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In the Matter of Final and Binding :
Final Offer Arbitration Between :
CEDARBURG EDUCATION ASSOCIATION : AWARD WISCONSIN EMPLOYMENT
and : Case IX RELATIONS COMMISSION
CEDARBURG SCHOOL DISTRICT : MED/ARB-1722
Decision No. 19923-A

I. HEARING. A hearing in the above entitled matter was held on December 17, 1982, at the Cedarburg School District Board Room, Cedarburg, Wisconsin. The hearing had been preceded by mediation on the same day, but the impasse remained, so the arbitrator called for an arbitration hearing. The parties were given full opportunity to give testimony and present evidence. Briefs were exchanged on January 29, 1983, and reply briefs on February 12, 1983.

II. APPEARANCES.

PATRICK A. CONNOLLY, Executive Director, North Shore United Educators, appeared for the Association.

MARK L. OLSON, Attorney, MULCAHY & WHERRY, S.C., appeared for the District

III. NATURE OF THE PROCEEDINGS. The Cedarburg Education Association filed a petition on June 3, 1982, with the Wisconsin Employment Relations Commission alleging that an impasse existed between the Association and the Cedarburg School District in collective bargaining for a new agreement. The Commission, after investigation by its staff member, Stephen Schoenfeld, found that an impasse within the meaning of Section 111.70 (4) (cm) 6 of the Municipal Employment Relations Act of Wisconsin existed, certified that the conditions precedent to initiation of mediation-arbitration existed, and ordered such mediation on September 21, 1982. The parties having selected Frank P. Zeidler of Milwaukee as mediator-arbitrator, the Commission appointed him on October 26, 1982.

IV. FINAL OFFERS. This is a single issue arbitration. The issue is wages. The Association is proposing a BA base wage of \$13,825, and the Board is proposing a base of \$13,510.

V. FACTORS TO BE WEIGHED. The following is from Section 111.70 (4) (cm) 7 of the Wisconsin Statutes:

"(7) FACTORS CONSIDERED. In making any decision under the arbitration procedures authorized by this subsection, the mediator-arbitrator shall give weight to the following factors:

"a. The lawful authority of the municipal employer.

"b. Stipulations of the parties.

"c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.

"d. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally in public employment in the same 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 municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pension, 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 the private employment."

VI. LAWFUL AUTHORITY OF THE EMPLOYER. There is no question here as to the lawful authority of the Employer to meet either offer.

VII. STIPULATIONS. The parties have stipulated to all other issues in a proposed one year contract.

VIII. FINANCIAL ABILITY OF THE EMPLOYER. The matter of the financial ability of the Employer to meet either offer is not in question. There is an objection made by the District to meet the costs of the Association offer on the grounds that the economic conditions in various aspects make it in the interests and the welfare of the public not to meet the Association offer. This matter will be treated more extensively later. However the Association asserts that the main factor above to be considered is the comparison of the wages with those in comparable districts, and here the evidence is that the wage offer of the Board is not comparable, whereas the Association offer is more comparable, and further that the evidence presented by the Board to the effect that there is unemployment was not tied directly to conditions in Cedarburg.

The essence of the District argument is that the information on the changes in the cost of living and on the economic downturn must be given the greatest weight, and the attempt of the Association to restrict consideration to comparisons alone is not supported by the existence of other statutory criteria which the arbitrator must consider.

The arbitrator finds the Board has the ability to meet the costs of either offer.

IX. COST OF WAGE OFFERS AND ROLL-UP COSTS. In this matter, only the Board supplied exhibits relating to costs of the offers. The Board used the "schedule-to-schedule" method, a method which the parties described as the "apples to apples" approach. In this method the cohort of teachers of the previous year is advanced forward, and the calculations are made for total costs of the previous year and the current year. The following table contains information derived from Board Exhibits 3 D, 3 H, and 3 L on wage costs alone:

TABLE I

COST AND PERCENTAGE INCREASES OF BASIC WAGE OFFERS
ALONE, SCHEDULE-TO-SCHEDULE APPROACH, 189.36 FTE

The following table is derived from Board Exhibits 3 I and 3 M and deal with roll-up costs:

TABLE II

ROLL-UP COSTS OF ALL WAGES AND BENEFITS,
SCHEDULE-TO-SCHEDULE APPROACH

<u>Year</u>	<u>All Wages</u>	All <u>Total Wages and Benefits</u>	<u>% Inc.</u>	<u>Average Increases Per Employee</u>
1981-82	\$3,951,205	\$4,926,799		
1982-83				
Board Offer	4,312,233	5,399,217	9.59	\$2,495
Assn. Offer	4,410,668	5,515,971	11.96	3,111

No "actual to actual" schedules were presented by either party, and the data submitted does not allow an attempt by the arbitrator to ascertain what such a comparison might reveal. The Association takes the strongest exception to the use of the percentage increases and to the schedule-to-schedule approach. It asserts that these methods do not represent actual salaries to teachers, but merely represents a kind of a cost to the Board which, however, is not the actual cost to the Board. The device used by the Board, according to the Association, is merely a bargaining tool to be used in bargaining between the parties, but is not to be used to judge salary changes here or to measure what teachers get in actuality. The percentage increases thus obtained cannot be used to measure percentage increases in other districts, because no one knows how other districts arrived at their percentage changes. They cannot be used to judge changes in the cost of living, since the changes reflected by the Board's increases are not the changes reflected in teachers' incomes, teachers being the real consumers here.

The Board says that its schedule-to-schedule costing method is one accepted and preferred by arbitrators and is the most accurate method of measuring increases obtained by a teaching staff.

Discussion. The ascertaining of the costs of offers to the Employer is essential to applying the statutory criteria of comparisons with conditions of employees in other jurisdictions and of changes in the cost of living. Without such information it would be difficult to make any kind of meaningful judgment. In the case of teacher salaries, because of complex schedules, it is difficult to ascertain which teacher is getting what kind of salary change, especially because teachers in the steps of a schedule or changing lanes get higher percentage increases than those who have had tenure long enough to be off the schedule except for longevity. On the other hand, the effort of an Employer is not easy to ascertain if one takes the actual-to-actual schedule - that is what the Employer paid out last year and what the Employer will pay out in the current year. The picture of the Employer effort may be distorted if the full-time teacher equivalency drops or if senior teachers retire and new teachers are hired at the bottom of the schedule. A common method then is to use the schedule-to-schedule approach as being a good method of showing Employer effort, even though it may overstate the actual effort because of staff changes. The arbitrator here accepts the Board estimates of costs and percentage increases as the best information here upon which to make a judgment for comparisons.

X. WAGE COMPARISONS - COMPARABLE DISTRICTS. The Association contends that the most comparable districts for use in these proceedings constitute those in the North Shore United Educators UniServ Council. The districts include Shorewood, Maple Dale, Mequon-Thiensville, Nicolet Union High School, Whitefish Bay, Glendale, Brown Deer, Fox Point-Bayside, Grafton and Cedarburg. The Association says that the representatives of the teachers in these districts develop common policies and have common interests. The Association also says that there is a group of districts contiguous to Cedarburg which might be considered as having a secondary comparison value. These districts include some of those in the primary comparison list. The districts are Germantown, Mequon-Thiensville, Port Washington, Grafton, West Bend and Fredonia.

Concerning the first group of districts, the Association regards these districts as comparable, because they are in the same geographic area north of Milwaukee and near Lake Michigan, and they are under the economic influence of Milwaukee. They are also in the same UniServ district; the Associations in this district work together cooperatively in negotiations. The Employer also recognizes all of these groups except Fox Point-Bayside, Glendale, and Maple Dale-Indian Hills, but these are part of the Nicolet Union High School District and should be recognized. Eight of the ten districts have settled schedules voluntarily for 1982-83.

The Association is not asserting that the Cedarburg teachers should get the same pay as others, but should maintain their same position relative to these districts.

The Association regards the districts contiguous to Cedarburg as useful for comparison purposes. However, as to these districts, only Grafton and Mequon-Thiensville have settled for 1982-83, and four other districts have not.

The Association objects to including Hamilton, Elmbrook and Menomonee Falls in the comparison list. The Association notes that while the Board sets up a list of comparables, it then states that not all of the list can be used for comparisons, and further it finds the districts not settled for 1982-83 as more suitable for comparisons than those which are settled. The Association strongly argues that those districts where there exists a settlement pattern should be given the greatest weight.

The Board presented a list of 14 districts which were part of two CESA districts, 16 and 19, for which it supplied comparative data. These were Brown Deer, Cedarburg, Elmbrook, Fredonia, Germantown, Grafton, Hamilton, Menomonee Falls, Mequon, Nicolet UHS, Port Washington, Shorewood, West Bend, Whitefish Bay.

Glendale, Maple Dale-Indian Hills, and Fox Point-Bayside, are K-8 districts feeding into Nicolet Union High School.

The Board argues that on the basis of previous arbitrators' decisions as to comparability, such things as population, proximity, mean income, the municipal budget, department personnel, and wages and fringes make for comparability. It says that under these criteria its list of comparables provides the best pool of districts for comparison. Of the thirteen districts thus identified, there is a primary group of Fredonia, Germantown, Grafton, Mequon, Port Washington and West Bend.

The Board rejects the districts listed by the Association as a primary group on the grounds that the use of the North Shore United Educators as a group is totally inappropriate and insupportable. It also contends that K-8 districts are not appropriate, as several arbitrators, including this one, have found in the past.

The Board also contends that some of the districts cannot be used in comparison, because they settled their 1982-83 wage rates one year ago as the second part of a two-year agreement, and economic conditions are greatly different now.

It should be noted that in the Association's primary list, six districts are in the Board's list. These are Brown Deer, Cedarburg, Mequon-Thiensville, Nicolet, Whitefish Bay and Grafton. The Board list also includes West Bend, Fredonia, Germantown and Port Washington, which are found in the secondary list of the Association.

The evidence submitted by the parties in maps (Association Exhibit 3 and Board Exhibits 29 A and B) gives some idea of the location of the Cedarburg district with respect to other districts. However, statistical data on all the districts are not presented.

Discussion. It is the arbitrator's view from studying the maps that the districts with the highest degree of comparability here are those of Cedarburg, Grafton, Port Washington, Mequon-Thiensville, Brown Deer, and Germantown, since they lie near the southern half of the Ozaukee County and share a kind of similar economic climate. The Lake Shore districts of northern Milwaukee County are in a somewhat different economic environment as are the districts of northern Ozaukee County and of Washington and Waukesha Counties.

A review of Employer Exhibit 30 reveals that Elmbrook, Menomonee Falls, and West Bend have much larger systems. Fredonia is a much smaller system.

The following table is instructive for comparison purposes and represents what the arbitrator thinks are the primary and secondary comparison lists. The table is derived from Board Exhibit 30.

TABLE III
DISTRICTS OF PRIMARY AND SECONDARY COMPARISON VALUE
IN THE ARBITRATOR'S CONCLUSION

<u>District</u>	<u>FTE</u>	<u>Pupils</u>	<u>School Cost Per Pupil</u>	<u>Equalized Value</u>	<u>Levy Rate Per \$1000</u>
A. Primary Comparison					
Brown Deer	152.00	2,176	\$2,906	\$159,776	\$14.38
Cedarburg	184.70	2,887	2,458	149,627	11.20
Germantown	190.80	2,966	2,659	135,001	12.76
Grafton	160.00	2,331	2,478	139,106	11.38
Mequon	199.50	3,429	2,528	218,292	11.52
Port Washington	157.80	2,602	2,466	127,285	11.41
B. Secondary Comparison					
Elmbrook	527.90	7,733	2,726	206,302	12.81
Fredonia	57.80	850	2,765	169,950	13.46
Hamilton	203.52	3,187	2,668	116,577	13.07
Meno. Falls	290.10	4,425	2,775	156,370	13.46
Nicolet UHS	114.65	1,724	2,934	722,958	4.06
Shorewood	133.80	2,073	2,885	205,423	14.01
West Bend	393.15	6,419	2,463	136,195	11.30
Whitefish Bay	149.40	2,550	2,857	198,632	13.87

In the above table it should be noted that Nicolet UHS which might otherwise have been included as being within the Cedarburg regional group, has a very high equalized value and a very low levy rate, which are characteristics not held in common with any other district in the list.

It should also be noted that the tax effort in the Cedarburg district is the lowest effort with one exception in either of the lists.

It should also be noted that no information of this type is available for the Glendale K-8 district or the Maple Dale K-8 district.

XI. WAGE COMPARISONS BY DISTRICTS. The Association has made its main case here on wage comparisons in comparable districts and does that by comparing wages at various steps in the schedules. The arbitrator has abstracted from Association Exhibits 4 through 10 some information on the rank of Cedarburg and three districts which have figured prominently in the briefs of the parties. These districts are Shorewood, Mequon and Grafton.

TABLE IV A TO G

COMPARATIVE RANK OF CEDARBURG AMONG 10 DISTRICTS IN THE NORTH SHORE UNITED EDUCATORS, AT SELECTED STEPS

	1980-81		1981-82			1982-83 ⁽¹⁾		
	Amount	Rank	Amount	Rank	% Inc.	Amount	Rank	% Inc.
<u>A. BA Minimum</u>								
Shorewood	11,972	1	13,073	1	9.19	14,276	1	9.20
Grafton	11,450	9	12,490	9	9.08	13,610	9	8.96
Mequon	11,800	3	12,980	2	10.0	13,980	4	7.70
Cedarburg	11,650	6	12,700	7	9.01			
Board						13,510	10	6.38
Assn.						13,825	7	8.85
<u>B. BA, 7 Step</u>								
Shorewood	15,564	4	16,995	5		18,559	3	
Grafton	14,330	9	15,641	9		17,054	9	
Mequon	15,517	5	17,069	4		18,383	4	
Cedarburg	14,739	8	16,067	8				
Board						17,091	7	
Assn.						17,491	7	
<u>C. BA Maximum</u>								
Shorewood	20,352	2	22,224	2		24,269	2	
Grafton	19,192	7	20,883	7		27,783	7	
Mequon	17,700	10	19,470	9		20,970	9	
Cedarburg	20,183	3	22,006	4				
Board						23,419	5	
Assn.						23,964	3	
<u>D. MA Minimum</u>								
Shorewood	13,648	1	14,903	1		16,275	1	
Grafton	12,595	8	13,743	6		14,979	6	
Mequon	12,980	2	14,278	2		15,378	2	
Cedarburg	12,606	6	13,742	7				
Board						14,618	10	
Assn.						14,959	8	

TABLE IV A TO G - continued

	1980-81		1981-82			1982-83 ⁽¹⁾		
	<u>Amount</u>	<u>Rank</u>	<u>Amount</u>	<u>Rank</u>	<u>% Inc.</u>	<u>Amount</u>	<u>Rank</u>	<u>% Inc.</u>
<u>E. MA, 10th Step</u>								
Shorewood	19,574	4	21,374	4		23,341	3	
Grafton	17,743	9	19,375	9		21,137	8	
Mequon	19,234	5	21,157	5		22,787	4	
Cedarburg	18,201	7	19,840	7				
Board						21,105	9	
Assn.						21,597	9	
<u>F. MA Maximum</u>								
Shorewood	24,183	5	26,473	5		28,909	4	
Grafton	22,885	8	24,909	9		27,186	7	
Mequon	22,856	10	25,121	8		27,041	8	
Cedarburg	22,807	9	24,865	10				
Board						26,461	10	
Assn.						27,074	9	
<u>G. Schedule Maximum</u>								
Shorewood	25,680	6	28,042	6		30,622	5	
Grafton	24,700	7	26,887	8		29,346	6	
Mequon	24,626	8	27,069	7		29,138	7	
Cedarburg	24,185	9	26,367	9				
Board						28,064	10	
Assn.						28,714	9	

(1) Fox Point-Bayside data not available for any 1982-83 steps.
Whitefish Bay data not available for any BA, 7th or MA, 10th steps.

Table V is derived from Board Exhibits 32 and 33. The districts have however been separated into those the arbitrator has considered most comparable and those of secondary comparison.

TABLE V

WAGE COMPARISONS, 1981-82 AND 1982-83 OF SIX MOST COMPARABLE DISTRICTS AT SELECTED STEPS

<u>District</u>	'81-82	<u>BA Minimum</u>		Rank	'81-82	<u>BA Maximum</u>		Rank
		Rank	'82-83			Rank	'82-83	
<u>A.</u>								
Brown Deer	12,723	4	13,995	1	21,238	2	23,360	1
Germantown	12,925	2	N.S.		19,388	6	N.S.	
Grafton	12,490	6	13,610	3	20,367	3	22,219	2
Mequon	12,980	1	13,980	2	19,470	5	20,970	3
Port Washington	12,875	3			19,956	4		
Assn.			13,875				21,506	
Board			13,560				21,018	
Cedarburg	12,700	5			21,866	1		
Assn.			13,825				23,804	
Board			13,510				23,259	
<u>B.</u>								
		<u>MA Minimum</u>				<u>MA Maximum</u>		
Brown Deer	13,496	6	14,845	3	25,461	1	28,005	1
Germantown	14,863	1	N.S.		23,911	4	N.S.	
Grafton	13,743	4	14,979	2	23,157	6	25,271	3
Mequon	14,782	2	15,378	1	24,922	2	26,842	2
Port Washington	14,163	3			23,176	5		
Assn.			15,956				25,669	
Board			15,594				25,086	
Cedarburg	13,742	5			24,725	3		
Assn.			14,959				26,914	
Board			14,618				26,301	

TABLE V - continued

District	MA 30 Maximum				Schedule Maximum With Longevity			
	'81-82	Rank	'82-83	Rank	'81-82	Rank	'82-83	Rank
C.								
Brown Deer	26,318	2	28,948	1	26,318	5	28,948	3
Germantown	26,495	1	N.S.		27,095	1	N.S.	
Grafton	25,235	6	27,540	3	26,887	4	29,346	1
Mequon	26,090	4	28,100	2	27,069	2	29,139	2
Port Washington	25,751	5			25,751	5		
Assn.			27,750				27,750	
Board			27,120				27,120	
Cedarburg	26,227	3			26,927	3		
Assn.			28,554				29,354	
Board			27,904				28,704	

Taking all the fourteen districts listed in Board Exhibits 30 and 33 and ranking the districts, one arrives at the information found in Table VI.

TABLE VI

RANK OF CEDARBURG, 1981-82 AND 1982-83 IN
COMPARABLE DISTRICTS AT SELECTED STEPS

	BA Min.	BA Max.	MA Min.	MA Max.	MA 30 Max.	Schedule Max. w/Long.
1981-82 ⁽¹⁾	12	3	13	8	9	7
1982-83 ⁽²⁾						
If all Boards' offers prevail						
Assn.	8	3	10	7	7	6
Board	11	5	12	8	9	10

- (1) 14 Districts
- (2) 12 Districts

Board Exhibit 31 and Association Exhibits yielded the information found in this table:

TABLE VII

PERCENTAGE INCREASES OF COMPARABLE DISTRICTS, 1982-83, AND
YEAR OF SETTLEMENT OR FINAL OFFERS, AND CONTRACT DURATION

District	1982-83 % Inc.	Contract Signed or Final Offer	Duration
A. Primary Comparison			
Brown Deer	12.6	6/11/81	1981-84
Germantown	N.S.		
Grafton	11.7	6/22/81	1981-83
Mequon	9.21	7/21/82	1982-83
Port Washington			
Board	8.0	10/15/82	1982-83
Assn.	10.9		
Cedarburg			
Board	8.96	9/9/82	1982-83
Assn.	11.5		

TABLE VII - continued

<u>District</u>	<u>1982-83 % Inc.</u>	<u>Contract Signed or Final Offer</u>	<u>Duration</u>
B. <u>Secondary Group</u>			
Elmbrook	11.3	8/31/81	1981-83
Hamilton	9.0	12/8/82	1982
Menomonee Falls			
Board	7.13	6/9/82	1981-83
Assn.	11.4		
Nicolet UHS	11.5	12/8/81	1981-83
Shorewood	11.1	6/9/81	1981-83
West Bend			
Board	8.0	11/5/82	1981-83 Reopener
Assn.	9.8		
Whitefish Bay	10.8	5/13/81	1981-83

Percentage increases in BA Bases are shown in Table VIII. This table comes from Association Exhibits 4 and 11 and Board Exhibits in the Exhibit 38 series.

TABLE VIII

PERCENTAGE INCREASES IN BA BASE WAGES, 1981-82
TO 1982-83 FOR COMPARATIVE DISTRICTS

<u>District</u>	<u>1981-82</u>	<u>1982-83</u>	<u>% Inc.</u>
A.			
Brown Deer	12,723	13,995	10.0
Germantown	12,925	N.S.	
Grafton	12,490	13,610	8.96
Mequon	12,980	13,980	7.7
Port Washington	12,875		
Board		13,560	5.32
Assn.		13,875	7.76
Cedarburg	12,700		
Board		13,510	6.38
Assn.		13,875	9.25
B.			
Elmbrook	12,780	14,000	9.55
Hamilton	12,848	13,786	7.30
Menomonee Falls	12,740		
Board		13,445	5.53
Assn.		13,925	9.30
Nicolet UHS	12,807	13,992	9.25
Shorewood	13,073	14,276	8.74
West Bend	12,760		
Board		13,425	5.21
Assn.	86 days	13,526	6.00
	Rest of school year	13,845	8.5
Whitefish Bay	12,753	13,901	9.00
Fox Point-			
Bayside	12,645	13,870	9.68
Fredonia	12,320	N.S.	
Glendale	12,594	13,727	9.00
Maple Dale	12,809	13,936	8.8

Position of the Association. The Association points to the fact that Cedarburg has a fully indexed system as compared to some systems that do not. Under the index system a percentage increase across the board affects all cells. A decline in relative position at one time cannot be made up simply by raising the base the following year, and when one falls behind, the cost of catching up to other districts becomes expensive to the Employer.

The Association states that the benchmarks it has used are those common to other associations throughout the state. It contends that in its list of comparables at the BA base it has dropped from sixth of 10 in 1980-81 to seventh in 1981-82 and under the Board's offer it would be dead last. Under the Association offer it would only drop to 8th. The Association calls attention to the increasing disparity between the Cedarburg position and the position of Shorewood, the 1980-81 leader. The drop is from \$322 behind in 1980-81 to \$722 under the Board offer now. For two years Cedarburg was \$200 and \$210 ahead of Grafton. In 1982-83 under the Association offer it would be \$215 ahead; but under the Board offer it would be \$100 behind. At the BA base employees who started at the BA base in 1980-81 will experience a decline of \$381 with respect to a similar Grafton teacher in 1982-83 under the Board's offer and \$6 under the Association offer. The Association says that under the Board's offer salaries in Cedarburg which were historically higher than those in Grafton will now fall behind, and those which were behind will drop significantly lower. A loss in the base has a large effect as a teacher moves through the schedule.

The Association points to a large relative loss compared to Grafton and to Shorewood at the BA Maximum which step was the strongest point in the Cedarburg schedule. In the MA Minimum the sixth place position of Cedarburg in 1980-81 will become last under the Board proposal. The Grafton teacher at this level will earn \$362 more than the Cedarburg teacher when Cedarburg was ahead of it last year. The drop of Cedarburg behind Shorewood will increase from \$1,161 to \$1,657.

At MA Step 10 the Cedarburg teacher who was ahead of the Grafton teacher falls behind in 1982-83 under the Board offer. At MA Maximum the Cedarburg schedule drops to last place. The Association argues that losses cannot be made up in the future; the index cannot be tampered with, and thus substantial damage will be made to cumulative earnings under the Board's offer. The Board proposal also moves the teachers farther behind at the Schedule Maximum. The Association notes that the proposals of both parties would move the district to last place, but the Board's proposal would drop the maximum substantially below the other districts.

As to the contiguous districts, Cedarburg was in line with the other districts historically, and the Association final offer will not significantly alter this historic position.

The Association argues strongly against the Board's use of its percentage overall increases and as wage increases. It says that any percentage increases used by the Board in comparisons are simply increases for various boards, and they are not verified by any corroborating information. The Association also objects to the Board analysis of salary increases, because the actual wage rates are not included, and because the Board uses some data on proposals which are not settlements. The Association also protests the Board method, because it does not show historical development and actual amounts through a snapshot technique.

The Association objects to the Employer contention that because there are not enough settled contracts, the arbitrator is to use guesswork on unsettled contracts. The Association notes that the Grafton and Mequon districts have settled, and that eight of the Association's comparable districts have settled.

Position of the Board. The Board argues that its offer is more reasonable when viewed in light of the settlements in the comparable districts. It first holds that percentage increases in the districts of Brown Deer, Elmbrook, Grafton, Nicolet UHS, Shorewood and Whitefish Bay, though the districts may be considered comparable, cannot reflect the present conditions in Cedarburg, because the percentage increases were made last year when economic conditions were different. Those percentage increases should not be given primary consideration. The Board cites the average percentage of wage increases of 8.96% under the Board offer and 11.5% under the Association offer, but says that the overall cost to the Board of 9.59% for its offer and 11.96% for the Association offer is the critical issue in light of a depressed economy.

The Board argues that the six settlements in districts in 1981-82 which were two year settlements, when considered in light of the economic times as reflected by the increase in the CPI, show that the Board at this time is offering a much more favorable settlement. In the six districts above, board settlements ranged from 0.3% to one settlement which was at 2.6% above the national CPI at the time. The Board settlement offered here is 2.66% above the CPI which prevailed at the time of the Board offer. Similarly when the Milwaukee CPI is considered, the settlements ranged from -2.5% to +1.8%, but the Board here is offering a settlement 6.06% above the Milwaukee CPI. The Board further argues that if the 1982-83 experience were thus given credence, any multi-year settlement would dictate a settlement range from 6.33% to 8.9% nationally and from 0.4% to 4.7% in the Milwaukee area. The Board's current offer of 8.96% in wages and 9.59% overall constitutes a pattern far above what the pattern would dictate.

The Board notes that only two districts have settled within the last six months - Mequon at 9.21% on wages and Hamilton at 9.0 percent. The Board's offer more closely matches these. In Menomonee Falls, Port Washington and West Bend, the average of Association offers is 8.15%.

The Board notes that the average increase for settlements in the BA base for the six districts previously settled is 9.33%, and for comparable districts currently in arbitration, it is 8.15%. This means that these other Associations recognize that the type of settlements received under the two year contracts cannot be expected at this time.

The Board also argues that teachers' associations have not been reasonable in formulating current demands under the present conditions. Therefore comparisons should be made only with Hamilton and Mequon and certified Board offers in Menomonee Falls, West Bend and Port Washington. The Board, in utilizing data it supplied in the hearing about these above five districts, developed two charts in its brief, #4 and #5, from which the following information is abstracted to reflect the Board's argument.

TABLE IX

DOLLAR AND PERCENTAGE INCREASES FROM AN AVERAGE DERIVED FROM 1982-83 SETTLEMENTS IN HAMILTON AND MEQUON-THIENSVILLE AND BOARD OFFERS IN MENOMONEE FALLS, PORT WASHINGTON AND WEST BEND, INCREASES AT BENCHMARK STEPS

	BA Min.		BA Max.		MA Min.		MA Max.		Sch. Max.	
	\$	%	\$	%	\$	%	\$	%	\$	%
Cedarburg										
Board	+ 11	+0.17	+ 91	-0.11	-149	-0.8	-115	-0.66	-102	-0.3
Assn.	+378	+2.65	+636	+2.38	+192	+1.69	+498	+1.82	+548	+2.45

The Board says that these data show that the Board's offer is much closer to the average dollar and percentage increases in these comparable districts. It states that in the present economy the Association demand is unsupportable.

The Board says that in light of obvious lack of current data in comparable school districts, the arbitrator should rely on the other factors under the criteria in determining settlements, and should consider all relevant factors, not just comparable districts.

Discussion. From Table IV, one ascertains the general conclusion that the Cedarburg salary level has been at the lower end of districts considered comparable. It also is apparent that at the BA Minimum the Association offer will maintain the place of the Cedarburg district while the Employer offer will drop the position to last place. At the BA, 7th Step, both offers show a gain of one place. At the BA Maximum step, the Board offer results in a drop of one place, and the Association offer a gain of one place. At the MA Minimum, both parties' offers result in a drop, the Association of one step, the Board to last place. At the MA, 10th Step, the offers of both parties drop two steps. At the MA Maximum, the Board offer continues Cedarburg at last place, but the Association offer raises the position one place. At Schedule Maximum, the Board offer drops to last place, the Association offer keeps the position at ninth out of ten.

The data from Table V does not yield as much solid information in comparison among the most comparable districts with Germantown excluded. Taking the known data on the Port Washington offers, the following conclusions appear:

- At BA Minimum the Board offer would be low under any circumstances, the Association offer could be third or fourth out of five.

- At BA Maximum the Board offer would be second highest, the Association offer highest.

- At MA Minimum the Board offer would be lowest under any circumstances, the Association offer fourth under any circumstances.

- At MA Maximum the Board offer would be third, the Association offer highest.

- At MA + 30 Maximum the Association offer would be second and the Board offer third.

- At Schedule Maximum with longevity, the Association offer would be high, but the Board offer would be fourth.

The conclusion from the foregoing two sets of tables is that the Board offer would cause the Cedarburg teachers to drop generally with respect to the Association list of comparables and with the group that the arbitrator considers most comparable. The Association offer would produce a slight gain in the list of comparables it provided and in the list of districts which the arbitrator would consider most comparable. This conclusion is verified in Table VI.

With respect to percentage increases, the Association is strongly opposed to applying the idea of percentage increases to judge what happens to wages, and the arguments have been cited earlier. Similarly the Board strongly emphasizes the consideration of percentage increases, but then only of those applying to the current time and not those which reflect the second year of a two-year contract. The arbitrator believes that some weight must be given to the argument of the Board that percentage increases of second year agreements do not reflect the actual conditions as much as agreements currently being made; however, they are not to be discounted entirely for they have resulted in salaries currently and actually being paid. A study of what these percentage changes are illuminates the situation.

In the group of districts the arbitrator considers to be most comparable, two of the districts had two or three year agreements. These were Brown Deer and Grafton, and the percentage increases applied to this year are 12.6% and 11.7%, both higher than the Association's offer in terms of percentage increase. However, considering the districts which settled for 1982-83 on a one year basis or which are considering settlement (Mequon and Port Washington), the Mequon settlement was at 9.21% which nearly approximates the Board's offer here; and the Port Washington offers are at 8.0% and 10.9%. The latter offer, that of the Port Washington Association, is less than the Association offer here. On the basis of this rather limited evidence, the arbitrator is of the opinion that the Board offer in Cedarburg is reasonable in comparison with current settlements in the primary group.

As to the secondary group, the two year settlements have produced a higher rate than the Board is offering, but the Board offer more nearly approximates the present settlement or proposed offers with the exception of the Menomonee Falls Education Association offer. Again in terms of current settlement offers and percentage increases, the Board's offer here is reasonable.

An examination of the changes in the BA base reveals that the Board's offer is comparable to what other board's are currently offering, but is low in comparison to settlements achieved as part of a two year agreement, and is low compared to offers of other associations currently in contest (Table VIII).

The evidence impresses the conclusion on the arbitrator that under the Board offer Cedarburg will fall back in its comparative status, and that contrary to this the Board offer percentagewise is reasonable according to what is currently being offered or settled. Of these two contrary conditions the arbitrator concludes that the most weighty is the drop of Cedarburg in comparative status, and that the Association offer therefore more nearly, but narrowly, meets the criteria of comparability with other districts.

XII. WAGE COMPARISONS IN THE DISTRICT INTERNALLY AND IN THE MUNICIPALITY OF CEDARBURG. The following data was presented by the Board on 1982-83 wages in the school district for its own employees: Clericals - 7.65%; Custodians - 5.7%; Food Service employees - 7.6%; and Teacher Aides - 5.8%. None of these employees are organized, and the determination of their rates was made by the Board (Bd. Ex. 5).

The Board reported that Cedarburg municipal employees experienced a 3.5% 1983 wage increase with 8.0% in 1982, but that the Cedarburg Police agreement was not settled. In the previous year, Administrators, Clerical, Custodial and DPW workers got the 8.0% increase while the Police got a two step increase of 8.0% on January 1 and 6.0% on July 1.

The Board in presenting this evidence says that City employees are cognizant of and sensitive to the state of the economy, whereas the teachers' offer fails to consider it. Also, there are locally high unemployment rates which are reflected in settlements in Cedarburg. The question is not whether teachers will receive a greater percentage increase than City employees, but how much more. The Board contends that the Association has ignored the criterion of internal comparability.

The Association has objected to the evidence of the Board by pointing out that the City Clericals, Custodians, and Food Service workers are not represented by bargaining units, and also that there are across-the-board wage increases for each employee in the above categories, but this is not true of teachers with their system of index steps and ceilings. Further the figures of the Employer do not indicate whether the percentage increases include incremental costs as well as not indicating which employees bargain, so that the evidence presented by the Board must be considered inconclusive.

Discussion. The only data on internal percentage comparisons was presented by the Board as noted. While there are parts of the teacher's Association objections which have some validity, namely that the units of employees which bargain are not identified and that perhaps some of the wage increases may or not include incremental increases, yet the arbitrator here is of the opinion that the evidence presented by the Board on internal settlements in the district and in the municipality support the position of the Board that its offer is more comparable to what is being arrived at in Cedarburg public employment, and the arbitrator cannot hold that the evidence is inconclusive. Therefore, the weight of the factor of internal comparability falls to the Board's offer.

XIII. COMPARISONS WITH WAGES IN PRIVATE EMPLOYMENT. The Board presented data on private sector settlements in the area for 1982-83 (Bd. Exs. 6 A and 6 B). Conditions in sixteen firms were reported. Nine firms were reported to have settled for 1983. Six settled for a zero percent increase, two for a 5% increase and one for an increase of 50¢ per hour. Of the four firms however which reported hourly increases, one increase was at 7.7%, one at 5%, one at 4.67% and one at 2.3%. Thirteen firms reported layoffs. Twenty to thirty firms canvassed by the Board did not respond.

The City also presented a series of exhibits on the condition of employment. Unemployment in the Milwaukee Standard Metropolitan Statistical Area was 7.5% in January 1981, 7.8% in December 1981, 10.5% in July 1982, and 11.8% in October 1982 (Bd. Ex. 8). The Board referred to the national unemployment rate of 10.4% in October 1982, reported in a newspaper article of the Milwaukee Journal, November 5, 1982 (Bd. Ex. 9 A). The Board reported that Wisconsin economic indicators showed that the hours of the workweek at 40 hours per week in July 1982 had decreased 0.5% from the previous year and were still going down in September 1982; that manufacturing employment in July 1982 was down 9.9% over the previous year and went to 11.0% below in October 1982; and that farm prices and income had dropped (Bd. Ex. 10).

Another report, Wisconsin Employment and Compensation Survey: Public Expenditure and Research Foundation, August, 1982, was cited by the Board in an exhibit. The report dealt with recent industry adjustments and contended that Midwest states perhaps were the hardest hit in the current sluggish economy. The report stated that a survey showed that of 71 manufacturing firms who responded in 102 questionnaires sent out, nine out of every ten reported having made some kind of adjustment in 1982 in the work force. Adjustments included reducing the work force, freezing pay and benefits, or granting smaller raises than planned. It was contended that these conditions had implications for state and local governments in that there was an inability of taxpayers to pay for government services. The report advised that letting the citizen taxpayer become aware of conditions in private industry would help wage settlements and arbitration awards to reflect the conditions in the private sector. The report said that collective bargaining agreements in the U. S. in private industry up to April 1982 provided average wage increases of 2.2% in the first year of the contract and 2.0% in the second year (Bd. Exs. 11 A to I).

Other Board exhibits included:

- An article from the Milwaukee Journal, May 16, 1982, reporting that the five North Central states including Wisconsin was the region hardest hit by plant closings and layoffs (Bd. Ex. 13).

- An article from the Daily Herald, October 20, 1982, citing the chief economists of the First Wisconsin National Bank that recovery would be slow (Bd. Ex. 14).

- A report in the Milwaukee Sentinel of September 2, 1982, that business failures nationally were increasing (Bd. Ex. 15).

- A report in U. S. News & World Report, July 26, 1982, that public employees are tightening belts and settling for less (Bd. Ex. 16 A and B).

- A report in TIME, October 18, 1982, that teachers' unions are settling for less (Bd. Ex. 17).

- A report in the Milwaukee Journal, July 13, 1982, that Wisconsin teachers' salaries were above the national average after having fallen below in the 1980-81 year (Bd. Ex. 18).

The Board presented information from the Bureau of National Affairs, Inc. from January to June 1982, that first year compensation gains in state and local government contracts were 8.1% among major bargaining units. Wages alone arose 7.6% in the first contract year and 7.9% annually over the life of the agreements. In the first six months of 1982 wages rose 9.1% in state governments, but 5.6% in local governments (Bd. Ex. 19 A, B).

BNA also reported that for the first nine months of 1982 the median first year wage increase was 7.1%. Twelve percent of 110 contracts of 1982 settlements called for a pay cut or no raise in initial pay (Bd. Ex. 20 A). The types of employees involved were in manufacturing, non-manufacturing and construction. Teacher units were not reported (Bd. Ex. 20 D). In September 1981 although average weekly earnings increased 4.0%, the real average earnings declined 0.9% due to a rise in the CPI-W of 4.9% (Bd. Ex. 21 A).

Position of the Board. In the opinion of the arbitrator, the principle argument being offered by the Board in the instant matter is the state of the economy nationally and as it affects Cedarburg locally. The Board has argued extensively that the serious state of the economy permeates the entire proceeding and is of the greatest significance in the analysis of the case. The Board cites recent decisions in arbitration in Wisconsin in which the case turned in favor of an Employer on the basis of the economy.

The Board, also citing some of the information presented in its exhibits, notes that fiscal problems are a reality in the public sector, and that in Wisconsin there have been especially serious effects. The Board contends that Cedarburg is not immune from economic decline as shown in its Exhibits 6 A and B.

The Board notes that the Association offer is 1.5% higher than the maximum wage increase received in the private sector, but that the vast majority of industries were in unstable economic conditions. The Board says that the average hourly rate for a teacher in Cedarburg in 1980-82 was \$14.11. The Board offer would raise this to \$15.38 and the Association to \$15.73.

The Board emphasizes that its offer addresses the current state of the economy in Cedarburg but is also fair with the teachers.

Position of the Association. The basic position of the Association here is that nothing in the Board's exhibits have shown that economic conditions in Cedarburg have changed during the past several years. The Association also cites arbitral authority about the necessity of showing in the record that government and the taxpayers are worse off in a given district, not just generally. The Association points to an inadequacy in the use of

private sector settlements since, among other things, the same kind of employees are not compared. The Association challenges the validity of the Employer's survey of conditions in Cedarburg. With only sixteen of fifty surveys being returned, and the survey being the work of pollsters whose credentials were not established, the survey should not be accepted.

The Association does not deny that economic conditions are depressed, but the use of general conditions in the nation and applying it to Cedarburg is simplistic. The recession is affecting heavy industries and specific labor groups, but small and high technology industries are profitable. The depression is not universally felt. The Association asserts that the Board exhibit about Cedarburg economic conditions has further defects in that it lists teachers as hourly employees, and does not indicate if layoffs affected regular employees or seasonal workers, full-time employees or part-time employees, skilled or unskilled workers. Further it is not known if the employees bargain collectively. The Association also objects to a column in this exhibit which dealt with alleged employee or union concessions which might be made. Also the Board did not deal with economic conditions in comparable districts except for the Grafton district. Also the Association asserts that even if other communities have experienced declines, as they probably have, nevertheless they are settling for higher wages than is Cedarburg.

The Association also makes an argument that teachers cannot be compared with employees in the private sector. Teachers did not enjoy the same kind of raises private sector employees obtained under COLA provisions, and teachers have no hourly rate of \$14.11 as asserted by the Board. Teachers do not get the same overtime as do other private sector employees, but receive a rate for extra duties, the top of which is but \$6.25 per hour.

The Association also states that in cases where the Board cited arbitral authority on the importance of the economic factor, in those cases it must be assumed that evidence supported the arbitrator's conclusion. Such evidence does not exist here.

The Association rejects the Board's uses of percentage increase and holds that the statutory terms call for a comparison of wages, hours and conditions of employment, not the percentage costs to the Board.

The Association objects to data derived from newspapers generally as being hearsay and not confirmed.

Discussion. The Board's principal case here is being made on the state of the economy; how this national economy is affecting Cedarburg and its taxpayers. The arbitrator is cognizant of the fact that the national economy as a whole is in a state of decline, although unevenly as the Association points out. The connection to Cedarburg area conditions has been made in Board Exhibits 6 A and B, though not as strong as it might be. The results of the survey shown in these exhibits is credible though only a small number of all employers reported, and though the report contains expressions which cannot be construed as evidence, particularly in the column on "Employee/Union Concessions & General Economic Conditions". The material in this column contains speculation about the future.

The exercise of calculating the hourly pay of school teachers leaves something to be desired in comparison, particularly because the overtime provisions of teachers, as pointed out by the Association, are different, and because of extra time which sometimes may be demanded in some school jurisdictions.

In sum, the arbitrator finds that there is enough evidence on the comparison of conditions of teachers with employees generally in the same community to conclude that the Board offer is reasonable. However, the weight that the Board would attach to this criterion is not what the

arbitrator attaches in view of the lack of full revelance of the condition of the economy to the entire Cedarburg area. Further it is likely that in other jurisdictions with a similar condition in the economy some teacher settlements this year have been higher. While the weight of this factor is in favor of the Board, the issue of the contract here does not turn on it. Other factors have to be considered.

XIV. COST OF LIVING CHANGES. The following data on the Consumer Price Indices, U. S. All City Averages for Urban Wage Earners and Clerical Workers, comes from Board Exhibits 23, 24 and 25:

TABLE X
CONSUMER PRICE INDICES AT SELECTED PERIODS

Period	CPI-W		CPI-U XI ⁽¹⁾			
	U.S. All City		Milwaukee		U.S. All City	
	Index	Annual Inc.	Index	Annual Inc.	Index	Annual Inc.
Jan. '81	260.7	11.7	271.9	12.9	235.7	10.5
July '81	274.6	10.7	291.2	13.8	249.0	9.6
Jan. '82	282.1	8.2	295.3	8.6	257.2	8.2
July '82	291.8	6.3	299.6	2.9	265.0	6.4
Sep. '82			306.3	4.9	268.0	5.6
Oct. '82	293.6	5.0				

(1) Reflects a rental equivalence measure.

In the matter of Implicit Price Deflators for Personal Consumption Expenditures, Board Exhibit 26 reported a 6.9% increase for the 1st quarter of 1982 and a 5.9% increase for the 2nd quarter of 1982.

The Board supplied some information relating to the progression in wage increases of employees at various steps in 1973-74 and progressing to 1982-83. This information is abstracted from Board Exhibits 28 A and B.

TABLE XI

SUMMARY OF ACTUAL PERCENTAGES OF WAGE INCREASES OF TEACHERS AT SELECTED STEPS, 1973-74 TO 1982-83 AND ACTUAL OVERALL PERCENTAGE INCREASES

Progression	Totals with 1982-83 Offers				Nat'l CPI-W	Sums of CPI-W Annual Percentage Increases		
	Sums of Annual Percentage Increase					Actual % Inc.	Milw. CPI-W	Actual % Inc.
	Bd. Offer	Actual % Inc.	Assn. Offer	Actual % Inc.				
BA, Step 0 to 9	93.83	143.8	96.43	149.5	82.5 ⁽¹⁾	119.9 ⁽¹⁾	85.5 ⁽¹⁾	124.9 ⁽¹⁾
BA, Step 5 to 13	91.65	138.9	94.14	144.6				
BA + 12, Steps 0 to 9	93.31	142.6	95.91	148.3				
BA + 12 ⁽¹⁾ to BA + 24, Steps 4 to 13 ⁽²⁾	97.57	152.3	97.57	158.2				
MA + 0, Steps 4 to 13	95.41	147.3	98.06	153.0				
MA + 0, Steps 7 to 14	87.29	128.7	89.97	134.0				
MA + 15, Steps 1 to 10	94.69	145.4	97.29	151.1				
MA + 15 to MA + 30, Steps 7 to 14 ⁽³⁾	91.47	138.2	93.95	143.8				

- (1) To be used for comparison in all samples.
- (2) 4 years in BA + 12 lane; 6 years in BA + 24 lane.
- (3) 4 years in MA + 15 lane; 6 years in MA + 30 lane.

Position of the Board. The Board notes that its wage and benefit offer exceeds the Consumer Price Indices and the Personal Consumption Expenditure Index. The Board's offer guarantees that the Cedarburg teachers will receive wage and benefit increases that exceed the cost of living. The Board's offer produces a 9.69% package increase when the highest index, the CPI-U XI index for July 1982, was at 6.4%. The Board notes that when it presented its offer in September 1982, it exceeded the Milwaukee CPI-W by 6.69%, but the Association was asking 9.06% more. The Association cannot complain that its members are falling behind the cost of living. The Board cites arbitral authority to the effect that the cost of living criterion is sometimes the basis for deciding which offers receive the arbitrator's award. The Board also says its offer reflects the long term trend in the inflation rate. There has not been a double digit inflation rate since 1980, but rather a downward progression.

The Board notes that its Exhibits 28 A and B show that the wage levels of the Cedarburg teachers have exceeded the rate of inflation over the years. There are a number of teachers currently in each of the progressions displayed in Board Exhibits 28 A and B (Table XI). Using the information in these exhibits, the Board contends that at a minimum over the past ten years, Cedarburg teachers' wages have exceeded each year the CPI by 1.79% and with a maximum of 15.07%, adding the past annual percentage gains and the current Board offer. The current Association offer which is higher is therefore excessive and does not meet the statutory requirement.

The Board contends that the proper measures of the cost of living are the cost of living indices and not the "pattern of settlements among comparable employees". The Board argues that the Association has not demonstrated what the pattern of settlements is, but only cited figures at given steps. Further the pattern of settlements such as there are now in Mequon and Hamilton are closer to those of the Board offer here, which greatly exceeds the cost of living indices at the time the final offers were made.

Position of the Association. The Association says that because of the wide swings in the cost of living and the alternative measures proposed for measuring the cost of living, arbitrators have concluded that the pattern of settlements is the appropriate indicator for determining the cost of living. The Association pattern by conforming to other settlements meets this indicator. The Association notes that during the steep rise in the price indices, public employees were told by Employers and arbitrators that they could not expect wages to go up at the rate of the changes in the cost of living. Now this Employer wants to change that position when the movement is downward.

However if indices are to be used, the Association holds that the Board is manipulating and misapplying the cost of living data to percentage increases to the Board.

The Association notes that if the Board argues that the Association offer was 6.69% above the CPI and that the Association offer should not be accepted, then the same arguments also apply to the Board offer which is also too high. One is forced then to choose between two unacceptable offers. This leads the Association to conclude that the Board offer was carefully constructed to reduce the relative position of the teachers' salaries in Cedarburg. The Board glosses over the fact that its own offer may be considered too high by labelling it "generous". In effect one is also forced to rely on the pattern of settlements to determine cost of living. The Association offer here more nearly meets the pattern of comparability.

The Association rejects the Board's Exhibits 28 A and B to the effect that wages have historically exceeded the cost of living, on the grounds that this is untrue. In those exhibits, the Association argues, the wages reflect not only a change in the base but progression in the steps and increases thus obtained from the increments for some employees only.

Discussion. The arbitrator believes that the intent of the statute in measuring changes in consumer prices was to rely on such evidence as found in the federal consumer price indices. While there are various types of such indices, the usual standard has been the CPI-W for All Cities and here its local variation, the Milwaukee area CPI-W. Currently the CPI-U XI is being used. However, whichever one of these is used, the results are nearly the same, especially for the CPI-W and CPI-U. The pattern of settlements is a standard which more appropriately fits under the statutory factor of comparison of wages for employees performing similar services in other municipal jurisdictions. The positions of the parties' offers with respect to this standard have been noted earlier in Section XI.

The criterion to apply here then is a comparability with the general grouping of price indices, and here the evidence clearly is that at the time the new agreement should have gone into effect in August 1982, the consumer price indices were such that under whatever type of index used the Board's offer is the more comparable offer. The weight of this factor then goes to the Board's offer.

The arbitrator does not consider the Board's Exhibits 28 A and B to be fully persuasive for the Board for two reasons. The exhibit does not show what happened to the increase of teachers who had tenure long enough to have been off the schedule, and it does not show what the total percentage increase for the Board's overall effort in each year is. This later type of data, this arbitrator feels, reflects a truer method of showing what increases or decreases the employees as a whole experienced.

XV. OVERALL COMPENSATION. Neither party presented much evidence with respect to the costs of total and overall compensation in comparison with other units of government. The arbitrator cannot therefore make a conclusive judgment about total compensation here compared to compensation in other units, but can only note the comparability of fringe benefits.

As to comparable benefits, the number of lanes in Cedarburg at six is generally comparable to those in other districts in the primary and secondary comparison groups (Bd. Ex. 34). In 1982-83 Cedarburg was one of four out of 14 districts that had a longevity system, and in this case it was open ended. It is thus difficult to compare this system with those other systems which exist. However, eight districts had no longevity and in the case of two districts, matters were not settled (Bd. Ex. 35). In the matter of 1981-82 total compensation, the Board listed itself as paying 100% of family and single plan health insurances, and of dental insurance. Its contribution to long-term disability was 100% as was its contribution to life insurance. The Board paid 5% of the employee share for retirement. The same conditions existed for 1982-83. In both years these percentages compare favorably with the percentages of paid similar benefits in other districts. However, the dollar amount paid by each district was not put in evidence.

Position of the Board. The Board contends that its total offer in terms of overall compensation is outstanding. In the case of Cedarburg, lower fringe benefits do not justify a higher wage offer as shown in the 100% contribution of the Board toward major benefits. The Board says it clearly could not make higher benefits than the 100% contributions, including employee retirement costs. The Board notes its longevity plan which has no maximum limitations, and points to the fact that only four of fourteen districts offer such a plan.

Position of the Association. The Association holds that while the data has been presented by the Board on compensation in fringe benefits, no real conclusion can be derived from it since the Board only presented percentages of payment and not the value of the benefits being paid for. There are varying health insurance plans with different values for the employees in different districts, and although the employees may be paying for a part of the benefits, the remaining part paid by their board might exceed in value that paid by this Board.

The Association further argues that if the Board was displeased about the cost of the benefits, then it had a right to do so in its final offer but it did not.

The Association also contests the value of the longevity payments of the Board on the ground that the longevity payment is but \$160 a year, and it can only increase by that amount every five years. Thus a teacher who has taught in the district 45 years would receive only \$1,120; in fact, in the last schedule the difference between the 13th and 14th MA + 30 steps was but \$1,036.

Discussion. The data on total compensation costs cannot be compared; with such evidence as the Board furnished without any dollar amounts, the arbitrator concludes that the Board in its fringe benefits is comparable in the percentage of cost of such benefits assumed, even if the dollar amount of the cost of the benefits is not given. The Board's offer meets the statutory criterion for comparability.

XVI. CHANGES DURING THE PENDENCY OF THE PROCEEDINGS. The one change during the pendency of the proceedings which the arbitrator has found to be relevant here is the change in the CPI-W. The January 1983 CPI-W, All Cities, stood at 292.1, which was a 3.5% increase above the previous year. The Milwaukee CPI-W for January 1983 stood at 303.5 which was a 2.8% increase above a year previous and a 1.1% decline from the previous month.

The data favors the Board's offer.

XVII. FURTHER DISCUSSION ON INTERESTS AND WELFARE OF THE PUBLIC. Certain statistical data are presented on the tax effort being made by Cedarburg and on the subject of the ability of the taxpayers to pay for either of the offers. Board Exhibit 30 listed among other things equalized value per pupil in 14 districts as well as the levy rate per \$1000. Some of this information appears in Table III A and B preceding. The Association also supplied some exhibits, Nos. 44 and 45, which dealt with this subject. These exhibits taken from the bulletins of the Citizens' Governmental Research Bureau of Milwaukee report the following:

- In 1980-81, of 23 Milwaukee metropolitan area school districts, Cedarburg District with a per-pupil cost of \$2,651, was 19th in the list (Assn. Ex. 44).

- In 1981-82 of 25 Milwaukee metropolitan area school districts, Cedarburg District with a per-pupil cost of \$2,904, was 23rd in the list (Assn. Ex. 45).

Position of the Association. The Association argues that the Board has not demonstrated that there is a decreasing earning power of the Cedarburg taxpayer, and no meaningful evidence to this effect was introduced. Further there is no evidence that the Cedarburg District tax rate has increased in 1982-83 to fund the new costs. The Association notes that the Employer's argument that Cedarburg has a low equalized value per pupil is not borne out by the District's own data in its Exhibit 30 which shows that Cedarburg is ninth in equalized value per pupil among 14 districts and third in seven of its contiguous districts. Its tax rate, however, among the 14 districts is second lowest. It also has the lowest cost per pupil of nine districts in 1981-82 and has the lowest cost among 11 districts when Grafton and Germantown are added. The arguments of the Board are merely arguments of inability to pay, and the Board has the ability to pay.

Position of the Board. The Board contends that the criterion of the interests and welfare of the public in this matter is paramount, because of the economically troubled times. There is a decreased earning power of the taxpayer, and the individual taxpayer has an increasing heavy burden. The Board's offer is sensitive to the public need and yet is a generous offer. The Board points to the lower equalized value of the district in comparison with other districts, and Cedarburg teachers cannot be expected to be the wage leaders in view of the equalized valuation of Cedarburg compared to the district average. The Board did not request its employees to sacrifice wages and benefits. The Board argues that the Association has not considered the interests and welfare of the public in its offer.

Discussion. The arbitrator acknowledges that there will be some downturn in the economy of Cedarburg as evidenced by Board Exhibits 6 A and B, but there is also evidence that the Board has not made the same effort toward meeting the costs of the school district that others have with its second lowest tax rate. The arbitrator holds that the unwillingness of the Board and presumably taxpayers to pay, however, must not be equated in inability to pay. Thus the Association offer should not be the subject of a judgment that it would too adversely affect the interest and welfare of the public owing to the cost. The argument of the Board that low equalized value supports its position is not borne out by Table III A and B.

XVIII. OTHER FACTORS. The arbitrator believes that all major factors affecting the issue here have been covered in the foregoing.

XIX. GENERAL SUMMARY OF OPINIONS AND CONCLUSIONS OF THE ARBITRATOR.

As has been noted here, the parties each selected one basic position and developed their exhibits and arguments for it. The Association made its case around comparability of wage levels of Cedarburg teachers at certain generally WEAC accepted benchmarks, and said that the pattern of settlements in comparable districts should govern the decision here. The Board stated generally that the economic conditions of the times and the subsequent interest of the public favored its offer, and further that the Association was in error to concentrate only on the criterion of comparability of wages with other districts and ignoring other criteria. The arbitrator, as is his practice, has applied the tests of using all criteria and developing therefrom a pattern of which collection of weights favors which offer and what conclusion is to be derived therefrom. In this light then the following summary is made:

1. There is no question here as to the lawful authority of the Employer to meet the costs of either offer.

2. The parties have stipulated to all other issues in their one year agreement.

3. The Board has the financial ability to meet the costs of either offer.

4. The arbitrator accepts the Board estimate of an 8.96% offer on its part for wages alone and a 9.59% total compensation estimate and the Board estimate of 11.50% and 11.96% respectively for the same categories in the Association offer.

5. As to the status of the offers in relation to comparable districts, under the Board offer Cedarburg will fall back in comparative status with other districts. This is due largely to other districts having wage rates set as part of two year agreements. The Board offer currently is reasonable and comparable to some of the recent settlements and to offers currently being considered. With these two contrary conditions, the arbitrator is of the opinion that the Association offer more nearly meets the statutory criterion of comparability with other districts.

6. As to comparisons internally in District employment and in the municipality of Cedarburg, the evidence is that the Board's offer is more comparable to what is being experienced in these jurisdictions.

7. As to comparisons of the offers with the conditions in private employment, the offer of the Board more nearly meets the criterion of comparability with employment in the private sector.

8. As to the matter of changes in the cost of living, the Board's offer is reasonable when related to changes in consumer price indices.

9. As to overall compensation, no conclusion can be made on comparison of dollar amounts between districts, but the Board's offer, judged on the percentage of the Board payment for benefits is held to be comparable to such percentages paid in other districts.

10. The Board's offer is supported by changes in the CPI-W during the pendency of the proceedings.

11. As to the interest and welfare of the public, the arbitrator finds that the Association's offer should not be the subject of a judgment that the cost of the offer would too adversely affect the public interest and welfare.

12. In summary, on weights of the major factors here to be considered as applying to one final offer or the other, the Association's offer as to comparability receives the weight to be applied to this factor. The Board's offer more nearly meets the statutory criteria as to comparisons internally in the district and with other municipal employees in Cedarburg, as to conditions in private employment, as to the changes in the cost of living, as to percentages of fringe benefits paid in total compensation, and as to changes in the cost of living during the pendency of the proceedings. The arbitrator therefore concludes that the cluster of factors favoring the Board's offer is more weighty than the single major factor favoring the Association offer. Therefore the following award is made:

XX. AWARD. The offer of the Cedarburg School District should be incorporated in the 1982-83 agreement between the parties.

Frank P. Zeidler

FRANK P. ZEIDLER
MEDIATOR-ARBITRATOR

DATE March 24, 1983