

JUL 0 2 1987

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

BEFORE THE ARBITRATOR

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 In the Matter of the Petition :
 of :
 MUKWONAGO AREA SCHOOL DISTRICT : Case 36 No. 37485
 : ARB - 4029
 to Initiate Arbitration Between : Decision No. 24084-A
 Said Petitioner and :
 :
 UNITED LAKEWOOD EDUCATORS :
 -----X

APPEARANCES: Mulcahy & Wherry, S.C., Attorneys at Law, by
 MARK L. OLSON, appearing on behalf of the
 District.

LARRY L. KELLEY, UniServ Director, Lakewood
 United Educators, appearing on behalf of the
 Union.

ARBITRATION AWARD

Mukwonago Area School District, hereinafter referred to
 as the District or Board, and United Lakewood Educators, here-
 inafter referred to as the Union or Association, were unable to
 resolve the remaining issues in dispute in their negotiations
 over the terms to be included in their new, 1986-1988 col-
 lective bargaining agreement, to replace their expiring, 1984-
 1986 collective bargaining agreement. On August 25, 1986, the
 District filed a Petition with the Wisconsin Employment
 Relations Commission (WERC) for the purpose of initiating
 arbitration¹ pursuant to the provisions of Section 111.70(4)(cm)6.

¹In the proceedings before the WERC the parties agreed
 that the arbitration process should be governed by 1985
 Wisconsin Act 318.

of the Wisconsin Statutes. The WERC investigated the dispute and, upon determining that there was an impasse which could not be resolved through mediation, certified the matter to arbitration by order dated November 14, 1986. The parties selected the undersigned from a panel of arbitrators submitted to them by the WERC and the WERC issued an order, dated December 18, 1986, appointing the undersigned as arbitrator. A timely petition was filed by five citizens of the District, requesting a public hearing, and a public hearing was held on February 18, 1987. Neither party indicated a desire to withdraw its final offer and, pursuant to prior written arrangements, the arbitration hearing was held on February 19, 1987, at which time the parties presented documentary evidence and testimony. Post-hearing briefs and reply briefs were filed and exchanged by April 24, 1987. Full consideration has been given to the evidence and arguments presented in rendering the award which follows.

ISSUES IN DISPUTE

The parties reached a number of agreements on issues in their negotiations, which were reduced to written stipulations during their negotiations and the investigation by the WERC. They were unable to resolve three issues in dispute, i.e., the school calendar for 1987-1988, the salary schedule for 1986-1987 and the salary schedule for 1987-1988.

School Calendar

Both parties are in agreement that the only significant difference between the school calendars they propose for 1987-1988 relates to the question of whether school should begin before or after Labor Day.

Under the District's proposal, Wednesday, Thursday and Friday, September 2, 3 and 4, 1987, would be used for teacher work days and in-service and Monday, September 7, 1987, would be a holiday. Classes would begin on Tuesday, September 8, 1987. The last day of classes would be held on Monday, June 13, 1988, with the following day, Tuesday, June 14, 1988, being a teacher work day.

Under the Union's proposal, Wednesday, Thursday and Friday, August 26, 27 and 28 1987, would be used for teacher work days and in-service, with the first day of classes being scheduled on Monday, August 31, 1987. Monday, September 7, 1987, would also be a holiday under the Union's proposal. The last day of classes would be held on Tuesday, June 7, 1988, with Wednesday, June 8, 1988, being a teacher work day.

In essence, the difference between the two proposals lies in the fact that, under the District's proposal, teachers and students would report one week later at the beginning of the school year and finish one week later at the end of the school year, than would be the case if the Union's proposal is adopted.

Because Labor Day always falls on the first Monday in September, the difference between the two proposals would be the same, (i.e., a week) in any calendar year. However, the difference takes on some added significance because Labor Day falls on the latest possible date in September 1987. Also, the dispute takes on added significance as a result of a public referendum and subsequent controversy and negotiations over the question, described more fully below.

1987-1988 Salary Schedule

The 1985-1986 salary schedule was agreed to during negotiations held pursuant to a reopener provision, under the terms of the 1984-1986 agreement. It is attached hereto and marked Appendix A.

Under the District's proposal, the 1985-1986 salary schedule index would be retained and the base would be increased by \$856.00 or approximately 5%. A copy of its proposed salary schedule for 1986-1987 is attached hereto and marked Appendix B.

Under the Union's final offer the BA base salary would be increased by \$1,065.00 or approximately 6.2%. A copy of its proposed 1986-1987 salary schedule is attached hereto and marked Appendix C.

According to cost computations made by the District, utilizing the cast forward method of costing, its 1986-1987 salary schedule would generate increases costing approximately \$556,000.00 and worth 7.76% or \$1,896.29 for the average teacher

in the District. The Association's proposed salary schedule for 1986-1987 would cost approximately \$646,000.00 and generate increases of approximately 9.03% or \$2,204.44 for the average teacher. The total cost of its final offer for 1986-1987, including the cost of extracurricular salary increases and increases in the cost of health insurance, dental insurance, LTD insurance, life insurance, FICA and retirement, would be approximately \$690,000.00 more and equal 7.3% or \$2,352.00 per average teacher, according to the District. The total cost of the Association's proposal for 1986-1987 would be approximately \$800,000.00 more than the prior year and would be worth approximately 8.5% or \$2,728.00 per teacher, according to the District's calculations. While the record discloses that the parties' calculations differ slightly, there is no serious dispute concerning these figures.

1987-1988 Salary Schedule

The District proposes to increase the BA base during the second year of the agreement by \$645.00 or approximately 3.6%. According to the District, this would generate an increase in salary for the average teacher of 6.11% or \$1,607.25. The additional cost, over and above the cost of the 1986-1987 salary schedule, would be approximately \$471,000.00 in salary alone. A copy of the Board's proposed 1987-1988 salary schedule is attached hereto and marked Appendix D.

In 1987-1988 the Union would increase the BA base by \$1,240.00 or approximately 6.8%. Again using District computations for purposes of consistency, the total cost of salary increases alone for the second year, under the Union's proposal, would be approximately \$733,000.00. This would represent an increase in salary alone of 9.39% or \$2,500.33 per average teacher. A copy of the Union's proposed 1987-1988 salary schedule is attached hereto and marked Appendix E.

The total cost of the Board's proposal for the second year of the agreement, including the same "roll-ups" identified above, would be approximately \$592,000.00 more than the first year under its proposal, which represents a total cost increase of 5.9% or \$2,019.00 per average teacher. The total cost of the Union's second year proposal, including the same roll-ups, would be approximately \$910,000.00 more than the first year under its proposal. This represents a total cost increase of 8.95% or \$3,106.00 per average teacher.

Viewed from a two-year perspective, the District's final offer would afford compound wage increases of 14.34% over the two-year period, assuming no turnover of staff. The Union's final offer would afford compound wage increases of 19.27% over the same period, assuming no turnover of staff. Thus, the difference between the parties' two final offers is

approximately 5% over the two-year period, in wages alone. The District estimates the dollar value of this difference to be approximately \$352,000.00 in salary alone. The total cost increase of the District's final offer over the two-year period would be approximately 13.63%, using the same assumptions. The total cost increase under the Union's final offer would be 18.21%, also using the same assumptions. The difference between the two final offers in total cost would be approximately 4.6%. The District's final offer would increase costs for salary and fringe benefits by \$1,281,659 over the two-year period; whereas, the Union's final offer would increase those costs by \$1,710,336, or \$428,677.00 more.

DISTRICT'S POSITION²

Relying on the comparable districts established by Arbitrator Robert J. Mueller in a prior arbitration proceeding between the parties,³ the District argues that the following districts should be deemed comparable when drawing comparisons to employees performing similar services for other school districts: Burlington, East Troy, Elkhorn, Hamilton, Kettle Moraine, Menomonee Falls, Muskego-Norway, New Burlin, Oconomowoc, Waterford Union High School, Whitewater and Waukesha. In so

²Because the parties' arguments on the school calendar issue are generally unique to that issue, they will be described separately, in connection with the discussion of that issue.

³Mukwonago Area School District, Decision No. 16363-A (10/78).

arguing, the District nevertheless maintains that Waukesha is less comparable than the other 11 districts because of its size and the fact that it constitutes the urban center of Waukesha County.

In the District's view, geographic proximity constitutes the common thread among these comparables which are similar in size and outside the Milwaukee urban influence. Burlington, Elkhorn, Kettle Moraine, Muskego, Waterford Union High School and Whitewater are all contiguous, it notes, and the others are similar in size and distance from Milwaukee, in its view. While arbitrators have recognized that comparability is a matter of degree--size, geography, wealth, ethnic makeup and other similar characteristics tend to make some comparisons far more suitable, according to the District.

The District argues that utilization of a consistent group of comparables is vital for purposes of lending predictability to the bargaining and arbitration process. Absent sound reasons for deviation, it will serve to discourage voluntary settlements, if the parties are allowed to unilaterally modify established comparable groupings. In this case, according to the District, the Union seeks to modify the comparable group based upon inconsistent, arbitrary and capricious criteria and "random variables" which bear no relationship to traditional comparability analysis. Analyzing the per capita income, percentage of

equalized value, school costs per pupil, equalized mill rate range, and occupation of employed persons in the grouping, the District argues that the group is appropriate on factors other than size and geographic location as well. That analysis shows that, while the District has less resources to support its educational program, as measured by some of these factors, the financial characteristics of the District are sufficiently similar to render comparisons valid. The use of the Braveland Athletic Conference is not reliable, according to the District, because it is subject to change over the years and is based upon criteria which are unrelated to the criteria under the arbitration statute.

According to the District, the Union has engaged in "comparability shopping" by utilizing an "erratic expansion and contraction" of its comparability pool in its arguments. To the extent that the Union relies upon Milwaukee area comparables, such use is inappropriate for the reasons cited by Arbitrator Mueller, according to the District. Arrowhead, Elmbrook, Pewaukee and Watertown were not included in the comparables endorsed by Arbitrator Mueller and are not valid comparisons for reasons cited by Arbitrator Mueller. Elmbrook is considerably larger and all four districts have significantly greater economic resources to support their educational program. This "comparability shopping" is designed to bolster the large dollar

and percentage increase sought by the Union and should be rejected, according to the District. It is interesting to note, according to the District, that in relying on Elmbrook, the Association cites no actual salary figures because Elmbrook pays less than Mukwonago at several critical points. Watertown should be rejected as a comparable because of its distance from Mukwonago, but the salaries established there through the arbitration award of Frank P. Zeidler, likewise do not support the Union's position, according to the District. A careful reading of the Zeidler award discloses that the sizeable increases granted at Watertown were intended to be "catch up" and therefore do not support what is an excessively high offer on the Union's part. Comparisons of actual salaries at various benchmarks in the two districts discloses that the Board offer at Mukwonago surpasses the salary levels established by the Zeidler award at Watertown.

According to the District, the fact that Watertown happens to be a part of the Union's organization is irrelevant to the question of comparability, since inclusion in a UniServ grouping has never served as a basis for establishing comparability. In fact, the most revealing fact concerning the non-comparability of Watertown lies in the failure of the Union to cite Mukwonago as a comparable in the Watertown proceeding, as reflected in the award of Arbitrator Zeidler.

Turning to the question of actual comparisons, the District first notes that comparisons of salary figures must carefully weigh: any alterations in the salary structures which have been negotiated by the other districts; the time frames within which the settlements of other districts occurred; and the duration of the contracts involved.

Benchmark comparisons are not statistically reliable in this case, according to the District, because of recent changes made in the salary structure at East Troy, New Berlin, Waterford Union High School, Waukesha and Whitewater. In this regard, the District notes that a number of arbitrators have reasoned that benchmark comparisons tend to lose their persuasive value when this occurs. Even so, if actual placement on salary schedules is ignored for this purpose, a benchmark comparison with settled contracts or certified final offers discloses that teachers at Mukwonago will not be subjected to significant loss of rank at the five benchmarks analyzed by the District. For these reasons and because of the general magnitude of the Union's final offer, the District argues that this aspect of comparative analysis supports its final offer.

When the duration of settled contracts is considered, the Board's final offer is consistent with those settlements, it argues. While 8 of the 12 districts relied upon have settlements or certified final offers, a substantial number involved contracts

which were negotiated during different economic times; as a result of a reopener; or as part of a multi-year agreement. An analysis of the dollar increases and percentage increases granted under the various settlements discloses that the District's proposed settlement for 1986-1987 of \$1,896.00 or 7.76% is quite reasonable. Its settlement during 1985-1986 exceeded all comparable settlements and yet its 1986-1987 offer is closer to the average settlement pattern, than is the Union's, according to the District. Because benchmark comparisons are fraught with so many problems in this case, such an analysis constitutes the most reliable basis for comparison, according to the District. It is also significant, that this analysis does not take into account the excessive proposal made by the Union for 1987-1988, in the District's view. A proposed increase of \$2,500.00 per teacher or 9.39% in salary alone is totally without justification among the comparables, in its view.

According to the District, East Troy is the only district with a settlement concurrent in time and duration (i.e., 1986-1988) and an analysis of that settlement discloses that it is much closer to the Board offer than the Union's offer. Also, based upon total compensation, the Union's offer for 1986-1987 is far higher than any settlement to date among the comparables, according to the District. In view of the competitive nature of the 1985-1986 settlement at Mukwonago, and the lack of any

evidence of a need for catch up, the Association's proposal is without justification, it argues.

Again focusing on the minimum and maximum wage rates, based upon its contention that internal benchmarks are unreliable in view of changes of staff placement and structure, the District argues that its benchmark position exceeds the average benchmarks among the comparables.

Turning to the criterion of "total compensation," the District notes that it pays 100% of the cost of health insurance, dental insurance, long term disability, life insurance and retirement. The evidence shows that other districts have somewhat lower levels of paid benefits or scope of coverage, according to the District. Thus, the fact that teachers are totally protected from any increase in the cost of these benefits during the term of the agreement, while others must negotiate those costs, demonstrates that total compensation at Mukwonago is "superlative."

Turning to the cost of living criterion, the District argues that this criterion should be viewed "standing alone" for purposes of determining the relative reasonableness of the two final offers. Because the cost of living has subsided and because of changes in the Consumer Price Index computation, this criterion is a more reliable one, according to the District. Further, it takes on greater relevance in the proceeding, because of the tenuous nature of the traditional benchmark comparisons.

Comparing settlements over the prior five years, is an extremely useful method of analysis, according to the District, and that comparison demonstrates that teachers at Mukwonago have received wages and total compensation which exceeded the relevant cost of living indicators by nearly 30% under the Board offer and that they would exceed the relevant cost of living indicators by 34 to 35% under the Union offer. Because the rate of inflation declined significantly after January 1985, both on a national basis and in the Milwaukee area, it is clear that the Board's offer for 1986-1987 and 1987-1988 will significantly exceed the anticipated increase in the Consumer Price Index. Thus, in this period of disinflation, there is no justification for a percentage increase in salary such as that being sought by the Association, according to the District.

Turning to the criteria dealing with other comparisons in public and private employment in the same community and in comparable communities, the District argues that it has provided evidence concerning these types of comparisons and that the Union has not. With regard to other public sector employees of the District, the District points to its evidence concerning wage increases granted during the period from 1982-1983 through 1986-1987. Under either final offer teachers will have accumulated increases significantly higher, in percentage terms, than either administrators or classified employees of the District.

In the case of employees in the City of Mukwonago and the City of Waukesha, negotiated increases for 1986 and 1987 ranged between a low of 4% and a high of a 5.67% "lift," the District notes. Thus, the District's final offer exceeds the negotiated wage increases during this period; whereas, the Union's final offer substantially exceeds those increases. Again, the District argues that the Union has failed to show any justification for this differential, or the overall increase sought during the two-year period covered by its final offer.

With regard to the Union's claim that a "settlement pattern" has been established within the District favoring its final offer, the District contends that this argument is based on specious reasoning. The Union has no 1987-1988 settlements to support its claim; the Union offers no rationale to support its claim that greater percentage increases should be granted to teachers because this has been the case in the past; the Union's analysis fails to take into account the fact that administrative pay is based upon merit, productivity and performance; and the Union fails to establish an internal pattern of settlements to justify its effort to consume an "increasingly larger piece of the available salary pie."

Turning to the compensation earned by other area professional employees and state employees, the District argues that such data likewise supports its final offer. Data from 529 firms

in the Waukesha, Washington and Ozaukee labor market area and from 5,124 firms in the state, discloses that only one private sector minimum salary exceeded the BA minimum salary under either the Board or Union final offer, when consideration is given to the length of the school year, it notes. It is also significant, according to the District, that the summer vacation period provides a period of time during which additional earnings can be accrued by District teachers.

The criterion referring to continuity and stability of employment likewise favors the District's final offer, it argues. Thus, it notes that with a teaching staff of approximately 295 full-time equivalency teachers, it lost only 12 staff members in 1985-1986 and only two staff members in 1986-1987, through January 30, 1987. An analysis of the reasons for leaving discloses that departures were due primarily to personal preference such as child rearing, spouse transfer, pursuit of a job in the private sector, recall from layoff to a prior job, and a desire to work closer to home or to avoid layoff. This turnover of approximately 4% and 1% respectively, demonstrates that the District is a stable and desirable place to work, according to the District. There have only been a few partial layoffs and the one full layoff which occurred, was accomplished because of the teacher's preference for a full layoff rather than partial layoff. Also, teachers who are partially laid off are generally

recalled on a full-time basis in the subsequent year.

The interests and welfare of the public likewise demand acceptance of the Board's offer, it argues. As the evidence demonstrates, comparability is only one of several statutory criteria which should be considered in this case and the criterion of interest and welfare of the public should be separately considered, according to the District. Given the support found in the other criteria, that question evolves into a question of whether the District's offer, in absolute terms over the duration of the two-year period, is more reflective of the District's ability and needs than is the substantially higher salary sought by the Union's offer. The very sizeable percentage and dollar differences between the costs of the two final offers establishes that this is the case, according to the District. Also, consideration of the District's financial circumstances, in terms of equalized valuation, state aid, general fund expenditures, increases in tax levy, general level of tax levy, and the shift in tax burden from rural to residential areas, shows why this is so. Also, given the recent instability in school aid receipts, it is reasonable to assume that the District offer is more reflective of the ability of the residents to shoulder the burden of the cost of the settlement in this case. On the other hand, the Association's proposal is not supported by any of the evidence, according

to the District. While other private sector employers such as GE Medical Systems lays off employees and others grant wage increases ranging from zero to 4%, increases in the magnitude sought by the Union are contrary to the interests and welfare of the public, according to the District.

In this regard, the District argues, in its reply brief, that the Union's analysis of the economic underpinnings of the Mukwonago Area School District is faulty in numerous respects. If increases in equalized value, state aids and millage rate are viewed in proper perspective, it becomes clear that there have been substantial property tax increases imposed upon District taxpayers since 1977-1978 and that the trend has been in the direction of a greater, rather than a less tax burden on District taxpayers, which has not been mitigated by the decline in farm values.

In addition to the above arguments, the District makes the following additional rebuttal arguments, in response to specific arguments advanced by the Union:

1. Certain information contained in the Union's brief was not properly included as part of the record and should be disregarded.

2. The national studies of the teaching profession relied upon by the Union do not support its higher wage offer because

a careful review of those studies discloses that the proposed increases in compensation are only a part of a number of inter-related recommendations, all of which must be simultaneously implemented on a national and state level, if they are to accomplish their intended purpose. As other arbitrators have held, those recommendations are part of an overall and long-range strategy aimed at improving the quality of education on a national and state level and the interest arbitration process is not the appropriate forum for their implementation.

3. The Union's heavy reliance upon the three-year New Berlin settlement is unjustified because of structural changes made in the salary schedule at New Berlin; the Union's own admission that New Berlin is not the most comparable district available; the fact that the New Berlin settlement was part of a number of changes in the educational program at New Berlin, which has had a dramatic impact on its tax rates; the East Troy settlement is far more comparable in terms of timing and duration; and because the Union's "average salary" analysis fails to take into account the fact that some districts like New Berlin, have a heavy concentration of teachers at the maximum steps, whereas the teaching staff at Mukwonago is evenly disbursed throughout the schedule.

In conclusion, the District argues that its offer should be selected for the above reasons and because each of the

following, relevant questions should be answered in the negative:

1. Has any comparable employee, in the public or private sectors, received a 9.03% salary increase in 1986-87?
2. Will state aids to the Mukwonago Area School District increase by 9% in 1987-88?
3. In the alternative, will the property values within the District increase by 9%?
4. Will the consumer price index increase by 9%?
5. Will private sector pay rates accorded Mukwonago District residents increase by 9% in 1987-88?
6. Will the host of other districts not settled, and indeed not even bargaining yet for 1987-88, settle at a level of 9.39% and \$2500 per teacher?
7. Is the ULE offer of a \$2500 per teacher, 9.39% wage increase, accompanied with a change in status quo on the 1987-88 calendar, reasonable in light of all of the factors known to the Arbitrator?

UNION'S POSITION⁴

According to the Union, the fact that the proceeding in this case is governed by the provisions of 1985 Wisconsin Act 318, which require a two-year agreement, is the result of the District's "insistence" and therefore, the burden of proof should be put on the District to sustain its low second year settlement proposal, notwithstanding the paucity of settlements for 1987-1988.

⁴See footnote 2 above.

With regard to the appropriate comparables, the Union contends that the comparables established in the arbitration proceeding before Arbitrator Mueller are no longer valid because of changes in pupil population, number of FTE teachers, spending patterns, and athletic conferences over the years. Several of the comparables proposed by the District (Burlington, East Troy, Elkhorn, Waterford Union High School and Whitewater) were then members of the same athletic conference (Southern Lakes), but Mukwonago has since "moved up" through the Parkland Athletic Conference, into the Braveland Athletic Conference. The number of teachers and students have also increased while others have either decreased or remained stable, the Union alleges.⁵

According to the Union, a number of factors support the establishment of a new group of comparables consisting of those "most comparable" (Arrowhead, Hamilton, Kettle Moraine, Muskego, Oconomowoc and Watertown); those which are "comparable" (Menomonee Falls, New Berlin and Pewaukee); and those which are "of little comparable value" (Burlington, Elkhorn, Elmbrook, Waukesha, and Whitewater). All of these proposed comparables are in the Milwaukee metropolitan standard statistical area

⁵The District objects to the Union's reference, in its brief, to certain matters not in evidence in connection with this argument and certain other arguments. Evidence not properly admitted has not been considered in this proceeding.

(MMSSA) and the most comparable and comparable groups include all of those districts whose teachers are represented by the United Lakewood Educators or are served by the same UniServ unit. The Union acknowledges that it did not include property value or assessed property value in its criteria for selection because Mukwonago has the lowest property value per student and highest state aid per pupil among the potential comparables.

Reviewing District data concerning changes in the District's tax levy, state aid receipts and growth, along with reductions in farm land values, the Union argues that the District is in "enviable" financial shape. Thus, even though its operational budget grew at a rate 38% faster than state aides during the ten-year period analyzed, its tax levy rate only increased slightly more than 5%. The actual taxes on a typical house in the District have not been particularly high or low, according to evidence introduced by the Union at the hearing and it alleges that the same would be true in relation to other municipalities not in the record. The Union also alleges that evidence would show that farm land values have dropped within the District, thereby affording tax relief to farmers. It is also significant, according to the Union, that the District's relative effort, as measured by spending per pupil, has dropped in rank by two places over the period analyzed in the District's evidence.

All of the above described evidence serves to establish that the District citizens have not been confronted with heavy tax burdens or excessive costs in relation to other districts, according to the Union.

The Union contends that its offer should be favored, based upon the criterion referring to the interest and welfare of the public. In support of this contention, the Union relies primarily upon the findings and recommendations of a number of national and state committees and commissions. Those findings and recommendations include a recommendation that teacher compensation be improved substantially in order to attract and retain the best available personnel. Citing particular findings and recommendations from the reports in question, the Union contends that teacher salaries should be improved to the point where they are comparable to those enjoyed by accountants, i.e., in the range between \$21,000.00 and \$60,000.00 per year. Those studies also show that teacher salaries actually declined, in real dollar terms, between 1971 and 1981, the Union notes.

The public interest and welfare can also be measured, in the form of public sentiment, as reflected in opinion poles, according to the Union. One such pole, conducted by the Gallop organization, reflects that, while the public does not want increased property taxes or income taxes, public

opinion favors an increase in starting salaries for teachers to the \$21,000.00 level, to be paid for by "sin taxes" or lottery proceeds. These opinions are predictable and at least one arbitrator has had the "courage" to confront the need to substantially increase salaries for teachers, according to the Union. Arbitrator Frank P. Zeidler in the Watertown Unified School District case (Case 23, No. 37069, Med/Arb 3913, 3/7/87) concluded that it was in the long term best interest of the public to adopt the Union's offer, because it improved salaries, especially at the entry level.

Similar conclusions have been drawn by the United States Secretary of Education, William Bennett, upon observing the differences between the way teachers are regarded in the Japanese economy and the United States economy.

Reviewing economic data relating to the Mukwonago School District, the Union argues that the citizens of the District can afford to fund the Union's proposal. In fact, if all state aids were devoted to teacher salaries, they would pay for nearly 90% of those costs, the Union notes. Finally, the Union notes that editorial support for recommendations for improving teachers salaries recently appeared in the Waukesha Freeman.

With regard to agricultural interests, the Union contends that such interests are also served by its final offer. Noting

that the farm land preservation tax credit program provides substantial relief to farmers, the Union also notes that taxes are only a small part of the problems in the agricultural economy, which are concentrated among those farmers who invested heavily when land prices were escalating and interest rates were high. Also, proposals advanced by former Governor Anthony Earl, with regard to property tax relief for farmers, can be expected to be supported by Governor Tommy Thompson, according to the Union. Such efforts, combined with reduction in the assessed valuation of farm property and increases in state aid will adequately protect farms, according to the Union.

With regard to the cost of living factor, it is the Union's position that the parties themselves have already "defined" how that criterion should be applied to their negotiations. By their voluntary agreement to an increase which substantially exceeded the prior years' increase in the cost of living, for purposes of their 1985-1986 agreement, the parties have reflected an intent not to literally apply this criterion and to "harmonize" it with the other criteria in the statute. When the cost of living criterion is viewed in relation to increases granted other teachers in other districts, the past agreement of the parties has reflected the appropriate weight to be given to this criterion, it is argued.

Turning to internal comparisons, the Union argues that recent increases granted administrators, analyzed on a dollar basis and adjusted for length of work year in accordance with a formula devised by the Union, support the Union's offer. According to the Union, comparisons to administrators are the only valid internal comparisons, because other District employees are not state certified. The Union also points out that, on a percentage basis, teachers' salaries have increased more than administrative salaries in recent years and that this fact also supports its proposal, which would provide similar increases for 1986-1987.

Turning to external, private sector comparisons, the Union argues that the data relied upon by the District is unreliable, because it is drawn from a "convenience survey" rather than proper sampling techniques. In the Union's view, its data, drawn from a BLS study of professional wages in the MMSSA, is the only reliable data in the record and supports its proposal. In support of its position concerning the unreliability of the District's data, the Union points to a discrepancy in one of the hourly wage rate figures.⁶

Analyzing the District's data with regard to private

⁶The Union also makes reference to an alleged conversation with a representative of the department that prepared the data, which conversation has been excluded herein because it occurred outside the official record.

sector comparisons, the Union notes that the District adjusted the salaries compared, based on the conclusion that teachers' salaries are for the equivalent of 8.77 months of work. According to the Union, such an adjustment is unwarranted in view of the fact that teachers only receive three paid holidays and no paid vacation days. Also, the District's data is inappropriately limited to a three county area, according to the Union. In the Union's view, professional employees, such as the attorney who represents the District, frequently work, have offices and live in separate areas throughout the MMSSA.

When per pupil costs and other expenditures are compared to average wages, the Union's offer is also supported, it argues. Noting that the District ranks relatively low in a ranking among 36 area school districts by various measures of cost, and that Union comparisons show that the District pays below average salaries, according to Union comparisons, the Union argues that a case can be made for the need for "catch up." Specifically comparing benchmark positions in Mukwonago to benchmark positions in New Berlin for both 1986-1987 and 1987-1988, the Union notes that salary levels will drop further in comparison to that district in almost all cases compared. Acknowledging that the New Berlin schedule has been amended, the Union contends that maximum pay rates and average salary figures still provide accurate levels for

comparative purposes, and that these too support its offer. Comparing the average salary for Mukwonago teachers to the range of salaries for accountants in the MMSSA, the Union notes that the average salary in Mukwonago will remain in the lower third of that range. This too, supports its final offer, it argues.

Focusing on settlement data drawn from settlements among five of the settled districts found in its proposed comparables, the Union notes that benchmark changes since 1978-1979 have generally placed the District behind both in dollar terms and percentage terms over the years and that the Board's offer would worsen that differential. Similarly, focusing on benchmark changes between 1985-1986 and 1986-1987 for those same districts, under each final offer, the Union notes that the differentials are generally all negative and would worsen under the District's final offer.

The Association also compares average salaries at Mukwonago with the "area average," including salary for Mukwonago administrators. Using this technique, average salaries for Mukwonago teachers are substantially below the average thus computed and would be lower under the Board's offer than under the Union's offer. Excluding administrative salaries for the same purpose, produces similar results, except that the differentials are lower. According to the

Union, this same analysis demonstrates that, as a total package, Mukwonago teachers are farther below the average than the highest paid teachers are above the average. This data, combined with data showing that Mukwonago teachers would lose rank in relation to Union comparables at every benchmark position supports a finding that any method of comparison will demonstrate the superiority of the Union's offer, it argues. In making these particular comparisons, the Union notes that it disputes the Board's characterization as to the dollar value of the Muskego settlement. According to data submitted by the Union, the average increase per teacher was \$2,446.00, not \$2,100.00, as the District claims.

As a final basis for comparison, the Union compares the two final offers in each of the two years at the traditional benchmark positions, with the New Berlin settlement. That comparison shows, not only that the District will be behind at each of the benchmark positions, save one, in 1986-1987, under either offer, but that the situation will worsen during the second year of the agreement. Because the Union's offer would generate a lesser amount of loss, it should be favored, according to the Union.

In addition to the above arguments, the Union makes the following arguments in direct reply to District arguments:

1. The comparables relied upon by the Employer are based on outdated facts and, contrary to one of its own arguments,

the old athletic conference. Contrary to the District's claim, it is their selected comparables which are based on inconsistent, arbitrary and capricious criteria. Data concerning average per capita income and equalized value demonstrate that District citizens are not income poor compared to the appropriate group and that state aids function, as they should, to offset the lower property value per pupil in the District. Watertown is as proximate as several of the District's comparables and the other criteria relied upon by the Union constitute a more reliable basis for comparison purposes, it argues.

2. Under the statutory criteria benchmark comparisons must be made and the fact that there have been some changes in salary schedules does not alter that fact, according to the Union. The schedule at Mukwonago has been changed in the past and the fact that other districts have changed schedules in recent years merely indicates that they are responding to competitive forces. Therefore, to fail to make such comparisons will put Mukwonago teachers at a competitive disadvantage, it is argued.

3. The District erroneously computes settlement figures for purposes of comparisons to 1985-1986 and 1986-1987 settlements. Instead of using the "cast forward" method for purposes of consistency, it makes the same mistake that was made by the Muskego board in its calculations, the use of actual staff figures. Also, the Board's reliance upon East Troy is misplaced

and the New Berlin settlement figures should be accepted as comparable instead. Relying on figures in its own exhibits, the Union contends that actual settlement figures, based upon the cast forward method, are higher than as represented in the Employer's argument. The Board's fringe benefits arguments are superfluous, according to the Union, because they are cost to this part of total package figures.

4. Rather than relying upon percentage comparisons, data concerning the real wages earned by teachers in relation to task force recommendations, in spite of increases above the cost of living, are far more persuasive, in the Union's view. Thus, while increases in the cost of living are a relevant measure, once teachers' salaries reach an appropriate level, the Union maintains that percentage comparisons and comparisons in relation to that criterion are unpersuasive under the current circumstances.

5. The District's reliance upon area professional salary data is unjustified, based upon demonstrated flaws in that data and therefore, the Union's analysis, based upon comparisons to administrative salaries, should be given greater weight.

6. The District's data allegedly showing no difficulty in the filling of vacancies does not result in the conclusion that its final offer best serves the interest and welfare of the public. On the contrary, salaries have to increase

substantially, not just to retain employees, but to attract the best and brightest college graduates and the District's offer, which will result in loss of rank for comparative purposes, is counterproductive for purposes of meeting that goal.

DISCUSSION

As noted above, the dispute over the salary schedule involves certain evidence and arguments which are generally unique to that issue. For that reason, that issue will be discussed separately, at the outset.

School Calendar

According to the District, the Union, in its calendar proposal, proposes to change the status quo and therefore the Union has an obligation not only to demonstrate that a legitimate problem exists, but that its proposal is reasonably designed to address that problem. In the District's view, the Union has failed to meet either of these burdens. The status quo, following the negotiation of the reopener under the prior contract, is reflected in the calendar that was followed during 1986-1987. That calendar included a pupil start date after Labor Day, the District notes.

The District also points to testimony indicating that the District accorded high priority to obtaining such an agreement during the negotiations for 1985-1986 and, consistent with that high priority, made a generous, initial offer in

negotiations. This high priority was the result of discussion at the 1984-1985 annual meeting which resulted in the placement of an advisory referendum on the ballot, wherein 71.6% of the District residents voting, favored starting school after Labor Day.

Not only did the District place a high priority on changing the calendar in negotiations, the testimony demonstrates that the agreement to start school after Labor Day for the 1986-1987 school year was directly linked to the terms of the settlement and that the quid pro quo was an above average settlement. That same testimony demonstrates that it was a "quid pro quo" in that the District would never have agreed to such an above average settlement, without the agreed change in school calendar.

According to the District, the Union not only fails to offer a "quid pro quo" or justification for returning the starting date to the week before Labor Day, it links its proposal with an offer which is egregiously in excess of all comparable settlements for 1986-1987.

With regard to the question of whether there has been any demonstrated need for change, the District notes that the testimony of the superintendent is uncontradicted to the effect that the District has received no complaints from citizens, parents, administrators or teachers relative to the starting date for school in 1986. A significant number of school districts do start after Labor Day, as demonstrated by District exhibits,

and a number of those agreements were new for the 1986-1987 school year. Therefore, the District's offer not only represents the status quo, it cannot be deemed unreasonable or even unconventional, it argues.

Pointing to testimony concerning the wide variety of starting dates for summer school sessions at geographically proximate universities, the District contends the teachers are not disadvantaged by being required to work a week later in the spring.

According to the District, the Union arguments relative to the calendar contain several material and significant misrepresentations. Thus, it is simply not true that the agreement on calendar was intended to be a "one time shot." On the contrary, the school calendar was a mandatory subject of bargaining and the evidence and testimony demonstrates that they agreed to change the calendar for 1986-1987 as part of their 1985-1986 settlement. In fact, the Board did seek to offer a one time bonus in exchange for the change but the Union successfully insisted upon an above average salary settlement, which was permanently included in the salary schedule. This agreement, in itself, substantiates the District's claim that the change was intended to be permanent.

The Union's claim that the school calendar is contrary to sound educational policy is without support in the record,

according to the District. On the contrary, the testimony indicates there have been no serious problems with the change. The suggestion that the District has motives which are unsound, i.e., extending summer wage earnings or "play time," is clearly without merit since the change does not extend the summer session or compress the school year. In fact, the school calendar is generally consistent with all prior calendars, except for this one difference, which was negotiated by the Board in response to a mandate of the voters of the District. To allow the Union to renege on the agreement reached, in the absence of evidence of a compelling need, is contrary to precedent in arbitration and ought not be allowed. Contrary to the Union's claim, the agreement was not remote in time, in relation to the referendum and there is an absence of any reason in the record justifying a change in the status quo. Therefore, the District argues that its school calendar must be favored under the circumstances.

According to the Union, the District is attempting to turn a one time agreement into a "purchased practice" and is utilizing an outdated and ambiguous public referendum for that purpose.

The Union notes that prior to the 1986-1987 school year, all school calendars started prior to Labor Day. During the 1985-1986 negotiations, the parties also agreed to a new insurance plan with a higher deductible and the terms of the

settlement related more to that issue than to the school calendar, in the opinion of Union negotiators. Testimony demonstrates that there was no meeting of the minds on any characterization of the agreement on the post Labor Day calendar issue.

The referendum question posed also contemplated that the school calendar itself would be compressed in order to finish school "as soon after Memorial Day as possible," according to the Union. Thus, since the school calendar has not been significantly compressed it can be argued that ending school closer to Memorial Day would be just as consistent with public interest and welfare, as expressed in the referendum. Viewed in this light, a "split decision" is inevitable, just as would be the question of whether kids should be given more time to "plow the fields" or "harvest the crops."

In the Union's view, the Board has failed to set forth any evidence supporting a need to start classes after Labor Day and therefore it is not possible to determine how students and/or parents may be affected. Regardless of whether the comparables endorsed by Arbitrator Mueller or the comparables advanced by the Union are utilized for purposes of analysis, the comparables support a starting date after Labor Day. Only in two of sixteen districts was the start after Labor Day for 1985-1986 and five out of seventeen started after Labor Day in 1986-1987, which had an "early" Labor Day. On

the other hand, all seven settled districts for 1987-1988 have agreed to start before Labor Day.

Because education can be defined as a "foregone opportunity" to engage in the pursuit of earnings or fun, in exchange for future earnings, the District's proposal would appear to be inappropriate, according to the Union. This is so because the inherent purpose of starting after Labor Day and ending as close to Memorial Day as possible is to extend the time of work or play, which is contrary to sound public policy.

The District's proposal is also contrary to the thesis of the various national commission reports which emphasize the need to invest more in education in order to produce better results. By endeavoring to extend the period of vacation, the District works at cross purposes with these goals, it is argued.

Contrary to the District's contention, the Union maintains that its offer best preserves the "status quo" on calendar. Status quo can be defined in many ways, in relation to the calendar, according to the Union. It can be viewed in relation to the number of days before or after September 2; the number of days before or after June 10; or the number of days in the winter break period. In each case, the Union's proposal would be closer to the "status quo" than the Board's, it argues. Thus, in the absence of supportive, comparative data or evidence

concerning a legitimate need to start students on September 8, 1987, it must be concluded that the Board seeks to change the status quo, according to the Union. There was no agreement or "quid pro quo" to establish the "status quo" claimed by the District, since the agreement on salary related more to the agreement to increase the deductible on the health insurance, from the Union's point of view.

In the view of the undersigned, it is the objective facts, not the subjective opinions of negotiators concerning their own position, which must govern the question of what the intent of the agreement on school calendar was in the fall of 1985. It is undisputed that, armed with the results of the referendum, the School District sought throughout the negotiations to establish a school calendar which scheduled the first day of classes after Labor Day. It intentionally tied its proposal on salary to that objective and eventually acted unilaterally in establishing the school calendar, when it was frustrated in its efforts to achieve agreement. It was only after the Union filed a prohibited practice charge that the parties ultimately agreed on the calendar issue and the other issues in bargaining. While the parties agreed to begin the school year before Labor Day in 1985, they specifically agreed to a calendar which started after Labor Day in 1986 and also agreed that the Union would withdraw its prohibited practice charge.

On the other hand, the evidence indicates that the proposed health insurance plan was one advanced by the Union, consistent with similar plans being offered elsewhere that year. Thus, the District's willingness to increase its offer and to make it permanent as a part of the salary schedule, cannot be interpreted objectively to have been primarily in exchange for the health insurance plan.

Nor is it reasonable to interpret the "status quo" as relating to the number of days before or after September 2, or in the other ways suggested by the Union. The whole dispute was over the question of whether classes should begin before or after Labor Day and that dispute got resolved in a way which established a school calendar for the most recent school year which scheduled the first day of classes after Labor Day. While it is true that there was little compression of the calendar then or in the proposals for next year and that school ended a week later than was the case in prior year, those elements merely serve to demonstrate that the essence of the dispute was over beginning classes before or after Labor Day and that other compromises were necessary for the District to achieve its goal in that regard.

For these reasons, the undersigned accepts the District's contention that its proposal preserves the "status quo" on this disputed aspect of the two school calendars. It would

also appear that the Union has failed to meet its obligation to establish that such agreement is so burdensome or unreasonable as to require change or that its proposal would achieve any needed change.

Because the parties apparently compromised on the other aspects of the school calendar referred to in the public referendum, a number of the Union's arguments with regard to expanding the summer vacation term are viewed as largely irrelevant. Further, even though it can be argued that the school calendar proposed by the District fails to achieve two of the conditions incorporated within the referendum, there have apparently been no complaints about that aspect of the school calendar, at least insofar as the record in this proceeding is concerned.

The starting date for classes has an impact on working conditions and is inextricably intertwined with the starting date for teachers. By their prior negotiations, the parties have established the status quo in that regard and there is no evidence which would justify disturbing that locally established working condition. The fact that, comparatively speaking, not many districts have begun after Labor Day in the past, is not deemed to be particularly persuasive for purposes of evaluating such a local working condition. More important, is the prior agreement of the parties and

the absence of any evidence justifying an involuntary reversal of that agreement.

For these reasons, the District's proposal on school calendar must be favored over that of the Association.

Burden of Proof and Appropriate Comparables

It is the Union's position that the "burden of proof," at least with regard to the second year of the two final offers, should be placed upon the District in this proceeding. The Union bases this argument upon its contention that it was at the "insistence" of the District that the parties agreed that the provisions of 1985 Wisconsin Act 318 were deemed applicable to this proceeding.

While the evidence discloses that the District did take this position in bargaining, the Union was under no obligation to agree. On the contrary, that law clearly spells out the circumstances of its application and the WERC could easily have decided that question if there was any dispute regarding its application to the negotiations between the parties. Instead, the decision of the WERC simply footnotes the fact that the parties agreed that the arbitration process in this case should be governed by the provisions of 1985 Wisconsin Act 318.

For these reasons, the undersigned concludes that it would be inappropriate to place the "burden of proof" on the District, as requested by the Union. Instead, the parties'

final offers should be reviewed in relation to the statutory criteria and the evidence of record for the purpose of determining which more reasonably meets those criteria and should be selected.

With regard to the question of the appropriate comparables, the undersigned is again inclined to agree with the Employer's position. Thus, the record evidence fails to establish any compelling need to modify the comparables established approximately ten years ago and relied upon since that time. As the District points out in its evidence and arguments, there is some lack of uniformity in those comparables, particularly with regard to equalized valuation and state aids. However, they are either contiguous or reasonably proximate and sufficient in number to afford comparisons of significance.

The three tiered list of comparables suggested by the Union overlaps to a certain extent, but also includes some questionable comparisons, such as Watertown. In the view of the undersigned, the established comparables tend to be more reflective of the actual labor market and the local political-social and economic milieu in which the District operates.

Notwithstanding the conclusion that the comparables relied upon by the District should be accepted, a number of problems arise when efforts are made to draw comparisons. These include, changes in the structure in salary schedules and the fact that there are only two relevant settlements covering 1987-1988

included within their number. These problems will be discussed more fully below.

1986-1987 Salary Schedule

In its brief, the District notes a number of the problems attendant upon efforts to draw comparisons where there are changes in the structure of salary schedules; where settlements are for different time periods; and when settlements occur at different times under different circumstances. Unfortunately, all of these problems exist in this case. Also, there are certain problems with the District's data, as noted by the Union, which relate to the fact that settlements cover different time periods. Nevertheless, putting these problems aside, the comparative data does tend to support the finding that the District's offer for 1986-1987 is reasonable, measured on a comparative basis.

When reliable, benchmark comparisons can be the most persuasive type of comparisons, because they reflect the actual salaries earned by teachers performing similar services in a similar district under similar circumstances.⁷ Unfortunately, it would be hazardous to undertake such comparisons based on internal benchmarks, as the District argues. On the other hand, minimum salaries only affect new teachers and maximum salaries frequently apply to the same teachers, year after year, once they have reached the maximum. The District's analysis shows that its offer compares quite favorably

⁷Average salary figures, such as those relied upon by the Union, are greatly affected by placement on the schedule.

at these peripheral benchmark positions, among the comparables deemed appropriate.

Viewed in terms of dollar increases and percentage increases for the average teacher, the Board's offer is not particularly generous, but is definitely within the ball park of other settlements among the comparables. It is less than a hundred dollars below the average settlement or Board offer and, as the Board points out, there is some evidence of a moderating trend in settlements among the comparables. On the other hand, the Union's offer is more than \$200.00 above the same average figure and more than \$100.00 over the average if it is assumed that Union offers will be implemented in those two districts which were headed for arbitration at the time of the hearing. It is also true that the District afforded teachers an above average settlement in 1985-1986; however, that fact must be tempered by the fact that the District made that settlement, as part of the settlement on calendar that year.

Viewed in percentage terms, the Board's final offer is even more clearly within the ball park of settlements. Thus, it is nearly half a point above the average of settlements and Board offers and nearly identical to the average of settlements and Union offers, within the comparables. On the other hand, the Union's offer, measured in percentage terms, is above all of the settlements, by as much as two percent in

some cases and more than 1.3% above the average of settlements and Union offers.

A review of the two final offers for 1986-1987, in relation to the other comparisons referred to in the statute and the other statutory criteria, generally tends to support the District's position. While the undesignated must agree with the Union, that internal comparisons to non-professional staff, who compete in a different labor market and have different skills and credentials, are less persuasive than comparisons to administrators or other professional staff, the Union's arguments tend to focus unduly on dollar increases, accompanied by questionable adjustments for work year, to the exclusion of more reliable comparisons, such as percentage increases. Viewed historically there has been some compression in salary ranges as a result of percentage increases for administrators lagging behind percentage increases for staff. While this may be due in part to differences in the compensation mechanism, i.e., merit pay versus salary schedule, there is no reason to suppose, as the Union argues, that the percentage increase should always be greater in the case of the teaching staff.

Overall, the internal comparisons relied upon by both parties are not deemed to be particularly persuasive in this case. However, it is significant that, measured by an objective criterion such as percentage increase per year, the record does not provide any compelling support for the Union's position.

The undersigned has reviewed both parties' data and arguments with regard to other professional employees and, quite frankly, finds fault with both presentations. Thus, the District's adjustments in salaries because of the fact that teachers do not work 12 months, would appear to be excessive in that they fail to give sufficient consideration to other differences as such paid holidays and vacation periods. On the other hand, the Union's data fails to give any significance to these differences. Also, its reliance upon comparisons in the private sector, where employees compete in an entirely different labor market and are compensated in accordance with entirely different compensation schemes, also tends to undercut the persuasiveness of the comparisons drawn.

The other public sector comparisons relied upon by the District are subject to some of the same criticisms. Thus, those comparisons largely ignore the fact that teachers are compensated in accordance with the salary schedule which is generally unique to their profession.

Both parties lay heavy emphasis on the criterion dealing with the "interest and welfare of the public." While it is true that several national and state commissions have concluded that there should be substantial increases in the salaries, particularly the beginning salaries, paid teachers, those same studies contain numerous other interrelated recommendations,

as the District notes. The implementation of those recommendations would undoubtedly entail substantial modifications in the traditional salary schedule and other aspects of compensation schemes currently employed in school districts. In the last analysis, the undersigned must agree with those arbitrators cited by the District in its arguments, who have concluded that arbitration is an inappropriate forum for the purpose of attempting to bring about the changes recommended. The recommendations go far beyond the agenda of collective bargaining in a given school district.

The function of an arbitrator in a proceeding such as this, in the view of the undersigned, is to endeavor to determine which of the two final offers, in its totality, most closely approximates that agreement which the parties should have reached in voluntary negotiations, based upon the existing statutory scheme, which includes the enumerated criteria and the right to force the other party into arbitration if need be. It is not the function of an arbitrator to make global determinations concerning educational policy, based upon his own perception of the "interest and welfare of the public," in the larger sense.

Turning to the cost of living criterion, it first should be noted that the actual increase in the cost of living, as measured by the national and Milwaukee Consumer Price Indexes

for the relevant period, is far below the increase which would be afforded under either final offer. In its arguments, the Union points to certain evidence concerning the decrease in real wages experienced by teachers prior to 1982 and the District, for its part, emphasizes the data since that date, which demonstrates that there has been an increase in real wages since that date. Similarly, the Union relies upon settlements among comparables as affording the best measure of the importance to be attached to this criterion, while the District argues that this criterion is separate and should be considered separately under the statute. Each of these points is undoubtedly well taken. However, the fact that the District's final offer is well in excess of the increase in the cost of living and in the "ball park" of comparables settlements, raises a serious question concerning the justification for an above average settlement, measured in percentage terms, which would result if the Union's offer is selected. For this reason, the undersigned believes that this criterion supports the District's offer for 1986-1987.

The District makes a number of valid points in connection with total compensation and the continuity and stability of employment in the District. Contrary to the Union's contention, the undersigned believes that it is significant that the two-year agreement will insure full payment of all fringe benefits

including health insurance, even though the District has assumed a modest 5% increase in the cost of doing so in the case of health benefits.

On the other hand, the Union makes certain valid points in connection with the District's relative ability to pay the cost of either settlement. Thus, the fact that the District is relatively "property poor," is somewhat offset by the income of District residents and the state aids that are paid to the District. Even so, the District is largely residential and the average taxpayer pays a relatively high rate of taxes, as represented by the millage rate. The District is also correct in its contention that taxes have increased substantially even though the mill rate itself has not necessarily increased at a high percentage rate. On balance, this data does not lend great support to either party's final offer.

Overall, even though the undersigned does not believe that either final offer is particularly out of line for the 1986-1987 school year, the District's final offer would appear to be more reasonable under the statutory criteria, taken as a whole. The more difficult question relates to the parties' respective proposals for the 1987-1988 salary schedule, on which their offers differ much more substantially.

1987-1988 Salary Schedule

Not only do the parties' offers differ more substantially with regard to the 1987-1988 salary schedule, there is far less data in the record to provide guidance as to which of

the two offers should be favored under the statutory criteria. Thus, as the parties themselves point out in their briefs, there are only two settlements that arguably provide guidance, East Troy and New Berlin. In general, the East Troy settlement tends to favor the District's final offer and the New Berlin settlement tends to favor the Union's final offer.

While East Troy is smaller than the District, New Berlin is larger. The fact that East Troy is more proximate than New Berlin and the fact that New Berlin would appear to fall more directly under the Milwaukee suburban influence, suggests that East Troy might be deemed more persuasive under the logic of the Mueller award. However, in the last analysis, a single settlement hardly constitutes a persuasive basis for relying heavily upon the comparability criterion. It is obvious that settlements for 1986-1987 have been very slow in coming and therefore any effort to predict the future, based upon one settlement or one arbitration award, such as this proceeding, would be foolish indeed.

In the circumstances, heavier reliance upon perceived trends in settlement patterns and in external factors, such as the cost of living, are deemed more reliable, in the view of the undersigned. Thus, notwithstanding the terms of the New Berlin settlement, the undersigned views the settlement pattern as moderating in a somewhat delayed fashion in relation

to the moderation in the cost of living which has occurred in recent years. Thus, it is undoubtedly true that settlements in the public sector, particularly among teachers, as evidenced by the data in the record, have exceeded those in the private sector as well as increases in the cost of living. Even so, a downward trend is clearly perceptible in the data presented.

During the 12-month period immediately preceding the term of the current agreement, during which period the parties lived by the terms of their most recent agreement on wages, the cost of living increased at a rate slightly in excess of 1% on a national level and by much less in the Milwaukee area. Even so, under the terms of the agreement proposed by the District, teachers will enjoy first year increases which not only compare favorably to their colleagues in other districts, but will afford substantial real wage advancements at every step of the salary schedule. Utilizing national figures, which the undersigned believes to be more reliable for short term comparison purposes, the rate of increase in the cost of living during the first year of the agreement will probably be slightly in excess of 4% (based on a nine-month projection). While the proposed increase in the base salary during the second year of the agreement is slightly less than that figure, the projected wage increase that will be generated under the District's offer for the second year

will exceed that figure by nearly two percentage points.

While the data in the record does not support a finding, and the District does not argue, an inability to pay either final offer, the District is correct in its contention that other facts point toward a moderation in the level of settlements. Thus, the projected increase in the level of state aid to be received by the District will not match the cost of the Union's offer, in percentage terms, if there is no major structural change in the funding of school costs and the Governor's budget recommendations are adopted. While the District is relatively reliant on state aids, it is also heavily reliant on residential property taxes as well and a settlement costing in excess of 9% will inevitably place a heavier burden on property taxes, whether the resultant burden is reflected in increased assessments or increased millage rate. Thus, under the circumstances, it can be anticipated that if the settlement were to have occurred voluntarily, it is more likely that the cost of the settlement would be closer to 6.11% than it would be to 9.39%.

For these reasons, the undersigned concludes that, viewed separately, the District's proposal with regard to the second year of the agreement should be favored over that of the Association.

Conclusion

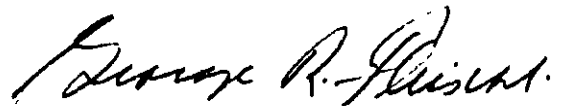
Recapping, it would appear that the District's proposal

should be favored on all three issues in dispute. While the dispute over the calendar cannot be equated in importance to the two disputes over salary and the District's offer for the first year of the agreement is only slightly favored over that of the Association and the paucity of available data makes the judgment with regard to the second year admittedly difficult and somewhat unclear, it necessarily follows that the District's offer should be selected in total. Therefore, the undersigned renders the following

AWARD

The final offer of the District, together with the issues resolved in bargaining and included in the stipulations of the parties, shall be incorporated into a new 1986-1988 collective bargaining agreement, along with the provisions of the prior agreement, which are to remain unchanged under the parties' final offers.

Dated at Madison, Wisconsin this 30th day of June, 1987.


George R. Fleischli
Arbitrator

DE	BA	BA+9	BA+18	BA+27	MA	MA+9	MA+18	MA+27	????
0 4	17266 1.0000	17786 1.0301	18302 1.0600	18820 1.0900	19683 1.1400	20374 1.1800	21063 1.2199	21753 1.2599	
1 B	17869 1.0349	18388 1.0650	18908 1.0951	19426 1.1251	20374 1.1800	21063 1.2199	21753 1.2599	22444 1.2999	
2 C	18473 1.0699	18993 1.1000	19511 1.1300	20029 1.1600	21063 1.2199	21753 1.2599	22444 1.2999	23135 1.3399	
3 D	19164 1.1099	19682 1.1399	20201 1.1700	20719 1.2000	21798 1.2625	22487 1.3024	23178 1.3424	23869 1.3824	
4 F	19854 1.1499	20372 1.1799	20890 1.2099	21410 1.2400	22532 1.3050	23221 1.3449	23912 1.3849	24602 1.4249	
5 F	20543 1.1898	21063 1.2199	21581 1.2499	22099 1.2799	23266 1.3475	23957 1.3875	24645 1.4274	25338 1.4675	
6 J	21234 1.2298	21752 1.2598	22271 1.2899	22789 1.3199	24000 1.3900	24690 1.4300	25379 1.4699	26070 1.5099	
7 H	21924 1.2698	22442 1.2998	22960 1.3298	23480 1.3599	24863 1.4400	25554 1.4800	26243 1.5199	26933 1.5599	
I	22701 1.3148	23219 1.3448	23737 1.3748	24257 1.4049	25726 1.4900	26415 1.5299	27104 1.5698	27797 1.6099	
9 J	23565 1.3648	24083 1.3948	24601 1.4248	25119 1.4548	26676 1.5450	27367 1.5850	28056 1.6249	28746 1.6649	
0 K	24426 1.4147	24946 1.4448	25464 1.4748	25982 1.5048	27626 1.6000	28316 1.6400	29005 1.6799	29696 1.7199	
1 L	25462 1.4747	25982 1.5048	26500 1.5348	27018 1.5648	28662 1.6600	29352 1.7000	30041 1.7399	30732 1.7799	
2 M	26498 1.5347	27016 1.5647	27536 1.5948	28054 1.6248	29698 1.7200	30386 1.7599	31075 1.7998	31768 1.8399	
3 Y	27534 1.5947	28052 1.6247	28572 1.6548	29090 1.6848	30733 1.7800	31422 1.8199	32111 1.8598	32804 1.8999	
IG					32518 1.8834	33226 1.9244	33929 1.9651	34633 2.0059	

STEP	BA	BA+9	BA+18	BA+27	MA	MA+9	MA+18	MA+27	????
A	18122 1.0000	18667 1.0301	19209 1.0600	19753 1.0900	20659 1.1400	21384 1.1800	22107 1.2199	22832 1.2599	
B	18754 1.0349	19300 1.0650	19845 1.0951	20389 1.1251	21384 1.1800	22107 1.2199	22832 1.2599	23557 1.2999	
C	19389 1.0699	19934 1.1000	20478 1.1300	21022 1.1600	22107 1.2199	22832 1.2599	23557 1.2999	24282 1.3399	
D	20114 1.1099	20657 1.1399	21203 1.1700	21746 1.2000	22879 1.2625	23602 1.3024	24327 1.3424	25052 1.3824	
E	20838 1.1499	21382 1.1799	21926 1.2099	22471 1.2400	23649 1.3050	24372 1.3449	25097 1.3849	25822 1.4249	
F	21562 1.1898	22107 1.2199	22651 1.2499	23194 1.2799	24419 1.3475	25144 1.3875	25867 1.4274	26594 1.4675	
G	22286 1.2298	22830 1.2598	23376 1.2899	23919 1.3199	25190 1.3900	25914 1.4300	26638 1.4699	27362 1.5099	
H	23011 1.2698	23555 1.2998	24099 1.3298	24644 1.3599	26096 1.4400	26821 1.4800	27544 1.5199	28269 1.5599	
	23827 1.3148	24370 1.3448	24914 1.3748	25460 1.4049	27002 1.4900	27725 1.5299	28448 1.5698	29175 1.6099	
J	24733 1.3648	25277 1.3948	25820 1.4248	26364 1.4548	27998 1.5450	28723 1.5850	29446 1.6249	30171 1.6649	
K	25637 1.4147	26183 1.4448	26726 1.4748	27270 1.5048	28995 1.6000	29720 1.6400	30443 1.6799	31168 1.7199	
L	26725 1.4747	27270 1.5048	27814 1.5348	28357 1.5648	30083 1.6600	30807 1.7000	31530 1.7399	32255 1.7799	
M	27812 1.5347	28355 1.5647	28901 1.5948	29445 1.6248	31170 1.7200	31893 1.7599	32616 1.7998	33343 1.8399	
N	28899 1.5947	29443 1.6247	29988 1.6548	30532 1.6848	32257 1.7800	32980 1.8199	33703 1.8598	34430 1.8999	
O					34130 1.8834	34873 1.9244	35611 1.9651	36350 2.0059	

	A	B	C	D	E	F	G	H	I
69:	MUKWOMAGO 1986-87			SALARY SCHEDULE					
70:	STEP	BA	BA+9	BA+18	BA+27	MA	MA+9	MA+18	MA+27
71:	1-A	18331	18883	19431	19981	20897	21631	22362	23095
72:	2-B	18971	19522	20074	20624	21631	22362	23095	23828
73:	3-C	19612	20165	20714	21264	22362	23095	23828	24562
74:	4-D	20346	20896	21447	21997	23143	23874	24608	25341
75:	5-E	21079	21629	22179	22731	23922	24653	25387	26119
76:	6-F	21810	22362	22912	23462	24701	25435	26165	26901
77:	7-G	22544	23094	23645	24195	25480	26213	26944	27678
78:	8-H	23276	23826	24376	24928	26397	27130	27862	28594
79:	9-I	24101	24651	25201	25753	27313	28044	28776	29512
80:	10-J	25019	25568	26118	26668	28321	29055	29787	30519
81:	11-K	25933	26485	27035	27585	29330	30063	30794	31528
82:	12-L	27033	27585	28135	28685	30430	31162	31894	32628
83:	13-M	28132	28682	29234	29784	31530	32260	32992	33728
84:	14-N	29339	29782	30334	30884	32629	33360	34092	34827
85:	15-O	0	0	0	0	34525	35277	36022	36770

STEP	BA	BA+9	BA+18	BA+27	MA	MA+9	MA+18	MA+27	?????
A	18767 1.0000	19332 1.0301	19893 1.0600	20456 1.0900	21394 1.1400	22145 1.1800	22894 1.2199	23645 1.2599	
B	19422 1.0349	19987 1.0650	20552 1.0951	21115 1.1251	22145 1.1800	22894 1.2199	23645 1.2599	24395 1.2999	
C	20079 1.0699	20644 1.1000	21207 1.1300	21770 1.1600	22894 1.2199	23645 1.2599	24395 1.2999	25146 1.3399	
D	20829 1.1099	21393 1.1399	21957 1.1700	22520 1.2000	23693 1.2625	24442 1.3024	25193 1.3424	25944 1.3824	
E	21580 1.1499	22143 1.1799	22706 1.2099	23271 1.2400	24491 1.3050	25240 1.3449	25990 1.3849	26741 1.4249	
F	22329 1.1898	22894 1.2199	23457 1.2499	24020 1.2799	25289 1.3475	26039 1.3875	26788 1.4274	27541 1.4675	
G	23080 1.2298	23643 1.2598	24208 1.2899	24771 1.3199	26086 1.3900	26837 1.4300	27586 1.4699	28336 1.5099	
H	23830 1.2698	24393 1.2998	24956 1.3298	25521 1.3599	27024 1.4400	27775 1.4800	28524 1.5199	29275 1.5599	
I	24675 1.3148	25238 1.3448	25801 1.3748	26366 1.4049	27963 1.4900	28712 1.5299	29460 1.5698	30213 1.6099	
J	25613 1.3648	26176 1.3948	26739 1.4248	27302 1.4548	28995 1.5450	29746 1.5850	30494 1.6249	31245 1.6649	
K	26550 1.4147	27115 1.4448	27678 1.4748	28241 1.5048	30027 1.6000	30778 1.6400	31527 1.6799	32277 1.7199	
L	27676 1.4747	28241 1.5048	28804 1.5348	29367 1.5648	31153 1.6600	31904 1.7000	32653 1.7399	33403 1.7799	
M	28802 1.5347	29365 1.5647	29930 1.5948	30493 1.6248	32279 1.7200	33028 1.7599	33777 1.7998	34529 1.8399	
N	29928 1.5947	30491 1.6247	31056 1.6548	31619 1.6848	33405 1.7800	34154 1.8199	34903 1.8598	35655 1.8999	
O					35345 1.8834	36115 1.9244	36879 1.9651	37644 2.0059	

	A	B	C	D	E	F	G	H	I
69:	MUKWONAGO 1987-88			SALARY SCHEDULE					
70:	STEP	BA	BA+9	BA+18	BA+27	MA	MA+9	MA+18	MA+27
71:	1-A	19571	20160	20745	21332	22310	23093	23874	24656
72:	2-B	20254	20842	21432	22019	23093	23874	24656	25440
73:	3-C	20939	21528	22115	22702	23874	24656	25440	26223
74:	4-D	21722	22309	22897	23484	24707	25488	26272	27055
75:	5-E	22504	23091	23678	24268	25539	26320	27104	27886
76:	6-F	23285	23874	24461	25049	26371	27155	27934	28720
77:	7-G	24068	24655	25244	25831	27203	27985	28766	29550
78:	8-H	24850	25437	26024	26614	28181	28965	29746	30528
79:	9-I	25731	26318	26905	27495	29160	29941	30722	31507
80:	10-J	26710	27297	27885	28472	30236	31020	31801	32583
81:	11-K	27686	28276	28863	29450	31313	32095	32876	33660
82:	12-L	28860	29450	30037	30624	32488	33270	34051	34834
83:	13-M	30035	30622	31211	31798	33662	34442	35223	36008
84:	14-N	31322	31796	32386	32973	34835	35616	36397	37182
85:	15-O	0	0	0	0	36859	37662	38458	39257