter of 1981 was 8.3%, or 2.19% less than the wages only proposals of both parties.

With regard to the 1982-1983 salary schedule the District argues that its proposal, unlike the Association's proposal, does not deviate in a significant way from the method used in the past to establish second year increases and that its proposal more nearly matches or exceeds the projected increases in the CPI. Thus according to the District's analysis, an 8% increase in the CPI which would increase the BA base by 6% will in fact generate an 8.32% increase in wages only (8.44% total package) even though the District provides health insurance coverage. Under the Association's offer, with a floor of 7.9% in the BA base, the wages only increase will be 10.26% with a total package cost of 10.96% and this increase will occur even if the CPI rises less than 8% [which it did]. The increase would be even more dramatic if the CPI were to rise more than 8%, since the Association has again changed the formula to grant an additional percentage increase if it exceeds 8% by any fraction (or 9% by any fraction). Thus for example, under the Association's formula a fractional increase over 8% would equal an additional \$251.50 on the BA base.

With regard to the Association's claim that the District is trying to eviscerate the existing cost of living provision the District argues: the prior formula greatly exceeded the actual cost of living whereas the proposed modification will provide increases more in line with the actual cost of living; and the revisions proposed by the Association

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<sup>4/</sup> Lake Mills School District, WERC Decision No. 18969-A (3/82).

will generate increases greatly in excess of the cost of living.

### Reasonableness

The District maintains that its proposed wage increases are more reasonable under the statutory criteria based on a 6 point analysis of increases and proposed increases in the salary schedule over the period from 1980-1981 to 1982-1983 as compared to the "area average" increase of settlements in the districts it claims to be comparable. In drawing these comparisons, the District assumed an 8% increase in the CPI. This analysis shows that under the District's offer in most instances teachers at the points selected will receive increases that are greater or substantially greater than the average in 1981-1982 or 1982-1983. Only in the case of the BA lane maximum would the District's offer fall below the average and that is due to the fact that Middleton only has 7 steps in the BA lane, whereas other districts allow teachers to advance beyond 7 steps without horizontal movement.

Further, the District argues, that a rank comparison of the settled districts over the two year period establishes that the District's offer (assuming an 8% increase in the CPI) will generally result in a maintenance or improvement in Middleton's leadership rank at the six points compared. A dollar comparison of the six points in the second year of the agreement with the four districts that have settled reflects that in all cases the District's offer would place the District above or near the average whereas the Association's offer would place the District far above average (except at the BA top step).

The District argues that an internal analysis of the dollar and percentage increases that teachers will receive at 17 representative points in the salary schedule in the second year of the agreement (assuming an 8% increase in the CPI) demonstrates that its offer will generate a fair and equitable increase. The dollar increases range from \$1295 to \$2011.35 and the percentage increases range from 8.57% to 10.24%.

In response to Association arguments as to the reasonableness of the District's offer, the District argues: that the Association has attempted to minimize the value of the District's offer but has offered little to support the reasonableness of its own offer; that the Association's complaint that it takes 18 steps to reach the maximum salary level in Middleton (versus 15.6 steps in its comparables) is irrelevant in that the Association has proposed no change in the District's salary schedule, only two lanes have 18 steps, Middleton's salary schedule allows advancement through five lanes even without obtaining an MA and there is no requirement that Middleton have a similar salary schedule to other districts; that the District's rating with respect to wages as compared to its tax rate, contrary to the Association's contention is favorable since it is 8th among 18 comparable districts for full value tax rate and the District's comparative data shows that in five out of six benchmark points, it exceeds its ranking with respect to full value tax rates; that the Association's "catch-up" argument is unique in that it is not based on the District's relation to other comparable districts but with regard to inflation and is lacking in merit due to the fact that the inflation rate has begun to subside, the CPI provision--which is "one of two" salary schedules tied to the CPI--has protected the teachers at Middleton and the fact that the teachers "have not received an increase since 1980" was due to the Association's unreasonable demands at the bargaining table; that the costing method employed by the District is the conventional method used for comparisons and is the only relevant method due to the fact that the District's ability to pay is not in issue; and that the Association's comparison of administrative wage and benefit increases has no value because it compares the District's cost analysis figures with WEAC budget analysis figures, which attempts to measure actual cost increases (as opposed to comparative increases in wages and benefits).

### Mileage, In-House Substitute Pay and Curriculum Development Pay

The District contends that its proposal to increase the mileage

reimbursement rate, in-house substitute pay and curriculum development pay is more reasonable than the Association's proposal to leave these rates at the 1980-1981 level based on internal and external equity considerations. The District prefers, whenever possible, to utilize in-house staff as substitute teachers because the substitute is more knowledgeable and the level of education is maintained. The District realizes that the in-house teacher must give up a preparation period and should be compensated. Further, in view of the District's preference for in-house substitutes it is fair that they should be compensated fairly in relation to outside substitutes who currently earn \$40.00 per day.

The District notes that collective bargaining has moved into a very competitive phase whereby any external wage comparisons must be accorded a high level of importance and notes that the District was behind the area average in 1980-1981 (\$6.40/hour at the high school level and \$6.89 at the elementary level). Its proposed increases would make the District competitive again and hopefully do so for the two years of the agreement. Under the Association's offer, the District would fall further behind.

With regard to curriculum development work, the District seeks to utilize its own staff in this work which is performed primarily in the summer when a teacher might be able to find a more lucrative job. Again the District is already behind the area average in pay for this work (\$7.32/hr.) and its proposal will establish a competitive rate again. The Association's proposal would cause it to fall further behind.

With regard to mileage reimbursement, the District notes that at 17¢ per mile in 1980-1981, it was in line with 6 out of 17 comparable districts. However, 8 of the 17 districts provided a rate of reimbursement which was in excess of 17¢ per mile. Because the District's rate was below the norm, it believes that an increase to 20¢ per mile for the term of the new agreement will help keep it comparable. In this regard, it notes that already 10 of its 17 comparable districts provide a rate that ranges from 18.5¢ per mile to 20¢ per mile in 1981-1982. The Association's proposal would serve to guarantee that the District fall further behind.

The District contends that the Association's arguments with regard to these three proposals is simplistic. It states that it is the representative of the teachers and that the teachers do not want money placed in these three areas since they would rather have the money spent on insurance and wages. This reasoning is flawed because it ignores the realities of the mediation-arbitration law in Wisconsin which subjects all areas of the agreement to review. While the Association presumably represents the majority view of its membership, the Board has a legitimate concern that its employees be fairly compensated in all areas. Further, the Association admits that these items do not constitute a considerable portion of the budget or the differences between the parties which equal \$314,241.58 (assuming an 8% increase in the CPI). Its claim that the District's mileage proposal is meant to benefit administrators is absurd according to the District. The District need not increase the rate paid to teachers in order to increase the administrators' mileage rate.

#### Health and Dental Insurance

With regard to these two issues, the District contends that its position is more reasonable. As to dental insurance, the District opposes the introduction of this new benefit "in times of economic uncertainty" as being irresponsible and unjustified. Assuming no increase in the projected cost of \$12.88 per month for the single premium, the Association's proposal would cost a minimum of \$154.56 per year for the single rate and \$300 per year in 1981-1982 and \$420 per year in 1982-1983 for the family rate with a projected cost to the District of \$50,184.00 in 1981-1982 and \$60,948.00 in 1982-1983.

With regard to the Association's proposal to increase the District's maximum health insurance contribution to \$162 per month in the second year of the agreement, it notes that it would be required to pay \$480 per month more per employee for a total cost to the District of

\$43,200.00 more to support this increase in 1982-1983.

The District avers that it is a "well known fact" that the prevailing economic mood is one of fiscal restraint and moderation; that the federal government has been cutting back spending in the area of education; that the state is projecting massive deficits which will inevitably result in cost-cutting in the area of education; and that unions in the private sector are making massive wage and benefit concessions. The Association's proposals on these two issues ignore the economic hardships that affect the District's citizens. This problem is exacerbated by the risk that the current downward trend in the CPI will be reversed.

Specifically with regard to the proposed dental insurance program, the District argues that the introduction of this benefit in 1981-1982 would increase the total package in the first year to 12.3% which clearly exceeds comparable settlements in dollar amounts or percentage figures. Further there are still a significant number of districts which do not currently provide this benefit (6 of the 17).

With regard to the health insurance contribution, the District points out that in the past it increased its contribution in the negotiated 1979-1981 agreement by a similar amount (\$9.00 versus \$10.00) in the second year. The Association would increase the District's contribution by \$40 per month which constitutes a 33% increase in the District's contribution. The District argues that, considered in terms of dollar amounts, it is currently paying a competitive premium. The average 1981-1982 single premium is \$40.36 per month and the District pays \$58.71 per month. The average contribution toward the family premium is \$102.08 per month and the District has agreed to pay \$122.00 per month.

In response to the Association's arguments on these items, the District argues that: there is no credible evidence to establish the Association's claim that health insurance premiums will increase by 30% in 1982-1983; and using the Association's own techniques of analysis the District's total 1981-1982 premium contribution toward insurances, at \$122.00 per month, is much closer to the median in the Badger Athletic Conference (\$124.90 per month) than is the Association's proposal.

#### Improvement Units

With regard to the Association's proposal to reduce the number of hours required to earn one improvement unit under the terms of the agreement from 20 to 10, the District contends that it is incumbent upon the Association to establish a need for such change in an agreed to working condition. It cites a number of arbitration awards to support its argument in this regard. The definition of what constitutes an improvement unit has been in the parties' collective bargaining agreement since their first agreement. There is no evidence that there have been any problems with its administration. It has been applied in an evenhanded and non-arbitrary fashion. Applications for credit are reviewed by an advisory committee comprised of equal numbers of staff and administration and the committee's recommendations are normally approved. There are numerous options available to teachers to meet this requirement (in addition to graduate and undergraduate courses which allow for both vertical and horizontal movement) including attendance at conferences, workshops and institutes, the completion of special projects and reports and work experience and travel. Teachers need only meet the requirement of 6 units over a considerable period of time (4 years for those with BA degrees and 5 years for those with MA degrees). This amounts to less than 4 eight-hour days per year for BA teachers and 2.5 [actually 3] eight-hour days for an MA teacher.

These requirements are not unreasonable in terms of the comparison according to the District. Of the nine districts that recognize Continuing Education Units (CEU's), only four recognize 10 hours as proposed by the Association and four require more than the District.

In response to Association arguments in support of its proposal on CEU's, the District argues: that teachers may obtain improvement



units by means other than attendance at University of Wisconsin sponsored CEU granting programs; the District has a liberal policy with regard to the recognition of what constitutes an improvement unit other than a CEU at the University of Wisconsin; two of the three comparables relied upon by the Association in support of its position (Oregon and Stoughton) have a number of restrictions on what may be counted towards this requirement that are much more stringent than Middleton's; and the fact that for the first time three teachers at Middleton are currently frozen under the policy does not establish that the policy is unreasonable or should be changed, it merely demonstrates that the teachers involved, knowing the District's policy, have chosen not to meet its requirements hoping instead to change the policy.

#### ASSOCIATION'S POSITION:

The Association contends that the appropriate pool of comparable school districts consists of the Badger Athletic Conference plus the Sun Prairie School District; that the Association's position on pay for curriculum development, substitute teacher assignment and mileage reimbursement rate should be preferred over the District's; that the Association's proposal on the required number of hours to equal one improvement unit is the more comparable and is consistent with the adult continuing education unit practices of the University of Wisconsin; that the Association's proposals on health insurance premiums and dental insurance coverage are more reasonable when compared to the insurance coverages provided to teachers in comparable districts; that the Association's proposal on salary is the more reasonable when consideration is given to the relative rank, the appropriate comparability pool, ability to pay, inflation, and other factors; that the District's proposal on cost of living is regressive and the Association's is more equitable in light of the CPI and bargaining history; and that the District's evidence and arguments with regard to the alleged superiority of the PCE index over the CPI index are irrelevant and should be given miniscule weight or disregarded.

#### Comparables

According to the Association, it selected its proposed grouping of comparables primarily on the basis of geographical proximity and size but that it also gave consideration to other factors such as the tax rate and per pupil costs. Based on this analysis and the bargaining history of the parties, the Association selected the Badger Athletic Conference plus Sun Prairie. The Association argues that at first glance, and upon close examination, its grouping is more appropriate than the District's group of 18 districts which includes the Badger Athletic Conference, school districts which are contiguous to Middleton and other districts in Dane and Columbia County.

An analysis of the number of pupils and the number of (FTE) teachers in the two proposed comparability pools demonstrates that the range in size of the districts is too great to provide a realistic comparison to Middleton. In the Association's grouping, the deviation from the mid-point in terms of students is only 913.5 compared to a deviation of 11,812 among the District's grouping. <sup>5/</sup> The deviation for number of teachers was a mere 62.16 in the Association's grouping whereas the deviation in the District's grouping was 729.

The Association also points out that its largest district (Sun Prairie) is not quite twice as large as its smallest (Monona Grove) in student population. In the District's grouping, the largest (Madison) is 34.2 times larger than the smallest (Deerfield). Sun Prairie is only one-tenth larger than Middleton; whereas Madison is 6.05 times larger. Because of these disparities of size, the Association argues that its group, which was selected with restraint and without regard to whether it hurt or helped its position, should be found more appropriate.

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<sup>5/</sup> The Association included Madison in these figures on the basis of its belief that the District was relying on Madison as directly comparable. This inclusion has greatly skewed this analysis.

According to the Association, the Sun Prairie decisions of Factfinder Krsinky and Arbitrator Zeidler, cited above, substantiate its position on the appropriate groups of comparables. Krinsky's decision, according to the Association, cited a commonality between Sun Prairie and the larger districts and those closer to Madison in the Badger Conference. In this regard the Association points out that at one time Sun Prairie was included in the Badger Conference. Zeidler's decision, according to the Association, drew similar conclusions and cited Krinsky's reliance on Stoughton and Middleton. The Association also points to a recent decision by Arbitrator Iams who found, after reviewing all the arguments in the Lake Mills case cited above, that the Athletic Conference provided the best grouping of comparables.

In response to District arguments with regard to its proposed grouping of comparables, the Association argues that: the District has failed to show that its comparables are superior to the Association's comparables; that the criteria for selection utilized by the District actually prove that the Association's grouping is more advantageous and preferable; that the Association's grouping is a tighter, more homogenous group; and that the District has not shown a convincing similarity in its comparables due to the extremes in size differences.

#### Mileage, In-House Substitute Pay and Curriculum Development Pay

According to the Association, its position on these issues should be preferred over the District's position because members of the bargaining unit wish to realize monetary increases in salary and in insurance coverages instead of in these areas and because the District has not offered proof or given any compelling reason why these rates should be increased.

Municipal employers sometimes characterize their available resources for increases as a finite pie and offer to allow the Union to slice the pie in its own way so long as the size of the pie is not increased. The Association believes that it should be allowed to slice the pie (without conceding that its size is as small as the District would define it) with greater emphasis on salary and insurance benefits. It is this position which has resulted in a "role reversal" on these three issues, according to the Association. While conceding that the amount of money involved is not large, it believes that the money that the District would spend on these increases should be channeled into salary and insurance premiums in the interest of more evenly representing the 240 bargaining unit members.

According to the Association, it has difficulty understanding the District's motivation for offering these increases, in the absence of an Association demand. It notes that Superintendent Neale acknowledged that he knew of no current difficulty in securing volunteers for curriculum or substitution work, and argues that he would be so advised if there were a problem.

It is the Association's belief that administrators would benefit more by an increase in the mileage reimbursement rate even though the District's representatives claimed no knowledge of the breakdown of teacher versus administrator mileage driven for the District.

The Association contends that these proposed increases, which are equitable and deserved, are in the nature of "throwing the dog a bone," when it seeks items of greater importance--salary and insurances.

In response to the District's arguments on these items, the Association contends that the District's internal and external competitiveness arguments do not hold water because: 1) internally, there is no need to increase this pay since the District is experiencing no difficulty in securing volunteers; and 2) externally, there is no showing that these items have any significance in attracting and holding quality educators.

#### Improvement Units

The Association argues that its position on improvement units

is justified because: 1) the superintendent's advisory committee on improvement units recommended the change; 2) the practices in comparable school districts support such change and 3) the practices of the UW Extension, which provide that 10 hours of student time and effort equal one CEU, support such change.

According to the Association, this contract provision was first established in District Guidelines adopted on December 10, 1976. Since that time teachers and administrators have determined that the formula of one improvement unit equaling 20 hours of time as being out of step with the practices of the UW Extension.

In September 1980 a teacher member of the advisory committee suggested that the committee consider this problem and a subcommittee consisting of that teacher and an administrator did so. On December 10, 1980 they reported back at which time the committee passed a motion to recommend to the District and the Association that the agreement be changed to require only 10 hours per improvement unit. Because this was during the term of the 1979-1981 agreement, no change was made and it was not until December 10, 1981 that the committee learned that the District had not recommended the change because Superintendent Neale had not made such a recommendation to the District's board. It was for this reason that the Association included this proposal in its final offer, now pending before the arbitrator. It is an issue of growing concern to the Association because there are three teachers who are currently frozen on the salary schedule under this policy.

According to the Association, an analysis of its comparables shows that some districts (Monroe and Sun Prairie) cling to the traditional concept of college credits. Of those who have endorsed the use of CEUs or improvement units, such as Middleton, three have gone to the 10-hour figure (Monona Grove, Oregon and Stoughton). One required 15 hours (Fort Atkinson), one was unknown (Sauk Prairie) and two which operate on a different conceptual principle exceed the 20-hour figure.

In response to District arguments, the Association contends that: the Association has met any standard of proof that might be applied; that one decision relied upon by the District which required a showing that the condition is unfair, unreasonable or contrary to accepted standards in the industry, which showing is present here; that 20 hours is contrary to accepted standards both in terms of the comparables and the definition used by the UW Extension System; that the proposed change was found to be warranted by a joint committee; that the provision is not a simple language change because it doubles the cost of obtaining such credits which are considerable; contrary to the District's claim, a problem does exist; and the District's arguments about the fairness of the existing procedure are irrelevant.

#### Health and Dental Insurance

The Association acknowledges that the District's health insurance premiums are high but denies that it has any responsibility for that fact. It states that it has indicated its willingness to discuss a less expensive plan and started a survey of its membership but dropped its efforts in the absence of District cooperation.

Focusing on the percentage contribution toward health insurance premiums made by districts among its comparables, the Association contends that the District has lagged behind during 1980-1981 and 1981-1982. It had the lowest percentage contribution toward the family premium (at 73% and 75%) in the eight districts relied upon. The other districts paid between 80% and 100% with three paying 100% in both years (Oregon, Stoughton and Sun Prairie). It acknowledges that the actual dollars paid "have sometimes been competitive." The Association claims that "the parties" have been given a "very loose estimate" of a 30% increase in premiums. Assuming that this is true (and that the family premium goes to \$210.50 per month), the Association points out that the District's final offer would only pay 63% of the family premium and that the Association's proposal would only have the District paying 77% of the family premium. According to the Association, its proposal shows restraint in realizing that it cannot catch up to or gain parity with other districts all at once.

The Association stresses that at 77% it still would be placed at 8th out of the comparables unless "concessions" are granted in some of those other districts. There are only two settled; one at 80% (Monona Grove) and one at 100% (Sun Prairie).

On the question of dental insurance, the Association argues that among its comparables, four out of eight had such coverage in 1980-1981; six out of eight had it in 1981-1982; and the two out of eight settled in 1982-1983 will have it. Because of the passage of time settling the agreement for 1981-1982, the teachers at Middleton will not be able to have dental insurance coverage until 1982-1983 at the earliest.

In response, the District's contention that the total dollars for insurance proposed by the Association are "excessive", the Association argues: the single premium for dental insurance in Middleton is relatively high because the District would be entering the program "late in the game" and will miss out on two year premium breaks granted to other districts; the family dental premium which would be paid by the District is "competitive" with three other districts paying higher premiums; the rank of Middleton would be one out of eight for single and two out of eight for family under the Association's offer but it would also be one out of eight for single and four out of eight for family under the District's offer; and the factor which pushes the total dollar figure up is not the coverage but the expensive health insurance premiums which are the responsibility of the District. Other points made by the Association are: that the Association deserves catch-up in this area; it is absurd for the District to include dental insurance premiums for 1981-1982 as part of its cost analysis because those premiums will never be paid by the District; and there is nothing to support the District's claim that dental care is not as critical to health as health coverage.

#### Reasonableness

The Association first contends that its final offer is more reasonable because it provides maintenance of relative rank among the comparable districts. In making this argument, it acknowledges that only Sun Prairie is settled for 1982-1983 and that its proposal exceeds Sun Prairie in some respects and falls short in others. In an analysis of seven points on the salary schedule over the three years from 1979-1980 to 1981-1982, the Association demonstrates that the rankings have not changed or changed very little. It notes in this regard that Middleton's salary schedule has 18 steps in the ultimate lanes, as opposed to an average of 15.6 in the other districts. In view of the paucity of settlements for 1982-1983, it is impossible to draw any valid conclusions concerning maintenance of ranks for that year.

According to the Association, maintenance of the rank of the Middleton teachers in its comparable pool is warranted by the relative size of the districts. Middleton is decidedly the largest district in the Badger Conference, second only and closest to Sun Prairie. It is also closest to Sun Prairie in cost per pupil but does not have to tax its citizens at the same rate (13.56 mills, versus 15.27 mills). In fact the taxpayers in Middleton pay just under the average for the Association's group (13.63 mills). For these reasons, the teachers belong at the top or near the top of the comparability group even though they do not uniformly enjoy that status with respect to all wages and fringe benefits.

The District stipulated that it was not alleging an inability to pay the cost of the increases sought by the Association and the Association argues that it should therefore be assumed that it can do so in light of said stipulation and the tax data in the record.

According to the Association, its proposal will not roll back the erosion of inflation but is more reasonable in providing some cushioning against increases in the cost of living. In this regard, it points out that the CPI has increased 13.34% since the Middleton teachers last received an increase in wages (August 1980). According to the

Association, its members will never recoup this lost buying power while they awaited a decision since they did not have those dollars during the time that inflation continued. While the Association accepts the fact that it may not be able to stay even with inflation, it nevertheless goes on to argue that employees whose wages are delayed by the mediation-arbitration process should be allowed to receive a "catch-up" to offset this loss of timely buying power.

Other factors which, in the Association's view, show its wage package to be more reasonable are: additional dollars will become available due to employee turnover, reduction in programs and layoffs; total compensation to be received by the teachers under the Association's proposal should be reduced by the amount of dental insurance premiums that will not be paid for 1981-1982; and the budget report filed by the District with the DPI shows administrative salaries have increased by 11.31% and that benefits have increased by 24.89%, which increases compare more closely to the Association's projected increases (of 10.3% and 27.9%) than do the District's (of 8.32% and 13.3%).

In response to the District's arguments about the reasonableness of the Association's proposal for a 1982-1983 salary schedule, the Association argues that its comparisons to the cost of living should take into consideration the fact that lost buying power or savings/investment of earnings should be given consideration; a "catch-up" provision such as dental insurance should be discounted from any comparison to the cost of living; a comparison of wage gains in the Badger Conference shows that at 10.5% for 1981-1982, the District is at or near the average and a larger increase to "catch-up" in the dental insurance area should be disregarded; based on a comparison of average teacher increases among settled Wisconsin districts, the Association's projected range per teacher (\$1904 to \$2313) is closer to the figures of other settled districts than is the District's projected ranges per teacher (\$1543 to \$2112).

The Association asks the undersigned to consider the following points as well: the District misinterpreted the Association's cost of living proposal in reference to one of its arguments to mean that an 8% increase in the CPI would trigger an additional percentage, whereas an additional percentage will not be payable unless the cost of living exceeds 8%; the District's comparative analysis ignores the presence of longevity pay in some districts and the fact that Middleton has more steps than many districts; in considering the District's call for austerity the arbitrator should consider the Department of Labor's estimates of the expenses of a middle income urban family of four; the "concessions" being granted by private sector unions ignore the high level of benefits they have enjoyed and important tradeoffs being given by management in return; and public policy considerations require that school districts increase their wages and benefits to attract better people.

#### Cost of Living

The Association contends that the District's proposal with regard to a cost of living adjustment is "regressive" because it would replace the existing effective cap of 10% by an effective cap of 9% whereas the Association would maintain the status quo in that regard. Under the 1977-1979 agreement, the first with a cost of living clause, the cap was 12% but the adjustment was the percentage increase in the CPI minus 1% so the effective cap was 11%. This same approach was used in the 1979-1981 agreement except that the Association agreed to lower the "cap" from 12% to 11% which meant that the effective cap was then 10%. Under the District's proposal to increase the percentage subtracted from the CPI increase from 1 to 2 percent, the effective cap would now be 9%. The Association's proposal would keep the effective cap at 10%.

There is also a conceptual difference between the parties' cost of living proposals according to the Association. The Association's proposal would establish a 7.9% wage raise and provide for additional adjustments up to the existing cap of 10% if the CPI exceeds 8%. It is important to note, according to the Association, that these adjustments are not monthly, quarterly or semi-annual, but must

await the full year before being paid.

### Appropriate Index

The Association acknowledges the existence of a debate over the relative merits of the CPI and the PCE but declines to offer any evidence and argument on the dispute because of its contention that this debate is irrelevant to the instant dispute. The District's own offer utilizes the CPI and it has therefore endorsed its use. This dispute was not raised by the District until the hearing herein and for this reason, and because of the wording of the District's final offer, the Association contends that the District's evidence and arguments should be rejected or given little or no weight.

In response to the District's arguments on the alleged superiority of the PCE, the Association points out that of three arbitrators cited in the District's brief who criticized the CPI, two failed to endorse the PCE and one accepted it with qualifications and reservations. Because the parties here have used the CPI for six years (including in the instant final offers), the Association contends that the undersigned should rely on that index.

### DISCUSSION:

There are seven issues in dispute. The first three shall be discussed together because of the similarity of the arguments. The balance will be analyzed separately herein. It is not practical to attempt to discuss the voluminous data presented or to address all of the arguments made. Only the most compelling evidence and arguments will be discussed in dealing with each issue. After discussing each of the issues in dispute, the parties' total final offers will be evaluated to determine which is the more reasonable offer in terms of the statutory criteria.

- I. Per Class Rates for In-House Substitutes
- II. Hourly Rates for Curriculum Development Work
- III. Reimbursement Rate for Use of Personal Automobile

While the undersigned is somewhat mystified by the parties' "role reversal" on these issues, he has considerable problems with the Association's arguments in support of its position. The undersigned must agree with the District that the Association's position is simplistic and at odds with the realities of collective bargaining under Wisconsin's mediation-arbitration law. It is important to note that the parties here were unable to achieve a voluntary settlement. For that reason alone, the Association's analogy to settlements wherein an employer agrees to allow a union to divide a finite pie would appear to be misplaced. More importantly, with the compelling influence that comparisons take on under the mediation-arbitration statute, the District is clearly justified in seeking to "divide the pie" in a way that will help keep all of its wage rates and benefits competitive--not just to insure that it can attract quality teaching personnel--but so that it won't be vulnerable in a future mediation-arbitration proceeding. Under the logic employed by the Association, a union could well afford to "divide the pie" in an imbalanced way in a given year and later argue the need for catch-up.

Further, the Association's claim that delaying increases in these items until another day will free up money for the increases in wages and insurances it seeks would appear to be unsupported by the facts. Evidence introduced by the Association at the hearing shows that in the 1980-1981 school year, \$2,412.50 was spent for in-house substitutions at the high school and middle school level; \$784.88 was spent for in-house substitutions at the elementary level; \$11,830.00 was spent for curriculum development work; and approximately \$7,146.78 was spent on mileage reimbursement for teachers. It is obvious from these figures that delaying the proposed increases in these amounts does little to reduce the gap between the parties' final offers or to reduce the overall cost of the Association's offer.

Further, contrary to the Association's contentions, it would appear that these proposed increases are supported by the internal and

external comparisons relied upon by the District. Outside substitutes are earning \$40 per day which translates into \$8 per class if one assumes that an average teacher teaches the equivalent of five classes per day. Further, in-house teachers earn considerably more per day depending upon their placement on the salary schedule. The District's comparisons show that the current rates for curriculum and substitution work and for mileage reimbursement are slightly behind what other districts are paying. While the proposed rates would place the District well ahead in substitution pay and curriculum work, it would not necessarily place the District ahead for mileage reimbursement. Given the importance the District wishes to attach to in-house substitutions and the use of its own staff for curriculum development and the fact that there will be no further increase in these rates until 1983-1984, the proposed increases would appear to be justified and certainly preferable to the Association's proposal of no increases under this agreement.

#### IV. Improvement Units

The proposed change in the contractual definition of an improvement unit would change a voluntarily agreed to working condition. Furthermore the question of what quantum of work should be equated with an "improvement unit" and the question of what number of "improvement units" ought to be earned in a given period of time are not questions that are particularly well suited for labor arbitration. For these reasons the undersigned agrees with the District that the burden should be placed on the Association to justify its proposed change.

The Association makes several compelling arguments as to why an improvement unit, if it is intended to be equated with a CEU, should consist of 10 hours rather than 20 hours. <sup>6/</sup> The practices of the University of Wisconsin, the recommendation of the advisory committee and the practices of several (but not all) of the Association's comparable districts all support this proposed change in definition. However, the proposed change goes beyond mere definition. The agreement provides that a teacher must earn 6 units every four or five years (depending on whether the teacher has a BA or an MA). The 1976 guidelines, which the Association contends formed the basis of the current agreement reflects, on page three, that it was then the practice of the University of Wisconsin to define a CEU as equal to 10 hours and that therefore one CEU would be treated as equal to one-half improvement credit. This understanding was also reflected on page one of the same document.

It would be a simple matter to change the definition of an improvement unit to equal 10 hours and to state in the agreement that an improvement credit was intended to be the same as a CEU (which was part of the recommendation of the advisory committee). However, such a change would also reduce by one-half the amount of time and effort that should be required to meet the continuing education requirements which has nothing to do with the proper definition of an improvement unit or a CEU. Because the Association has failed to establish that such a change is justified and because the undersigned believes that the proposed change in definition should be accompanied by more careful discussion and review of the balance of the provision, the District's position on this proposal is preferred as the more reasonable.

#### V. Dental Insurance

In evaluating the parties' respective positions on dental insurance, it is important to note that the Association concedes that, due to the impossibility of buying retroactive dental insurance coverage, it does not intend that this proposed new benefit should impose any cost on the District unless and until it is included in the agreement. For this reason, the undersigned accepts the Association's position

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<sup>6/</sup> The Association's argument that three people have been frozen on the salary schedule (two for earning no improvement units and one for earning three improvement units) is not considered persuasive.

that the evaluation of the cost of the first year of the agreement should exclude the projected cost of this new benefit. With this cost excluded, the parties' offers are virtually the same, in terms of first year cost impact. Actually, the District's proposal would add slightly to the first year cost due to its proposed increases in the pay for in-house substitutions, curriculum work and mileage reimbursement.

In view of the District's stipulation that it is not attempting to justify its position on this and other issues by a claim of inability to pay, its arguments concerning the mood of fiscal restraint that has recently characterized government at the federal and state level, concessions being made in troubled industries who lack the ability to pay, and the appearances that are attached to the granting of a new fringe benefit in this atmosphere necessarily take on less weight. More important, in the consideration of whether the District should be required to provide this new benefit, are considerations such as the available comparisons and the overall cost of the Association's proposal including this new benefit. The latter consideration is discussed below in the discussion of the overall positions of the parties.

The available comparisons clearly support the inclusion of this new benefit. In 1981-1982, six out of the eight districts in the Association's group of comparables provided this benefit. Only Sauk Prairie, which Factfinder Zeidler found is not among the "most comparable" districts due to its smaller size, did not have this benefit. The four smaller districts which have this benefit include three smaller but contiguous or nearly contiguous districts--Verona, Waunakee and Lodi. The complete list of districts in the Madison metropolitan area which will have this benefit in 1982-1983 and the contribution level is not available as part of the record herein but it is safe to assume that the number will not decrease overall and that the level of contributions may well increase.

Just as the District's position on the need to increase the pay for in-house substitution and curriculum work and mileage reimbursement was found to have merit because of the compelling influence of comparisons under the statutory criteria, the Association's position on dental insurance would appear to be preferable to the District's. Further, the presence or absence of a substantial fringe benefit such as dental insurance may well have an influence on Middleton's ability to attract teachers in the Madison Metropolitan labor market. The dollars that the Association's proposal would have the District pay towards this benefit would not appear to be out of line with the dollars that other settled districts in the Madison area will be paying for this benefit in 1982-1983. For these reasons, the undersigned finds the Association's proposal superior to the District's proposal on the issue of dental insurance alone.

#### VI: Health Insurance

Some of the same considerations that were taken into account in evaluating the Association's proposal for dental insurance as a separate issue should also be made here, i.e., the ability to pay is not in issue and therefore the political and economic climate carries less weight than other criteria such as comparables and overall cost. As noted above, overall cost will be discussed below. On the question of comparables, the basic difference between the parties boils down to the question of whether the District's contribution to the costs of health insurance should be judged on a percentage basis on a dollar contribution basis.

The available comparables show that the District in 1981-1982 would contribute an average to a slightly above average number of dollars for this fringe benefit, depending on which group of comparables is used. However it only proposes to increase its contribution towards the family premium by \$10.00 or 8%. This will do little or nothing to bridge the rather sizable gap between Middleton and other comparable school districts in terms of the percentage contribution towards health insurance. Viewed from the teachers' point of view, assuming no increase in premium, teachers on the family plan in Middleton will



have to contribute approximately \$360.00 towards the cost of health insurance, using after tax dollars in 1982-1983.

It is important to note that the Association's proposal is that the District be required to pay "up to \$162" per month towards the cost of family coverage. The District has not bound itself to any particular carrier and would appear to be free to bargain with different carriers concerning comparable coverage. While the undersigned must agree with the District that the Association's evidence that there will be a 30% increase in the premium for health insurance is unreliable, it is common knowledge that such premiums have in many recent cases increased at a rate far in excess of the general rate of inflation.

The undersigned finds that the District's proposal to increase the monthly contributions toward the family premium for health insurance by \$10 is clearly too low. While the Association's proposal to increase it by \$40 may be a little high, the undersigned finds the Association's proposal more reasonable on the evidence and arguments presented.

#### VII. Salary Schedule for 1982-1983

It should be noted that the parties to this dispute finalized their offers by submission to the WERC investigator on October 23, 1981. At that time the relevant CPI index stood at 279.1 which represented an increase of 10.8% over the prior (October 1980) index. The six relevant monthly increases under the terms of the agreement had raised the index from a base of 266.8 (April 1980) to 279.1 (October 1981). Thus, the index increased 12.3 points in the first six month period. If the rate of increase in the index had not declined in the last six months of the relevant period but continued to increase at the same rate as it had in the first six months, there would have been a 9.2% increase in the CPI.

These facts are pointed out to illustrate how, because of the passage of time and because of changes proposed in the old cost of living formula by both parties, their offers have drifted lower but further apart. Thus at the time the parties finalized their offers, the modified formula proposed by the District would have increased the salary base by 7.2% (9.2% less 2%) and the Association's new 7.9% floor and new bracketed increase formula would have generated a 9.9% increase in the base (7.9% plus 2%). The spread between their offers in terms of the base increase alone was 2.7% at that time.

The final figures for the relevant period show that the actual increase in the CPI, as measured by the May 1981 index, was only 6.3%. Thus, under the modified formula proposed by the District the base would be increased by 4.3% and the Association's proposed new floor would guarantee a 7.9% increase. The spread between the two offers in terms of the base increase alone has now expanded to 3.6%.

Both offers would maintain the existing structure of the salary schedule. For this reason, the undersigned is inclined to agree with the Board that the Association's arguments about differences between the number of steps in the schedules at other districts, particularly the Sun Prairie district which is also under a two year agreement and has a cost of living provision, are largely irrelevant for purposes of reviewing the parties' offers on the salary schedule. Similarly, the District's criticism of the CPI as a measure of the increases in the "cost of living," has some merit in the abstract but is not particularly persuasive because of its use of the CPI in its final offer. It does lend some support to its otherwise unexplained proposal to subtract 2% rather than 1% from the CPI increase. However the presence of the ceiling has in the past protected it from the large increase in 1980.

On the other hand the undersigned has great difficulty with the Association's argument that the District's proposal to modify the formula should be faulted as regressive when its own formula bears little relation to the status quo and modifies the formula in much more fundamental ways. The question that presents itself is not the

academic one of which proposed revision in the formula is better-- they both represent arguably justified departures from the status quo. Instead the question at this juncture necessarily is whether the District's proposed increase in the base of 4.3% should be preferred over the Association's proposed 7.9% increase.

Were the Association not also seeking substantial increases in insurance benefits this would be a much easier question. Thus, under the guarantee that exists in the Sun Prairie contract (10% increase in wages including step increases and lane changes), the Association's proposal would appear to be in line (but slightly on the high side) with one of the more persuasive comparables. On the other hand the District's proposal would not. Therefore if the undersigned were to select between the two final offers on the basis of salary schedule alone, without regard to overall cost, the Association's proposal would be preferred.

#### Overall Cost

The District is correct that it has utilized the conventional and more reliable method for measuring overall cost for comparison purposes. The District's ability to pay is not an issue and therefore the actual cost of the Association's proposal is not of controlling importance.

Because the undersigned has indicated that on all three of the most important cost items, Dental Insurance, Health Insurance and Salary Schedule, the Association's proposal is preferred, the controlling consideration is whether the overall cost of the Association's final offer is excessive. This problem is exacerbated by the paucity of available data as to 1982-1983 settlements.

It has already been noted that the District's cost figures for the first year of the agreement should be reduced by the amount that the District estimated that it would spend for dental insurance. Thus the first year of the agreement should be costed at 11.34% not 12.3%. The District estimated the second year cost of the agreement under the Association's offer (assuming a \$13,650 base) at 10.96%. However, in fairness this figure should be revised slightly upward to 11% due to the reduced base that results when the cost of dental insurance is excluded from the first year. On the other hand, the District estimated the second year cost of its offer (assuming an 8% increase in the cost of living) at 8.44%. Since the cost of living only rose at the rate of 6.3%, the second year cost of its offer would have to be revised substantially downward. An analysis of the District's costing exhibits indicates that, coincidentally, a 1% increase in the CPI would raise the overall cost of its offer by slightly less than 1%. On this basis, its second year cost figure can be revised downward by 1.7% to determine an approximate second year cost figure of 6.74%.

Viewed in isolation, the Association's 1982-1983 cost of 11% would appear to be excessive. Even with the paucity of settlement data currently available, such a double digit figure would appear to be out of line given the current slowdown in the rate of inflation and the political/economic climate referred to by the District in its arguments. However, it is important to note that this figure represents the cost of the second year of a two-year agreement and the cost of the first year, while "in the ball park" was slightly on the low side.

On the other hand, the District's offer, which does not include dental insurance and offers only a \$10 per month increase in health insurance premiums, would appear to be lower than justified by the available comparisons particularly that provided by Sun Prairie which is comparable in size and clearly subject to what Arbitrator Zeidler identified as the "Madison influence."

Given the Hobson's choice presented by the offers in this case, the undersigned believes that the Association's proposal should be selected over that of the District under the statutory criteria. While the District's offer was favored on four of the seven issues in

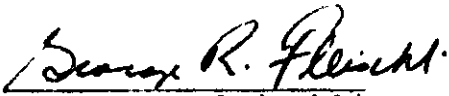
dispute, the Association's offer was favored on the three weightiest issues and the overall cost of the Association's proposal, while on the high side, does not change the balance in the District's favor when the overall cost and available comparisons are taken into account on a two-year basis.

For these reasons, the undersigned renders the following

AWARD

The Association's final offer, as modified by the written stipulation of the parties, shall be included in the parties' 1981-1983 collective bargaining agreement along with all of the provisions of the 1979-1981 collective bargaining agreement which are to remain unchanged and the stipulated changes agreed to by the parties.

Dated at Madison, Wisconsin this 14<sup>th</sup> day of June, 1982.

  
George R. Fleischli  
George R. Fleischli  
Mediator-Arbitrator

1982-83 UNION OFFER  
NO INCREASE IN CPI

Step	I		II		III		IV		V		VI	
	<u>BACHELORS</u>		<u>BACHELOR + 12</u>		<u>BACHELOR + 24</u>		<u>BACHELOR + 36 OR MASTERS</u>		<u>BACHELOR + 48 OR MASTERS + 12</u>		<u>MASTERS + 24</u>	
	Index		Index		Index	Index	Index	Index	Index	Index	Index	Index
1.	1.00	13,650.00	1.03	14,059.50	1.06	14,469.00	1.10	15,015.00	1.14	15,561.00	1.18	16,107.00
2.	1.04	14,196.00	1.07	14,605.50	1.10	15,015.00	1.145	15,629.25	1.185	16,175.25	1.225	16,721.25
3.	1.08	14,742.00	1.11	15,151.50	1.14	15,561.00	1.19	16,243.50	1.23	16,789.50	1.27	17,335.50
4.	1.12	15,288.00	1.15	15,697.50	1.18	16,107.00	1.235	16,857.75	1.275	17,403.75	1.315	17,949.75
5.	1.16	15,834.00	1.19	16,243.50	1.22	16,653.00	1.28	17,472.00	1.32	18,018.00	1.36	18,564.00
6.	1.20	16,380.00	1.23	16,789.50	1.26	17,199.00	1.325	18,086.25	1.365	18,632.25	1.405	19,178.25
7.	1.24	16,926.00	1.27	17,335.50	1.30	17,745.00	1.37	18,700.50	1.41	19,246.50	1.45	19,792.50
8.	1.28	17,472.00	1.31	17,881.50	1.34	18,291.00	1.415	19,314.75	1.455	19,860.75	1.495	20,406.75
9.			1.35	18,427.50	1.38	18,837.00	1.46	19,929.00	1.50	20,475.00	1.54	21,021.00
10.			1.39	18,973.50	1.42	19,383.00	1.505	20,543.25	1.545	21,089.25	1.585	21,635.25
11.					1.46	19,929.00	1.55	21,157.50	1.59	21,703.50	1.63	22,249.50
12.					1.50	20,475.00	1.595	21,771.75	1.635	22,317.75	1.675	22,863.75
13.					1.54	21,021.00	1.64	22,386.00	1.68	22,932.00	1.72	23,478.00
14.					1.58	21,567.00	1.685	23,000.25	1.725	23,546.25	1.765	24,092.25
15.							1.73	23,614.50	1.77	24,160.50	1.81	24,706.50
16.							1.775	24,228.75	1.815	24,774.75	1.855	25,320.75
17.									1.86	25,389.00	1.90	25,935.00
18.									1.905	26,003.25	1.945	26,549.25

APPENDIX A

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WISCONSIN EMPLOYMENT  
 RELATIONS COMMISSION