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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

BEFORE THE MEDIATOR/ARBITRATOR

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In the Matter of the Petition	:	
of	:	
	:	
EDUCATION ASSOCIATION OF	:	Case XXVII
WAUKESHA	:	No. 31825 MED/ARB-2326
	:	Decision No. 21125-B
To Initiate Mediation-Arbitration	:	
Between Said Petitioner and	:	
	:	
SCHOOL DISTRICT OF WAUKESHA	:	
_____	x	

APPEARANCES: DAVID C. PFISTERER, Executive Director,  
TriWauk UniServ Council, appearing on behalf  
of the Association.

Mulcahy & Wherry, S.C., Attorneys at Law,  
by DIANNA WATERMAN, and MARK L. OLSON, on  
brief, appearing on behalf of the District.

ARBITRATION AWARD

The School District of Waukesha, hereinafter referred to as the District or Board, and the Education Association of Waukesha, hereinafter referred to as the Association, were unable to voluntarily resolve certain issues in dispute in their negotiations under a reopener clause contained in their 1982-1984 Collective Bargaining Agreement and the Association, on June 24, 1983, petitioned the Wisconsin Employment Relations Commission (WERC) for the purpose of initiating mediation-arbitration pursuant to the provisions of Section 111.70(4)(cm) 6. of the Wisconsin Statutes. The WERC investigated the dispute and, upon determination that there was an impasse which could not be resolved through mediation, certified the matter to mediation-arbitration by Order dated October 26, 1983. The parties selected the undersigned from a panel of mediator-arbitrators submitted to them by the WERC and the WERC issued an Order dated March 8, 1984, appointing the undersigned as mediator-arbitrator. The undersigned endeavored to mediate the dispute on April 27, 1984, but mediation proved unsuccessful. The parties thereafter agreed that a reasonable period of mediation had expired and neither party indicated a desire to withdraw its final offer. An arbitration hearing was held on May 7, 1984, at which time the parties presented their evidence. Post-hearing briefs and reply briefs were filed, the last of which were exchanged on July 23, 1984. Full consideration has been given to the evidence and arguments presented in rendering the award herein.

ISSUES IN DISPUTE

Under the terms of the parties' reopener clause, negotiations for the 1983-1984 school year were limited to the salary schedule, Appendix C, dealing with pay for co-curricular activities, insurance, and the 1984-1985 calendar. In their negotiations the parties were able to agree and stipulate as to the calendar but were unable to resolve the issues related to salary, co-curricular pay, and insurance. There are five such issues.

## SALARY SCHEDULE

The major issue in dispute relates to the salary schedule for 1983-1984. In their final offers, both parties proposed changes in the structure of the salary schedule as it existed during the 1982-1983 school year.

As part of the negotiations in 1982, the parties agreed to a salary schedule which eliminated the base step, then identified as the "zero" step, thereby reducing the total number of steps in the schedule from a maximum of 15 to a maximum of 14. The salary schedule was agreed to after hiring had been concluded for the 1982-1983 school year, but nevertheless provided that employees who had been hired at the old step zero were to receive a salary which was \$525.00 less than the step one amounts provided. The salary schedule in question also included an index which reflected step increases, which at step two were 4% higher than the new base step and generally increased from the 4% reflected in step two to 7% and 8% at the top steps for the bachelor's and master's columns. The schedule in question is attached hereto and marked Appendix A.

The Board, in its final offer, proposes a new BA base of \$14,600. In addition, the Board proposes to make two changes in the structure of the salary schedule. It has added 1% to the index for the MA+15 and MA field +15 lanes and has added 2% to the MA+30 and MA field +30 lanes. Secondly, it has added a new top step to each of the lanes, which is based upon 3% in the BA, BA+15, and MA out of field/BA+30 lanes and is based upon 5% in each of the remaining MA lanes. Otherwise, the range of step increases under the Board's offer remains at 4% for step two, 5% for steps three, four, five, six, and seven, 6% for steps eight, nine, ten, and eleven, 7% for step twelve, and the thirteenth steps which existed in the old schedule, and 8% for the fourteenth steps which existed in the old schedule. The Board's proposed salary schedule is set out as Appendix B herein.

The Association, in its final offer, proposes a BA base of \$14,343, which is \$257 lower than the base proposed by the District. The Association also proposes to make a number of changes in the salary schedule, which are reflected in the new index which would accompany the salary schedule and is attached to the Association's final offer. The Association's final offer increases the index between the first two lanes by 1%, reduces the difference between the MA field and MA+15 lanes from 3% to 2%. Increases the index between the MA+15 and MA field +15 lanes by 2%, reduces the index between the MA field +15 and MA+30 lanes by 1% and increases the difference between the index for the MA+30 and MA field +30 lanes by 1%. Also, under the Association's offer, the index at steps two and three would both be equal to 5% of the base, the increase at steps four, six, seven, eight, and nine would all be equal to 6% of the base (the increase at step five would be in all cases 5% of the base), the increase at steps ten, eleven, twelve and thirteen (for those lanes which have a thirteenth step) would all be equal to 7% of the base, and the increase at step fourteen (for the MA field and above) would be equal to 8% of the base. Under the Association's offer, the total number of steps would remain the same in each lane. The Association's proposed salary schedule and index are attached hereto and marked Appendix C.

The total number of employees in the bargaining unit is approximately 750. The Board's cost comparison of the two final offers, which is not disputed by the Association, is based upon an October 1982 staff, cast forward, of 749.72 FTE. Under the Board's final offer the total cost of its

salary schedule proposal would equal \$16,287,853, or an increase of \$1,200,060 over the cost in 1982-1983. This increased cost would generate an increase of \$1,601 per teacher and raise the average teacher's salary to \$21,725, for an 8% increase. The Association's salary schedule would increase the total cost for salary alone to \$16,386,435, for an increase of \$1,298,642. The Association's proposal would generate an average increase of \$1,732 and increase the average teacher's salary to \$21,857, for an 8.6% increase. Significantly, under the Association's proposal, the cost of the change in the base salary would be \$283,415 less than the cost of the District's increase in base salary, but its proposed changes in the index would cost \$381,765 more than the changes proposed by the District. The index changes proposed by the District would cost \$137,021.

Based upon the individual teacher's placement on either of the two proposed salary schedules, there will be a substantial difference in the actual percentage increase experienced by teachers in the District, depending on which of the two final offers is selected. Under the Board's final offer, teachers moving to certain salary steps (approximately 10 in number) would receive increases ranging from a low of 4% to a high of 7.5%. However, in the case of most steps (approximately 66 in number) teachers would receive increases in the range of 7.9% to 9.9%. Under the Association's proposal the range of percentage increases which will be experienced by teachers (based on the cast forward method of analysis) will be quite wide ranging from a low of 2.5% to a high in excess of 12%, in the case of one step. While the range of increases is quite wide-ranging, there is some concentration between the 7.6% and 12% figure. Movement to only eleven steps would carry a percentage increase of 7% or less.

#### INSURANCE

For some period of time not established in the record herein, the parties' agreement has contained a provision requiring employees to contribute \$5.00 monthly for family health insurance and \$3.00 monthly for single health insurance coverage. In each of the agreements since the parties agreed to require such contributions, the District has agreed to pay the balance of the premiums for family and single health insurance coverage. The provision in question was first placed in the agreement in an effort to discourage employees from unnecessarily carrying health insurance, particularly family health insurance, when such coverage duplicated coverage available to them through their spouse. It is undisputed that, at the time this agreement was reached, the District estimated the savings involved at approximately \$35,000. Most of the savings involved was the result of employees electing not to enroll in the District's family health insurance plan.

As part of its final offer, the Board proposed to increase the required contributions towards family and single health insurance coverage to \$10.00 and \$6.00 respectively. The Board does not propose to change that provision of the 1982-1984 agreement which requires that it pay all other increases in health insurance costs. Based upon 1982-1983 participation and actual increase in health insurance rates, the District estimates that its final offer will cost an additional \$156,640 for health insurance costs alone. When the cost of the District's proposed changes in Appendix C (discussed below) are combined with these insurance costs and the cost of other insurances, social security and retirement benefits, the

Board estimates that the total cost of its final offer is 8.7%.

Under the Association's final offer, it proposes no change in the existing insurance provisions. Thus, under those provisions, the District would be required to pick up the full cost of the increase in health insurance premiums for the 1983-1984 school year, with no increase in the required employee contribution amount. When the costs of the changes in Schedule C which are proposed by the Association are added to the increases in insurance costs and the costs of social security and retirement, the Association's final offer carries an overall cost of 9.6%, according to the Board's calculations. .6% of this .9% difference between the total cost of the two final offers is attributable to differences in the salary schedule. Most (approximately three-fourths) of the remaining .3% difference between the two final offers is attributable to the increased contribution to health insurance costs which the Board is asking teachers to make under its proposal. Put differently, the insurance dispute represents approximately one-quarter of 1% difference between the two final offers.

#### PAY FOR CO-CURRICULAR ACTIVITIES

For a number of years the parties have negotiated a base figure for purposes of compensating employees for co-curricular activities. Each activity receives a percentage of the negotiated base figure, ranging from a low of 10% to a high of 100%. The percentage figures have been negotiated, primarily through the use of subcommittees, and are not in dispute in this proceeding. The base for payment for co-curricular activities during the 1982-1983 school year was \$1,705.

The Board, as part of its final offer, proposes to increase the base figure by 7% which means that the new base figure will be \$1,824.35 before rounding. The Association proposes, as part of its final offer to increase the base figure "by 8.5% to \$1,850." (Before rounding, an 8.5% increase in the base figure would be equal to \$1,849.925.) According to the Board's figures, the total cost of this difference between the two final offers is equal to approximately \$4,350.

#### HOURLY RATE FOR SUMMER SCHOOL

The parties reached agreement on the "per occurrence" rates set out in Appendix C, based upon an Association proposal. However, they were unable to agree on the hourly rate of pay for summer school teaching and other professionally oriented summer employment which is included as part of Appendix A, dealing with the salary schedule and other related compensation. The agreement currently provides for compensation at the rate of \$9.00 per hour, with the provision that summer school teachers will be given 15 minutes of preparation for each hour of assigned teaching time.

The Board proposes to increase the rate for summer school employment to \$9.50 per hour, which amounts to a 5.6% increase. The Association proposes to increase the rate to \$10.00 per hour, which amounts to an 11.1% increase. According to the Board's calculations, the increased cost of its proposal over the 1982-1983 cost is \$3,167. The increased cost of the Association's proposal, according to the Board, is \$6,621. The difference between the two final offers on this issue is equal to approximately \$3,054.

### HOURLY RATE FOR DRIVER EDUCATION

The parties were also unable to agree on the appropriate hourly rate for behind the wheel driver education. Under Appendix A the hourly rate for such instruction is currently \$9.00 per hour.

The Board proposes to increase the hourly rate for behind the wheel driver education to \$9.50 per hour, which like its proposal for the hourly rate for summer employment approximates a 5.6% increase. The Association proposes to increase the hourly rate for behind the wheel driver education instruction to \$10.00 per hour, for an increase of approximately 11.1%. According to the Board's calculations, the increased cost of its own proposal would amount to \$3,005. The increased cost of the Association's proposal would equal approximately \$5,902, for a total dollar difference between the two final offers on this issue of \$2,897.

### DISTRICT'S POSITION

In its brief, the District reviews the statutory criteria and notes that, in its view, the following criteria are especially germane to the evidence and arguments in this case: the interests and welfare of the public; the average consumer prices for goods and services; comparisons with other school district employees both within and without the District; comparisons with private sector employees within the Waukesha community; and "other factors" which are normally or traditionally taken into consideration in determining wages, hours, and conditions of employment.

First, the Board argues that its final offer guarantees that Waukesha teachers will receive pay and benefit increases that exceed increases in the cost of living for the period in question. In support of this argument the District relies upon the two national indexes computed by the Bureau of Labor Statistics covering "all urban consumers" (CPI-U) and "wage earners and clerical workers" (CPI-W). The District notes that the two indexes in question purport to measure increases in the price of all relevant goods and services, including insurance costs, and argues that, therefore, the total package costs of the parties' final offers are the appropriate basis for comparison since they include the cost of insurances. The Board points out that the increase in the two indexes for the one year period immediately prior to August 1983 were 2.6% and 2.4% respectively. The Board's offer of an 8.7% increase exceeded these rates by 6.1% and 6.3% respectively. The Association's final offer would exceed the increase in the two indexes by an even larger amount, it is noted. The Board concludes that its offer not only matches the rate of inflation but significantly exceeds it and thereby provides employees with protection against future inflation and allows them to recoup any previous losses they may have suffered.

The Board also makes a historical comparison with wage and benefit level increases received by Waukesha teachers with the cost of living as measured by the CPI-U. Based upon exhibits dealing with teachers at hypothetical placement on the salary schedule for the school year 1979-1980 through the school year 1983-1984, the Board argues that increases in wages and benefits significantly exceeded the overall increase in the Consumer Price Index during the period in question. This analysis, which includes the value of incremental advancements in most cases, demonstrates that the hypothetical teachers in question have received wages which exceeded the increases in the Consumer Price Index by between 12.2% and 19.8% and have

received increases in wages and benefits that exceeded the increases in the CPI-U by between 16.2% and 24.6%. In conclusion, the Board argues that its offer "more nearly matches the inflation rate" and that its wage and benefit package increases have traditionally outstripped the inflation rate, thus leaving no question as to the reasonableness or appropriateness of its offer in this case under this statutory criterion.

With regard to the relevant comparables, the Board argues that the ten largest school districts in Wisconsin, of which Waukesha is number six when measured by FTE teachers, constitute the most appropriate external comparison. As a secondary group of comparables the Board proposes a group of school districts which are geographically proximate to Waukesha. The Board contends that in formulating the two groups of proposed comparables it took into consideration a number of variables normally considered for such purposes. However, in support of its proposed group of primary comparables the District relies upon the decision of Arbitrator Zeidler in Racine Unified School District, Decision No. 17527-A (7-80) wherein he accepted as comparable the ten largest school districts in the state. The District also points to an 1982 mediation-arbitration award involving the Madison School District where the parties agreed to utilize the 14 largest school districts for comparison purposes and certain rationale contained in Milwaukee Board of School Directors Decision No. 19337-A (7/82). The Board also reviews its data concerning size, full value tax rates, per pupil equalized valuation, and geographic proximity in its efforts to justify its group 1 and group 2 comparables.

The District finds fault with the proposed group of comparables advanced by the Association and argues that only 9 of those districts, which are also included in the Board's group 2, are appropriate external comparables. The Board points out that the Association's comparables were based on a mediation-arbitration proceeding involving psychologists and social workers<sup>1/</sup> which includes a number of districts which were not included in that proceeding even though, the Board argues, the Association has offered no evidence or supporting rationale for their inclusion. According to the District, the award relied upon by the Association acknowledged the uniqueness of salary issues for psychologists and social workers and accepted West Allis, Wauwatosa, New Berlin, Elmbrook, Hamilton, Kettle Moraine, Mukwonago, and Pewaukee based on size and proximity. The Board accepts these same districts for the reason that they are of similar size and proximity but argues that the balance of the districts relied upon in that proceeding and by the Association in this proceeding, are inappropriate.

The District also points out that certain of the districts relied upon by the Association have been found in other mediation-arbitration proceedings to constitute a smaller group of reciprocal comparables and it is argued that they are therefore not comparable to Waukesha. The Board relies on certain rationale concerning these comparables and their "suburban" and "bedroom suburb" status. As to certain other districts relied upon by the Association the Board argues that there is no evidence in the record to substantiate any claim of comparability. These districts include Brown Deer, Cedarburg, Cudahy, Fox Point - Bayside, Glendale, Joint 1 Grafton, Mapledale, Nicolet, Shorwood, South Milwaukee, St. Francis and Whitefish Bay.

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1/ School District of Waukesha, WERC Decision No. 18391-A (4/81).

In summary, the Board contends that it is provided clear and quantifiable evidence demonstrating the comparability of Waukesha to the other nine largest school districts in the state and Waukesha's comparability to the secondary tier based on geographic proximity. On the other hand, it is argued that the Association has provided insufficient documentation and evidence to demonstrate the comparability of a majority of the districts in its comparable pool and asks that the arbitrator consider the Board's selection to be the more reasonable for purposes of this proceeding.

The Board's first argument in relation to the salary schedule issue relates to the proposed structural changes included in each of the parties' final offers. According to the Board, it gave consideration to a number of factors in formulating its final offer on salary schedule, including the need to maintain a competitive hiring base because the Board, unlike other districts, continues to hire large numbers of new teachers annually; the need to provide fair and equitable increases to teachers who are moving through the salary schedule; the Board's desire to reward and encourage staff to maintain their high educational caliber; and the desire not to penalize those teachers who have reached the maximum step on the salary schedule and are not eligible for an increment. On the other hand, according to the Board, the Association has changed the index value of each step of the salary schedule, which changes have distorted the schedule itself.

The Board argues that, because it hires approximately 40 to 80 new teachers every year, it must maintain a competitive salary schedule base and that it was because of this that the Board agreed in 1982-1983 to eliminate the zero step. Because of the index, teachers who moved through the salary schedule that year received larger increments. The Board's proposed BA base is \$257 greater than the BA base proposed by the Association and is more responsive to the Board's needs than is the Association's offer.

According to the Board, its offer is more fair and equitable to teachers moving through the salary schedule because the overwhelming majority of the teachers (representing 86% of the salary positions) will receive increases ranging from 7.9% to 9.6%. On the other hand, under the Association's offer, there is "no definable frequency pattern" and their increases range from a low of 2.5% to a high of 12.3%. This inequity is further demonstrated, according to the Board, based on a review of the Association's own exhibits. The percentage increases generated cell by cell, (which do not take into account increment) reflect "no rhyme or reason," according to the Board. While the Board's offer generates increases which show a great deal of regularity, the cell increases reflected in the Association's offer range from a low of 2.4% to a high of 8.2%. In the BA lane itself the cell increases on step one through step six range from 2.4% to 4.9% and then suddenly present a "bubble" causing steps seven and eight to jump to 5.6% and 5.5% respectively. Then, at step nine, the percentage increase falls back to 5.4%. Similar distortions are reflected in the other lanes, according to the District.

In its own final offer, the Board increased the advanced Master's Degree lanes by one and two index points respectively. Its reason for doing so relates to its commitment to providing quality education by encouraging teachers to continue to advance within the salary schedule. Its offer provides fair and equitable treatment for long term staff as well, it is argued, by adding an additional step, thereby providing additional earnings for such teachers, over and above the

increase in the base. In summary, the Board argues that its offer more appropriately addresses the needs of the entire staff for the above and foregoing reasons. It is therefore argued that the structural changes proposed by the Board cause its proposed salary schedule to be more reasonable than the Association's.

The Board also contends that its offer is more reasonable when compared to the wages received by teachers in comparable districts. For this reason the District used benchmark comparisons at the BA base, BA seventh step, BA maximum, MA base, MA tenth step, MA maximum and schedule maximum. A review of the data demonstrates that the Board's offer generates greater annual salaries at the BA base, MA base, MA maximum, and schedule maximum than does the Association offer. Thus, at four of the traditional seven benchmark positions the District's offer provides greater increases than does the Association's offer.

When compared at the same seven benchmark positions to the District's group 1 and group 2 comparables, the District's offer again is superior, it is argued. Under the Board's offer teachers would receive compensation that is above average at the BA maximum, MA base, MA tenth step, MA maximum, and schedule maximum. In addition, its offer would provide more comparable salaries when compared to the group 2 average at the BA base, MA base, MA maximum and schedule maximum. When compared to the same two groups for purposes of "rank" the District's offer again appears to be quite reasonable, it is argued. The offer ranks in the upper one-half of the group 1 districts at five of the seven benchmark positions and in the case of those benchmark positions where the Board's offer is actually lower than the Association's offer, there is virtually no difference in rank between the two offers. Among the group 2 comparables, the Board's offer ranks above the Association's final offer at three of the benchmarks and equals the rank of the Association's final offer at two of the benchmarks.

Even if the Association's comparables are accepted as being more reasonable than the District's, it is argued that the Board's offer still surpasses the Association's offer, based on the Association's own exhibits. The Board's offer provides a more competitive ranking at the BA base, the MA base, the MA maximum, and the schedule maximum. Thus, by a majority of the benchmark positions reviewed, the Board's offer provides higher salary levels than does the Association's offer.

The Board notes that the Association lays great emphasis on the claim that its offer is more reasonable because it more closely approximates area settlements as measured by dollar amounts which are in the \$1,700 range. According to the Board, such a narrowly limited comparison is only minimally relevant. Further, in this proceeding it is argued that such comparison must be given even less weight due to the "special circumstances" involving the Waukesha School District. Thus, according to the testimony of the superintendent, Waukesha is unique because of its practice of continuing to hire new teachers, whereas other comparable districts are losing students (and teachers) and their staff is aging. Only 31.8% of Waukesha's teaching staff is at the top steps of the salary schedule, whereas, seven of the regionally comparable group 2 districts have a more aged staff ranging from 45.1% in Pewaukee to 30.1% in West Allis. For these reasons the average teacher salary increase of \$1,700 to which the Association attaches such significance cannot and should not be given great weight in this proceeding.



The Board contends that its percentage salary increase of 3% compares more favorably with the average teacher salary increase in the group 1 districts, which average 7.35%, and the group 2 districts which average 6.81%. Similarly, it argues, the total package increase of 8.7% under its final offer more nearly compares with the average total package increase of 7.37% received by the group 1 comparables and the 7.75% received by the group 2 comparables. In contrast, the Association's wage increase exceeds these averages by a greater amount and "grossly" exceeds the average total package increases received by teachers in both groups.

In summary, the Board argues that its final offer based on comparative data presented by both parties, is the more reasonable. It contends that there is no supporting rationale or justification for the Association's claim that the District must adhere to a \$1,700 average salary increase "settlement pattern" and contends that such argument ignores the other essential facets of comparability.

The Board also points out that its offer provides wage and benefit increases which exceed the increases provided to other District employees. The proposed 3% salary increase exceeds the salary increases given to clerical employees, custodial employees, and cooks (generally 6% except for an additional 5.5% for the clericals partway through their new 18 month contract) and "significantly" exceeds the total package increases received by such employees. On the other hand, the Association has asked for increases which far exceed the wages and total package increases received by other District employees.

The Board also points to its evidence demonstrating that the Board's offer compares very favorably to changes in wages and benefits received by private sector employers in the Waukesha community. According to the Board, such private sector comparisons provide an indicator of the community view of cost of living in the community and are otherwise relevant under the statutory criteria. The data compiled by the District's survey demonstrates that the Board's 8% offer exceeds the increases received by many private sector employees in Waukesha, many of whom receive no wage increase. In fact, the average percentage increased received by such employees who received increases at all equalled approximately 5%. The Board's offer exceeds that average by 3% and the Association's offer exceeds it even more, by 3.6%.

According to the Board, its position with regard to drivers education, summer school, and co-curricular pay provides fair and equitable increases to teachers participating in those programs. While acknowledging that these issues are "secondary" to this proceeding, the Board notes that it has offered to increase the hourly rate for drivers education and summer school by approximately 5.6%, whereas, the Association seeks to increase the rate by 11.1%. It is the Board's position that the increases sought by the Association are excessive. These rates have all been increased on a historical annual basis as part of the negotiations. In fact, in some years, the Board has proposed increases which greater than those proposed by the Association but the Association were opted to place the available dollars elsewhere, with the Board's agreement. Because of this latter fact, the Board argues that it is "patently absurd" for the Association to now argue that these

employees are receiving insufficient pay when compared to other district employees.

The Board notes that under its wage offer it is providing a basic salary increase of 8%. Since extra-curricular payments are merely supplements to such salaries' increases in extra-curricular pay are not of great importance, it is contended. Nevertheless, the Board argues that it has offered reasonable increases of 5.6% and 7% respectively. On the other hand, the Association's demand for an even larger wage increase plus continued pick up of all insurance costs, when combined with its demands for the extra-curricular pay generate a total package cost of close to 10% over the 1982-1983 costs. According to the Board, these "exorbitant increases" cannot be condoned in view of the minimal increases experienced in the CPI and the reasonableness of the Board's own proposal on salary.

On the question of health insurance, the Board argues that its proposal recognizes the need to continue to effectuate cost savings mechanisms while providing District employees with a quality health care program. According to the District, this is the second of the two primary issues involved in this proceeding.

The District notes that in the past teachers have been asked to contribute \$5.00 and \$3.00, respectively, toward the cost of family and single health insurance coverage. It notes that such coverage is supplemented by dental coverage which is provided at no cost to the employee. For 1983-1984 the health insurance premiums increased from \$150.24 per month to \$171.10 per month for the family plan and from \$56.30 per month to \$66.92 per month for the single plan. The rates for the dental plan increased from \$25.77 per month to \$31.22 per month and from \$8.77 to \$11.40 per month respectively and, as part of its final offer, the District has agreed to pick up those additional costs. Thus, it is argued that if the arbitrator determines that the Association's final offer on health insurance is more reasonable, the District will be forced to pay combined insurance costs equalling \$1,253,034, which represents an increase of \$228,885 more than the costs for 1982-1983. The Board notes that it is asking employees to pay an additional \$60 per year for the family plan and an additional \$36 per year for the single plan. Even with this increased contribution level, the District will still be required to pay \$194,370 more for health insurance than it paid in 1982-1983. The Board advances three basic reasons why, in its view, employees will not be harmed by the proposed change and that persuasive reasons exist to support the proposed change.

First, the Board argues that enormous increases in the cost of health and dental insurance dictate acceptance of the Board's position. In support of this argument the District reviews data introduced at the hearing regarding increases in the cost of health and dental insurances, particularly in relation to more modest increases in the cost of living generally. Citing a number of articles also introduced into evidence at the hearing, the Board argues that employee participation in the payment of health insurance costs is an important tool in the long-term effort to control and reduce increases in the cost of health insurance. The District also points to its own experience when it first introduced the concept of employee contribution toward the cost of

health insurance in support of its position that increasing that sum will aid the District in its efforts to contain health insurance costs.

Secondly, the District argues that teachers will not be harmed by the proposal because the District has made no effort to reduce or change benefits; there is no indication that an employee's health will suffer if he is required to contribute toward the cost of the premium; and teachers will continue to retain favorable wages and fringe benefits even if they are required to pay an additional small sum toward their health insurance coverage. In support of this third contention the Board cites two examples of hypothetical employees who were at the BA step 6 and MA step 7 in 1982-1983 and participated in the single plan and family plan respectively. Both employees will receive significant base wage and step increases and the District will be contributing a substantial increase in its contribution toward health insurance and dental insurance coverage in the case of both employees. For the single plan employee, the Board will pay \$91.44 per year more toward health insurance and \$31.56 more per year toward dental insurance and in the case of the family plan employee the District will pay \$190.32 more per year toward the health insurance and \$65.40 more per year for the dental coverage of such employee. In addition, both employees will continue to receive substantial improvements in wage and benefit totals, it is noted.

Thirdly, the Board argues that the Association's arguments with regard to the Board's efforts at cost containment are without merit. With regard to the comparables relied upon by the Association, the Board acknowledges that only a few of the Association's proposed comparables require contributions. However, there is at least one error in the data, according to the District, and it is "patently false" to argue that teachers in those districts do not pay for increases, since a number of the provisions provide for percentage contributions. It is argued that the existence of percentage contribution language presupposes that increases in premium will automatically result in an increased contribution by the employee and it is noted that the Board's proposal is not based on a percentage theory.

With regard to the Association's claim that it has participated in a number of cost containment measures with the District, the District disputes the accuracy of such claim. According to the District, the inclusion of "second opinion surgery" was unilaterally promulgated by the carrier, the WEA trust. According to the District, the adoption of a \$50 deductible, contrary to the Association's position at the hearing, occurred a number of years ago and there is no indication that it was adopted to help the District contain costs, it is argued. It is true that the District gave consideration to the concept of using a "preferred provider option" as part of the 1983-1984 negotiations but that option had to be dropped when it was determined that the preferred provider option could not be made available in the Waukesha community. When the District learned that such option was not available it concluded that it was reasonable to increase the employee contribution in its effort to contain costs since such contributions had not been increased for a significant period of time.

In its reply brief the District responds to numerous points made by the Association. In particular, it takes issue with the Association's arguments in support of its choice of comparables; the Association's arguments concerning the existence of a "settlement pattern" supporting its offer; the Association's "benchmark" analysis; the rationale offered in support of the Association's proposed changes in the structure of the salary schedule and its arguments as to the alleged unreasonableness of the District's proposed changes; and the Association's arguments in opposition to the District's health insurance proposal.

#### ASSOCIATION'S POSITION

In its brief, the Association reviews the criteria arbitrators have found persuasive in selecting appropriate comparable districts and concludes that generally arbitrators consider size as well as geographic proximity in making such determinations. It is the Association's position that the rationale of Arbitrator Yaffe in School District of LaCrosse, Decision No. 19714-B (1/83) is appropriate in this case, at least to the extent that he stated that "where, however, employer entities of similar size are not geographically proximate arbitrators must and have utilized such entities located elsewhere in the state as appropriate comparables." Further, the Association argues that Arbitrator Ziedler, in the prior case involving Waukesha, found a sufficient number of districts in the Milwaukee metropolitan area to obviate the need to go outside to find larger districts for purposes of comparison. While, according to the Association, both parties to that proceeding expressed difficulty in finding comparable data for the group of employees involved (psychologists and social workers), each party had an opportunity to construct its own comparables and Arbitrator Ziedler constructed a list or lists which excluded the Association's proposed list of seven large districts.

According to the Association, it has, in this proceeding, utilized the "Ziedler groupings" but has added districts for which data was not available in that case.

The Association contends that the District's proposed comparables are inappropriate because they include previously rejected large statewide schools in group 1 and because the District has been "highly selective" about which area schools will be included in its group 2. In particular, the Association objects to the District's exclusion of Greendale which was in the Ziedler list and received the highest dollar and percentage increase for 1983-1984. Also excluded are south Milwaukee which had the second highest dollar increase and Germantown, which had a comparable dollar increase, from the Association's viewpoint.

Reviewing its own data, the Association points out that most area districts have settled for 1983-1984 and argues that a clear and distinct settlement pattern has formed which the Association offer conforms to and which the District's offer ignores. According to the Association, that settlement pattern consists of an average increase per returning teacher in excess of \$1,700. It points out that only three of the 23 settlements it relies upon had average increases of less than \$1,700 and two of those settlements were \$5.00 below that figure. On the other extreme, only six settlements exceed \$1,780, according to the Association's analysis.

Based on this data, the Association contends that the settlement pattern is between \$1,690 and \$1,730 average increase per teacher. It notes that only seven settlements fall outside that range and only one falls below \$1,695. The most recent settlement, reached after the hearing in this case in New Berlin was in fact for \$1,700, it is noted.

In further support of its argument, the Association notes that there are a variety of different percentage increase rates which resulted in the settlement pattern in question. Thus, a 6.72% increase in Wauwatosa generated \$1,734, while a high 8.7% increase in Mukwonago generated only \$1,696. While the Association acknowledges that its proposal at 8.6% will be at the "high end" it points out that it will not be the highest percentage increase but will generate an average dollar increase within the pattern perimeters described. On the other hand, it is argued, the District's 8% offer, while also at the high end of the range, "will not even approach the area settlements."

In response to the Board's argument that the age of the staff in other districts makes a comparison of average salary increases inappropriate, the Association contends that such argument is specious for two reasons. First, according to the Association, the Board's argument confuses average salary with average salary increase. It is pointed out that the average increase can be the same in different districts and still maintain a salary structure with integrity. Secondly, the Association contends that the Board's data does not support its own argument. Thus, Elmbrook, Menomonie Falls and Wauwatosa have 66.9%, 72% and 60% of their respective staffs at the maximum, and yet have settlements which fall within the pattern urged by the Association. On the other hand, Mukwonago, Muskego, and Pewaukee, with significantly younger staffs (at 19.6%, 29.2% and 45.1% at the maximums) also have increases which meet the pattern urged by the Association. According to the Association, it is at a loss to explain how the District can maintain that teachers at Waukesha should receive \$100 less per teacher than the most poorly paid in the District's own rebuttal exhibit. There is no question which of the two offers conforms to the pattern in question and, the Association points out, the only District which falls below the pattern, West Allis, often ranks number one and has continuously held high ranks at all benchmarks for a number of years.

The Association also compares the dollar increases generated by the two final offers at the seven benchmarks with the dollar increases generated at those same seven benchmarks by its area settlements and the District's group 1 settlements. Based on this comparison, the Association points out that the Board's offer outpaces both groups at the base and schedule maximum. However, when one looks at the "internal benchmarks" (BA seventh step and MA tenth step) the District's offer is truly unreasonable in the opposite direction, it is argued. At the BA seventh step it is \$500 behind area settlements and \$400 behind urban settlements and at the MA step ten it is \$600 behind area settlements and \$450 behind urban settlements, according to the Association's analysis. Thus, it is argued that the Board's offer is "out of tune" with what is happening in the area in terms of average dollar increases.

The Association reviews the District's evidence with regard to these "unusal aberrations." Some result from the District's emphasis on base salary, in its view. The Union notes that it was the Board's proposal to eliminate the zero step in 1982-1983 and argues that there is no evidence to indicate that the District has experienced any actual difficulty in hiring teachers, in spite of the testimony to the effect that the District does hire new staff members with some frequency. Thus, according to the Association, there is no proof to substantiate the need for any base increase.

The District's offer also places emphasis on the schedule maximum, it is noted. According to the Association, this occurs because the District has added an additional step. According to the Association, such a move is contrary to the trend of shortening schedules which was reflected in last year's settlement; only benefits a small percentage (10%) of the teachers; and has a negative impact on 90% of the teachers who will be required to spend an additional year to reach the maximum salary figure.

While both parties have proposed changes in the schedule, the Association contends that it has followed the "traditional path" by adding index changes throughout the schedule to achieve a top salary which is consistent with the settlement pattern. This approach results in a smooth progression wherein the increases are smallest for those with little experience or additional credits and increase as additional credits and years of experience are gained. According to the Association, the Board has abandoned this approach in the current case. Because the Board's offer provides similar increases in the Bachelor's lanes and relatively smaller increases in the Master's lanes, it was forced to add another step to the schedule or become uncompetitive, according to the Association. However, in doing so it added an uncommonly small increment. According to the Association, the Board has put a few extra dollars in the places where it wished to look better but has paid "scant attention" to the integrity of the salary schedule.

In response to the Board's contention that its offer is inferior because it contains "a bubble in the middle of the schedule," the Association argues that its offer should be contrasted with the District's offer which contains a "depression" in the middle. Using these same seven benchmarks for analysis purposes, the Association compares the two final offers in a chart to graphically portray the fact that the District's offer looks better at the perimeters of the schedule than at the BA seven step and MA ten step.

The Association also makes reference to its evidence concerning the general level of salaries under either offer in relation to a "free paint" program in Waukesha. According to the Association, it is in the area of the schedule where there are the most teachers that the Association's offer best succeeds in its effort to overcome the minimum income standard for this program; whereas, the Board's offer meets this purpose best at the base of the schedule.

In summary of this portion of its argument, the Association contends that its offer more closely approximates the area settlement pattern in average increase per teacher; more closely approximates the settlement pattern at the benchmarks; and that the District's offer is not comparable, adversely affects 70%

of the staff, creates a depression in the middle of the schedule which is uncharacteristic of prior agreements between the parties, and is clearly out of line with settlements in the area.

On the insurance issue, the Association notes that it is proposing to maintain the status quo, while the Board is seeking to increase the contribution of each teacher, by doubling the amount required. Contrary to the Board's assertion, the Association contends that this proposal was not a "cost savings mechanism," but is a "cost shifting proposal."

Because the District takes the position that it is seeking to achieve cost containment, its proposal should be judged on whether it accomplishes that goal, according to the Association. The proposal obviously does not cause a decrease in insurance rates, even though this would appear to be the theme of the articles introduced into evidence by the District. In fact, a review of the District's exhibits indicates that they discuss rate review ideas and list co-payments, deductibles, choice of competing plans, and preferred provider organizations as positive approaches to beginning cost controls. None of the District's exhibits refer to increasing employee contributions toward insurance premiums as an effective option, according to the Association.

The Association gives the following reasons for proposing to maintain the status quo:

1. A review of the Association comparables reflects that Waukesha is one of only three districts that require any contribution toward health insurance. Also, the actual premium dollars expended by the District are not out of the ordinary when compared to other districts. The District's evidence with regard to private sector comparables reflected no concessions in the area of health insurance.

2. While the evidence is to the effect that the initial agreement was to reduce the number of unnecessary family memberships and that the District saved \$35,000 in premiums, there is no indication in the evidence that a larger contribution will again decrease participation.

3. The Association is more than willing to help control insurance costs and has proposed to do so and has actually done so in the past. In particular, the Association agreed to increase the deductible from \$25 to \$50, and indicated a willingness to agree to a "preferred provider plan" while proposing a "wellness plan" and "option plan" which were rejected by the Board. Also, it is pointed out that the current insurance plan now has a mandatory second opinion surgery clause. This shows that the Association has been willing to do the kinds of things referred to in the Board's exhibits but that the Board has been unwilling to do so and that the Association has been "most responsible" in controlling insurance costs in the most effective ways.

4. The proposal impacts negatively on the salary offer of the Board by taking \$60 off of the top for each teacher on the family plan. This makes the Board's salary offer less competitive and less comparable. Further, the proposal subjects the \$60 in question to tax withholding and tax payment. Assuming a teacher is in the 25% tax bracket, the teacher must earn \$160 more than surrounding districts to generate the after tax income necessary to pay \$120 towards family insurance coverage.

With regard to the issues of driver education and summer school hourly rates, the Association takes the position that these proposals are less significant but, nevertheless, justified. The Association notes that the cost of its summer school proposal is about \$6,000 and argues that such a small amount can be recouped through fees and state aids and will not jeopardise the current "profitability" of the program. Also, in the case of summer school and drivers education, the Association contends that the available comparable data supports the need for such an increase. According to the Association, the Board presented no evidence which would support its position as being more reasonable and limited its evidence on these issues to the question of cost.

The Association also points to its evidence concerning the fact that a third year custodian for the District was earning \$10.31 per hour at the beginning of the current year and argues that it is inappropriate for a degreed teacher to earn an hourly wage that is not comparable to a third year custodian. The Association also makes reference to alleged difficulties the District experienced in hiring an occupational therapist for summer school at the current rate, however, the arbitrator has disregarded this evidence and arguments since it was based upon a post-hearing submission outside the agreed to limits on such submissions.

With regard to the issue of co-curricular pay, the Association makes the singular argument that co-curricular pay should be treated "similarly" to pay under Appendix A. It is noted that structural changes within Appendix C dealing with co-curricular pay have always been handled by committee and only the base has been subjected to the bargaining process itself. Since neither side attempted to argue comparability on this issue, the issue must be decided on the basis of which offer appears to be the most fair, according to the Association. The Association notes that it would increase the percentage by an amount roughly equivalent to the percentage increase for Appendix A; whereas the Board would increase the base by something less than the increase for Appendix A.

Finally, in its brief, the Association reviews each of the statutory criteria in relation to the evidence and arguments in this proceeding as follows:

"Factor 'a' is the lawful authority of the municipal employer. The district does not contest that it has the authority to implement either the Association or Board proposal, as a voluntary or awarded settlement.

"Factor 'b' - There were no stipulations in the matter.

"Factor 'c' is the welfare of the community and the ability of the District to pay the offer. The issue of the welfare of the community and the ability of the District to pay is not contested. The Association introduced the findings of the Citizen's Governmental Research Bureau (Ex. 49) which indicates the District has sufficient resources and tax base to pay the Association's offer. In fact, the issue is admitted by the Board during the hearing (TR, 62-63).

"The welfare of the community is met as long as the Association is not asking for a raise inappropriate to the community. Assn. Exs. 5-14



indicate that the community is strong economically and the prognosis is for still further improvement.

"Furthermore, there was no call for a citizen hearing on the matter prior to the arbitration.

"Factor 'd' is comparability. The Association has shown that its offer does conform to the area teacher contract settlement pattern of \$1,695-\$1,780 per returning teacher. Additionally, the Association has shown that its offer would not distort the historical rankings of the Waukesha teachers at any benchmark figure and that even if you consider the urban school districts, the Association offer is clearly in line with those settlements.

"On the issue of insurance, the Association has shown that it is one of the only districts contributing anything to its insurance now, and is clearly the only municipal or private employee group being asked to pay more. This is in light of the fact that the premium rates of the Waukesha teachers are in line with other districts.

"Factor 'e' is the cost of living. The Association believes that as long as the settlement pattern is established, the cost-of-living is really an insignificant factor. The Association is not asking for more than the pattern, only for what is a fair settlement. Beside this issue, however, the Association has presented evidence indicating the strength of the local economy (Exs. 5-14) which would indicate no undue hardship in this area.

"The Board has introduced a comparison of the two offers to the cost of living in Exs. 17-19. These charts are flawed in four ways:

"1. The charts are selective. The Board admits that they did not attempt to calculate these figures at all steps on the schedule (TR, 95). The three areas the Board looks at are areas in which the Board has manipulated the salary schedule. One example cuts across the base of the schedule and the other two reach the maximum where an extra step distorts the Board schedule. No examples are drawn which cut across the middle of the schedule.

"2. The charts fail to consider the nature of the teaching contract. The nature of a salary schedule is that a new teacher recognizes that teacher pay will increase over time to a maximum salary. The assumption is that the experience gained in the classroom is essential to making a strong teacher, so the payments to a teacher should be deferred while a teacher earns his/her wings. The Board exhibit assumes that the increment is meant to keep a teacher up with inflation. The schedule says, however, that the raise is due a teacher whether inflation is up or down. When the increment is used to offset inflation, teachers will never realize the increase in spending power they anticipated when hired. Instead their real purchasing power will remain almost constant.

"3. The charts use the CPI for all urban consumers rather than the more appropriate figure for the Milwaukee metropolitan area.

"4. The Board exhibits indicate little significant difference between the two positions with regard to the CPI.

"Factor 'f' is overall compensation. Although neither party has spent an inordinate amount of time on this factor, it should be noted that salary, retirement, social security, and insurances make up the lion's share of total compensation. It is clear from the area settlement data previously presented that the Association offer is very much in line with other districts and far superior to the Board's offer where salary is concerned. The same can be said of health and dental insurances based on the data in Assn. Ex. 50. It is common knowledge that nearly every school district in the state pays the full retirement contribution and makes the legally established social security deposit for each teacher. Neither party provided data concerning long term disability or life insurance in this or other districts.

"It can be concluded that the Association's offer, at least in those parts addressed by the parties, provides overall compensation similar to that earned in other area schools. The District's offer will provide a reduction in both the salary and health insurance components of overall compensation. Any weight given the factor by the Arbitrator should flow to the Association side of the ledger.

"Factor 'g' is changes in any of the foregoing during the pendency of the arbitration. The New Berlin settlement, at \$1,700 average increase per teacher, came down after the hearing in this matter. New Berlin is one of Arbitrator Zeidler's 'most' comparable districts. The settlement fits precisely into the pattern previously established. Again, the New Berlin Board picks up full health, dental and vision coverage (not available here) and is improving the long term disability coverage and paying the full premium.

"Factor 'h' contains other factors normally considered. The Association concludes that the weight of evidence in favor of both its salary and insurance positions is sufficient to persuade the Arbitrator that no other factors need be considered."

In its reply brief the Association reviews the precedents relied upon by the District in support of its proposed comparables and argues that those precedents and the precedents relied upon by the Association, do not support the District's position. The Association also reviews the District arguments with regard to settlement patterns and salary schedule comparisons which, it argues, only serve to reenforce the merits of the Association's position on those matters. With regard to the District's arguments on insurance, the Association again takes issue with the evidence relied upon in support of those arguments and the District's claim that its proposal will achieve its own goals. The Association contends that the District has inappropriately combined its analysis of summer school and driver education hourly rates with pay for extra-curricular activity and fails to address the Association's belief that the level of co-curricular pay should be related to increases in the salary schedule, particularly in view of the omission of any effort on either party's part to draw comparisons. Finally, on the question of cost of living increases, the Association reiterates its contention that cost of living ought not be considered a factor of significance and takes issue with the Board's analysis of cost of living in relation

to teachers' salaries, because of its inclusion of increments in that analysis.

#### DISCUSSION

The undersigned will first address the three issues which, according to the arguments of both parties, are deemed to be of least importance to the outcome of this proceeding. While the disposition of these issues, in all likelihood, will not have a determinative impact on the outcome of this proceeding, the outcome of the analysis of the relative merit of the parties' position on these three issues will have some cumulative impact upon the overall reasonableness of each parties' final offer under the statutory criteria.

#### HOURLY RATE FOR DRIVER EDUCATION

On the face of the two offers, the Association's offer on this issue would appear to be the least reasonable. Given the recent and current rate of inflation and the relative size of the salary increases proposed by both parties to this proceeding and voluntarily agreed to in other districts, the Association's proposal to increase this rate by 11.1% would appear to be excessive, absent strong justification for such a sizeable increase.

The Association offers basically two arguments in support of its proposal on this issue. First, it contends that such an increase is required to bring the hourly rate more into line with the hourly rate paid by the other districts which it deems to be comparable. Secondly, it argues that a sizeable increase is warranted in view of the hourly rate currently earned by certain other non-professional District employees, i.e., three-year custodians, who are not required to be certified professional teachers. While the latter argument has some emotional appeal on its face, the undersigned finds it to be unpersuasive. The hourly rate for custodians represents the basic form of compensation for such employees (other than fringe benefits) whereas the hourly rate for behind the wheel instruction represents a form of additional compensation (over and above annual salary and benefits) for teaching employees who perform such additional work.

In support of its comparability argument, the Association presented the available evidence found in 16 of the agreements in the comparable districts it relies upon. Only eight of those agreements specifically set out separate hourly rates for driver education and at least four of those districts used a rate which was identical to the hourly rate for summer school. Three had rates below \$10.00 but two of those rates were for earlier school years. On the other hand, five had rates in excess of \$10.00 and four of those rates were for the 1982-1983 school year rather than the 1983-1984 school year.

The District offered no evidence on comparability in support of its proposal on this issue. Instead, it relies upon the general level of the increase offered and suggests that if the existing rate is below average, that fact may be the result of the Association's own past actions in collective bargaining. The undersigned believes that, regardless of the cause, it is reasonable for the Association to propose that teachers who perform such work shall receive a rate of pay which is generally comparable to the rate paid other teachers performing the same or similar work for other districts. Therefore, the undersigned believes that this issue should be resolved in favor of the Association's position. However,

appropriate weight must be given to the cost of this proposal in relation to the overall cost of the Association's proposal.

#### HOURLY RATE FOR SUMMER SCHOOL

The evidence presented and the arguments made in relation to this issue are generally similar to the evidence and arguments in relation to the prior issue. However, there is much more available comparable data included in the Association's evidence on this issue. Only in four of the fifteen districts relied upon by the Association, for which data was available, does the rate appear to be less than \$10.00 per hour and the data for three of those districts related to years prior to 1983-1984. Most of the rates paid were well above \$10.00 per hour, including, in many cases, the rates which were being paid during years prior to 1983-1984. Again, the undersigned concludes that the Association has justified the sizeable increase sought in this rate of pay, but that the cost of this proposal must be considered in relation to the overall cost of the Association's proposal.

#### PAY FOR CO-CURRICULAR ACTIVITIES

This issue affects a greater number of employees than does either of the two prior issues. Further, while the overall cost of this issue is not great, it is greater than either of the two prior issues and the difference between the parties' final offers on this issue is likewise greater than either of the prior two issues.

Neither party presented any evidence as to comparables on this issue. Instead, both parties rely upon the reasonableness of their proposed increase in relation to the relative magnitude of the salary increases proposed here and agreed to elsewhere.

The Association attempts to justify its 8.5% proposal as being roughly equivalent to the size of the increase it seeks in salaries under the salary schedule. Assuming for purposes of argument that the Association's proposal on salaries is accepted as the more reasonable proposal, the undersigned has difficulty in understanding why the proposed increase in the base should be equal, in percentage terms, to the overall increase in salary costs, including the cost of step increases. Appendix C includes a provision for longevity step increases for those activities which are "subject to close public scrutiny" and declares that "all other activities are considered to have service as their principal function" and are therefore excluded from the longevity pay concept.

On the other hand, the District's proposal of a 7% increase is closer to the cost of the increase proposed in the schedule, exclusive of increments, under either offer. It is also large enough to exceed the prior and current rate of inflation and will therefore provide a "real" increase in compensation for such activities. It is therefore favored.

#### INSURANCE

The parties agree that this issue is the second most significant issue presented and the undersigned finds that, in some ways, it is the most difficult to resolve. A review of some of the principal arguments advanced by the Association in opposition to the District's proposal on insurance serves to demonstrate the difficulties the undersigned has had in resolving this issue.

First, to the extent that the District proposes to increase the agreed to dollar contribution towards the cost of health insurance, it can be said that it is the District

which is seeking to change the "status quo." However, the status quo already includes the concept of a contribution by employees toward the cost of health insurance, albeit expressed as a dollar amount which has not changed since it was instituted. Secondly, the available evidence with regard to comparables does tend to support the Association's contention that such contributions are currently uncommon, even though other districts are paying insurance premiums which are as high or higher than those paid by the District. However, the District points out that this historic "no cost" approach to health insurance may have helped contribute to the high rate of increase in health insurance costs, because of the lack of any need to resist such increases on the part of the user.

The Union makes an undisputable point when it argues that the increase in contribution will have to be paid for with after tax dollars. While this observation justifies a conclusion that the impact of any contribution will be slightly greater than the dollars involved, it does not necessarily defeat the purpose of such a requirement.

The Association also points out that it is not clear whether such an increase will have the desired affect on reducing the District's costs (as opposed to shifting the District's costs) since the existing contribution may have already had the desired affect. However, given the recent increases in insurance rates (and wage rates) it would appear to be at least arguable that an increase in the dollar amount of contribution is warranted at some point in order to maintain the original purpose of the requirement. Also, it is at least debatable that such contributions, if they become prevalent, will have the desired long-term impact on health insurance costs generally, by "raising the consciousness" of employees concerning the true cost of such benefits and their impact on the available dollars for employee compensation and benefits.

The Union points out in its arguments that much of the debate concerning ways to contain and control the rate of increase and health insurance costs centers upon more direct and imaginative mechanisms. Some of those mechanisms have already been tried in the District, including the use of deductibles and second opinions, and other mechanisms, such as the preferred provider plan, have been given serious consideration by the parties.<sup>2/</sup> For these reasons, and the reasons described above, the undersigned concludes that the Association's position on this issue is more reasonable, but only slightly so, than the District's proposal, based upon the facts and arguments presented in this record.

#### SALARY SCHEDULE

While the parties have directed much of their evidence and argument to the question of which grouping of comparables should be used for purposes of drawing external comparisons in this proceeding, similar conclusions can be reached regardless of which grouping is utilized. Nevertheless, in view of the extensive evidence and arguments presented, some comment is in order concerning the undersigned's view of the appropriate comparables for purposes of drawing external

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<sup>2/</sup> It is important to note that while the District contends that, in bargaining, the Association took the position that all savings from the preferred provider plan should be utilized to increase benefits for employees; it is undisputed that the proposal failed through no fault of the Association and its bargaining position in that regard is not deemed to be relevant for purposes of evaluating the District's proposal here.

comparisons.

First of all, the use of the ten largest school districts has some obvious merit. Particularly with regard to working conditions such as transfers, leaves of absence, and evaluation procedures, the manner in which other urban districts handle such questions can be particularly persuasive. This is so because other urban districts often have similarities in terms of demographics and governmental structure and problems. Also, on the question of salary, the financial problems confronting large urban districts are somewhat different than the problems confronting some of the regional comparisons relied upon by the Association, such as Whitefish Bay and Nicolet to cite two of the more obvious examples.

On the other hand, the Association correctly points out that in other areas of the state both parties (and arbitrators) generally rely on size and geographic proximity for the purpose of constructing comparables and often agree to utilize athletic conferences because they provide a reasonable compromise, based on those two important criteria for selecting comparables in the more sparsely populated areas of the state. The use of the ten largest districts statewide tends to ignore geographic proximity at the expense of size. Also, to the extent that Milwaukee is included in such grouping, it tends to ignore the size criterion.

A review of the Ziedler opinion relied upon by the Association convinces the undersigned that the arbitrator in that proceeding was attempting to identify the best group among all of the listed groups of districts, based upon the joint criteria of size and proximity but that he was also attempting to "stretch" the number of groups in an effort to include sufficient data to provide useful comparisons, due to the absence of and diversity of provisions dealing with psychologists and social workers in many of the districts in question. For these reasons, the districts included in the first two groupings in the Ziedler award and the second group identified by the District would probably constitute the most appropriate grouping in this case. Because the salary schedule is the major issue in dispute, labor market considerations are important and there is less persuasive value to be found in some of the urban districts relied upon by the District in its group one. Nevertheless, the undersigned believes that that grouping has some merit, provided appropriate consideration is given to the size of the Milwaukee District and the remoteness of districts such as LaCrosse and Eau Claire, for example.

The Association lays great emphasis on the fact that the average increase, expressed as a dollar amount, under the Board's offer is approximately \$100 less than the "pattern" of settlements that the Association perceives to exist. In the view of the undersigned, the average dollar amount generated by the Board's proposal is one consideration that should be given weight in this proceeding under the comparability criteria. However, that figure has less weight than other considerations such as how the parties' offers compare to the average salary at a particular benchmark figure or how the parties' offers compare with other offers in other comparable districts, measured in terms of percentage increase in salary and overall percentage increase for wages and fringe benefits.

A review of the data presented by the parties demonstrates that the increases offered under the Board's proposed salary schedule tend to be superior at both ends of the salary schedule, at least as measured by the benchmarks used by both parties. That same review demonstrates that some extra effort to improve the schedule at the base is warranted. On the other hand, the dollars generated internally by the schedule proposed by the

Board are less generous than the dollars generated by the schedule proposed by the Association, at least at the two traditional benchmark steps of BA seventh and MA tenth. While it is clear that the increases offered at these steps are significantly less than the increases which would be generated under the Association's proposal, the evidence does not disclose that as much extra effort to increase the salary levels at those points in the schedule is required.

In the view of the undersigned, the heart of the difference between the two offers, both of which involve sizeable wage increases, relates to their respective treatment of the salary schedule. An analysis of the parties' respective arguments on this important aspect of the case discloses that both parties have tended to exaggerate the negative aspects of the other's offer. On the one hand, the Board emphasizes the wide ranging spread of actual wage increases which will be generated by the Association's proposal and the "bubble" effect that will result in the middle of the schedule. However, this is a short term phenomenon, related primarily to the 1933-1984 school year. The spread of increases and the "bubble" are both directly attributable to the substantial (but generally consistent -- except at step five) changes which the Association seeks to accomplish in this proceeding. In effect, the Association's offer seeks to concentrate on establishing a substantially steeper rate of increase in the increments, at the expense of the base salaries.

On the other hand, the Association criticizes the Board's proposal for departing from the past and making changes in the schedule which are in effect "regressive." This too is an exaggerated criticism. In fact, the Board's proposal only makes modest changes in the existing schedule which was previously agreed to by the parties. Each of the changes is either in the nature of an improvement or at least justifiable under the circumstances. First of all, the Board proposes to add additional points to the index at two points in the MA columns. Both of these changes are properly characterized as improvements. Otherwise, the Board's offer proposes to preserve the existing index, which currently provides for increments which increase in size as one progresses through the schedule. It is true that the addition of a new step to the schedule has a "regressive" feature in that it again requires employees to work an additional year to achieve the maximum salary. However, the first year consequence of the Board's proposal is to insure that teachers at the top step of the schedule (who constitute 10% of the work force) receive a sizeable increase when the new step is combined with the dollars received as a result of the Board's proposed change in the base. Furthermore, the total number of steps proposed under the Board's salary schedule is not out of line when compared to the Association's own comparables.

If a major change is to be made in the internal structure of the schedule of the magnitude of that which is proposed by the Association, it would appear to the undersigned that such a goal should be accomplished in direct bargaining and possibly over a longer period of time. By seeking to accomplish such change through this proceeding, the Association's proposal gives insufficient attention to the Board's demonstrated need to remain competitive in the early steps of the schedule. The Association argues that there is no evidence that the Board is actually unable to hire teachers at the current rates. However, even if it is assumed that the Board is able to hire a sufficient number of teachers in the current market, the Board

has a valid and important interest in seeking to maintain starting rates which will allow it to be reasonably selective in its hiring practices. Because the District's enrollment is growing, there is every reason to believe that the teachers it is now hiring may continue to work for the District for many years in the future. It is, of course, true that the salary at the intermediate levels of the schedule will have some impact on whether the District is able to retain the teachers hired. However, the point being made here is that the Association's proposal, in the undersigned's view, gives insufficient attention to this important concern.

Measured in percentage terms, both offers are well within or on the high side of other offers which have resulted in voluntary settlements. In summary, the Board's offer makes fewer changes in the schedule, gives appropriate consideration to the District's demonstrated need to increase its salary base figures, and offers fair and internally equitable percentage increases to all members of the bargaining unit. On the other hand, the Association's proposal seeks to accomplish major changes in the structure of the salary schedule in one year, gives insufficient attention to the District's need to increase its salary base figures, and results in numerous (but short term) internal equities in terms of the percentage increase received by the existing staff. While the Association's proposal does generate an average dollar increase more in line with the pattern perceived by the Association, that one consideration is not deemed to be of sufficient importance to offset the other aspects identified. In addition, the Board's proposal is well in excess of the recent and current rate of inflation and is well in line with other settlements reached, in terms of percentage figures. For these reasons, and the other reasons discussed above, the undersigned prefers the Board's proposal on salary schedule.


The salary schedule is by far the most important issue presented in this proceeding. If it were within the discretion of the arbitrator he would award the health insurance issue to the Association, particularly in view of the fact that the Board's proposed salary schedule is being accepted in this proceeding. However, the resolution of that issue and the other three issues (which resulted in somewhat of a "draw") does not carry sufficient weight to offset the conclusion that the Board's offer is most reasonable under the statutory criteria.

For the above and foregoing reasons the undersigned renders the following

AWARD

The final offer of the District, together with the issues resolved in negotiations under the parties' reopener clause shall be incorporated in the parties' 1982-1984 Collective Bargaining Agreement.

Dated at Madison, Wisconsin this 21<sup>st</sup> day of September, 1984.

  
\_\_\_\_\_  
George R. Fleischli  
Mediator-Arbitrator



**SALARY SCHEDULE**  
**1982-83**  
**Base Salary \$14,000.00**

<u>STEP</u>	<u>BA</u> B	<u>BA+15</u> C	<u>MA OUT OF FIELD BA + 30</u> D	<u>MA Field</u> E	<u>MA+15</u> F	<u>MA Field+15</u> G	<u>MA+30</u> H	<u>MA Field+30</u> J
1	1.00 14000	1.05 14700	1.11 15540	1.16 16240	1.18 16520	1.20 16800	1.23 17220	1.25 17500
2	1.04 14560	1.09 15260	1.15 16100	1.20 16800	1.22 17080	1.24 17360	1.27 17780	1.29 18060
3	1.09 15260	1.14 15960	1.20 16800	1.25 17500	1.27 17780	1.29 18060	1.32 18480	1.34 18760
4	1.14 15960	1.19 16660	1.25 17500	1.30 18200	1.32 18480	1.34 18760	1.37 19180	1.39 19460
5	1.19 16660	1.24 17360	1.30 18200	1.35 18900	1.37 19180	1.39 19460	1.42 19880	1.44 20160
6	1.24 17360	1.29 18060	1.35 18900	1.40 19600	1.42 19880	1.44 20160	1.47 20580	1.49 20860
7	1.29 18060	1.34 18760	1.40 19600	1.45 20300	1.47 20580	1.49 20860	1.52 21280	1.54 21560
8	1.35 18900	1.40 19600	1.46 20440	1.51 21140	1.53 21420	1.55 21700	1.58 22120	1.60 22400
9	1.41 19740	1.46 20440	1.52 21280	1.57 21980	1.59 22260	1.61 22540	1.64 22960	1.66 23240
10	1.47 20580	1.52 21280	1.58 22120	1.63 22820	1.65 23100	1.67 23380	1.70 23800	1.72 24080
11	1.53 21420	1.58 22120	1.64 22960	1.69 23660	1.71 23940	1.73 24220	1.76 24640	1.78 24920
12	1.60 22400	1.65 23100	1.71 23940	1.76 24640	1.78 24920	1.80 25200	1.83 25620	1.85 25900
13	0 0	0 0	1.78 24920	1.83 25620	1.85 25900	1.87 26180	1.90 26600	1.92 26880
14	0 0	0 0	0 0	1.91 26740	1.93 27020	1.95 27300	1.98 27720	2.00 28000

Step 0 status employees to receive salary at the Step 1 position which is \$525 less than the Step 1 salary amount at their appropriate column.

APPENDIX A

SALARY SCHEDULE  
1983-84  
Base Salary \$14,600.00

A 83-84	BA	BA+15	MA OUT OF FIELD BA+30	MA Field	MA+15	MA Field +15	MA+30	MA Field +30
	B	C	D	E	F	G	H	J
1	1 14600	1.05 15330	1.11 16206	1.16 16936	1.19 17374	1.21 17666	1.25 18250	1.27 18542
2	1.04 15184	1.09 15914	1.15 16790	1.2 17520	1.23 17958	1.25 18250	1.29 18834	1.31 19126
3	1.09 15914	1.14 16644	1.2 17520	1.25 18250	1.23 18688	1.3 18980	1.34 19564	1.36 19856
4	1.14 16644	1.19 17374	1.25 18250	1.3 18980	1.33 19418	1.35 19710	1.39 20294	1.41 20586
5	1.19 17374	1.24 18104	1.3 18980	1.35 19710	1.38 20148	1.4 20440	1.44 21024	1.46 21316
6	1.24 18104	1.29 18834	1.35 19710	1.4 20440	1.43 20878	1.45 21170	1.49 21754	1.51 22046
7	1.29 18834	1.34 19564	1.4 20440	1.45 21170	1.48 21608	1.5 21900	1.54 22484	1.56 22776
8	1.35 19710	1.4 20440	1.46 21316	1.51 22046	1.54 22484	1.56 22776	1.6 23360	1.62 23652
9	1.41 20586	1.46 21316	1.52 22192	1.57 22922	1.6 23360	1.62 23652	1.66 24236	1.68 24528
10	1.47 21462	1.52 22192	1.58 23068	1.63 23798	1.66 24236	1.68 24528	1.72 25112	1.74 25404
11	1.53 22338	1.58 23068	1.64 23944	1.69 24674	1.72 25112	1.74 25404	1.78 25988	1.8 26280
12	1.6 23360	1.65 24090	1.71 24966	1.75 25696	1.79 26134	1.81 26426	1.85 27010	1.87 27302
13	1.63 23798	1.68 24528	1.78 25988	1.83 26718	1.86 27156	1.88 27448	1.92 28032	1.94 28324
14	0 0	0 0	1.81 26426	1.91 27886	1.94 28324	1.96 28616	2 29200	2.02 29492
15	0 0	0 0	0 0	1.96 28616	1.99 29054	2.01 29346	2.05 29930	2.07 30222

APPENDIX B

EAW FINAL OFFER - SEPT. 23, 1983								
STEP	B	C	D	E	F	G	H	J
1	14343	15204	16064	16782	17069	17642	18072	18501
2	15060	15921	16782	17498	17786	18359	18789	19219
3	15778	16638	17498	18215	18502	19076	19506	19937
4	16638	17498	18359	19076	19363	19937	20367	20797
5	17355	18215	19076	19793	20080	20654	21084	21514
6	18215	19076	19937	20654	<del>21515</del> 20942	21513	21945	22375
7	19075	19937	20797	21515	21801	22375	22805	23236
8	19937	20797	21658	22375	22662	23236	23666	24097
9	20797	21658	22519	23236	23523	24097	24527	24957
10	21801	22662	23523	24240	24527	25101	25530	25960
11	22805	23666	24527	25243	25530	26104	26534	26965
12	23809	24670	25530	26247	<del>26678</del> 26531	27108	27538	27969
13	---	---	26534	27252	27538	28112	28543	28973
14	---	---	---	28399	28686	29260	29690	30121

NUMBER OF EMPLOYEES (FTE) = 755.37  
 TOTAL PAYROLL = \$16,439,800.00  
 AVERAGE SALARY = \$21,763.80  
 AVERAGE INCREASE/EMPLOYEE \$1,720.26 ( 8.58 %)

EAW FINAL OFFER - SEPT. 23, 1983								
STEP	B	C	D	E	F	G	H	J
1	1.000	1.060	1.120	1.170	1.190	1.230	1.260	1.290
2	1.050	1.110	1.170	1.220	1.240	1.280	1.310	1.340
3	1.100	1.160	1.220	1.270	1.290	1.330	1.360	1.390
4	1.160	1.220	1.280	1.330	1.350	1.390	1.420	1.450
5	1.210	1.270	1.330	1.380	1.400	1.440	1.470	1.500
6	1.270	1.330	1.390	1.440	<del>1.500</del> 1.46%	1.500	1.530	1.560
7	1.330	1.390	1.450	1.500	1.520	1.560	1.590	1.620
8	1.390	1.450	1.510	1.560	1.580	1.620	1.650	1.680
9	1.450	1.510	1.570	1.620	1.640	1.680	1.710	1.740
10	1.520	1.580	1.640	1.690	1.710	1.750	1.780	1.810
11	1.590	1.650	1.710	1.760	1.780	1.820	1.850	1.880
12	1.660	1.720	1.780	1.830	<del>1.860</del> 1.85%	1.890	1.920	1.950
13	---	---	1.850	1.900	1.920	1.960	1.990	2.020
14	---	---	---	1.980	2.000	2.040	2.070	2.100

APPENDIX C

(With stipulated corrections made at hearing)