

RECEIVED

SEP 21 1988

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

* * * * *

* In the Matter of the Petition of * *

* SHAWANO-GRESHAM * *

SCHOOL DISTRICT

* To Initiate Arbitration * Case No. 11 *

Between Said Petitioner And * No. 39410 *

* INT/ARB-4565 *

* Decision No. 25099-A *

* SHAWANO-GRESHAM * *

* EDUCATION ASSOCIATION * *

* * * * *

APPEARANCES

On Behalf of the Employer: Dennis W. Rader, Attorney -
Mulcahy and Wherry, S. C.

On Behalf of the Association: Ronald J. Bacon, Executive
Director - United Northeast Educators

I. BACKGROUND

On March 24, 1987, the Parties exchanged their initial proposals on matter to be included in a new collective bargaining agreement to succeed the agreement which expired on August 19, 1987. Thereafter, the Parties met on nine occasions in efforts to reach an accord on a new collective bargaining agreement and on September 15, 1987, the District filed a petition requesting that the Wisconsin Employment Relations Commission initiate Arbitration pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Relations Act. On November 17, 1987, a member of the Commission's staff conducted an investigation which reflected that the Parties

were deadlocked in their negotiations, and, by January 13, 1988, the Parties submitted to the Investigator their final offers, written positions regarding authorization of inclusion of nonresidents of Wisconsin on the arbitration panel to be submitted by the Commission, as well as a stipulation on matters agreed upon. Thereafter, the Investigator notified the Parties that the investigation was closed and advised the Commission that the Parties remain at impasse.

On January 21, 1988, the Parties were ordered to select an Arbitrator. On February 8, 1988, the undersigned was appointed as the Arbitrator, based on the selection of the Parties.

A hearing was scheduled and held on May 10, 1988. Posthearing briefs were submitted and exchanged June 20, 1988. Rebuttal briefs were exchanged July 21, 1988.

II. FINAL OFFERS AND ISSUES

The final offers cover the 1987-88 and 1988-89 school years. Beside proposing salary schedules for both years, the Parties each present language issues in their final offers (professional improvement and personal leave). In addition, there is a difference in the offers with respect to health insurance. In detail the issues are:

A. Salary

Both offers propose to retain the same salary structure with the addition of a MS+23 Lane. The Association proposes benchmark increases of 5.47% in 1987-88 and 5.13% in 1988-89. The corresponding cell adjustments under the Board's proposal

are 4.34% in 1987-88 and 4.67% in 1988-89. In per teacher terms, the salary offers are \$1800 (7.24%) for the Association v. \$1513 (6.09%) for the Board in 1987-88. Respectively they are \$1757 (6.59%) v. \$1583 (6.01%) in the second year. The offers would result in the following benchmarks:

	<u>1977-88</u>		<u>1988-89</u>	
	<u>Association</u>	<u>District</u>	<u>Association</u>	<u>District</u>
BA Base	17750	17560	18660	18380
BA Max.	26864	26577	28241	27818
MA Base	19187	18982	28171	19868
MA Max.	30601	30273	32169	31687
Sched. Max	32601	31850	34272	32648

B. Cap On Benefits

The 1986-87 Master Agreement provided that the Board pay the "full premium" for hospitalization, vision and dental insurance. The Association proposes no change in the status quo. In contrast, the District's offer proposes a "cap on benefits" in 1988-89.

C. Personal Leave

The Board proposes that the 1986-87 language on personal leave be carried forward. This language is as follows:

"Personal Leave Up to two (2) days of leave for personal business may be granted by the Superintendent to conduct necessary personal matters which cannot be conducted after school hours or on weekends. A teacher shall file a written request with the Superintendent seven (7) days beforehand if possible."

The Association proposes this same language with the addition of the following being inserted into the contract:

"A teacher, may at his or her own discretion use an additional personal day to conduct any matters they deem necessary."

D. Professional Improvement

The Association proposes no change in the current Professional Improvement Plan. The Board proposes to add the following:

"Add language to read: Teachers who do not fulfill the professional improvement plan in any year will be penalized by the loss of \$175 from the Professional Improvement Plan and the loss of one day's pay."

III. ARGUMENTS OF THE PARTIES

A. The Association

1. Comparable School Districts

The Association believes that the Bay Athletic Conference (BAC) is the appropriate group of comparables. These schools included:

Ashwaubeneon
Clintonville
De Pere
Howard-Suamico
Marinette
New London
Pulaski
Seymour
West De Pere

They note that the Board proposes 13 area schools as comparable including 4 Athletic Conference schools. They are:

Bonduel
Bowler
Clintonville
Iola-Scandinavia
Manawa
Marion
Menominee Indian
New London

Pulaski
Seymour
Shiocton
Tigerton
Wittenburg--Birnamwood

There are a number of reasons the Association believes their comparable group is preferable. The first relates to the size of the schools. For instance the average admission on FTE in the Board's group is 1228 students and 76 FTE, compared to 2335 students and 141 FTE at Shawano. Thus, BAC is much closer on average to Shawano at an enrollment of 2164.

Arbitral precedent in other schools, in the Association's opinion also favors their comparable group. In several arbitrations involving schools in the Board's comparable group, Arbitrators have excluded Shawano. Moreover, in BAC arbitration cases Shawano has been included as a comparable and with one exception the BAC has always been adopted by Arbitrators as the appropriate comparable group.

The next reason that the Association argues the Board's pool should be rejected is the lack of settlements therein. Of the nine significantly smaller non-conference schools proposed by the Board, three (Iola-Scandinavia, Tigerton, Wittenburg-Birnamwood) do not have a settlement for either 1987-88 or 1988-89. Only three of smaller schools (Bonduel, Bowler, Menominee Indian) are settled for both 1987-88 and 1988-89. In contrast, all but Clintonville are settled for both years of the dispute in the BAC.

2. Salary Schedule

As background to their arguments on salary, the

Association notes that based on 1986-87 benchmarks, Shawano is below the average on all benchmarks except one. The rankings and differentials are as follows:

	<u>Difference to Average</u>	<u>Rank</u>
BA Base	- 158	6/10
BA Max	+ 252	7/10
MA Base	- 504	9/10
MA Max	-1799	10/10
Sched. Max	-3483	10/10

This lower ranking and the need for catch up is also demonstrated by a lower than average salary per teacher, in spite of the fact that 80 of Shawano's 160.79 FTE are at the lane maximums. The data is as follows:

"1986-87 AVERAGE SALARY LEVEL

Ashwaubenon	\$32,795
Clintonville	24,603
Howard-Suamico	27,230
Marinette	28,635
New London	27,022
Pulaski	24,542
Seymour	24,805
West De Pere	<u>28,128</u>
AVERAGE	27,220
Shawano-Gresham	24,829"

Regarding 1987-88 and 1988-89 settlements, the Association calculates the two-year per teacher dollar increase at \$3403 and the percentage increase at 12.06%. This compares to the Board at 12.10% and \$3096 and 13.83% or \$3557 for the Association. Thus, they conclude this data overall favors the Association, even though the settlement pattern percentage statistics favor the Board's proposal. They believe the dollar increase statistics are more important (the Board's offer is \$307 less than the average)

because Shawano-Gresham is a wage follower. In their opinion, if salary increases for a wage follower are limited to the average percent increase of the comparables, perpetual wage erosion would occur. In contrast, the Association's offer, which better reflects the average dollar increase from the comparisons, results in modest catchup. Nor does the Association believe that there are any factors such as large settlements in the past, or lower equalized value or high unemployment which would justify a lower than average dollar increase.

Also relevant to the salary issue are the Association's comments regarding the Board's non-teacher comparisons. First, with respect to the "internal settlements" the Union claims these should be given no weight since these groups are non-Union. Next, regarding area settlements involving Shawano County and one private employer they note, there is no evidence in the record that any of these units were ever utilized by the Parties for comparison purposes in prior bargaining rounds or that in previous years these settlements have paralleled those for Shawano-Gresham teachers.

The Association also addresses other statutory criteria. The first to be analyzed is the ability to pay/interest and welfare of the public. In this regard, they believe the Board tries to paint a picture of Shawano-Gresham as a low wage area overly dependent on a declining agricultural industry. However, Shawano-Gresham is only one of six districts in Shawano County and has a substantially

higher equalized value per member than four of the other six. This, in the Association's estimation, illustrates that Shawano County is not a homogenous unit and that statistics which apply for the County as a whole are not applicable to individual districts within the County. On the other hand, the exhibits which relate specifically to the Shawano-Gresham District and not Shawano County as a whole show a relatively favorable ability to pay. In fact, it has the greatest equalized value per member in the BAC. Yet it has the third lowest levy rate in the BAC, based on 1985-86 data. Moreover, the 1987-88 increase in tax levy was 2.7%. Which is below the increase in the 1987 CPI. Regarding unemployment rates, they draw attention to the fact that based on the most recent measurement (October 1987) Shawano County's rate of 5% unemployment is no different than that for the entire State and has improved significantly from the previous year. They also argue that the interest and welfare of the public is best served by a quality educational system.

The cost of living fact is addressed next. They recognize that both August, 1987 CPI measurements showed a 4.3% increase in the cost of living. However, the Association also believes that the settlement pattern should be given more significance than the raw CPI measurements. Moreover, the settlement pattern, in particular the dollar magnitude of increase, assumes even greater significance in a catchup district which Shawano-Gresham clearly is. Restricting the increase to the percentage value of

comparable settlements or the CPI, when the settlements in other schools are exceeding the cost of living, will in their opinion, inevitably result in further wage erosion.

The last criteria to be addressed is the 'overall compensation' criteria. The average total compensation increase for 1987-89 in the BAC was \$4535 or 12.43%. The Board offer generates \$3914 and 11.60% while the Association's generates \$4453 or 13.15%. Thus, they submit that the Association's offer is strongly supported not only by the more relevant dollar statistic, but is also closer to the average percent increase. Nor is this mitigated by a higher than average benefit level.

3. Cap on Benefits

The Union argues that the Board's proposal to "cap benefits in 1988-89" is unsupported by the comparables, ambiguous, potentially very costly to its members, and probably in conflict with other contractual provisions. For instance, in terms of conflicts, FICA contributions are mandated by federal law. The Board has also agreed to pay the 6% employee's share of the retirement contribution.

Assuming that the Board's proposal only relates to insurance, the Association notes that the Board has a self-funding insurance plan and does not work with a Carrier. There is no actual premium contribution which can be "capped." This leads to the ambiguity problems. To the Association, it is not whether the "cap" referred to in the Board's offer means that insurance contributions would be

frozen at the 1987-88 payment level or an amount which the stop-loss overseer designates. Additionally, they ask, would the individuals who require health care after the "cap" is exceeded be themselves financially responsible or would the costs be shared by the entire unit?

The Association also argues there is no compelling reason to cap the insurance contribution since in 1986-87 the cost to the Board was within \$10 of the conference average for both single and family even with the inclusion of the exceptionally low rates of Howard-Suamico and Pulaski.

4. Personal Leave

The Association argues that the current language on personal leave is exceptionally weak even when compared to the language in the Board's comparables. The personal leave is discretionary which they suggest would allow the Superintendent to act in a totally arbitrary manner if he so chooses. They also mention that the language also strongly implies that the applicant is compelled to state the nature of the "personal matters," regardless of how private or personal in order to obtain leave.

In terms of comparables, the Association enunciated unrefuted testimony at the hearing that the norm in the Bay Athletic Conference is language which entitles teachers to a personal leave day without needing to obtain the permission.

5. Professional Improvement Language

The Association does not believe there is evidence in the record which would support the Board-proposed penalty. The Board proposes to penalize teachers who do not fulfill

the professional improvement plan's requirements in any year -- first, the loss of \$175 from the individual's account and second, the lost of one day's pay. In the Association's opinion there have been no problems under the current language nor is there any support in the comparables. Thus, no compelling need for changes has been demonstrated.

B. The District

1. Comparable School Districts

The Board chose the following contiguous schools as comparable. Bonduel, Bowler, Clintonville, Iola-Scandinavia, Manawa, Marion, Menominee Indian, New London, Pulaski, Seymour, Shiocton and Tigerton. They based this choice on Arbitrator Miller's rationale in Clintonville School District. He rejected the BAC as a comparable group in favor of a more geographically proximate group, six of which were contiguous.

The District also notes that they face another unique situation with respect to comparables. There are Two schools in the District and they are members of different athletic conferences. Shawano is a member of the Bay Athletic Conference, and Gresham is a member of the Central Wisconsin Athletic Conference. Therefore, the District's selection was based only on those districts that are contiguous and geographically proximate to the Shawano-Gresham School District and not simply on the basis of athletic conference membership. They note, if the District were to use both the Bay Athletic Conference and the Central Wisconsin Athletic

Conference combined, 25 school districts would be used for comparison. Thus, in their opinion, this would be unrealistic and overwhelming. Therefore, in this case, geographic proximity is the appropriate primary criteria in choosing the comparable pool. They also took into consideration other traditional comparability factors.

In contrast, the BAC is not appropriate in their opinion since many of the districts are larger and not geographically proximate. Moreover, four of the BAC schools are directly contiguous to the Green Bay School District, therefore, these districts and the amount of compensation are affected greatly by the Green Bay Area metropolitan market. This is in addition to the fact that the Green Bay metropolitan statistical area (Brown County) proves to be very healthy and stable, with an adjusted gross income 63% higher than that of Shawano County, and a population base nearly five times that of Shawano County and a substantial gross income and population base. Another difference is the diversified economy with a dominant non-durable manufacturing base, which tends to shield somewhat the effect of a recession.

2. Salary Schedule

Using its comparable group to analyze the 1987-88 and 1988-89 offers, the Board first looks at the historical relationship of Shawano-Gresham to the comparables. It is their conclusion that over the six-year period from 1981-82 to 1986-87 the district exceeds the average in all eight benchmarks. For instance, in 1986-87 the positive

differentials ranged from 1.3% (\$235) to 5.1% (\$1226).

Against this background, the Board notes that their comparable data shows that the District's offer will maintain its status of exceeding the annual average salary in all but one benchmark shown for both the 1987-88 and 1988-89 Board offers. The positive differentials will range from .6% (192) to 4.5% (\$1130) in 1987-88 and .1% (\$28) to 3.4% (\$918) in 1988-89. In contrast, the Association's offer moves one-half of the benchmarks into a one or two ranking. The District argues that the Association's attempt to move up in ranking rather than maintaining the competitive rank that already exists, should not be accepted.

The District acknowledges that, while all but three districts in the selected comparable pool have settled and the District's offer is \$48 lower than the average for 1987-88, the Arbitrator must give more consideration and weight to the District's already high ranking to benchmarks in the comparable pool. Furthermore, in 1986-87, the Parties reached a voluntary settlement where the wages only increase was less than the average by \$95. Therefore, the 1987-88 District's offer decreases the difference by nearly 50%, and brings Shawano-Gresham close to the average.

The Board addresses other criteria in support of its offer. First, they argue the wages paid and settlements with other public and private sector employees militate strongly in favor of the Board's offer. For instance, internal settlements range from 3.1 to 4.9% for 1987-88 which is much less than the Board's offer of 6.09%.

Furthermore, various Shawano County bargaining units have accepted settlements substantially lower than that offered by the Board. These settlements are all at 3% in 1987 and in 1988. In addition, Phenix Manufacturing reached a wages only settlement with its employees at a modest 2.5% for 1988, up from 1.5% in 1987. Another reputable employer, 21st Century Genetics Cooperative, awarded its employees with 5% in 1988, and 5% in 1987. National private sector settlements are even lower.

The cost of living factor is also argued to favor the Board's offer. In this regard, the Board acknowledges that in years past when rates of inflation were well into the double digits and taxing authorities were unable to provide wage increases to keep pace with inflation, arbitrators determined that the settlements in a given geographic area were a more reliable indicator of the increases in the statutory "cost of living" criteria than was the CPI itself. However, at that time, the CPI had not been adjusted for consumer spending patterns and was, as a result, a somewhat unreliable indicator of real increases in the cost of living. Currently, due to the updates made in the "market basket" used to measure the CPI, most recently in January 1988, the District submits that the CPI should, standing alone, be used to measure to reasonableness of the respective offers before the Arbitrator. When the comparison is drawn between the costs of the Parties' offers and the individual increases afforded to the teachers with

the appropriate measures of the cost of living, the Board's offer, in their opinion, emerges as more reasonable and the Union's offer emerges as clearly unreasonable. The total package offer of the Union for 1987 is 7.24% compared to the CID-W of 4.5% and the Board's offer of 6.09%. They also project that the Board's 1988-89 offer will exceed the cost of living.

The Board also argues that the interests and welfare of the public demand acceptance of its offer. In this regard, the District notes the total compensation package proposed under the Association's offer will cause the District to spend over one-hundred and forty-three thousand Dollars (\$143,000) more than is anticipated under the Board's offer. When this is viewed against the District's financial circumstances, they argue that their offer is more consistent without the interest and welfare of the public. These financial conditions include (1) a declining equalized value, (2) a equalized value heavily distributed to residential property owners, (3) a decline in 1986/87 of an equalized value per member, (4) a 24% increase over three years in cost per pupil, (5) a 19% tax rate increase over three years, (6) the lowest state aid per pupil in the comparables, (7) a lower than average median family income, (8) declining farm income and (9) a declining population and low incomes.

Also relevant as to the interest and welfare of the public criteria are the national studies relied on by the Association. However, in opinion of the Board, these

studies do not support the Association's higher wage offer. First of all, these reports deal with teaching as a profession on a national level and as such they address problematic aspects of the teaching profession which are not necessarily pertinent or relevant to Wisconsin or the Shawano-Gresham School District. More importantly, the intent of the Association to focus on salary alone distorts the intent of the entire study. Close analysis reveals that these studies contemplate sweeping reform of all aspects of the educational structure, not simply salary. Thus, given the extensive changes in the educational structure contemplated in the studies cited by the Shawano-Gresham Education Association, they note other arbitrators in Wisconsin have been reluctant to award excessive salary offers without making concomitant structure changes in educational accountability.

3. Personal leave

The Board argues that the Association's proposal to add an additional unrestricted leave day is an unwarranted change in the status quo. Their proposal doesn't meet the "compelling need" test set forth by arbitral precedent. Further, the evidence shows that the personal leave benefits already enjoyed by the Association exceeds that of its comparables. More importantly, all the personal days are limited to some extent in their nature. Furthermore, based on 188 working days for the Association, an additional personal day would have a substantial cost impact of \$22,775

on the District for 1987-88 and \$28,385 for 1988-89 based on the Association's proposal. This is an exorbitant amount to be considered in addition to \$13,828 to cover substitute teacher pay, a total impact of \$78,816 for the contract duration.

4. Cap On Benefits

The Board contends that their proposal addresses the issue of the continued rising cost of health care. They also believe it is significant that the present self-funded plan was a voluntary agreement reached before the legislature required a two-year contract absent mutual agreement. Thus, this puts the District in a difficult position because the self-funded program for Shawano-Gresham is only in its second year. An accountable track record cannot be established until the year is completed. Therefore, the District has chosen to cap insurance benefits in the second contract year of 1988-89 to assure the continued level of benefits. It is also necessary since the Association has yet failed to recognize its responsibility to share the cost of rising health insurance. Moreover, the self-funded plan includes health, dental, and vision insurance benefits, commonly referred to as a "cadillac" plan. The District absorbs 100% of the full premium, while 44% of the Districts in the Association's comparable pool share premium costs. They also note that in the Pulaski District the teachers have agreed to share the cost of a health insurance increase if it exceeds 12%.

The District projects the increase in Shawano-Gresham

to be \$7.70/teacher or \$14,858 total. This, in their opinion, isn't unreasonable especially considering that the majority of the Districts in the comparable pool pay a deductible of \$100/person and \$300/family per year and do not enjoy vision insurance and paid life insurance.

IV. OPINION AND DISCUSSION

A. Comparable School Districts

The Parties are faced with a difficult question with respect to comparables. Shawano-Gresham, while a member of the BAC is geographically removed from the City of Green Bay and thus is not as influenced by its labor and product markets as are some other BAC schools. It is especially distinguished, in this and other respects, from Howard-Suamico, West De Pere, De Pere and Ashwaubenon.

Thus, the Arbitrator agrees with the Board that the standard application of the Athletic Conference as the comparable group is inappropriate under these circumstances. There is plenty of arbitral precedent to comprise comparable groups apart from the Athletic Conference where unusual circumstances present themselves. Here Shawano-Gresham is distinguished in many significant respects from the Districts contiguous to Green Bay, enough so that wholesale adoption of the Athletic Conference cannot be justified.

On the other hand, the Arbitrator disagrees with the Board that the answer to the comparable problem is to include, on an equally wholesale basis, all contiguous schools and those "two tiers" beyond Shawano-Gresham in the BAC and

Central Wisconsin Athletic Conference. The problem with this approach is it includes schools that are much too small to be meaningfully comparable in spite of their geographic proximity. For instance, other than Wittenburg-Birnamwood (1453 students) and the BAC schools, not one school in the Board's group has more than 893 students and the smallest of the groups has 410 students. Shawano-Gresham has 2335.

It is the Arbitrator's conclusion that the appropriate comparable group in this case should include the BAC schools, other than those contiguous to the School District of Green Bay, and Wittenburg-Birnamwood. The inclusion of Wittenburg is justified because the exclusion of Howard-Suamico, West De Pere, De Pere and Ashwaubenon leaves only five other schools. A sixth school partially within Shawano County, with a somewhat similar economic make-up and as close in size as Clintonville (another BAC school), rounds out a list of reasonably similar schools in the BAC. The following group satisfies the traditional criteria for comparability, substantially better than either group advanced by either party:

Pulaski
Seymour
New London
Clintonville
Marinette
Wittenburg-Birnamwood

However, as a practical matter this limits comparisons for this case on the salary issue to the rural BAC schools, since Wittenburg is not settled for either year in dispute.

B. Salary and Insurance

The salary issue and insurance issue are hard to separate for discussion purposes in this case. For instance, the following salary increase data from the Arbitrator's comparables tends slightly to favor the Association:

	<u>1987-88</u>		<u>1988-89</u>		<u>Two-year total</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Average	1631	6.3	1742	6.38	3373	12.76
Board	1513	6.09	1583	6.01	3096	12.10
(Diff to Av)	(-118)	(-.29)	(-159)	(-.37)	(-277)	(-.65)
Association	1800	7.24	1757	6.59	3569	13.83
	(+169)	(+.86)	(+ 15)	(+.21)	(+196)	(+1.07)

However, the fact that the Board offer is below the average by a greater margin than the Association is above the average, is mitigated by the fact the District provides an appreciable superior health insurance package and to a lesser extent, a superior life insurance plan. None of comparables offer vision insurance and all but one other school (Clintonville) has a \$100/300 deductible as part of their health plan. Thus, while the District's offer was -277 below the average two-year wage increase the superior insurance benefit in the first year tends to off set this difference in the first year on a total compensation basis.

Yet the Board proposes to cap benefits in the second year and thus there is nothing to offset their lower than average wage offer in the second year. If the Board proposed to carry their superior insurance package into the second year on a 100% basis -- as other Districts generally do -- there would

be no question that their salary and benefit offer would be preferable. On a total compensation basis their wage and benefit levels under their offer would have been quite comparable to other schools.

In contrast, the Association's offer which exceeded the average increase would not have been justified on a catch-up basis if the Board would have made a status quo offer on insurances in the second year. The plain fact of the matter is that the wage levels at the traditional benchmarks do not support a catch-up argument. For example, in 1986-87 Shawano-Gresham was +10 above the comparable average at the BA minimum, +443 above the average at the BA maximum, only -280 or 1.5% behind the average at the MA minimum, -849 or -2.9% behind the average at the MA maximum. These are not significant enough differences to justify catch-up, particularly when considering the superior health insurance plan. The only benchmark at which the differences are significant is at the scheduled maximum -1678 or -5.4% behind the average in 1986-87.

However, the fact that the Board is capping at least health insurance in the second year is more problematic than the fact the Union seeks small yet unjustified measures of catch-up. This is not to suggest that employees shouldn't, as a matter of principal, share in the cost of health insurance in the face of increasing cost. In fact, employees in comparable Districts share in the cost by way of deductibles. The Arbitrator is suggesting however, that before cost control efforts are employed, a problem or the strong likelihood of a

problem must be established by way of convincing evidence. Moreover, if there is a problem the remedial efforts should be reasonably fitted to the circumstances.

In this case, there has been no problem demonstrated with respect to health insurance cost. Certainly next to death there seems to be nothing more certain these days than the rising cost of health care. Yet none of the other comparable employers reacted to this potentiality by proposing a freeze on health insurance contributions in the second year of the contract. A more middle of the road approach -- such as the Pulaski plan -- would have been more palatable. By freezing benefits in the second year of the contract the Employer puts the employees at substantial risk that their competitive total compensation levels will come up appreciably short of those enjoyed by teachers in comparable Districts. The Parties in those Districts, in settling their contracts, took into account the cost of living, economic conditions as they reflect on the interest and welfare of the public as well as other public and private sector settlements. In doing so, not only did these school districts on average grant greater wage increases than offered by the District but not one asked for a health insurance freeze. Only Pulaski failed to continue the status quo health insurance contribution and then they only asked the teachers to share in the increase if it was over 12%. Even this represents a significant amount of protection against an increase in health insurance that the Shawano Board is not offering. A 12% increase in the total premium

in Shawano-Gresham would be \$42,775 or \$267/teacher. Thus, without at least this much protection the Board's lower than average salary offer could plunge Shawano even farther behind other schools on a total compensation basis. This, when all things are considered, causes the Arbitrator to favor the Association proposal on wages and health insurance.

There are additional reasons the Board's proposal is problematic. The mere ambiguity of the "cap on benefits" in 1988-89 creates some problems. It is reasonable to expect a proposal to be understandable on its face and not to subject to serious and basic questions as to its meaning. The District did argue that the proposal was meant to apply to health insurance. However, it is somewhat repugnant to the statutory process to allow a party to perfect its final offer at the late stage of arbitration.

C. Personal Leave and Professional Improvement

The remaining issues relate to personal leave and professional improvement. With respect to the former, the Arbitrator does not favor the Association's proposal. It is totally open ended without restriction to purpose or approval by the Superintendent. Moreover, it amounts to an additional day over the two leave days presently available. Thus, in all respects, the proposal is out of step with the comparables. Moreover, it is expensive and is not justified on need nor is any quid-quo offered. There is nothing wrong with the status quo.

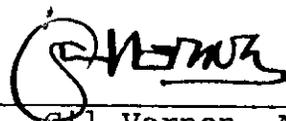
Regarding the Board's proposal on professional improvement, all that was stated concerning the Association's personal leave proposal can be stated with equal force. There is no demonstrated need, no quid-quo and little or no support in the comparables.

D. Consideration of the Offers as a Whole

It is apparent that both offers has its share of 'warts'. The Association is asking for too much of an increase and an extra unrestricted personal leave day, which simply isn't justified. The Employer offers less than the average wage increase and shoots itself in the foot by proposing a benefits freeze and a significant penalty provision in the professional improvement language. Accordingly, it is the judgement of the Arbitrator that the Association's offer is less inconsistent with what the Aribtrator would judge to be an appropriate final offer than is the District's offer. The "cap on benefits", a less than average salary offer and the professional improvement penalty are on the whole a greater detractor than is the personal leave proposal and a higher than average salary offer.

AWARD

The Association's final offer is awarded.



Bill Vernon, Arbitrator

Dated this 15th day of September, 1988 at Eau Claire, Wisconsin.