

STATE OF WISCONSIN

APR 20 1983

MEDIATION/ARBITRATION AWARD

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Mediation/Arbitration :
between :

HARTFORD UNION HIGH SCHOOL DISTRICT :

and :

HARTFORD EDUCATION ASSOCIATION :

Re: Hartford Union High
School District,
Case XVI No. 29717
MED/ARB-1652
Decision No. 20109-A

Appearances: For Hartford Union High School District: Lindner,
Honzik, Marsack, Hayman & Walsh, S.C., by Kristin Bergstrom, Esq.,
700 North Water Street, Milwaukee, Wisconsin 53202.

For Hartford Education Association: John Weigelt, Esq.,
Executive UniServ Director, Cedar Lake United Educators, West Bend
Savings Center, 431 Walnut Street, West Bend, Wisconsin 53095-3379.

The Association represents a collective bargaining unit of all full-time and part-time certified teaching personnel employed by the Board, including guidance counselors and librarians. The parties' most recent labor agreement expired by its terms on August 31, 1982. Negotiations for a renewal had commenced in February, 1982. When there was no agreement on the terms of a new contract the Association filed a petition for mediation/arbitration pursuant to Section 111.70(4)(cm)6 of the Municipal Employment Relations Act on May 7, 1982. Following mediation sessions conducted by a Wisconsin Employment Relations Commission staff member on August 19, September 20, and November 15 the parties remained deadlocked. On November 15 they submitted final offers and the WERC investigator advised the Commission that they were at impasse. Then on November 18 the Commission certified the conditions precedent to the initiation of mediation/arbitration and on December 21 notified the undersigned that he had been selected as mediator/arbitrator in this matter.

A mediation session was held in Hartford on February 16, 1983. When mediation was unsuccessful, the parties opted to hold a hearing on the same evening. Thereupon the hearing was convened. The parties had an opportunity to present evidence in written form and to examine and cross examine witnesses. No record was kept other than the arbitrator's handwritten notes. At the conclusion of the hearing the parties agreed to exchange written briefs through the arbitrator. Those briefs were duly exchanged on March 23 and the record is considered closed as of that date.

The Issue to be Arbitrated

According to the appropriate provision of the statute the arbitrator is to choose the entire offer of one party or the other. The final offers are attached hereto as Exhibit "A", the Association's final offer, and Exhibit "B", the District's final offer. The issues to be considered are increases in the salary schedule and certain changes that have been proposed in the voluntary early retirement provision of the labor agreement.

The Association is proposing what appears to be a 7.8 per cent increase at all levels of the salary schedule as well as an additional year of increment in all BA columns except BA plus

30. The Association asserts that these increases (including increments for returning teachers) equal 9.96 per cent.

The Association proposes to change the present wording of the voluntary early retirement provision so that it would specify the dates of November 15 and April 15 as deadlines for eligible teachers to notify the Board of their intention to take early retirement at the end of the current semester. Both the Association and the District would add a sentence to the present clause in the labor agreement making it clear that the Board's health insurance contributions terminate automatically if the employee obtains insurance coverage from another employer.

The District would increase each salary figure on the 1981-82 schedule by approximately 4.9 per cent. The District does not propose additional increments at the 11th, 12th, 13th, and 14th year for the lines headed BA+0, BA+8, BA+16, and BA+24. The District estimates the cost of its increases at 7 per cent.

The District would change the wording of the voluntary early retirement provision in the expiring agreement so as to require that to be eligible for early retirement a teacher would have had to teach full-time for ten years and to have reached the age of 60 at the time a request for taking early retirement is made. So although the District would also specify the same dates as the Association for notification of intention to take early retirement, the District's proposal would require that the individual had already reached the age of 60 when application was made whereas the Association's proposal requires only that the individual be eligible (that is, reach the required age) any time after November 15 or April 15 and before the date early retirement is to take effect after the end of that semester.

Position of the Association

The Association believes that there are three tiers of comparables to be considered with reference to the salary schedule increases. The first tier consists of the following school districts:

Oconomowoc	Arrowhead
Hamilton	Germantown
New Berlin	West Bend
Kettle Moraine	Menomonee Falls
Nicolet	Mukwonago

According to the Association, these were selected on the basis of:

1. Their inclusion in CESA #16
2. Their inclusion in the four county metro area north and west of Milwaukee County, i.e. the counties of Washington, Ozaukee, Waukesha and Milwaukee.
3. The fact that New Berlin, Arrowhead, and Nicolet share with Hartford the union high school structure.
4. Geographic proximity.

Their relative size as compared with Hartford Union High School is shown on the following table, Association Exhibit B-3:

TABLE I
PRIMARY COMPARABLES ADM¹ AND FTE²

	<u>ADM</u>	<u>FTE</u>
West Bend	5969	382.11
New Berlin	4729	380.20
Oconomowoc	4397	272.47
Menomonee Falls	3876	259.50
Hartford UHS	4247	275.33
Nicolet UHS	4143	292.52
Arrowhead UHS	4288	260.66
Mukwonago	4324	259.80
Kettle Moraine	3262	211.05
Hamilton	2932	196.39
Germantown	2770	183.70

Source: Department of Public Instruction
J343-10-03

¹Average Daily Membership

²Full-time Equivalency

The second tier of comparables cited by the Association includes about 25 other districts (K-12, K-8, and UHS) that are in the three counties north and west of Milwaukee County. The third tier includes the districts in the first two tiers plus the districts outside the City of Milwaukee in Milwaukee County.

For the districts that have settled for 1982-83 the Association presented the following comparisons of benchmark rates for its first tier comparables: (see page 4)

The Association listed the relative rank of the comparable districts from the school year 1978-79 through 1982-83. These figures for 1982-83 are shown in TABLE III, page 4.

TABLE II

<u>District</u>	<u>BA Base</u>	<u>BA 7th</u>	<u>BA Max</u>	<u>MA Min</u>	<u>MA 10th</u>	<u>MA Max</u>	<u>Sched. Max.</u>
Oconomowoc	\$14,000	\$18,030	\$23,215	\$15,660	\$21,460	\$25,315	\$27,420
Hamilton	13,786	17,260	21,162	15,586	21,312	25,483	27,404
New Berlin	14,870	18,440	23,495	16,655	23,495	27,065	28,845
Kettle Moraine	14,093	17,740	21,222	15,801	21,715	25,854	26,839
Nicolet	13,992	18,155	21,254	15,044	22,732	30,719	35,291
Arrowhead	13,426	17,602	23,844	15,120	21,960	27,081	28,035
Germantown	13,800	17,940	20,700	15,870	22,080	25,530	28,290
Mukwonago	14,244	17,205	21,392	15,861	21,485	25,443	27,165
<u>Hartford Offers</u>							
District	13,550	17,615	19,647	15,244	21,341	24,729	25,745
Association	13,925	18,103	20,888	15,665	21,981	25,413	26,457

TABLE III

<u>District</u>	<u>BA Base</u>	<u>BA 7th</u>	<u>BA Max</u>	<u>MA Min</u>	<u>MA 10th</u>	<u>MA Max</u>	<u>Sched. Max</u>
Oconomowoc	4	4	3	6	8	9	5
Hamilton	8	9	7	7	10	6	6
New Berlin	1	1	2	1	1	3	2
Kettle Moraine	3	6	6	4	6	4	8
Nicolet	5	2	5	10	2	1	1
Arrowhead	10	8	1	9	4	2	4
Germantown	7	5	9	2	3	5	3
Mukwonago	2	10	4	3	7	7	7
District offer	9	7	10	8	9	10	10
Association offer	6	2	8	5	5	8	9

The Association also presented data showing comparisons of annual salaries and ranking for districts in its second tier. This included seven additional districts that had settled for 1982-83. These additional districts were Elmbrook, Muskego, Waukesha, Mequon-Thiensville, Port Washington, Grafton, and Fredonia. In comparisons with the second tier districts that have settled, the Hartford offers were generally in the middle or in the lower half of the rankings. The same comment would also apply to ranking comparisons with the third tier districts that have settled for 1982-83. The third tier comparisons included 28 districts that were said to have settled.

In addition to its comparisons the Association presented information in the form of newspaper stories and comments from research reports indicating generally that the level of teacher salaries has been inadequate and that talented individuals are either leaving the teaching profession or are not entering its training programs for the reason that the financial rewards are inadequate. The Association also introduced the results of an annual survey of its members that it conducted this year and which it has conducted in past years. The results of the survey purport to indicate that although most of the respondents work, live, bank, and shop for groceries in Hartford, they spend substantial proportions of their incomes in other cities in the four county area and in the City of Milwaukee. These data are intended to support the use of the comparable districts in the three tiers, as described above.

Position of the District

The District points out that in a mediation/arbitration proceeding conducted just one year ago the mediator/arbitrator, Frank Zeidler, made an exhaustive examination of the comparables. Ultimately he based his decision on comparables that were taken largely from the Association's presentation in that proceeding. The District proposes that the same comparable districts that Mr. Zeidler found appropriate be used in this proceeding. The District would make two exceptions for districts that are in the second year of two year agreements for the reason that those agreements were negotiated in a different economic atmosphere from the present one.

Mr. Zeidler found the following districts to be most comparable to Hartford:

Menomonee Falls	Hamilton
Oconomowoc	Germantown
Watertown	West Bend
Arrowhead	

He also found the following districts to be of secondary value in comparisons:

Waupun	Mukwonago
Beaver Dam	Kettle Moraine
New Berlin	Nicolet

Although the primary comparable districts were chosen by Arbitrator Zeidler because of their relatively equal student populations and size of teacher staffs as well as their proximity to Hartford, the six districts on the secondary list had various reasons for their inclusion. Waupun and Beaver Dam are more rural and geographically farther removed from the Milwaukee metropolitan area "than the other districts which are more strongly influenced by the economic conditions in that area." He found that New Berlin, Mukwonago, and Kettle Moraine were geographically more removed from Hartford since they were located in the southern tier of Waukesha County. Nicolet was given secondary value because of its location in Milwaukee County and its "very much stronger tax base per student than other union high school districts."

Thus, using these districts the District makes the following comparisons of salary settlements and final offers for 1982-83:

TABLE IV

	<u>Per cent increase 1982-82 / 1982-83</u>
Arrowhead	8.75
Germantown	9.06
Hamilton	9.0
Kettle Moraine	8.07
Mukwonago	7.95
Oconomowoc	7.5

Unsettled Negotiations

	<u>Board Offers in %</u>	<u>Union Offers in %</u>
Beaver Dam	6.87	9.28
Menomonee Falls	7.23	11.55
Watertown	8.20	10.20
Waupun	4.77	7.69
West Bend	8.14	9.80
Hartford	7.0	9.96

A similar comparison in terms of BA Base salaries showed the following:

TABLE V

	<u>1982-1983 BA Base</u>
Arrowhead	\$13,426
Germantown	13,800
Hamilton	13,786
Kettle Moraine	14,093
Mukwonago	14,224
Oconomowoc	14,000

Unsettled Negotiations

	<u>Board Offers</u>	<u>Union Offers</u>
Beaver Dam	\$13,150	\$13,450
Menomonee Falls	13,445	13,925
Watertown	13,735	14,000
Waupun	13,087	13,550
West Bend	13,425	13,845
Hartford	13,550	13,925

Of the settlements already made among the eleven comparable districts, the Board points out that two have been in the 7 per cent range, two in the 8 per cent range, and two in the 9 per cent range. None has been as high as the Association's 9.96 per cent offer.

The Board presented a chart at the hearing to support its argument that although choice by this arbitrator of the Board's final offer would leave the Hartford base salary level below its 1981-1982 rank among the twelve comparable districts, it would be above its historically low ranking among the comparables.

The chart indicated that in 1980-1981 the Hartford BA Base salary was tenth of the twelve. It moved up to fifth in 1981-1982 (because of the Zeidler award in favor of the Association). If all union offers were accepted by arbitrators in the unsettled cases this year, Hartford would still be fifth. If all board offers were accepted in the unsettled cases, Hartford would be seventh, a rank higher than its historical level among the twelve comparable districts.

Because five of the eleven comparable districts remain unsettled, the Board has not tried to compare salaries at the various benchmark levels, as the Association has done for its first tier comparables (as shown in Table II above). In any event, as indicated above, the Board argues that those benchmark figures are distorted by the inclusion of Nicolet and New Berlin.

The Board points out that its offer of a 7 per cent increase exceeds the 1982 inflation increase (which it calculates at 3.9 per cent) by a wide margin. The Board suggests that estimates of the projected increase in cost-of-living for 1983 are in the range of 5 per cent or less. The Board also introduced Revised Consumer Price Index figures purporting to show that since 1976 Hartford teachers' compensation has risen 71.76 per cent while the CPI has increased only 67.74 per cent.

Considerable attention was devoted in the Board's presentation and its argument to the condition of the national economy as well as the condition of the Wisconsin and Washington County economy. There is a substantial amount of unemployment in Wisconsin and employers in the private sector are said to be exercising restraint in the amounts of pay increases that are being made effective. Two school board members also testified that many citizens have expressed dissatisfaction with the idea of offering the teachers as much as 7 per cent salary increase in a period of economic distress like the present. Under these conditions the Board's offer of 7 per cent is generous and the Association's offer is unrealistic.

Discussion of the Salary Offers

I am disposed to agree with the Board's position that there is no good reason to change the comparable districts that were found by Mr. Zeidler in last year's arbitration proceeding. But having read his award, I am still uncertain about the way he used the districts that he found to be "most comparable" as compared to the ones he found to have "secondary value." My own method will be to make separate and combined comparisons of the "most comparable" seven districts and the six he found to be of "secondary value." First of all, this involves adding Beaver Dam, Waupun, and Watertown to the Association's first tier of comparables. This produces thirteen comparable districts. Second, it involves subtracting out Nicolet and New Berlin for certain comparisons on grounds that they negotiated two year agreements at a time when the pattern of settlements was somewhat different.

First let us look at the "most comparable" districts. Since the Board in this proceeding has used only the BA Base salary figures in its comparisons, we will initially confine ourselves to that comparison. The following table is based on simple arithmetic averages of settlements plus two different assumptions about arbitration awards involving the unsettled negotiations:

TABLE VI

<u>Districts</u>	<u>Settlement</u>	<u>Unsettled</u>		<u>Settled &</u>	
		<u>Board Offer</u>	<u>Union Offer</u>	<u>Board Offer</u>	<u>Union Offer</u>
Oconomowoc	\$14,000			\$14,000	\$14,000
Arrowhead	13,426			13,426	13,426
Hamilton	13,786			13,786	13,786
Cermantown	13,800			13,800	13,800
Menomonee Falls		\$13,445	\$13,925	13,445	13,925
Watertown		13,735	14,000	13,735	14,000
West Bend		13,425	13,845	13,425	13,845
Averages	13,753	13,535	13,923	13,660	13,826

A second comparison would use all the comparable districts, both those "most comparable" and those of "secondary value." Adding "secondary value" districts to the table above yields the following results:

TABLE VII

<u>Districts</u>	<u>Settlement</u>	<u>Unsettled</u>		<u>Settled &</u>	
		<u>Board Offer</u>	<u>Union Offer</u>	<u>Board Offer</u>	<u>Union Offer</u>
Kettle Moraine	\$14,093			\$14,093	\$14,093
Mukwonago	14,224			14,224	14,224
Beaver Dam		\$13,150	\$13,450	13,150	13,450
Waupun		13,087	13,550	13,087	13,550
Average, both groups	13,888	13,368	13,754	13,652	13,827

The third comparison would use all the above districts as well as Nicolet and New Berlin. The inclusion of those two has the following results:

TABLE VIII

<u>Districts</u>	<u>Settlement</u>	<u>Unsettled</u>		<u>Settled &</u>	
		<u>Board Offer</u>	<u>Union Offer</u>	<u>Board Offer</u>	<u>Union Offer</u>
Nicolet	\$13,992			\$13,992	\$13,992
New Berlin	14,870			14,870	14,870
Average of all of Arbitrator Zeidler's "most comparable" and "secondary value" districts	14,024			13,772	13,920
Hartford		\$13,550	\$13,925		

Based on these assumptions, there is little basis for choosing one offer or the other when comparisons are made with "most comparable" districts or with the combined list of "most comparable" and "secondary value" districts, although the average of districts already settled is closer to the Association's offer. It is only when Nicolet and New Berlin are added to the comparables that the Association's offer appears to be closer to the combined settlements and the assumptions

that either all the board or all the union offers are selected by arbitrators in the unsettled negotiations.

Since this kind of comparison seems to the arbitrator not to be a definitive basis for a choice between the two offers, let us examine some comparisons of the benchmark figures. This can be done in a series of tables like those above, except that only the settlements are shown, since the parties did not provide the arbitrator with the offers of the parties in the benchmark categories for those negotiations that are unsettled.

TABLE IX
SETTLEMENTS

<u>Districts</u>	<u>BA 7thYr.</u>	<u>BA Max</u>	<u>MA Min</u>	<u>MA 10thYr</u>	<u>MA Max</u>	<u>Schedule Max</u>
<u>"Most comparable"</u>						
Oconomowoc	\$18,030	\$23,215	\$15,660	\$21,460	\$25,315	\$27,420
Arrowhead	17,602	23,844	15,120	21,960	27,081	28,035
Hamilton	17,260	21,162	15,586	21,312	25,483	27,404
Germantown	17,940	20,700	15,870	22,080	25,530	28,290
<u>Average, 4 settlements</u>	17,708	22,230	15,559	21,703	25,852	27,787
<u>"Secondary value"</u>						
Kettle Moraine	17,740	21,222	15,801	21,715	25,854	26,839
Mukwonago	17,205	21,392	15,861	21,485	25,443	27,165
<u>Average, 6 settlements</u>	17,630	21,923	15,650	21,669	25,784	27,526
Nicolet	18,155	21,254	15,044	22,732	30,719	35,291
New Berlin	18,440	23,495	16,655	23,495	27,065	28,845
<u>Average, 8 settlements</u>	17,797	22,036	15,700	22,030	26,561	28,661
Hartford - Board offer	17,615	19,647	15,244	21,341	24,729	25,745
Hartford - Assoc. offer	18,103	20,888	15,665	21,931	25,413	26,457

It seems clear from these figures that if arithmetic averages are an appropriate measure of comparison and (1) if four settlements out of seven "most comparable" districts, or (2) six out of eleven "most comparable" and "secondary value" districts, or (3) eight out of the thirteen districts included in the total Zeidler comparisons are considered representative, then the Association's final offer is closer to the benchmark rates among the comparable districts at all benchmark levels except "BA 7thYear." And the same conclusion follows if Nicolet and New Berlin are excluded.

Two other matters related to comparability deserve comment: First, according to the Board's own calculations (Board Exhibit #24), if the Board's final offer is accepted, the relative rank of Hartford Union High School would slip from fifth to seventh among the twelve districts described by Frank Zeidler as "most comparable" and "secondary value," excluding Nicolet and New Berlin. If the Association's offer is accepted, Hartford Union High School would maintain its fifth place position among the comparable districts.

Second, although the parties did not introduce enough evidence concerning the amounts of state financial aid to provide comparisons with all the pertinent comparable districts, the Association (in its Exhibit C-23) indicated that among nine of the pertinent comparable districts (excluding Watertown, Waupun, and Beaver Dam) Hartford Union High School's "new money" per teacher amounted to \$3,834, the largest amount among the nine pertinent comparable districts shown in the exhibit. These figures were not refuted by the Board.

It remains for us to look at the other factors that arbitrators are asked to consider in proceedings such as this.

I do not believe that the lawful authority of the municipal employer nor stipulations of the parties are at issue. Nor was the financial ability of the Board to meet the costs of any proposed settlement put forth as an argument. The parties differ as to the factor of the "interests and welfare of the public," with the Board arguing that many citizens in the community have expressed their opposition to a settlement of this dispute any more favorable than the Board's final offer and the Association arguing that it is in the interest of the public welfare to raise the salaries of teachers so that the quality of education will be improved by attracting more and better teachers into the profession and so that the incumbent teachers will be paid an appropriate wage for the contributions they are making to the welfare of the community. In my opinion both expressions of points of view on this issue are valid, and this factor should not be determinative in this dispute.

As to the cost-of-living factor, the Board makes a good point when it argues that a 7 per cent increase is more appropriate in light of the modest increase of 3.9 per cent in the Consumer Price Index during calendar year 1982. If this factor had an overbearing importance in this proceeding, the Board's offer clearly would be preferable. But it is one of the anomalies of interest arbitration that final settlements lag behind such events. The point is that there have been several settlements in districts with which these parties compare themselves that are substantially higher than the recent measure of the increase in the cost-of-living and also substantially higher than the Board's final offer. If there were a serious question of the Board's financial ability to meet the cost of the Association's final offer, then cost-of-living and factor "g", "changes in any of the foregoing circumstances during the pendency of the arbitration proceedings" would assume great importance in these considerations. But in the absence of an inability-to-pay argument, can an arbitrator assign overbearing importance to such factors in face of the fact that Germantown, Mukwonago and Hamilton have all settled for 9 per cent or more, Arrowhead and Kettle Moraine have settled for more than 8 per cent, and Mukwonago and Oconomowoc have settled for more than is being offered by the Board in this proceeding? This is to say nothing of the 14.34 and the 11.14 per cent settlements respectively at New Berlin and Nicolet. In this case, unlike the City of Cudahy case of Neil Gunderman (Decision No. 19635-A, 1982), cited in the Board's brief, the Board has not argued that comparisons should not be determinative.

The other comment I need to make about the cost-of-living data presented by the parties is that they have chosen base periods to suit their arguments. The Board has used 1976 as a base for the reason that the CPI rose modestly (compared to figures for 1979 and 1980) in 1976 and 1977. The Association has chosen to use a base of 1978 for the reason that the 1979 and 1980 figures rose rapidly in comparison to the rise in money wages during that period. Consequently each side has been able to support its respective position on the relationship of the cost-of-living to increases in the level of salaries.

In my opinion the parties did not present sufficient data for the arbitrator to make any considered judgment about factor "f", "overall compensation. . ." On the basis of the limited

evidence presented, it would appear that the teachers in this unit have overall compensation fairly comparable and not markedly different from overall compensation of teachers in the districts with which the comparisons have been made.

My comments regarding factor "h", i.e., "such other factors. . . which are normally or traditionally taken into consideration. . ." has been treated above in the discussion of cost-of-living. A persuasive argument can be made that settlements involving municipal employees resulting from the mediation/arbitration statute are demonstrating a time lag and that they are not synchronous with occurrences in the private sector. In my opinion, however, such an argument must be made from the standpoint that comparisons are irrelevant and that economic distress in the community dictates restraint in salary increases or no increases. The Board has not made such an argument, and indeed it is not clear that the community of Hartford is in such a state of economic distress as to make such an argument valid.

Although the Association does not have an overwhelming case for choice of its final offer, it should be slightly favored in this proceeding on grounds of comparability. The comparability criterion is the most important one to be considered herein. I arrive at this conclusion based (1) on a comparison of the comparable districts at the BA Base level, making assumptions in the unsettled cases that either all arbitrators adopt the employers' offers or that all arbitrators adopt the unions' offers, and (2) on comparisons of the benchmark salary levels in all settled cases among the comparable districts. And while I have some reservations about choosing the Association's position because of the economic arguments made by the Board, I am persuaded that I should reject those arguments as the main basis for an award for two reasons: First, it appears to me that both parties have given first emphasis to the criterion of comparability. Second, the Board's statistics to support its economic arguments were mainly based on nationwide and state data. Oral testimony introduced to provide evidence of local economic distress was anecdotal at best. It did not provide solid and persuasive support for the Board's argument that this district in Washington County is enough different in terms of its economic health for me to choose its offer which, in percentage terms, is tenth among twelve districts with which it has been compared in these proceedings. Only the Beaver Dam and Waupun school boards, the districts farthest removed geographically from the Milwaukee metropolitan area and its urban influence, have made lower offers. And if I were to choose the Board's offer in this case and arbitrators were to choose union offers in the Waupun and Beaver Dam cases, the Hartford settlement would be the lowest of all twelve districts among the comparables.

Position of the Association
on the Issue of Voluntary Early Retirement

On this issue the Association would use the same comparable districts that it used for the salary schedules. The Association presented the following table showing those comparisons:

TABLE X

EARLY RETIREMENT ELIGIBILITY AGE AMONG
THE PRIMARY COMPARABLES

West Bend		no provision
New Berlin		no provision
Oconomowoc	55	15 years
Germantown	55	15 years
Arrowhead		In committee for change
Menomonee Falls	60	15 years
Nicolet	58	10 years
Mukwonago	60	15 years
Kettle Moraine	55	10 years
Hamilton	62	20 years

Based on these figures the Association argues that the most common age of eligibility for early retirement among the comparables is 55 and that where there are voluntary early retirement plans, this constitutes half of the observations. (The Board points out that although Arrowhead may be "in committee for change," as the Association asserts, the current eligibility age is 60.) Since the Association is proposing 10 years of service for eligibility, the fact that a majority of the comparable districts have longer service eligibility requirements is not significant for this proceeding.

The Association also introduced another table purporting to show that among the second and third tier districts that it considers to be significant for purposes of comparability in this proceeding, the most common eligible age for voluntary early retirement is 55.

Aside from the comparability argument the Association points out that the expiring agreement contains the eligibility requirements that are in its final offer (although the notice requirements are changed) and that to raise the age of eligibility to 60 and to require 10 years of full-time service for a teacher to be eligible would deprive ten teachers of exercising an option that has been in the agreement for a year and which they could reasonably expect to be available to them at the time they reach the age of eligibility.

As to the Board's proposed change to require 10 years of full-time service to become eligible, the Association argues that this may catch some teachers who, for instance, have worked nine years full-time and then are reduced to part-time because of budgetary considerations beyond their control, thus making them ineligible for the benefit. Since the annuity is calculated on the basis of the highest three years of salary received under the plan, it should make no difference to the Board as far as costs are concerned whether the teacher is full or part-time.

The Association also makes the argument that the Board will be benefitted financially by retirement of long-service teachers at an earlier age. This argument is based on the assumption that in most cases the retiree, who is apt to be at or near the top of the pay schedule because of his/her length of service and greater education, will be replaced by a freshly minted teacher who will start at the BA Base level. Although the Board is obligated to pay a somewhat higher statutorily required annuity to a teacher who retires at age 60 than to one who retires at age 55, the assumed savings of the difference between the salary of a long service teacher between the ages of 55 and 60 and the amount that would be paid to a new teacher during that five year period is many thousands of dollars. Therefore, the Association argues that it is in the economic interest of the Board to support a voluntary early retirement age of 55 rather than 60.

And finally, for all these reasons, the parties ought to take advantage of the statutorily eligible early retirement age of 55 that has been provided by the state law itself.

As to the difference in the notice requirement, the Association argues that the Board's proposal of requiring that an otherwise eligible teacher should have reached the required early voluntary retirement age before November 15 or April 15 means that anyone whose birthday comes after those dates but before the end of the semester would have to work an extra semester before becoming eligible for early retirement. Under the Association's proposal the person in question would become eligible anytime during the final semester when he/she decided to exercise the voluntary option.

The Board's Position on the
Issue of Voluntary Early Retirement

The Board argues that among the districts with which it chooses to compare itself five have early retirement benefits for teachers at age 60 or older. The Board presented the following table:

TABLE XI

Age for Early Retirement and Required Years of Service

<u>District</u>		
Arrowhead	60	20
Beaver Dam	62 (full benefits)	20
Germantown	55	15
Hamilton-Sussex	62	20
Kettle Moraine	55	10
Menomonee Falls	60	15
Mukwonago	60 & 62 (depending on yrs. of service)	15 consecutive years at age 60
Oconomowoc	55	15
Watertown	55	10

Four require 15 years of service, three require 20 years of service and only two require as little as 10 years of service to be eligible. The Board also points out that at Beaver Dam, Kettle Moraine, Menomonee Falls, Mukwonago, and Oconomowoc the school boards retain the power to deny an otherwise eligible teacher early retirement benefits. These five districts constitute a majority of the comparable districts.

The Board believes that the choice of an age at which voluntary early retirement will be allowed involves weighing several factors, including such considerations as the benefits to students and the community in keeping older teachers as well as the need to make a judgment about when a person may lose value as a teacher as he/she gets older. The Board considered the appropriate factors carefully and decided that 60 was a fair choice.

The Board disputes the Association's assumption that there is necessary saving to the District when a teacher retires early. The District always attempts to hire the best teacher available as a replacement. That person may or may not be right out of school with a fresh Bachelor's degree. In addition, the Association's cost estimates ignore the fact that the District is obligated to pay the hospital and medical insurance costs of early retirees for three years. If all these possibilities are taken into account, the District cannot assume that there will be a financial saving when a teacher voluntarily chooses early retirement and has to be replaced.

The Board points out that under the wording suggested by the Association, although 55 is given as the age of eligibility for voluntary early retirement, the fact that a teacher becomes eligible to apply at age 54 makes the issue of eligibility ambiguous. The Board points out that under the Association's proposal early retirement could be given to part-time teachers (not just those referred to by the Association in its illustration who may have worked full-time for nine years but who were forced to take part-time work for a tenth year). To extend the early retirement option to part-time teachers would provide a novel benefit. The Board knows of no other school district with such a benefit.

Discussion of Voluntary Early Retirement

In terms of Mr. Zeidler's "most comparable" districts and those of "secondary value," the voluntary early retirement requirements are as follows:

TABLE XII

<u>"Most comparable"</u> <u>Districts</u>	<u>Age</u>	<u>Required Yrs. of Service</u>
Oconomowoc	55	15
Arrowhead	60	20
Hamilton	62	20
Germantown	55	15
Menomonee Falls	60	15
Watertown	55	10
West Bend	no provision	

<u>"Secondary value"</u> <u>Districts</u>	<u>Age</u>	<u>Required Yrs. of Service</u>
Kettle Moraine	55	10
Mukwonago	60 & 62	15
Beaver Dam	62	20
Waugun	no provision	
New Berlin	no provision	
Nicolet	58	10

Among the "most comparable" districts the most common age is 55 (three provisions), although the majority have age 60 or higher or no provision at all for early retirement. If the districts of "secondary value" are considered along with the first seven, then there are four provisions for age 55, one for age 58, five for ages 60 and 62, and three with no provision. In my opinion these results provide very little basis for deciding one way or the other between the parties' final offers. And as to the provisions among the comparable districts for required years of service, I must agree with the Association that both parties are out in advance of the prevailing practice, so that neither can reasonably base the acceptability of its own offer on comparable conditions (except that the Board can assert that the Association's offer on this issue is even farther out in the vanguard of such conditions than is the Board's offer).

Thus, if there is no compelling basis for deciding this issue with reference to what prevails in the comparable districts, we should try to measure the relative acceptability of the parties' offers in terms of the other factors that the mediator/arbitrator is expected to consider in Section 11.70(4)(cm)7 of the Statute.

Factor (a): Both offers appear to be within the lawful authority of the municipal employer to grant.

Factor (b): Stipulations of the parties are not involved.

Factor (c): As to the interests and welfare of the public, I agree with the Board that the conditions governing the voluntary retirement of a teacher concern value judgments. Individuals differ as to the age at which energy, alertness, interest in the concerns of young people, etc. start to diminish as well as the age at which the contribution of wisdom and experience of an older person starts to be overtaken by factors contributing to decline. So although the Board considered these matters and arrived at the conclusion that 60 was an appropriate age to allow voluntary early retirement, this is admittedly the Board members' best judgment. Assuming that the Association is run on a democratic basis (and I have every reason to believe that it is) the teachers themselves have arrived at a judgment that the appropriate age is 55. In the absence of a strong pattern among comparable districts, an outside arbitrator would be at considerable risk to tell the parties that one side is right and the other side is wrong.

This brings me to a consideration of the second part of factor (c), which is the "financial ability of the unit of government to meet the costs of any proposed settlement." On this issue, if its assumptions about replacement of retiring teachers with much younger staff are correct, the Association has produced convincing data to show that the District stands generally to save money when teachers exercise the early retirement option at age 55. The three year obligation to pay health and hospitalization insurance for early retirees is not a consideration in estimating the costs, since it applies under either plan. There would seem to be no persuasive argument that the Board can make on this issue concerning any anticipated extra cost.

Factor (d), the comparability criterion, has been considered above.

Factor (e), cost-of-living would appear to have no applicability to this issue.

Factor (f), overall compensation, requires essentially the same comments that apply to factors (c) and (d). On the one hand, this benefit would seem to have little influence on the overall compensation of these teachers. On the other hand, it is a benefit that may have considerable influence on teachers when they decide whether or not to accept employment in this district. While it may tend to destabilize employment from the standpoint of the Board because a lower voluntary retirement age would produce more turnover, it might also have a stabilizing influence in some marginal cases (as in the Association's hypothetical example) where a teacher would be willing to stay as a part-timer for a limited period rather than look for a full-time position elsewhere.

Factor (g), "changes during the pendency of this arbitration proceeding," would seem to have no significant effect upon this issue.

Factor (h), "other factors normally or traditionally taken into consideration," is applicable here in the sense that the Association essentially is asking for continuation of what is already in the labor agreement. During the recent public discussion of the proposed reforms of Social Security in the United States, one of the considerations in raising the eligibility age above 65 concerned the expectations of individuals already covered by the system. In the final adoption of a two step change in the eligibility age, covered employees were given several decades to adjust themselves to the requirement that they would have to work an extra year to become eligible for benefits. On a smaller scale the same considerations are applicable here. The Association has pointed out that there are ten individual teachers who would become eligible for voluntary early retirement during the next five years under its proposal, and only one who would be eligible during that period under the Board's proposal. The Association did not present any testimony from those individuals concerning any plans they may have made during the year that the eligibility age of 55 has been in effect, but the arbitrator can hardly ignore this consideration. The Board's proposal would be more attractive if it provided for grandfathering those current employees who would be deprived of a prospective option they now have.

Conclusions

The Board has argued that conditions in the general economy, including high unemployment in Wisconsin and in the Washington County area, as well as a reduced level of wage settlements in the private sector nationwide and in the region in which these negotiations have taken place, combine to indicate that the Association's proposed settlement of 9.96 per cent is an unreasonable amount for the taxpayers in the Hartford Union High School District

to bear.

The Association has argued that the future of the community, as well as the State of Wisconsin and the nation, are dependent upon a better educated populace and that a well paid teaching staff is a prime requirement for achieving these goals and that teachers cannot be expected to stay in these jobs if they view their compensation as being inadequate.

Although both arguments have their individual merits, the parties in this proceeding have placed their first emphasis on the criteria of comparable settlements and comparable levels of teachers' wages in districts in the vicinity of this one. On the issue of comparability, and using the districts that were found to be appropriate by Mediator/Arbitrator Zeidler in last year's proceeding and which were acceptable and advocated by the Board for use in this proceeding (and excluding two districts that are in the second year of two year agreements), I have found that the Association's final offer is preferable on comparability grounds to the offer of the Board. Although it is my opinion that on comparability grounds the issue of voluntary early retirement is a toss-up, I believe for other reasons, as have been set forth above, that the Association's voluntary early retirement offer is preferable to the offer of the Board.

AWARD

The final offer of the Association is accepted as the award in this proceeding and will be made a part of the labor agreement between the parties for the school year 1982-83.

Dated: April 21, 1983
at Madison, Wisconsin

Signed:

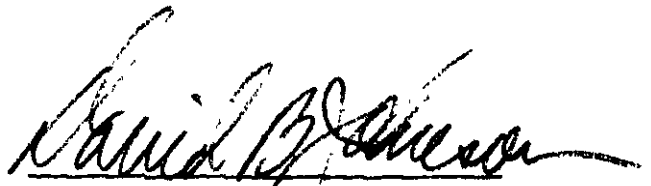

David B. Johnson
Mediator/Arbitrator

EXHIBIT "A"

Name of Case: Hartford Union High School District

The following, or the attachment hereto, constitutes our final offer for the purposes of mediation-arbitration pursuant to Section 111.70(4)(cm)6. of the Municipal Employment Relations Act. A copy of such final offer has been submitted to the other party involved in this proceeding, and the undersigned has received a copy of the final offer of the other party. Each page of the attachment hereto has been initialed by me.

11/15/82
(Date)

Eugene O'Brien
(Representative)

On Behalf of: Hartford Education Association

Cedar Lake
8 15

FINAL OFFER OF THE ASSOCIATION

In the dispute between the Hartford Education
Association and the Hartford Union High School
Board of Education

Presented by:

John Weigelt, UniServ Director
Cedar Lake United Educators Council
November 15, 1982
Jane Buffett, Investigator

ARTICLE XIX - VOLUNTARY EARLY RETIREMENT

19.01. Eligibility and Notice. For purposes of this Article the terms "retire", "retiring", and "retirement" shall be construed to limit eligibility and benefits to employees who have taught at least ten (10) years in the District and who are eligible to apply for and receive a retirement annuity from the State Teacher's Retirement System (STRS). Early retirement benefits shall be available to teachers who resign from their regular teaching position. ~~Teachers who plan to take early retirement shall notify the Board of their intention to do so at least ninety (90) days prior to their expected date of retirement.~~ Teachers may retire at the conclusion of either semester. Teachers retiring at the conclusion of the Fall Semester shall notify the Board on or before November 15. Teachers retiring at the end of the school year shall notify the Board on or before April 15.

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

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

HARTFORD EA FINAL OFFER SALARY SCHEDULE:

STEP	B.A.	BA+8	BA+16	BA+24	BA+30	M.A.	MA+8	MA+16	MA+24
1	13,925	14,273	14,621	14,969	15,317	15,665	16,013	16,361	16,709
2	14,621	14,969	15,317	15,665	16,013	16,361	16,709	17,057	17,405
3	15,318	15,666	16,014	16,362	16,710	17,058	17,406	17,754	18,102
4	16,014	16,362	16,710	17,058	17,406	17,754	18,102	18,450	18,798
5	16,710	17,058	17,406	17,754	18,102	18,450	18,798	19,146	19,494
6	17,406	17,754	18,102	18,450	18,798	19,146	19,494	19,842	20,190
7	18,103	18,451	18,799	19,147	19,495	19,843	20,191	20,539	20,887
8	18,799	19,147	19,495	19,843	20,191	20,539	20,887	21,235	21,583
9	19,495	19,843	20,191	20,539	20,887	21,235	21,583	21,931	22,279
10	20,191	20,539	20,887	21,235	21,583	21,931	22,279	22,627	22,975
11	20,888	21,236	21,584	21,932	22,280	22,628	22,976	23,324	23,672
12		21,932	22,280	22,628	22,976	23,324	23,672	24,020	24,368
13			22,976	23,324	23,672	24,020	24,368	24,716	25,064
14				24,020	24,368	24,716	25,064	25,412	25,760
15					25,065	25,413	25,761	26,109	26,457

All other provisions of the 1981-82 collective bargaining agreement shall remain in full force and effect unless specifically modified by the agreement of the parties.

The salary schedule shall reflect the following:

1981-82 index

Increase increments in all BA lanes except BA+30

Total cost increase (with increments) of 9.96% over 1981-82 salary schedule cost based on returning teacher method.

EXHIBIT "B"

Name of Case: New York Union High School District

The following, or the attachment hereto, constitutes our final offer for the purposes of mediation-arbitration pursuant to Section 111.70(4)(cm)6. of the Municipal Employment Relations Act. A copy of such final offer has been submitted to the other party involved in this proceeding, and the undersigned has received a copy of the final offer of the other party. Each page of the attachment hereto has been initialed by me.

12/17/82
(Date)

Kurtin B. [Signature]
(Representative)

On Behalf of: New York Union High School District

Bot I
8:15

HARTFORD UNION HIGH SCHOOL
BOARD OF EDUCATION FINAL OFFER

NOVEMBER 15, 1982

- 19.01 Eligibility and Notice. For purposes of this Article, the term "retire", "retiring", and "retirement" shall be construed to limit eligibility and benefits to employees who have taught full-time at least ten (10) years in the District and are sixty (60) years of age when they make the request for early retirement. Early retirement benefits shall be available to teachers who resign from their regular teaching positions. Teachers who plan to take early retirement as of Semester I I of the current school year shall give the Board notice by November 15; teachers who plan to take early retirement as of Semester I of the next school year shall give the Board notice by April 15 of the current year.
- 19.02. Insurance Coverage. Teachers who retire shall be eligible to remain in the group insurance coverages maintained by the District. For all retiring teachers, the Board shall make the same hospital/surgical/medical insurance contributions on behalf of the retirees, for a period of three (3) years following a retiree's retirement, that is made on behalf of all other unit employees; except that, where a retiring teacher becomes eligible for medicare, the Board shall pay the cost of the medicare policy plus the cost of additional insurance coverage which, when added to medicare, is equivalent to the coverage provided all unit employees. The Board's health insurance contributions shall terminate automatically if the employee obtains insurance coverage from another employer. Retiring employees who wish to maintain other insurance coverages shall, subject to the eligibility requirements and rules of the insurance carrier, make the necessary payments to the Board for the desired coverages.
- AB
SAB ~~Salary and Co-Curricular Payment.~~ The Board proposes a 7.0% increase in salary ~~and co-curricular payments.~~

HARTFORD UNION HIGH SCHOOL DISTRICT

BOARD'S OFFER
(1982-83)

APPENDIX A
1982 - 83

	B.A.+00	B.A.+08	B.A.+16	B.A.+24	B.A.+30	M.A.+00	M.A.+08	M.A.+16	M.A.+24
1	13550	13889	14227	14566	14905	15244	15582	15921	16260
2	14227	14566	14905	15244	15582	15921	16260	16599	16937
3	14905	15244	15582	15921	16260	16599	16937	17276	17615
4	15582	15921	16260	16599	16937	17276	17615	17954	18292
5	16260	16599	16937	17276	17615	17954	18292	18631	18970
6	16937	17276	17615	17954	18292	18631	18970	19309	19647
7	17615	17954	18292	18631	18970	19309	19647	19986	20325
8	18292	18631	18970	19309	19647	19986	20325	20664	21002
9	18970	19309	19647	19986	20325	20664	21002	21341	21680
10	19647	19986	20325	20664	21002	21341	21680	22019	22357
11		20664	21002	21341	21680	22019	22357	22696	23035
12			21680	22019	22357	22696	23035	23374	23712
13				22696	23035	23374	23712	24051	24390
14					23712	24051	24390	24729	25067
15					24390	24729	25067	25406	25745