
In the Matter of Mediation/Arbitration : MAY 31 1984

Between : WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

MADISON CITY EMPLOYEES, LOCAL 60 :
AFSCME, AFL-CIO :

and : AWARD

JOINT SCHOOL DISTRICT NO. 2, CITY OF SUN
PRAIRIE, TOWNS OF BLOOMING GROVE, BRISTOL, : Decision No. 21286-A
BURKE, COTTAGE GROVE, SUN PRAIRIE & YORK,
DANE COUNTY, AND TOWN OF HAMPDEN, :
COLUMBIA COUNTY :

Case XXXIX No. 32065 MED/ARB-2400

I. HEARING. A hearing in the above entitled matter was held on March 29, 1984, beginning at 9:50 a.m. at the Sun Prairie School District offices, Sun Prairie, Wisconsin. Parties were given full opportunity to give testimony, present evidence and make argument. Briefs were exchanged on May 9, 1984. Further mediation was considered by the parties as not capable of resolving an impasse.

II. APPEARANCES.

DAROLD O. LOWE, Staff Representative, Wisconsin Council 40, WCCME, AFSCME, AFL-CIO, appeared for the Union.

MULCAHY & WHERRY, S.C. by JOHN T. COUGHLIN, Attorney, appeared for the District.

III. NATURE OF THE PROCEEDINGS. This is a proceeding in final and binding final offer arbitration between the parties. The Union on August 16, 1983, filed a petition with the Wisconsin Employment Relations Commission alleging that an impasse existed between it and Joint School District No. 2, City of Sun Prairie, Et AL, in collective bargaining. After an investigation by a Commission staff member, David L. Bernstone, the Commission was advised on November 30, 1983, that the parties were still at an impasse. The Commission found that the parties had substantially complied with Section 111.70, 4 (cm) of the Municipal Employment Relations Act, certified that the conditions precedent to mediation-arbitration as required by the act had been met and ordered mediation-arbitration on December 30, 1983. The parties having selected Frank P. Zeidler, Milwaukee, Wisconsin, as mediator-arbitrator, the Commission appointed him on January 26, 1984.

The matter covers a 1983-84 agreement from July 1983 to July 1984.

IV. THE FINAL OFFERS.

A. The Union Final Offer.

1. Wage rates shall be increased by 5% effective July 1, 1983.
2. Health and Accident Insurance - See attached Article XI, 11.01.

Article XI, 11.01 of the previous agreement:

"Health and Accident Insurance - The Employer shall make available to all employees covered by this agreement a Group Health Insurance Plan with benefits equal to those in force as of July 1, 1983 and shall pay the full premium for the single and family plan."

B. The Board Offer.

Item	1982-83 Base Costs	1983-84 Board Proposal	Dollar Increase	Percent Increase
Salaries	\$1,104,119.52	\$1,152,605.80	\$48,486.28	4.39%
Avg. Salaries	7.29	7.61	.32	4.39%
Hours	151,380.75			
<u>Benefits</u>				
FICA	73,976.01	79,529.80	5,553.79	
Employee Ret.	55,205.98	57,630.29	2,424.31	
Employer Ret.	70,663.65	73,766.77	3,103.12	
Health Ins.	98,083.20	106,873.20	8,790.00 ⁽¹⁾	
Dental Ins.	8,130.60	28,194.96	20,064.36 ⁽²⁾	
Life Ins.	2,517.12	2,627.94	110.82 ⁽³⁾	
Short Term Dis.	1,164.24	1,193.28	29.04 ⁽⁴⁾	
TOTAL BENEFITS	309,740.80	349,816.24	40,075.44	
TOTAL SALARY & BENEFITS	1,413,860.32	1,502,422.04	88,561.72	6.26%
Total Package Avg. \$ Inc.	9.34	9.92	.58	

- (1) ~~85% of full premium~~ 124.44 FAMILY HEALTH
~~100% of single premium~~ 54.50 SINGLE HEALTH
- (2) ~~85% of full premium~~ 34.90 FAMILY DENTAL
~~100% of single premium~~ 12.26 SINGLE DENTAL
- (3) Dollar increase due to increase in total wages.
- (4) Premium increase to \$1.13 per month.

Article XI - Insurance - Retirement

11.01 - Health and Accident Insurance

Delete language as follows:

The Employer shall make available to all employees covered by this agreement a Group Health Insurance Plan with benefits equal to those in force as of July 1, 1982, and shall pay the full premium for the single and family plan:-

Add language as follows:

The Employer shall make available to all employees covered by this agreement a Group Health Insurance Plan with benefits equal to those in force as of July 1, 1983, and shall pay monthly ~~\$115.88~~ ^{\$124.44} towards the family premium and shall pay monthly ~~\$42.76~~ ^{\$54.50} towards the single plan premium.

V. FACTORS CONSIDERED.

Under Section 111.70 4 (cm) 7, the following factors are to be given full weight by the mediator-arbitrator:

- a. The lawful authority of the municipal employer.
- b. Stipulations of the parties.
- c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.
- d. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally in public employment in the same communities and in private employment in the same community and in comparable communities.
- e. The average consumer prices for goods and services, commonly known as the cost-of-living.
- f. The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pension, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- g. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- h. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment through voluntary collective bargaining, mediation, fact finding, arbitration or otherwise between the parties, in the public service or in private employment.

VI. LAWFUL AUTHORITY. There is no question of the lawful authority of the District to meet the terms of either offer.

VII. STIPULATIONS. The parties have stipulated to all other issues between them.

VIII. COSTS OF THE OFFERS AND PERCENTAGE CHANGES.

The following table prepared by the arbitrator shows the costs of the offers as calculated by the District (Board Exs. 3 a, and 9):

Table I

COSTS OF FINAL OFFERS OF THE PARTIES
BASED ON DISTRICT CALCULATIONS

<u>Item</u>	<u>82-83</u> <u>Costs</u>	<u>83-84</u> <u>Board</u>	<u>%</u> <u>Inc.</u>	<u>83-84</u> <u>Union</u>	<u>%</u> <u>Inc.</u>
Salaries	\$1,104,119	\$1,152,797	4.41	\$1,196,757	8.39
Benefits	309,740	349,851		375,105	
Total	\$1,413,860	\$1,502,648	6.28	\$1,571,882	11.18

The Union offer is for a 5% increase across the board in the rate of pay that prevailed after January 1, 1983. The Board offer comes to an eight cents (\$0.08) per hour increase on these rates for various classifications of workers. What these rates amount to are shown in the next table, derived from Employers Exhibits 5A, 6 and 7:

Table II

COMPARISONS OF HOURLY TOP RATES OF PAY FOR 1983-84
UNDER THE RESPECTIVE OFFERS

Classification	Rate Effective 1/1/83	Rate Effective 7/1/83-6/30/84			
		Union Prop.	% Inc.	Board Prop.	% Inc.
Clerk Typist	6.51	6.84	5	6.59	1.23
Secretary I	6.82	7.16	5	6.90	1.17
Secretary II	7.11	7.47	5	7.19	1.13
Custodial Wkr.) Security Wkr.)	7.61	7.99	5	7.69	1.05
Utility Wkr.) Groundskeeper)	7.83	8.22	5	7.91	1.02
Building Custodian	8.01	8.41	5	8.09	1.00
Maintenance Wkr.	8.33	8.75	5	8.41	1.00
Night Lead Wkr.	8.55	8.98	5	8.63	0.93
Mechanical Wkr.	11.79	12.38	5	11.87	0.68
Clerical Teacher Aide	5.59	5.87	5	5.67	1.43

The information on percentage increases of average salary of 1982-1983 for these classifications under the respective offers is derived from Board Exhibits 5, 5A, 6, and 7.

Table III

PERCENTAGE INCREASES OF 1983-1984 OFFERS OVER 1982-1983
AVERAGE SALARY FOR CLASSIFICATIONS, TOP RATE

Classification	7/1/82	8/1/82	1/1/83	Aver.	Union Offer	% Inc.	Board Offer	% Inc.
	8/1/82 1 Mo.	1/1/83 5 Mos.	7/1/83 6 Mos.					
Clerk Typist	6.08	6.32	6.51	6.40	6.84	6.9	6.59	3.0
Secretary I	6.37	6.62	6.82	6.70	7.16	6.9	6.90	3.0
Secretary II	6.63	6.90	7.11	6.98	7.47	7.0	7.19	3.0
Custodial Wkr.) Security Wkr.)	7.11	7.39	7.61	7.47	7.99	6.9	7.69	2.9
Utility Wkr.) Groundskeeper)	7.31	7.60	7.83	7.69	8.22	6.9	7.91	2.9
Building Custodian	7.48	7.78	8.01	7.87	8.41	6.9	8.09	2.8
Maintenance Wkr.	7.78	8.09	8.33	8.18	8.75	7.0	8.41	2.8
Night Lead Wkr.	7.98	8.30	8.55	8.40	8.98	6.9	8.63	2.7
Mechanical Wkr.	11.01	11.45	11.79	11.58	12.38	6.9	11.87	2.5
Clerical Teacher Aide	5.22	5.43	5.59	5.49	5.87	6.9	5.67	3.2

IX. COMPARISON DISTRICTS. The parties made limited use of comparison districts in their exhibits. Nevertheless this somewhat extended discussion on comparable districts has applicability. The Union has chosen the following districts as the districts which it considers are comparable to Sun Prairie:

District	Enrollment ⁽¹⁾
Beloit	
Janesville	
Madison, Dane County	22,068
Monona Grove, Dane County	1,900
Middleton, Dane County	3,604
Stoughton, Dane County	2,721
Monroe (CESA 15)	2,533
Oregon, Dane County	2,478
Sun Prairie, Dane County (CESA 15)	3,832

(1) From Union Exs. 3 and 4

The following is the Board's list of comparables derived from its Exhibits 18 and 19:

Table IV

LIST OF BOARD COMPARABLES AND RELATED DATA

<u>District</u>	<u>1983-84 Fall Adm.</u>	<u>Operating Costs/Pupil</u>	<u>Full Value Tax Rate</u>
Beaver Dam	2,975	2,454	9.45
Beloit	6,531	2,367	9.64
Columbus	1,074	2,669	10.75
Deerfield ⁽¹⁾	607	3,368	15.99
De Forest ⁽¹⁾	2,100	2,494	9.75
Fort Atkinson	2,247	2,632	10.02
Janesville	9,771	2,465	9.60
Lodi	1,130	2,652	10.68
Madison ⁽¹⁾	21,181	2,901	12.19
Marshall ⁽¹⁾	782	2,526	9.94
Mc Farland ⁽²⁾	1,355	2,516	10.49
Middleton ⁽²⁾	3,462	2,657	10.68
Monona Grove ⁽¹⁾	1,828	3,215	13.90
Oregon ⁽²⁾	2,387	2,379	9.71
Sauk Prairie	2,063	2,446	9.50
Stoughton ⁽²⁾	2,601	2,657	10.76
Sun Prairie	3,679	2,921	12.97
Watertown ⁽²⁾	3,136	2,485	9.58
Waunakee	1,622	2,470	9.82

(1) Contiguous Districts

(2) "Closely Proximate" Districts

Positions of the Parties on the Comparables. The Union states it took school districts in the Athletic Conference No. 8 and school districts in the CESA area and districts in Dane County that come as close as possible in enrollment (TR. 8).

The Board holds that there are geographic limitations to competition in the labor market, and the non-certified employees of the Sun Prairie District would most likely search for work in the area of Sun Prairie. Thus districts closer to the Sun Prairie District are more comparable than those farther away. There are ten districts close to Sun Prairie (see Table IV footnotes).

The Board notes that this arbitrator in WERC Dec. No. 16780-A (7/79) held that for teachers in the District, a comparable pool of districts included Middleton, Stoughton, Oregon, and Monona Grove. However the Board holds that for its non-certified workers, the best comparisons are the ten Madison area districts, including the Madison District itself.

The Board has also used as comparisons districts which include Beaver Dam, Beloit, Columbus, Fort Atkinson, Janesville, Lodi, Sauk Prairie and Watertown which are comparable in enrollment. Sun Prairie with an 83-84 enrollment is within 65 pupils of the average enrollment of 3,794 of these districts.

Discussion. In reviewing the arguments of the parties, the arbitrator supports the general proposition that a market for the services of non-certified workers tends to be more related to nearby areas than the market for teachers. This is because the market for many of the non-certified types of employment includes possibility of employment by non-educational employees, and therefore local opportunities relating to secretarial or building service employment are less restrictive than, say, for teachers.

Thus the districts relatively close to the Sun Prairie districts constitute a good comparison group. However, even though there is a geographical area influence on employment rates, in the opinion of this arbitrator and based on his experience, there tends to be somewhat higher compensation for various certified and non-certified employees in districts with larger enrollments.

With these two principles in mind, the arbitrator believes that the following districts constitute a primary comparison group for the Sun Prairie District for non-certified employees:

<u>District</u>	<u>Adm.</u>
De Forest	2,100
Middleton	3,462
Monona Grove	1,828
Oregon	2,387
Stoughton	2,601
Waunakee	1,627
Sun Prairie	3,627

This arbitrator believes that the Madison District, because of its much larger size, and Deerfield, Marshall, McFarland, and Lodi, because of their smaller size, should not be included in a primary group.

A secondary comparison group would be districts farther away, but of similar size. These would include:

<u>District</u>	<u>Adm.</u>
Beaver Dam	2,975
Beloit	6,531
Fort Atkinson	2,247
Janesville	9,771
Monroe	2,533
Watertown	3,136
Sauk Prairie	2,063

Beloit and Janesville both have substantially larger enrollments than Sun Prairie, but both parties have listed them as comparison districts, and the arbitrator then includes them for secondary comparison.

X. COMPARISON OF WAGES. In making comparisons of the offers here, three problems present themselves to the arbitrator. One of these is that the District did not present comparisons on base wages, but only on benefits available. The second difficulty is that the comparisons presented by the Union do not fully conform in classification to the job titles in the Sun Prairie District, and then only some classifications are compared. The third difficulty is that the contract years reported run either from mid-year or during the calendar year, a condition which makes for difficulty in precise comparisons.

Union Exhibit 1 makes comparisons, and the following table is derived from it showing primary and secondary comparison groups.

Table V

COMPARISON OF TOP WAGE RATES IN SELECTED DISTRICTS

A. Primary Districts

<u>Classification</u>	<u>Middleton</u> <u>7/83-7/84</u>	<u>Monona Grove</u> <u>7/83-6/84</u>	<u>Oregon</u> <u>1983-84</u>	<u>Stoughton</u> <u>7/83-6/84</u>	<u>Sun Prairie</u> <u>1983-1984</u>	
					<u>Un.</u>	<u>Dist.</u>
Clerk Typist	6.14	7.38 ⁽³⁾	5.80	6.25	6.84	6.59
Secretary II	6.70	7.71 ⁽⁴⁾	6.86	7.02	7.47	7.19
Groundsman	7.45	9.80 ⁽¹⁾		11.38	8.22	7.91
Building Cust.	8.03	10.69 ⁽²⁾	10.05	8.07	8.46	8.09
Mtce. Worker	8.32	-	10.32	8.42	8.75	8.41
Teacher Aide (Cler.)	5.39	6.10	5.12	6.25	5.87	5.67

- (1) Custodial Worker II, after 42 months
- (2) Building Custodian II, after 42 months
- (3) Clerk I, after 42 months
- (4) Clerk III, after 42 months

B. Secondary Districts

<u>Classification</u>	<u>Beloit</u> 1983	<u>Janesville</u> 83-84	<u>Monroe</u> 7/83	<u>Sun Prairie</u> 1983-1984	
				<u>Un.</u>	<u>Dist.</u>
Clerk Typist	5.60	5.77	6.28	6.84	6.59
Secretary II	6.21	5.87 ⁽¹⁾	6.47	7.47	7.19
Groundsman	8.58	7.47 ⁽¹⁾	8.75	8.22	7.91
Building Cust.	8.41	7.98 ⁽³⁾	6.39	8.46	8.09
Mtce. Worker	8.21	8.52 ⁽²⁾	6.75	8.75	8.41
Teacher Aide (Cler.)	4.75	5.77	5.65	5.87	5.67

- (1) Also "Custodian I", after 42 months
- (2) Maintenance Worker II, after 42 months
- (3) Custodian III, after 42 months

Summary of the Union Position on Wages and Comparisons. The Union holds that its proposal is consistent with labor agreements that have step increases, and with other municipal employees for 1983-84 agreements; and the Board proposal would drop the Sun Prairie employees below comparable districts. The Board offer on the other hand is at a rate as low as 0.9%. This is unreasonable and will punish the top employees.

When this low rate is taken with the 15% reduction in health insurance, the employees will have a net loss in spendable income.

Summary of the Board Position on Wages. The Board did not supply any information on wages in comparable positions. It relates the wages to the Consumer Price Index and the Cost of Living. These matters will be treated separately later. The Board also asserts the wage issue is to be related to the total costs of compensation, and also stresses the compensation under the longevity provisions of the agreement.

The Board contends that the wage comparisons provided by the Union are not appropriate here, because they do not compare like matters in classifications or skills, and the source obtained from personal inquiry is not objective; and the effort of the Union to make a case is therefore futile.

The Board also objects to the job categories used by the Union as benchmarks. The Board states that the category of Secretary II is not representative of the Sun Prairie District which has only two secretaries in this position, but 14 employees in the Secretary I position. The Union has a comparison of Groundsman of which there are four employees in the District, but none for Custodial Worker in which position there are 22 employees in the District.

The Board states that even if the arbitrator believes that the efforts of the Union should be utilized, the record shows that the District compares favorably with other districts, and that the Board has made a reasonable offer.

Discussion. On the matter of basic wages in actual amount and in comparisons of percentage increases, the evidence supplied by the Union is limited and the conclusions to be drawn from it are also limited. The Board only supplied evidence on wage changes and none on comparisons. The matter of base wages however cannot be completely ignored as a factor to consider, and thus there will be some judgments made here.

Table I shows that the Board's offer on wages comes to a 4.41% increase, whereas the Union offer comes to 8.39%. The 4.41% includes not only changes in the base, but also increments and longevity benefits. The base rates increases are not those suggested by the Union, which appear in Table II as the last six month rates of the 1982-83 agreement. Rather they are those found in Table III, in which the rate of increase for various positions goes from 3.2% top down to 2.5% as an increase. The Union's offer proposes about a 6.9% increase in all classifications.

Against these figures of percentage increases, there is almost nothing to compare as reported from other districts. Of the six contracts submitted by the Union only one gives a clue to percentage increases of employees who might be considered comparable. The Janesville agreement, 1982-84, reveals that on January 1983 increases in Maintenance Worker II, Custodian III, and Custodian I ranged from 3.14% to 3.6% for a change in one half year, but nothing after January 1983 is reported in the agreement.

In absence of other data, the arbitrator is of the opinion that the Employer would likely be on the low side if a full comparison of percentage increases in base wages for a period from July 1983 to July 1984 were known.

Against this opinion must be the opinion that the Board offer does not drastically drop rank among the primary comparables in Table V, A, and in Table V, B, which reports data on secondary comparables, the Board offer does lose rank slightly in two of six positions.

Despite the weaknesses in the comparisons of classifications and job descriptions, the arbitrator does believe the data furnished by the Union indicates that the Board offer would tend to cause Sun Prairie to lose rank for truly comparable positions.

The arbitrator therefore believes that the basic wage factor here favors the Union offer, but full weight cannot be given to it, because of the sparse data.

XI. THE COST OF LIVING. Board Exhibit 10 showed the consumer price index, U.S. all cities average for urban wage earners and clerical workers (CPI-W) to have stood at 298.2 in July 1983, a rise of 2.2%. The latest index reported in this table was for February 1984 in which the index stood at 303.3, a rise of 3.8%. The average increase from July 1982 to July 1983 was 3.9%.

Employer Exhibit 12 gave information on the consumer price index, all city average, all urban consumers (CPI-U). Data comparable to that cited above is: July 1982, annual increase, 6.5%; July 1983, annual increase, 2.4%; average annual increase, July to July, 4.32%.

Position of the Parties. The Union did not comment on the cost of living directly, except to note that workers with 39 months or longer would get very low percentage increases.

The Board in its brief compared the May 1982 rate to the May 1983 rate, and found a 3.5% increase for the CPI-U and a 3.4% increase for the CPI-W. In October 1982 to October 1983, the increases were 2.9% and 2.8% respectively. The Board states that its total package of 6.28% and also its wage increase of 4.41% exceeds the consumer price index, whereas the Union's wage increase of 8.39% and package increase of 11.18% exceeds the current rate of inflation. The Board cites arbitral opinion to support its contention that double digit package increases are not justified.

Discussion. It is evident that the Board's percentage increases in wage and package costs exceed the July to July increases for the time the contract was to go into effect; however, its wage offer alone just slightly exceeds the average annual rate of change from July 1982 to July 1983. Its total costs, on the other hand, which are reflected in wages and benefits to the employees, will exceed the change in the CPI-U which is most applicable here. This factor is a weight in favor of the Board's offer.

XII. BENEFITS. HEALTH INSURANCE. Before a consideration can be made of the total compensation received by the employees and the costs thereof, it is prudent to consider one of the benefits, health insurance. The parties are at a variance on methods of paying for such benefits. The Union is proposing a continuance of Section 11.01 of the previous contract which provides that health and accident insurance with benefits equal to those in force as of July 1982, and the Employer is to pay the full premium for the single and family plans.

The 1982-83 costs of this insurance was \$42.76 per month for the single plan and \$115.88 for the family plan. In 1983-84 the costs went to \$54.50 for the single plan and \$146.40 for the family plan. The Board is proposing to pay the \$54.50 for the single plan, but offers \$124.44 toward the family plan. The employee with a family is to pay \$21.96 toward this type of insurance, or 15% of it.

In considering health insurance costs, the Board also associates with it dental insurance costs which were a new feature in the previous contract and which were in effect for 4.5 months in the previous year.

The Board stresses the combined effect of the costs of health and dental insurance, and this is illustrated by this table derived from Board exhibits.

Table VI

CHANGES IN HEALTH AND DENTAL INSURANCE DOLLAR AND PERCENTAGE COSTS
1982-83 AND 1983-84 UNDER THE OFFERS

Item	1982-83	1983-84					
	Costs	Board	\$ Inc.	% Inc.	Union	\$ Inc.	% Inc.
Health Ins.	98,083	106,873	8,790	8.96	124,002	25,919	26.42
Dental Ins.	8,131	28,195	20,064	246.75	28,195	20,064	246.75
	106,214	135,068	28,854	27.16	152,197	45,983	43.29

The Board presented certain exhibits which will be summarized here. Board Exhibit 23 reported that health insurance in 1979-80 had a 67.4% utilization. In 1982-83 the utilization was 148.0%. From 1979-80 to 1983-84 single premiums went from \$28.32 to \$54.50, a rise of 92.44%. Family insurance premiums went from \$77.46 in 1979-80 to \$146.40, an increase of 89.0%.

Board Exhibit 24 reported that the medical care component of the consumer price index (CPI-W) rose 147.8% between July 1979 and July 1983, whereas for all items of the index the rise was 135.9%. The arbitrator believes the correct percentages to be 47.8% and 35.9%. The same exhibit reports the combined cost of health and dental benefits in Sun Prairie to have been 236.7% for the single plan and 242.0% for the family plan for the same period. The arbitrator believes the correct percentages to be 136.7% and 142.0% respectively.

The following is derived from Board Exhibit 25:

Table VII

HEALTH INSURANCE PATTERNS IN COMPARISON
GROUPS

A. Primary Group

District	Board Contribution		Percent of Total Cost Paid by Board
	Single	Family	
De Forest			
Cust. & Secy's	45.88	125.50	Full. No C.B. agreement.
Aides			No Bd. contribution.
Middleton			
Custodians	84.47	145.19	Full for single. 62.5% on family.
Secretaries	84.47	110.00	Full, single. 47.3%, family.
Aides	40.00	40.00	47.3%, single. 17.2%, family.
Monona Grove			
Cust. & Secy's	64.14	131.07	Full, single. 80%, family.
Aides			No benefit.

A. Primary Group - continued

<u>District</u>	<u>Board Contribution</u>		<u>Rate and How Expressed Percent of Total Cost Paid by Board</u>
	<u>Single</u>	<u>Family</u>	
Oregon			
Custodians	69.04	193.02	Full single and family.
Secretaries	69.04	-	Full single only.
Aides			No benefit.
Stoughton			
Custodians	69.38	180.24	Full.
Secretaries	69.38	180.24	Full. No C.B. agreement.
Aides			Full. No C.B. agreement.
Waunauke	59.11	135.00	Full.
Sun Prairie			
Board	54.50	124.44	Full, single. 85%, family.
Union	54.50	146.00	Full, single. Full, family.

B. Secondary Group

Beloit (1984)			
Cust. & Secy's	56.64	143.63	95% single and family.
Fort Atkinson	68.65	173.88	90% single and family.
Janesville			
Cust. & Secy's	60.88	166.18	Full, single and family.
Aides			No benefit.
Beaver Dam			
Cust. & Secy's	66.73	172.01	90% single and family.
Aides			No benefit.
Watertown	78.87	198.87	Full single and family.
Sun Prairie			
Board	54.50	124.44	Full, single. 85%, family.
Union	54.50	146.00	Full, single. Full, family.

The following is derived from Board Exhibit 26 on 1983-1984
Dental Insurance:

Table VIII

DENTAL INSURANCE PATTERNS IN COMPARISON GROUPS

A. Primary Group

<u>District</u>	<u>Board Contribution</u>		<u>Percent of Total Cost Paid by Board</u>
	<u>Single</u>	<u>Family</u>	
De Forest			No benefit.
Middleton			
Cust. & Aides			No benefit.
Secretaries	9.05	10.00	Full, single. 31.1%, family.
Monona Grove	10.94	26.40	Full single and family.
Oregon			
Cust. & Secy's	11.62	-	Full single.
Aides			No benefit.
Stoughton	11.90	-	Full single.
Waunakee	10.62	35.00	Full, single. 92.8%, family.
Sun Prairie			
Board	12.26	34.90	Full, single. 85%, family.
Union	12.26	34.90	Full, single. 85%, family.

B. Secondary Group

Beaver Dam			
Cust. & Secy's	12.80	34.38	Full single and family. No C.B. agreement.
Aides			No benefits.
Beloit			
Cust. & Secy's	12.55	45.73	100%
Aides			No benefits.
Fort Atkinson	13.72	44.20	Full single and family.
Janesville			
Cust. & Secy's	10.88	38.78	Full single and family.
Aides			No benefits.
Sauk Prairie			No benefits.
Watertown			No benefits.

The Board Exhibits 20, 21 and 22 related to the growing costs of health care and the contention that with cost sharing on the part of the employee, health is not significantly worse, even though the employees visit the doctor or enter the hospital less often.

The Union's Position. The Union notes that the Employer is paying the full 100 percent payment for district administrators' health insurance and for its confidential and managerial staff. The Union argues that without compelling reasons the arbitrator should not change a contractual agreement of long standing where other employees of the same employer continue to enjoy the same benefit. The Board's offer to change the insurance does not give the workers any buy-out provision in exchange for a major change. When taken with the 8¢ per hour increase under the Employer's proposal, the 15% increase in health insurance payments for the employees will result in a net loss in spendable income for top employees.

The Employer's Position. The Employer notes the increase in the costs of health insurance for the single and family plans and states it is taking up the cost for the single plan which will cost the Board an annual increase of \$140.88 per employee. In the family plan the Board will pick up part of the increase, at \$8.56 per employee per month, and this will come to \$102.72 annually.

In the dental insurance program which was initiated in the previous year and which was in existence for 4.5 months, the Board will have an increase of \$104.73 per employee on the single plan for the year; and for the family plan, the increase would be \$298.02 per employee per year.

The Board, calling attention to its exhibit 23, points to the 10, 37, 31, 27 and 26 percent increases in health insurance in the past five years. It also points to the percentage increases of the medical components in the CPI and the percentage increases in the combined premiums for family health and dental benefits. It attributes the large increases in costs to employee isolation from paying some part of the benefits, and that they are not aware of the costs. Wisconsin arbitrators have recognized these conditions in their decisions.

The Board holds that the employees will not be negatively affected to any significant extent by the Board's proposal that they pay only 15% of the Family Health Insurance premium. The benefits are not changed, and the employee has to pay a relatively small amount of \$21.96 for monthly benefits under the family plan. The evidence is that the employee's health will not suffer. The employees will retain favorable wage and fringe benefits, and the Board will continue to pay the vast majority of its employees' health and dental premiums.

For an example, the Board selected the position of Custodial Worker and from its exhibits states that an employee in this classification in the top scale will receive a net \$18,529.67 after paying a total of \$333.32 for his share of health and dental insurance under the Employer's offer. This is compared to a net of \$17,974.24 for the same conditions in the previous year. Thus the employee gains \$555.43. This is a 3.1% net gain over the previous year in the calculation of the arbitrator.

The Board notes that with a base wage increase, the employee gets a longevity increase, which in turn is based on a percentage of the base wage. The Board also notes the significantly greater amount it will be paying for insurances.

The Board asserts that comparisons with insurances in other school districts as shown in the comparison groups in the region show that the Board's position is a favorable one. In several districts aides receive no health insurance. Several districts also provide that their non-certified staffs pay a portion of the insurance. A number of agencies require employees to contribute to the single plan, and Sun Prairie does not make this requirement.

Discussion. Concerning the effort made by the Employer toward health insurance compensation, taken alone and apart from dental insurance, there are several matters to be considered jointly. One of these is whether the employees should be required to pay something toward their health insurance when they did not do so before. Another of these is whether all members in the bargaining unit are covered; another is the extent of coverage of the single plan, and another the extent of the coverage of the family plan; still another is the dollar amount.

Taking first the full coverage of all the employees, Sun Prairie Board in its proposal stands in a favorable position both in the primary and secondary comparison group in that it provides coverage for all employees. A significant number of agencies do not provide coverage for aides.

With respect to the full coverage for a single plan, again the Board offer stands in a favorable position with respect both to the primary and the secondary comparison groups. With respect to the family plan, the Board appears to have a better position only with respect to Middleton, and its cost effort is less than any effort outside of Middleton's payment for its secretaries.

The arbitrator thus is compelled to weigh the Board offer with its favorable position for its inclusiveness and effort to meet the single premium as against its obvious inferior status in the family plan. Here the opinion of the arbitrator is that the Board offer is reasonable enough to meet the statutory criterion of comparability.

As to whether the Board's benefit of dental insurance adds to the Board its general position on insurances, a review of Table VIII which shows the inclusion of all bargaining unit members and of full payment for the single plan, and of a dental plan as compared to districts which confer no such benefit at all, this is a plus for the Board even though its percentage payment for the family dental plan is not competitive with those districts, but one, which offer it.

Two matters remain. One is whether the change in the proposal to have the employees pay part of the cost is warranted as a principle when it has not been applied before. From Tables VII and VIII, it appears as of the principle of shared costs for the family plan is found in comparable districts so that the principle here is not new in the area nor in the Sun Prairie District. However, a justification for applying it now only exists because of the increasing costs of health care over the past years, and even this would give this arbitrator pause if the Employer here had not encountered a special new cost in paying for a dental policy for a full year for the first time which boosts the percentage increases of the total package substantially.

The acceptance of the Board's offer on health insurance here will work a net reduction in the value of the benefit of an employee of 39 months who will receive only the 8 cent an hour raise if the last year's top is considered as the base from which to consider an increase. However if the raise above the average pay of last year is considered, the approximate reduction of 12.5 cents per hour for health insurance is offset by the approximately 5 cents an hour the Board contributes to the additional cost of health insurance and the approximately 20 cents an hour the Board will pay toward dental insurance of which approximately 14 cents will be a contribution above the Board's previous rate of contribution.

The Board's Chart C in its brief (p. 34) indicates that a top Custodial Worker would have a net benefit of an additional \$555.42 per year under its offer, involving base wages, longevity and insurances. This comes to about 26.7 cents per hour in a 2080 hour year, or an increase of about 3.1% for these items.

The foregoing calculations have been made by the arbitrator to analyze the contention of the Union that its employees in the top ranges will suffer a net decline below the 8 cent an hour raise over the last top rate. Indeed, they would if only the employees' payment toward health insurance is balanced against the Board's offer without considering the Board's additional cost on the insurance features. When all costs to the Board under its offer are considered including changes from average wage in 1982-83 to average wage in 1983-84, the employees have a net gain of a small percentage.

In summary, the arbitrator is of the opinion that the proposal of the Employer for health insurance is reasonable in the aspects that it covers all employees in the bargaining unit and meets the test of comparability for the single plan, but it is somewhat inferior in its treatment of the family plan.

It is not unreasonable in its proposal for cost sharing in view of the substantial rise in health care costs, but it is inferior in that under current conditions other categories of the Employer are not required to pay for a share of the costs. On the whole the arbitrator believes that the Union position is more justifiable if health insurance alone is taken, without looking at total package costs.

XIII. TOTAL COMPENSATION. The matter of total compensation including insurances now needs to be considered. The parties did not extensively address the components of total compensation other than wages and insurances; and comparisons of fringe benefits were not developed. Thus the matter reduces itself to a study of dollar costs and percentage increases in total compensation. Table I preceding relates to this subject. Recapitulating from the table, the data are as follows:

Union Offer		Board Offer	
<u>Percentage Increases</u>		<u>Percentage Increases</u>	
<u>Wages</u>	<u>Total Compensation</u>	<u>Wages</u>	<u>Total Compensation</u>
8.39	11.18	4.41	6.28

Discussion. The position of the parties has been fairly well presented earlier here in relation to wages and the insurances. The essence of the Union total argument is that people at the top of the scale get a minimal wage increase which becomes a negative number when the cost of health insurance to the employee is added. The Board's argument is that its wage increase is based on the average wage of the previous year, that this wage increase produces a roll-up benefit in longevity, that the employees are getting a very substantial benefit from a full year of dental insurance, and that the Employer is also meeting part of the cost of health insurance.

The dominant matter here is the percentage increase in total compensation. However the package may be put together, whether more or less goes to wages, and more or less goes to benefits, the total cost and percentage increase is a main item to observe. The arbitrator on this basis finds that the Employer's total compensation percentage increase is more reasonable at 6.28% than the Union's proposed increase of 11.18%, and this particularly because of the change in the CPI-W which is about 4.32% on the yearly average. This factor accrues to the support of the Board's offer.

XIV. CHANGES IN THE PENDENCY OF THE PROCEEDINGS. The March 1983, All Cities, CPI-W showed a 3.5% increase over March 1982. This rate tends to favor the Employer's offer.

XV. INTEREST AND WELFARE OF THE PUBLIC AND ABILITY OF THE UNIT OF GOVERNMENT TO PAY. There is no argument on the part of the Board that it cannot pay the Union offer. However the Board argues that it is not in the interest and welfare of the public to have a double digit increase in the total compensation. The arbitrator believes that this argument of the Board is justified under present changes in the CPI-W.

XVI. OTHER FACTORS. The arbitrator perceives no other factors to be present such as require further consideration.

XVII. SUMMARY. The following is a summary of the arbitrator's findings and conclusions:

1. There is no question of the lawful authority of the Employer to meet either offer of the parties.

2. The parties have stipulated to all other matters between them.

3. There is no question of the ability of the Employer to meet the costs of either offer.

4. The wage increase of the Union offer range between 6.9% and 7.0% increase for the classifications given, while the Board offer increases wages from 2.5% to 3.2%. The data furnished by the parties on which to base comparisons in other districts is sparse with questions of relevance attached, but the arbitrator believes that the wage factor favors the Union offer when basic wages alone are considered.

5. The changes in the cost of living support the Board's offer as more reasonable for both wage and total compensation costs.

6. Concerning health insurance, the Board's offer is reasonable and comparable in its coverage of all employees in the bargaining unit and in full coverage under the single plan. With respect to the family plan, it is not fully comparable in cost effort, and it is not comparable to what other groups of employees in the district have to pay. The Union position is more justifiable when health insurance alone is viewed.

7. The Board in total compensation percentage increases, especially because of the increase in its dental insurance program, more nearly meets the changes in the cost of living, and therefore is more reasonable.

8. Changes in the CPI-W during the pendency of the proceedings favor the Board's offer as more comparable to the changes.

9. Because of the total compensation costs related to the Union offer at 11.18%, the Board offer more nearly meets the public interest at this time, and this the arbitrator considers as the most weighty factor to consider.

Weighing the foregoing matters together, the arbitrator makes the following Award:

XVI. AWARD. The 1983-84 agreement between Local 60, AFSCME, AFL-CIO and Joint School District No. 2, City of Sun Prairie, should include the final offer of the District.

Frank P. Zeidler

FRANK P. ZEIDLER
MEDIATOR/ARBITRATOR

DATE

May 30, 1984