

**RECEIVED**  
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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

In the Matter of Final and Binding :  
Final Offer Arbitration Between :  
:  
**STOUGHTON EDUCATION ASSOCIATION** :  
:  
and : **AWARD**  
:  
**STOUGHTON AREA SCHOOL DISTRICT** :  
:  
WERC Case 36 No. 43504 : **Decision No. 26519-A**  
INT/ARB-5570 :

**I. NATURE OF THE PROCEEDING.** This is a proceeding under Section 111.70 (4) (cm) 6 and 7 of the Wisconsin Statutes. The Stoughton Education Association on January 19, 1990, filed a petition with the Wisconsin Employment Relations Commission alleging that an impasse existed between it and the Stoughton Area School District in collective bargaining. The Commission investigated through staff member Jane B. Buffitt who found that the parties were at impasse. The parties had on June 12, 1990, submitted final offers. The Commission found that the parties had substantially complied with procedures set forth in the Municipal Employment Relations Act and that an impasse did indeed exist. It certified that conditions precedent to the initiation of arbitration as required by Section 111.70 (4) (cm) 6 of the Act had been met and on June 19, 1990, ordered arbitration that would result in a final and binding award. The parties having selected Frank P. Zeidler, Milwaukee, Wisconsin as the arbitrator, the Commission issued an Order appointing him on August 11, 1990.

**II. HEARING.** A hearing in the above entitled matter was held on September 20, 1990, beginning at 10 a.m. at the administrative offices of the Stoughton Area School District. Parties were given full opportunity to give testimony, present evidence and make argument. Briefs and reply briefs were exchanged through the arbitrator. Reply briefs were exchanged on November 16, 1990.

**III. APPEARANCES.**

**MALLORY K. KEENER**, Executive Director, Capital Area UniServ South, appeared for the Association.

**MELLI, WALKER, PEASE & RUHLY, S.C.**, by **JACK D. WALKER**, Attorney, appeared for the District.

**IV. FINAL OFFERS.** The final offers are Appendices A and B.

**V. FACTORS TO BE CONSIDERED.** In final and binding final offer arbitration the arbitrator shall give weight to certain factors. The description of these factors is taken from Association Exhibit 1.

**ARBITRAL CRITERIA UNDER WISCONSIN STATUTE 111.70(4)(CM)**

7. Factors considered. In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator shall give weight to the following factors:

- a. The lawful authority of the municipal employer.

b. Stipulation of the parties.

c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.

d. Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services.

e. Comparison of the wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes generally in public employment in the same community and in comparable communities.

f. Comparison of the wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes in private employment in the same community and in comparable communities.

g. The average consumer prices for goods and services, commonly known as the cost-of-living.

h. The overall compensation presently received by the municipal employes, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

i. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

j. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

**VI. LAWFUL AUTHORITY OF THE EMPLOYER.** The District raises a question of the legality of the arbitrator to do anything other than to approve the District's offer. It bases this contention on the fact that a proposal by the Board of the District to levy a tax of \$7,981,149 for the 1990-1991 budget was defeated in an annual District meeting of July 23, 1990, by a vote of 59 yes, 63 no of the citizens present. (Dist. Ex. 52). The Board of the District on September 14, 1990, adopted a tax levy of \$7,816,649. (D.54). Cuts included \$51,500 in computer equipment and \$14,000 in substitute costs out of \$84,500 in total cuts. (D.55). The total budget was cut from an original \$15,672,671 to \$15,588,171.

The District argues that though the annual meeting may not nullify the Board's actual ability to tax, and though the turnout of citizens is small, yet annual meetings are political events provided by the Wisconsin Statute Section 120.10. Interest arbitration takes place under another statute

presumably of equal import, but not of greater import. Therefore the lawful authority of the employer should be construed as limited by the limit that a lawful electorate is able to pay. This legal-political factor should not be ignored.

The Association responds by asserting that the rejection of the first budget by the electorate was not shown to have been caused by an unwillingness of the community to fund the offer of either party, but rather was focused on a new program of the District in computer instruction.

Discussion. A legal question has been inserted by the District as to the effect of a vote of an electorate rejecting a District budget which includes the cost of educational staff and programs. Subchapter IV of the Statutes dealing with Municipal Employment Relations in Section 111.70, Municipal Employment (1) Definitions, at (a) reads,

"'Collective Bargaining' means the performance of the mutual obligation of a municipal employer, through its officers and agents, and the representatives of its employees to meet and confer at reasonable times, in good faith, with respect to wages, hours and conditions of employment, except as provided in s. 40.81 (3), with the intention of reaching an agreement, or to resolve questions arising under such an agreement." This process is further described as "The duty to bargain."

At a certain stage this process can reach a stage of "interest arbitration," (Section 111.70 (4) (cm) 6). A reading of this section and Section 111.70 (4) (cm) 7("Factors considered") does not provide directly for a limitation of the process by a finding that an advisory vote of a district electorate in a proposed budget automatically determines that a school board's offer limits the bargaining process by making illegal an offer that may result in a greater expenditure than the Board's offer.

Pending any further legislative or judicial determination of this point, the arbitrator cannot so rule. Since no other legal impediment in the District offer appears, the arbitrator holds that the Employer here has a legal right to meet either offer.

**VII. STIPULATIONS.** The parties, though not in disagreement on certain proposals in their offers or on the uncontested portions of the previous agreement, nevertheless have not made any written stipulations. (Tr. 9). As to their proposals, there is no dispute over the duration term of the agreement or the calendar, or over what portion of the insurance premiums employer and employees will pay, or over the additive schedule. The differences between the parties are on salary schedules and on voluntary early retirement provisions. (Tr. 8).

**VIII. COSTS OF THE OFFERS.** The parties presented exhibits on salary increases from which the following tables have been extracted.

**Table I**

**COSTS OF OFFERS AS REPORTED BY DISTRICT**

FTE 192.42

**A. Association Offer**

	<u>89-90</u>	<u>% Inc.</u>	<u>90-91</u>	<u>% Inc.</u>
Salary	5,793,615	7.34	6,210,935	7.20
Longevity	71,169	21.01	84,795	19.15
Extra Curricular	236,361	5.00	248,179	5.00
Sub Total	6,101,145	7.39	6,543,909	7.26
Grand Total	8,067,000	8.17	8,741,160	8.36
Aver. Salary + Incre.	30,109	7.34	32,278	7.20
\$ Inc.	2,059		2,169	
Aver. Salary, All Items	31,707	7.39	34,008	7.26
\$ Inc.	2,182		2,301	
Overall Compensation	41,924	8.17	45,428	8.36
\$ Inc.	3,165		3,504	

**B. District Proposal**

Salary	5,709,815	5.79	6,043,658	5.85
Longevity	70,168	19.26	82,511	17.64
Extra Curricular	236,361	5.00	248,179	5.00
Sub Total	6,016,361	5.90	6,374,398	5.95
Grand Total	7,965,927	6.81	8,539,128	7.20
Aver. Salary	29,674	5.79	31,409	5.85
\$ Inc.	1,624		1,735	
Aver. Salary, All Items	31,267	5.90	33,127	5.95
\$ Inc.	1,741		1,861	
Overall Compensation	41,399	6.81	44,378	7.20
\$ Inc.	2,640		2,979	

(District Exhibit 1)

**Table II**

**COST OF OFFERS FOR SALARIES AS REPORTED BY SEA**

192.42 FTE (Cast Forward Method)

**Association Only**

<b>Association Offer</b>	<u>88-89</u>	<u>89-90</u>	<u>90-91</u>
Total Payroll	\$5,397,409	\$5,793,588	\$6,211,027
Aver. Salary	28,050	30,109	32,278
Aver. \$ Inc.		2,059	2,169
% Inc.		7.34	7.21

(SEA Exhibit 48)

Table III

ACTUAL SALARY COSTS ONLY OF OFFERS, 89-91

A. 1989-90.	197.229 FTE	B. 1990-91.	202.953 FTE
SEA	\$5,822,910	\$6,217,667	6.8%
District	5,738,685	6,050,208	5.4%

(SEA Exs. 51-54)

**IX. COMPARABLE DISTRICTS.** The comparable districts of the SEA are these: DeForest, Madison, McFarland, Middleton, Monona Grove, Monroe, Oregon, Sauk-Prairie, Stoughton, Sun Prairie and Verona.

The comparable districts used by the District are the districts of the Badger Athletic Conference. ("Conference"). These districts are Waunakee, Sauk-Prairie, Oregon, Monona Grove, Monroe, Middleton-Cross Plains, DeForest, and Fort Atkinson.

The SEA list consists of school districts in Dane County. It has dropped Monroe, Fort Atkinson and Waunakee from the Conference list, Monroe, because it is in Green County, Fort Atkinson, because it is not settled, and Waunakee, because it has a salary structure which makes it difficult to make comparisons with other Conference districts. Verona is added, because it is applying for Conference admission. (Tr. 8-11). The following table gives some data about the size of the districts in staff and membership.

Table IV

DISTRICT STAFFING

	FTE
DeForest (C)	138.56
Madison	1408.60
McFarland	96.61
Middleton (C)	217.85
Monona Grove (C)	124.03
Monroe (C)	159.67
Oregon (C)	151.53
Sauk-Prairie (C)	129.27
Stoughton (C)	167.85
Sun Prairie	246.06
Verona	134.60
Waunakee (C)	121.80
Fort Atkinson (C)	171.0 (D. 14)
	168.20 (SEA 15)

(SEA 11; Dist. 2-14)

In an arbitration between the parties in 1979, the SEA used in addition to the Badger Conference, the Watertown School District. The District used the Conference and DeForest, Mount Horeb and Verona. Arbitrator Hitchison included all of them as comparables. (SEA 81). In an arbitration of 1987, both parties relied on the Badger Athletic Conference for comparables. (D 82).

SEA Position Summarized. SEA holds that the most reasonable and meaningful comparison of Stoughton to other school districts is found in their common satellite relationship to the Madison Metropolitan School District, and their relatively equal size. The Madison District is included because of the dominating economic influence it extends in the school market. Madison wages, hours and conditions of work have a continuing relationship to the satellite school districts as shown by eight teachers recently employed in Madison who came from the Stoughton District.

Districts like Fort Atkinson, Monroe and Sauk Prairie are outside of the Madison sphere of influence.

District Position Summarized. The District notes that in the previous contract the parties agreed to use as a means of comparison the average salary increase generated in the Conference districts. It contends that by devising a new comparability group, SEA is trying to argue that a catch-up is necessary. The District notes that although Fort Atkinson is not settled, both offers there are lower than SEA's. The argument SEA makes that Waunakee has no benchmarks avoids meeting the question of over-all costs. That Verona is considering entrance into the Conference is an argument why the Conference should be considered for comparison. As to the influence of Madison, the District offer also shows the influence of Madison through the inclusion of Madison "bedroom" suburbs, Monona and Middleton.

Discussion. In view of Table IV, which compares school staff sizes, the arbitrator is of the conclusion that the use of Conference schools is reasonable in providing a good basis for salary and condition comparisons. The inclusion of the much larger Madison Metropolitan School District among a comparable group tends to outweigh whatever influence it may have among suburban districts. Further the presence of some districts farther from the central city of Madison provides some of the counterbalancing effect of less populated areas that also affect Madison suburban districts. Also previous use of Conference districts for comparisons lends weight to the reasonableness of the use of those districts here.

Thus the Conference districts have a primary value for comparison and the group of districts developed by SEA have a secondary value, and state-wide or other comparisons a tertiary value.

**X. SALARY COMPARISONS WITH COMPARABLE DISTRICTS.** As noted earlier, the parties have two different comparable lists and have based their presentations on comparisons made within these lists. The arbitrator has judged that the Conference list of comparables is the primary list. However, there will be reporting here on what is produced by the secondary list of comparables. It is to be noted also that SEA also made comparisons with the Conference list and these comparisons appeared in the Reply Brief of SEA

Two types of comparisons are being made. SEA uses benchmarks as the most significant although it asserts that its members with longer terms of employment do not like the initial hiring practice of the District which starts new employees at the Third Step, since this gives a distorted picture of length of service and is essentially unfair to employees with a longer term of employment.

The District uses average increase per teacher as a method.

In using benchmarks as the means of comparison and this among the Conference districts, SEA comes out with the following results:

**Table V**

COMPARISON OF OFFERS IN CONFERENCE DISTRICTS AT BENCHMARKS:  
DIFFERENCES BETWEEN OFFERS IN STOUGHTON AND SETTLED CONFERENCE DISTRICTS

<u>Benchmarks</u>	1988-89	1989-90		1990-91	
	<u>Dist. &amp; SEA</u>	<u>Dist.</u>	<u>SEA</u>	<u>Dist.</u>	<u>SEA</u>
BA Min	- 632	- 644	- 378	- 560	- 35
7th	-1088	-1105	- 775	-1298	- 646
Max.	-1131	-1279	- 907	-1913	-1117
MA Min.	- 585	- 545	- 247	- 461	+ 128
10th	-2515	-2616	-2217	-2532	-1744
Max.	-1374	-1518	-1039	-1474	- 528
Sched. Max.	-3118	-3201	-2696	-3483	-2484

(SEA Reply Brief, Pp. 4, 10, 11)

The SEA Reply Brief is also the source of the next table:

**Table VI**

DIFFERENCE OF STOUGHTON BENCHMARKS TOTALLED  
AND CONFERENCE AVERAGES TOTALLED

	1988-89	1989-90		1990-91	
		<u>Dist.</u>	<u>SEA</u>	<u>Dist.</u>	<u>SEA</u>
Total of Conferences					
Aver. Benchmarks	183,240	191,424	191,424	200,640	200,640
Total Diff., Stoughton Benchmarks and Conf. Aver.	-10,443	-10,408	- 8,259	-11,721	- 6,486
Difference in %	5.69	5.69	4.31	5.84	3.23

(SEA R.B., P 12)

In the matter of the comparable school districts picked by SEA, SEA produced weighted group averages for DeForest, McFarland, Middleton, Monona Grove, Sun Prairie and Verona for the years 1986-87 to 1989-90. In its 1990-91 averages it did not have DeForest or Sun Prairie which had not settled. With these averages it made comparisons to the offers in the instant matter.

These tables are abstracted from the tables in the SEA brief:

**Table VII**

DIFFERENCE OF STOUGHTON OFFER IN COMPARISON TO WEIGHTED AVERAGES OF SEA PRIMARY GROUP AT BENCHMARKS FOR SELECTED YEARS

	1989-90				1990-91			
	SEA		Dist.		SEA		Dist.	
	\$	%	\$	%	\$	%	\$	%
BA Min.	- 593	-3.12	- 859	-4.53	- 697	-3.45	-1222	-6.05
7th	- 627	-2.68	- 957	-4.08	- 797	-3.19	-1449	-5.80
Max.	+ 197	+0.77	- 175	-0.68	- 280	-1.02	-1016	-3.69
MA Min.	- 539	-2.55	- 837	-3.96	- 832	-3.67	-1421	-6.27
10th	-1419	-4.89	-1818	-6.27	-1725	-5.57	-2513	-8.12
Max.	+ 566	+1.74	+ 87	+0.27	+ 29	+0.08	- 917	-2.62
Sched. Max.	-1143	-3.17	-1648	-4.57	-2485	-6.29	-3483	-8.81

(SEA Brief, App's D, E, F, G)

**Table VIII**

DIFFERENCE OF STOUGHTON OFFERS IN COMPARISON TO UNWEIGHTED AVERAGES OF SEA PRIMARY GROUP AT BENCHMARKS FOR SELECTED YEARS

	1989-90				1990-91			
	SEA		Dist.		SEA		Dist.	
	\$	%	\$	%	\$	%	\$	%
BA Min.	- 629	-3.31	- 895	-4.71	- 658	-3.27	-1183	-5.87
7th	- 731	-3.11	-1061	-4.51	- 894	-3.57	-1546	-6.17
Max.	- 144	-0.56	- 516	-1.99	- 724	-2.58	-1460	-5.21
MA Min.	- 628	-2.96	- 926	-4.36	- 751	-3.33	-1340	-5.93
10th	-1634	-5.59	-2033	-6.96	-1779	-5.74	-2567	-8.28
Max.	+ 233	+0.71	- 246	-0.75	- 55	-0.16	-1001	-2.85
Sched. Max.	-1617	-4.42	-2122	-5.80	-2659	-6.70	-3657	-9.21

(SEA Brief, App's H, I, J, K)

In Appendices L, M and N, SEA ranked benchmarks for the 1988-90 and the offers in 1989-90 and 1990-91 among SEA's comparables with the following results:



Table IX

RANK OF STOUGHTON SALARIES AMONG SEA COMPARABLES

Benchmark	1988-89	1989-90		1990-91	
	<u>8 Districts</u>	<u>SEA</u> <u>8 Districts</u>	<u>Dist.</u> <u>8 Districts</u>	<u>SEA</u> <u>6 Districts</u>	<u>Dist.</u> <u>6 Districts</u>
BA Min.	8	6	6	5	6
7th	7	7	7	5	6
Max.	5	4	4	4	4
MA Min.	7	6	6	5	5
10th	8	7	7	6	6
Max.	5	5	5	5	5
Sched. Max.	7	6	7	6	6

SEA made in its Appendices D through K similar comparison to weighted and unweighted state-wide averages. The result showed greater dollar and percentages differences between the state averages and the Stoughton offers, with the Stoughton offers being lower in dollars and with a greater percentage differential at the benchmarks.

Among the 11 school districts which SEA considers as primary districts, its average teacher salary in 1988-89 was 5th in rank at \$29,676 with 17.6 years experience. Two districts, Madison and Monona Grove, had an average of 18.4 experience. (SEA 40).

The following information is derived from SEA Exhibits 41, 42, 43:

Table X

RANK OF STOUGHTON OFFERS AMONG 11 DISTRICTS  
CONSIDERED COMPARABLE BY SEA

Benchmark	1988-89	1989-90		1990-91	
		<u>SEA</u>	<u>Dist.</u>	<u>SEA</u>	<u>Dist.*</u>
BA Min.	11	8	11	6	8
7th	10	9	10	6	8
Max.	7	6	6	6	6
MA Min.	10	8	9	6	7
10th	11	10	10	8	8
Max.	7	7	7	6	7
Sched. Max.	11	9	10	7	8

\*8 Districts only

On the basis of information of actual salaries found in its exhibits, SEA developed its exhibits 45 and 46. In these exhibits the tables show that in SEA's list of comparables, Stoughton has dropped farther behind the average at each benchmark from 1979-80 to 1988-89. This is also reflected in a similar kind of lessened percentage for Stoughton as compared to the average.

SEA has also made a specific comparison of Stoughton offers to the Madison Metropolitan School District, percentagewise at 1988-89 and 1990-91. The results are summarized.

**Table XI**

PERCENTAGES BENCHMARKS AT STOUGHTON ARE OF MADISON

Benchmark	1988-89	1990-91	
		SEA	Dist.
BA Min.	88.1	90.9	88.5
7th	84.1	86.8	84.4
Max.	72.6	74.9	72.9
MA Min.	89.7	92.6	90.1
10th	85.3	88.0	85.6
Max.	88.1	91.0	88.5
Sched. Max.	79.7	82.3	80.0

(SEA Brief, p. 23)

The District has relied on comparisons of increases in average salary in Stoughton as compared with the average salary in the districts in the Conference. The following table is derived from District Exhibits 1 and 2.

**Table XII**

COMPARISON OF AVERAGE CONFERENCE SALARIES,  
AND DOLLAR AND PERCENT INCREASE WITH STOUGHTON OFFERS

1989-90	Average Salary	\$ Inc.	% Inc.
Conference			
Highest	32,782	1938	6.6
Lowest	28,535	1439	5.2
Average	30,257	1653	5.8
Stoughton			
SEA	30,109*	2059	7.34
District	29,674*	1624	5.79
* With increment			
<u>1990-91</u>			
Conference			
Highest	34,858	2076	6.7
Lowest	39,326	1652	5.3
Average	32,240	1884	6.2
Stoughton			
SEA	32,278	2169	7.2
District	31,409	1715	5.85

The District is stressing the value of the longevity system found in Stoughton. In Stoughton this system calls for a 3% of the base salary every 4 years to a maximum of 12% for the lanes B+30, M, M+12 and M+24. At four other Conference districts there are also longevity systems, thus

Monona Grove - 5% of the base at M+12 and M+24 every 4 years with no maximum.

Monroe - 3% at BA+24 and MA+24 at the next step.

Oregon - 4% of previous salary for all lanes with about \$1,580 as maximum.

From District Exhibit 30, the impact of these longevity systems on Stoughton is abstracted:

Table XIII

COMPARABILITY OF STOUGHTON OFFERS,  
RANK WITH CONFERENCE DISTRICTS AND WHITEWATER, EDGERTON AND JEFFERSON,  
AND IMPACT OF LONGEVITY IN 1989-90

Benchmark	86-87	87-88	88-89	89-90			
				SEA		District	
				w/o Long.	w/Long.	w/o Long.	w/Long.
BA Min.	8	11	10	7		10	
7th	9	10	10	9		10	
Max.	6	6	7	6		6	
MA Min.	10	10	10	8		10	
10th	12	12	12	11		11	
Max.	6	7	8	7	4	8	4
Sched. Max.	9	11	12	9	5	11	5

Position of SEA Summarized. The Association makes these arguments on base wages. A catch-up situation is present, and comparison then must be made on the actual dollar settlement per cell rather than percent per cell. It cites Arbitrator Bellman(1) and Vernon(2) to the effect that where there is a lagging in comparable dollar amounts in comparisons, the actual dollar amounts offered rather than the percent increases should be considered.

- Rankings among the SEA group of comparables show the need for a catch-up. A deterioration of Stoughton as compared to other districts has occurred over the years. In unweighted comparisons, Stoughton has lost at every benchmark in the past five years. The SEA offer is an adequate and reasonable catch-up increase. Comparison with the Madison district which attracts Stoughton teachers is justifiable since Madison salaries provide a kind of target for surrounding districts. The SEA offer is an improvement toward the Madison level.

(1) NEST (CESA #9) INT/ARB-4910, March 24, 1989.

(2) Stevens Point, INT/ARB-4957, August 2, 1989.

- That the District offer salary levels are too low is shown in the fact that new employees are hired at Step 3 on the BA lane. This permits the District to artificially boost the hiring rate for teachers with no experience, but it is unfair to experienced teachers who have given long service to the District.

- The most experienced teachers are those who are leaving the District for higher pay.

- The District effort to divert attention from benchmark comparisons obscures the fact that Stoughton salaries are low in comparison. Though the average salary increases may be comparable, yet this method results in below average salaries for Stoughton teachers. The District offer results in an additional deterioration for Stoughton teachers. Stoughton salaries are not only low in comparison with its list of comparables, but also with the Conference comparables.

- The previous agreement to accept an average Conference salary increase is a failed experience. This "average increase" method did not work in a catch-up situation, and SEA let the District know of its disapproval of this method.

- When the Stoughton salaries are compared to Conference schools, they fall drastically short of Conference averages. Further the SEA offer is more reasonable by comparison with any of the groups the parties have discussed. Average salaries applied to correcting the differences in comparison with Conference schools would not roll back or correct the erosion. The tables show in the SEA reply brief that Stoughton salaries were 5.69% behind the Conference average in 1988-89. The District offer would keep Stoughton at 5.69% below the average; in 1990-91 this would go to 5.84% below the average. The Association offer would result in a small but steady improvement to 4.31% below average in 1989-90 and 3.23% in 1990-91.

- The Board's inclusion of longevity pay in its arguments is not a weighty matter. Longevity pay is not in dispute, longevity payments are not unusual in the comparable group. Further the longevity in Stoughton is not remarkably good in that it takes a teacher 17 years in the District to qualify and the maximum of 12% is reached by four year steps. Teachers would retire before longevity is reached and none now get more than 6%.

Position of the District. Arguments of the District include:

- The District method of providing for a base, which is the average salary increase in the Conference, was agreed to for the three years of the last agreement. This method is not unfair, contested, or a suspect goal and the data is not seriously suspect. For 1989-90 the settled average of the Conference is \$1,653. The Board's offer is \$1,624, but the SEA is asking for \$2,059. This offer excludes longevity whereas the Conference schools' average includes longevity. SEA's offer exceeds the average increase in both of the Madison bedroom communities of Middleton and Monona Grove.

- District arguments for its offer can be stated in table form developed from District exhibits:

**Table XIV**

COMPARISONS OF AVERAGE INCREASES IN OFFERS ACCORDING TO DISTRICT DATA

<u>1989-90</u>	\$ Inc.	% Inc.
A. Including Longevity		
Settled Conference Average	1,653	5.8
SEA	2,123	7.49
District	1,682	5.9
B. Excluding Longevity		
SEA	2,059	7.34
District	1,624	5.79
C. Including Longevity and Co-curricular		
SEA	2,182	7.39
District	1,741	5.9

CONFERENCE SETTLEMENTS AND PROPOSED OFFERS.  
AVERAGE INCREASES INCLUDING LONGEVITY

<u>1990-91</u>			
Oregon	\$1,652	DeForest Un.	\$1,974
Sauk Prairie	1,790	Middleton	2,041
DeForest Bd.	1,791	Ft. Atkinson Un.	2,059
Stoughton Dist.	1,799	Monona Grove	2,076
Monroe	1,874	Stoughton Un.	2,239
Wauwaukee	1,874	Ft. Atkinson Bd.	2,251
Average of all above w/o Stoughton			\$1,938
Average of all above w/o Stoughton and Ft. Atkinson			1,884

The above data shows that the offer of SEA is not comparable to settlements or proposed offers.

- The proposed Verona settlement for 1990-91 is \$1,950 and \$2,000 for 1991-92. The 1990-91 Verona settlement for the average teacher is less than the SEA proposal of \$2,169 without longevity. The benchmark method of analysis does not give credit for longevity. Stoughton however has heavy longevity.

- Benchmark data of the Association in its Exhibit 8 does not analyze the Conference, but the SEA group of comparables; but even so, the ranks of various districts jump around so much as to prove nothing. Even using SEA Exhibit 8, the slippage for Stoughton is in the respective benchmarks beginning at the BA minimum 3, 3, 1, 0, 1, 3 over ten years. The surprise is that it is not more, given the carefully crafted comparables of SEA.

- With the same SEA comparables in its Exhibits 42, and 43, data show the SEA offer does not affect rank appreciably except in the BA minimum and BA 7th steps. It merely inflates rank in the BA lane, costs more, and ignores longevity at the maximum. If slippage in the beginning lane was noticed, it should have been addressed and not used as a means to support an unreasonable demand across the board.

- The District disputes SEA contention that there has been a loss in comparative compensation with any relevant comparable group. The Association is openly seeking parity with Madison, but also admits that the District offer too narrows the percentage difference between Stoughton and Madison.

- SEA has suggested in its own Brief that a reason for its unusually high salary demand is that a present group of early retirees will get a boost in salary this year which will boost their retirement benefits by an artificial amount. This alone is a reason to reject the SEA offer.

- As to whether the District admitted it cannot attract new teachers to the District, both parties have agreed historically on attracting new teachers by hiring above the base. Thus a specific problem was addressed whereas now SEA is demanding a solution which would give the highest wage increase in any of the group of comparables.

Discussion. An initial question posed by the parties' offers is whether the method of comparing average increases or the method of comparing benchmarks is the more meritorious for determining comparability between districts. In the experience of this arbitrator both have their defects. The method of averaging increases of teachers tends to lump the teaching cohort without respect to placement in the schedule and does not readily record length of service or educational attainment which are essential elements in making comparison. On the other hand use of benchmarks has its weaknesses in that benchmarks may not truly represent years of experience through freezing of steps of hiring at advanced placement without necessarily representing experience. It is the opinion of this arbitrator that benchmarks, for all their weaknesses, are more likely to represent payment for experience and educational attainment which are useful for position comparison. Average salary is useful primarily when considered under over-all compensation. It is the opinion of the arbitrator, that dollar value of comparable experience and education is a good standard by which to judge comparability where teacher salary grids are involved.

Thus in this matter the status of Stoughton in benchmark comparisons will be given the greater consideration. However since the arbitrator has judged that consideration also should primarily relate to the Conference districts, some complications result. The District which offered as comparables the Conference districts did not develop benchmark information on the 9 districts involved. However SEA in its list of comparables included 7 of the 9 Conference districts and from this list of DeForest, Middleton, Monona Grove, Monroe, Oregon, Sauk-Prairie and Stoughton, plus information furnished by the District on Fort Atkinson, some judgements can be made as to the comparability. Waunakee, another Conference district, has a system of teachers earning "points" which does not admit of comparison except on the average teacher increase method.

Tables V and VI foregoing are illuminating. These tables which SEA developed in its Reply Brief show that both Stoughton offers are considerably below Conference averages for the years 1988-89 to 1990-91. SEA Exhibit 8, when the districts of Madison, McFarland, Sun Prairie and Verona are removed, reveals that for the seven districts remaining, for 1988-89 Stoughton has this rank beginning with BA minimum and progressing to Schedule Maximum: 7, 6, 4, 7, 5, 7. This would indicate that there is a catch-up situation at Stoughton.

Stoughton's position ranked above Fort Atkinson in five of seven benchmarks in 1988-89: BA minimum, 7th and maximum and MA minimum and maximum. The 1989-90 and 1990-91 Fort Atkinson offers have been described in the text above, but do not generally affect the situation that there is a catch-up situation in Stoughton.

The comparisons that SEA has made of its status among its own list of comparables as reported in Tables, VII, VIII, IX and X, though secondary, tend to support this low ranking of Stoughton. SEA Exhibits 41, 42 and 43 with the non-Conference districts eliminated, support the perception of a need for a catch-up.

The average salary proposed by the District is also somewhat less than the average Conference increase. Table XIII on the impact of longevity also shows a low ranking for Stoughton. Longevity systems indeed are a cost but that kind of cost can be also considered in calculating total increases in compensation which is done hereafter.

The conclusion of the arbitrator is that the SEA offer is reasonable in a catch-up situation within the Conference districts.

**XI. COMPARISON WITH SALARIES IN THE SAME MUNICIPALITY.** The parties submitted exhibits relating to wage scales and percentage increases in the municipality of Stoughton and the school district. The following information is derived from District Exhibits 37 to 48.

**Table XV**

**PERCENTAGE INCREASES FOR MUNICIPAL EMPLOYEES AND GROUPS**

City of Stoughton	1989	1990	1991
City Clerk	4.04	4.5(1)	
Treasurer	4.04(1)	4.5	
Director of Public Works	4.04	4.5(1)	
Building Inspector-Assessor	4.04	4.5(1)	
Police Chief	4.04	4.5	
Patrolman	3.8(1)	5.9(1)	
Pumper Driver	4.0	5.9	
Mechanic-Machine Operator	4.0(1)	4.0(1)	
Journeyman Lineman	4.0	3.7	

(1) At top step for the year.

Table XV - continued

School District	1989	1990	1991
Director of Ins.	4.7	5.4	5.8
Business Manager	11.2	5.4	5.6
SHS Principal	4.1	5.3	6.0
MS Principal	7.3	5.6	6.9
Elem. Principal (2)	4.9	3.5	6.9
Supervisor I	6.3	5.0	4.5
Supervisor II	6.0	4.9	4.3
Building Custodian	3.2	4.6	4.4
Clerk 5		5.0	5.0

(From Dist. Exs. 37-48)

SEA in its Exhibit 47 lists administrator's salaries in the 11 districts SEA considers comparable. The Stoughton administrator is 3rd in salary and 4th in salary and fringes.

District Position Summarized. The District says that some of the positions in City government are as responsible and professional as teacher positions. City persons in those positions work for twelve months as compared to teachers who work nine months. The highest paid City employee, the finance director/treasurer, makes \$33,138 for twelve months as compared to the average teacher who earned in 1988-89 \$29,676. City pay increases in 1988 at the city hall averaged 3.80 and at the utility department 3.54%. In 1987-88 the increase, including incremental lifts, was 4.2%. The 1990 increase in the city hall averaged 5%.

Patrolmen with split raises got 3.7% in 1989 and 5.9% in 1990. Raises given pumper drivers were 6.1% in 1989 and 4.7% in 1990, and will be 4.9% in 1991. The percentage increases for journeymen lineman, and school administration salaries in most cases are in line with what the District's offer to the teachers is. None approach the Association offer for 7.3% and 7.20% without longevity.

School non-teacher supervisors, custodians, secretaries and aides do not get the increases proposed in the offers. City salaries are nevertheless inflated over the collective market by interest arbitration and non-teacher salaries are inflated by arbitration and teacher salaries. Nevertheless the District offer exceeds all these, and the Association offer is even higher.

SEA Position Summarized. Teachers give emphasis on comparisons to other teachers who are employees performing similar service. This is more meaningful in comparison to other categories of public employees or private employees whose work is intrinsically different from that of teachers. It is impossible to determine from the District's exhibits how teachers can be compared in level of education, degrees required, licensure, continuing education, preparation outside the work day and many other categories of work that teachers do, all of which distinguish the teaching profession. Further it is not possible to determine the intervals in which non-teachers get pay increases and what fringe benefits public employees other than teachers get in vacations, holidays and the like.



SEA rejects any criticism of Wisconsin property tax laws and arbitration laws advanced by the District. Interest arbitration is not the forum for these matters.

Discussion. The evidence is that the District offer more nearly meets the criterion of comparability with changes in salary or wage levels of other public employees as far as percentage increases go. There is however a difficulty in comparing compensation for like work between teachers and all but top municipal supervisory employees. The argument of the District verges on the comparing of the hourly compensation for teachers paid for nine months work and top supervisory employees who work a full year minus such time off as they may receive. To attempt to develop such comparisons here exceeds the capacity of the arbitrator, because so many conditions would enter into such a comparison, conditions which are not revealed by exhibits of the parties.

**XII. COMPARISON WITH PRIVATE EMPLOYEES.** District Exhibit 58, a release of the US Department of Labor of January 25, 1990, reported that in major collective bargaining settlements in private industry for 1989 wage rate adjustments average 4.0 in the first contract year and 3.3 percent over the life of the agreement. Parties who had entered into these agreements had in previous agreements settled for a 2.4% increase over the life of the previous contracts.

District Exhibits 59 and 60 concerned a wage scale at Stoughton Trailers, Inc., a principal employer in the area. A union proposal was that a rate of \$8.13 an hour for an assembler be raised to \$9.13 since no general raise increase had occurred since January 1988, a period of approximately 32 months to September 1990. The proposed raise would amount to 4.6% per year. However thereafter the union proposed an 80 cents per hour increase for each of the two years following a contract ratification. Under a previous schedule an assembler earned \$7.73. This was a schedule from 1985. Thus at present an assembler has a 5.1% increase in pay over 1985. The \$9.13 increase would amount to a 18% increase over 1985, or a 3% increase per year. The union offer is a proposal only.

Position of the Parties Summarized. The District notes that Stoughton Trailers, 45th in revenue for privately held Wisconsin companies, has not had to pay inflationary wages, and the same is true in the national private collective bargaining increases. In addition the Stoughton Trailers pays half the health costs as compared to the District's paying 90%.

SEA states that it is not possible to compare wages in the private sector which are not for professional employees with those of teachers.

Discussion. The evidence is limited about what private employers are paying in the Stoughton area, but a reasonable conclusion can be made that for non-professional employees comparable to teachers, lower percentage increases for salaries and wages are in evidence.

**XIII. COST OF LIVING.** The following information is derived from District Exhibits 33, 34, 35, and 36:

CPI-W	August, 1988, National	117.7	
	August, 1989, National	123.2	
	Increase		4.67%
CPI-W	June, 1989, National	124.1	
	June, 1990, National	129.9	
	Increase		4.67%
CPI-W	August, 1988, Small Metro Areas	116.1	
	August, 1989, Small Metro Areas	120.8	
	Increase		4.04%
CPI-W	June, 1989, Small Metro Areas	121.0	
	June, 1990, Small Metro Areas	125.2	
	Increase		3.47%

The District in its brief offers these tabulations:

	District Offer	SEA Offer
Salary Schedule Only	5.79%	7.34%
All Salary Items	5.95%	7.39%
Total Package	6.81%	8.17%

SEA Exhibit 62 shows the increase in CPI-W All Items from August 1988 to 1989 was 4.6% and from August 1989 to August 1990 was estimated at 4.9%.

The basic position of the Association is that item "g" of the factors to be considered by the arbitrator is not among the factors which of themselves are sufficient to substantiate the SEA offer, namely factors "a", "c", "d", "h" and "j". The District holds that its salary offer alone without longevity, co-curricular, health insurance or any fringe benefit matches the Consumer Price Index for Non Metro Urban areas with a change of 5.9%. The arbitrator is not aware of where this latter figure comes from since the District exhibits do not report an August 1990 figure for any CPI form but stop at June. (D 33). Nevertheless the conclusion must be made that the District offer is more comparable to the changes in the CPI-W which is applicable for changes in a small metro area.

**XIV. TOTAL COMPENSATION - HEALTH INSURANCE PROVISIONS AT EARLY RETIREMENT.**

The parties offers on health insurance for voluntary early retirees has been presented in Section IV foregoing. The differences of the parties focus chiefly on amounts to be paid or caps, on whether the provisions can be terminated with a change in the law, whether the provision can be terminated if it is found discriminatory, and whether the provision is dependent on the permission of the carrier to allow the retiree to participate. The following chart is a summary of information taken from SEA and District exhibits:

Table XVI

COMPARISON OF EARLY RETIREMENT INSURANCE BENEFITS  
FOR CONFERENCE DISTRICTS

A.

<u>District</u>	<u>Top Years Paid</u>	<u>% ER Pays</u>		<u>Premium Amounts</u>	<u>Stipend</u>
		<u>F</u>	<u>S</u>		
DeForest 87-90	3	100	90		
Ft. Atkinson 88-89	15	90	90		up to \$12,500
Board offer 89-91	4 to Age 65	90	90		up to \$12,500
Middleton 89-91	5	90	90		
Monona Grove 89-91	15	80	100		
Monroe 90-91	5			up to \$15,000	
Oregon 89-91	4	90	90		
		(H and D)			
Sauk Prairie 89-91				up to \$15,000	
Waunakee		EE pays all			
Stoughton District	5	90	90	F-\$314.60 cap S- 120.90 cap	
SEA	5	90	90	F- 258.05 cap S- 258.05 cap	

B.

<u>District</u>	<u>Termination w/Law Change</u>	<u>Termination If Discriminatory</u>	<u>Continuation Dependent on Carrier</u>
DeForest	No	No	No
Ft. Atkinson 88-89	No	No	No
Board 90-91	No	No	Retiree Group may be Separate
Middleton	No	No	Yes
Monona Grove	No	No	Yes
Monroe	No	No	Retiree & Spouse Experience not to Impact on Rate
Oregon	No	No	Use at Conclusion of Board Payment
Sauk-Prairie	No	No	No
Waunakee			Provision to be Negotiated
Stoughton 1989-91			
District	Yes	Yes	Yes
SEA	No	No	No
1986-89	Yes	Yes	Yes

SEA Position Summarized. SEA arguments include as to the differences between the parties on termination, continuation and amounts to be paid, in a list of comparables that SEA made, including its primary list, no district requires termination if the law changes or a portion found discriminatory. Fifty percent of the districts do not require carrier permission to continue a teacher or dependents in the plan. Two invoke carrier permission only after Employer payment is exhausted.

- The SEA holds its proposal is fair, equitable and affordable, and less likely to foment mid-term conflicts between the parties. Teachers should not lose the fruits of what they bargained for in the Agreement. This Agreement's term is virtually over by the time it is ended, and the Employer can renegotiate the provision if it feels it necessary. The District proposal puts the future of the plan in the hands of the carrier. In Stoughton the Employer is the carrier, funding its own health and dental insurance.

- The SEA offer is low by comparison to premiums paid under comparable early retirement programs. The SEA made this offer to obtain an enforceable provision. SEA's offer spreads monies more equitably between single and family subscribers. SEA's offer on retirement insurance also permits more money for salary without increasing costs too high.

District Position Summarized. The District's arguments include,

- Its costs would be higher for the insurance proposal since there are more family than single coverages. From the point of view of the retiree the Association offer is \$56.65 less than the District pays for its 90% share. There is no reason why both single and family payments should not have caps and not just for one.

- When a person retires and there is no cap, the District loses a right to bargain for a future cap, since under court decisions retirement benefits may be a contract enforceable by the retirees. The District therefore would have unlimited exposure. Thus the District's proposal is to limit participation by retirees to situations where coverage is allowed by the provider.

- The previous contract had such limitations. SEA would saddle the District with the duty to find a carrier, at any price, or pay damages to retirees if no carrier could be found. Since the subject of a carrier itself is a mandatory item of bargaining, the Union can bargain to find a carrier who would allow retirees as long as the proviso remains. Monroe, Oregon, Sauk Prairie, Waunakee and Monona Grove have some kind of limitations on coverage for retirees and spouses.

Discussion. In this matter the major issues relate to termination and continuation depending on the carrier. Comparables show that the provisions in the former Agreement for terminating the insurance provision for retirees with a change in the law and for a termination in the proviso if any part is found discriminatory, were unique to Stoughton. Therefore the proposal

of SEA is the more comparable. In the matter of continuation being dependent on the carrier, the danger of the District to being exposed to substantial claims is something the District is properly concerned about. However since this Agreement term is nearing an end, the arbitrator is of the opinion that the SEA offer for removing the termination features outweighs the District position on being exposed to excessive claims, and the weight of comparability on this issue should fall to the SEA offer.

**XV. OTHER BENEFITS AND TOTAL COMPENSATION.** The parties gave some exhibits on insurance costs. The following data is abstracted from SEA Exhibit 54 and District Exhibit 26, as illustrative of insurance costs for 1989-90.

**Table XVII**

ANNUAL HEALTH AND DENTAL INSURANCE COSTS TO PRIMARY COMPARABLE DISTRICTS

1989-90

<u>District</u>	<u>Health</u>		<u>Dental</u>	
	<u>F</u>	<u>S</u>	<u>F</u>	<u>S</u>
DeForest	3165	1342	435	244
Ft. Atkinson	3436	1233		
Middleton	3158	1349	449	135
Monona Grove	2859 <sup>(1)</sup>	1127	548	206
Monroe	3204	1221	203	64
Oregon	4033 <sup>(2)</sup>	1376	535	160
Sauk Prairie	2754 <sup>(3)</sup>	1339	Self Funded	
Waunakee	3003	1478		
Stoughton	3776	1450	502	166

- (1) District Ex. 26 reports as an 89-90 rate what SEA reports as a 1990-91 rate: \$356.04 Family and \$150.39 Single monthly costs.
- (2) District Exhibits show monthly payment for family at \$309.35 or \$3712 annually.
- (3) The District figure gives this as \$3754.

(Dist. Ex. 26 and SEA 54)

Another set of exhibits pertaining to over-all compensation were found in District Exhibits 30 to 15 inclusive which gave reports on settlements and total packages in the primary districts. The following table is derived from those exhibits:

Table XVIII

TOTAL COMPENSATION PERCENTAGE INCREASES IN PRIMARY DISTRICTS

	<u>1989-90</u>	<u>1990-91</u>
Stoughton		
SEA	8.17	8.36
District	6.81	7.20
Waunakee	6.49	
Sauk Prairie	6.7	6.4
Oregon	6.9	6.6
Monona Grove	6.8	7.3
Monroe	7.2	6.9
Middleton	7.8	6.8
DeForest	5.74	
Fort Atkinson		
Union	8.4	8.1
District	7.4	8.7

(D. 3-15)

Discussion. The parties did not discuss the factor of over-all compensation at great length. The District pointed out to the comparability of its insurance provisions and also to the fact that the over-all compensation for the teachers in its offer more nearly meets the cost of living.

An examination of Table XVIII supports the District contention of the comparability of its insurance provisions, and Table XVII demonstrates that the total effort at compensation for the teachers is more comparable to the prevailing pattern and certainly closer to the changes in the consumer price index before August 1989 than the SEA offer. The District offer more nearly meets the test of comparability in over-all compensation percentage increases.

**XVI. ABILITY OF THE UNIT OF GOVERNMENT TO MEET THE COSTS AND INTERESTS AND WELFARE OF THE PUBLIC.** The District did not make an argument that it could not pay the costs of the Union offer, but contended that it should not, because of economic conditions. It cited poverty among the students and the number of students with Exceptional Education Needs (EEN students). In 1988-89 Stoughton with 5.69% of its students receiving AFDC had the third greatest percentage of such students in Dane County. 71.6% of AFDC students in Dane County, however, were in Madison. Of the remaining students, outside of Madison, Stoughton had 18.70%. The 1988-89 percentage of students in Stoughton receiving AFDC was higher than in 1985-86. However in 1985, October, Stoughton had 180 students receiving AFDC and in October 1987 it had 166 students; but the 1987 percentage was higher than 1985 for AFDC students in Dane County outside of Madison. (D. 49).

The incidence of EEN students in Stoughton in December 1989 data was 12.5% or 355 students. This was the fourth greatest incidence in Dane County. In 1990 344 students were in the system, the third highest number in Dane County. The percentage of such students was 12.2% which was also third in percentage number. (D. 50).

Among the Conference districts in 1990, Stoughton with an increase of 12.6% in the tax levy, had the third highest increase, but its mill rate increase at 5.6% was 5th in rank. (D. 51).

Earlier in this report mention was made of the fact that at an annual district meeting on July 23, 1990, a motion to approve the first tax levy failed (D. 52) and the next budget was cut. (D. 53).

SEA Exhibit 89 reported that there is reimbursement under a pro rated formula for EEN students which for teachers and other staff in 1989-90 came to 60%.

SEA Exhibit 5 shows that Stoughton is 48th in size in the state. In school cost per member it is 177th with an 1988-89 expenditure of \$4,139 per member (SEA 1). It is however 169th in state aid and 160th in basic levy rate. (SEA 10).

In 1978-88 in total expenditures, of seven primary districts listed in SEA 11, the compensation for teachers, librarians and guidance counsellors in Stoughton was the lowest in percent of total expenditures with 47.8% paid for them. However in average compensation among six of those districts for such employees Stoughton was second highest with a total of \$33,908. (SEA 11).

In mill rate comparisons with eight of the primary districts Stoughton, with a rate of 17.71 reported in August 1990, was fourth. The percentage increase in the mill rate was also fourth in rank. (SEA 13). The 1989-90 mill rate was 16.77. The 1990-91 rate was 18.88 on the same 1989 equalized property value as in 1989-90, but it is 17.71 on the 1990-91 equalized property value. (SEA 13).

SEA provided a series of Exhibits (SEA 65-72) showing achievements of pupils and teachers under their guidance as recognized publicly.

4,802 students were reported in the District, a nine year high. SEA Exhibit 80 was an article from the Wall Street Journal, August 6, 1990, which reported that there is a "strong link" between students' future income and spending on teaching at the schools at which they study. However there were also authoritative contentions that this was not the case.

Association Position Summarized. The Association asserts that with the retirement of 11 teachers from the District in 1989-90 or 6% of the staff, the District has the opportunity to increase pay for returning staff without incurring so great an increase in total package as would normally have occurred. Though the District is 48th in size, its levy is 160th in rank. It has a below average

mill rate when compared to the list of districts SEA calls primary. The District is growing with a new elementary school, but its teacher compensation again is not up to the average in the SEA comparables. The District is not running an inferior program, but has award winning teachers. There is stiff competition for the Stoughton teachers from the Madison Metropolitan School Districts and other suburban Madison districts. The District has been hiring above the base schedule as previously shown. Competition too is not from the non-suburban districts in the Badger Conference, but from Madison. SEA wants a schedule that will keep teachers in Stoughton.

The District is not in dire financial straits.

District Position Summarized. The District calls attention to the public resistance to the first budget presented by the District Board. It also asserts that SEA Exhibits 65-71 show that the District and teachers are already performing their functions well and serving the public interest. District Exhibit 31 shows that Stoughton Teachers are retained for a length of time above the state average, and there is no retention problem in the District.

When SEA uses state averages, Stoughton should be lower than average, because it is lower in Conference average house value, household income, high school and college graduates. It is above average in families in poverty and in persons over 16 who are unemployed. Stoughton is shown as plain average in all categories, even in the SEA comparability group. These data do not support the SEA proposal that Stoughton teachers should receive the highest increase in the Conference.

Further, Stoughton has the third largest percentage of AFDC student in the County, and it has an above average incidence of EEN children. Stoughton's tax levy and mill rate increases exceed Conference averages. The District has submitted virtually an average offer while the SEA offer, as the highest offer, is not reasonable.

Discussion. As to the ability of the District to meet the costs of either offer, the District has not advanced the argument as to its inability to do so. The District, however, is a district in the middle range of Conference primary comparables in its tax levies and general costs status. Its incident of EEN students is great only when put into consideration with districts outside of Madison. The percentage difference here tends to exaggerate the impact if Madison is excluded, since about 70% of such EEN are in the Madison district. The District is but an average district in statistics among the primary comparables, but the evidence also is that it can meet the SEA offer despite a previous objection to a budget at an annual meeting.

As to whether it is in the interests and welfare of the public to meet the SEA offer, it can be argued that it is almost never in the interest of the public to pay increases in cost of government. However in the instant matter, the arbitrator is of the opinion that there is a benefit to the public interest in meeting the increased cost of the SEA offer, because of the lagging in rank shown earlier in the discussion on basic salaries. Particularly the



District practice of hiring new employees at BA step 3, if continued, could hurt the morale of teachers hired earlier. The arbitrator in this view is not thereby endorsing the stated goal of SEA that Stoughton's target must be MMSD salaries to keep Stoughton teachers. Because of the need for a catch-up in Stoughton, the SEA offer therefore can be considered as contributing to the public welfare.

**XVII. CHANGES DURING THE PENDENCY OF THE PROCEEDINGS.** The current changes in economic conditions which have been suggested particularly in cost of living changes, have not been given particular weight. Rather since this agreement of the parties commences at the first contract day of the 1989-90 schedule, economic conditions prevalent then in changes in the cost of living were considered as a base of comparison. No changes during the pendency of this proceeding were brought directly by the parties.

**XVIII. OTHER FACTORS.** The District in its brief says that the SEA in its opening remarks at the hearing considered "Factor J" - Other Factors, to be one of its primary objectives for consideration, but this was not addressed by SEA. For its part, the District states that "Other Factors" is an instruction to the arbitrator to determine what would have happened had there been no interest arbitration. The District submits that it is the Association, not the District, which has sought the leverage of interest arbitration. The District did not petition for it and is still willing to resolve the matter without interest arbitration by voluntary bargaining, mediation, fact-finding, or otherwise.

Discussion. Once interest arbitration has been invoked successfully under the statute, the full range of conditions that normally or traditionally occur in determining wages, hours and conditions of work voluntarily are to be taken into consideration by the arbitrator. Especially the standards of comparability and reasonableness of the results are stressed in all of the factors to be considered, and this the arbitrator has sought to do here in thoroughly reviewing the positions of the parties. The arbitrator has sought to address major factors presented by the parties, and no new ones have been presented. Apart from the caveat of the District, no major other factors were presented to the arbitrator for consideration.

**XIX. ARBITRATOR'S SUMMARY.** The following are the factors considered and the summary and opinion of the arbitrator:

1. The Employer has the legal right to meet the costs of either offer.
2. The parties have made no written stipulations but acknowledge that in their offers there are no differences on the duration of the agreement, and the calendar, or over portions of the insurance premiums paid by the Employer and employees, or over the additive schedule. Differences do exist on salary schedules and voluntary early retirement insurance provisions.

3. The primary comparable districts are the districts of the Badger Athletic Conference. Secondary districts are those proposed as comparables by the SEA. Tertiary comparisons are those made state-wide.

4. The SEA offer on basic wages is a reasonable one in a catch-up situation within Stoughton as compared to Conference districts.

5. The District offer more nearly meets the criterion of comparability with changes in salary or wages levels of other public employees in the City of Stoughton and the school district as far as percentage increases go.

6. A reasonable conclusion can be made that the District offer is more comparable in percentage increases made by employees in private employment in the Stoughton area than is the SEA offer.

7. The District offer is more comparable to the changes in the CPI-W in small metropolitan areas for the appropriate time span than is the SEA offer.

8. The weight of comparability of its terms fall to the SEA offer on retirement insurance benefits.

9. The District offer more nearly meets the percentage increases in total compensation than does the SEA offer.

10. The District has the ability to meet the cost of either offer, and it would be in the interest and welfare of the public for beginning to remedy a catch-up situation in Stoughton teacher salaries.

11. Other major factors were not presented to the arbitrator for consideration.

12. No changes during the pendency of the proceedings were brought to the attention of the arbitrator by the parties.

From the foregoing analysis, the arbitrator is of the opinion that the weightiest matters are those of comparability of base salaries, comparability of retirement insurance provisions and the interest and welfare of the public, all of which favor the SEA offer; and total compensation and cost of living comparisons which favor the District offer. Upon due consideration, the arbitrator finds that the SEA offer is the more comparable and reasonable offer on the whole. Thus the following Award is made.

**XX. AWARD.** The offer of the Stoughton Education Association for an agreement between it and the Stoughton Area School District for 1989-91 should be incorporated in a new agreement.

*Frank P. Zeidler*

FRANK P. ZEIDLER  
Milwaukee, Wisconsin

Date December 10, 1990

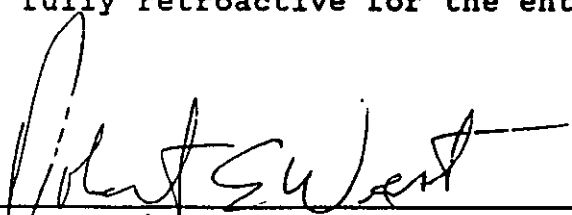
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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

APPENDIX A

FINAL OFFER  
STOUGHTON EDUCATION ASSOCIATION  
STOUGHTON AREA SCHOOL DISTRICT  
CASE 35 NO. 42887 MM-4318

Pursuant to 111.70 (4) (cm), Wis. Stats., (as amended) the attachments represent the amended final offer of the Stoughton Education Association. Stipulations of the parties, proposals of the final offer, and the unchanged portion of the 1986-89 Collective Bargaining Agreement will constitute the 1989-91 Collective Bargaining Agreement between the Association and the Board of Education, Stoughton Area School District. Dates in the 1986-89 Collective Bargaining Agreement are to be changed wherever appropriate to reflect the new term of agreement. In addition, all terms and conditions which it is possible to implement retroactively are proposed to be fully retroactive for the entire term of the successor agreement.

  
\_\_\_\_\_  
Representing the Stoughton Education  
Association

3-14-90  
\_\_\_\_\_  
Date   
6/7/90

STOUGHTON EDUCATION ASSOCIATION

March 14, 1990

1. **ARTICLE 110.0 - Salary Schedule:** The language of 110.0 remains unchanged. Delete sections 110.01 through 110.04 as they are obsolete.

[STOUGHTON AREA SCHOOL DISTRICT SALARY SCHEDULE & INDEX: The salary schedules for 1989-90 and 1990-91 are attached. The salary schedule structure and index remain unchanged from the 1988-89 schedule.]

2. **ARTICLE 111.5 - Voluntary Early Retirement:** Substitute the following provision:
  - A. A teacher shall be eligible for early retirement under this section and subject to its restrictions, if:
    1. The teacher has at least 15 years of employment in the Stoughton Area School District;
    2. The teacher is age 57 through 64 (55 through 64 up to June 30, 1990) on the last day of the school year;
    3. The teacher resigns; and
    4. The teacher notifies the District in writing of his or her intent to retire before February 15 of the last school year the teacher will be in service. Under this option, the earliest date a teacher can retire is at the end of the school year following the teacher's 57th birthday (55th through June 30, 1990).
  - B. A teacher who elects early retirement under this section retains no re-employment rights with the District.
  - C. If any portion of this section is found to violate any discrimination laws, that portion shall be subject to immediate negotiations under paragraph 530.0 of this Agreement.
  - D. **Health Insurance Coverage:** The District shall continue to pay up to 90% of the cost of family or single coverage pursuant to the group health plan for any teacher who retires under this section for up to five (5) years or until age 65, whichever occurs first. The maximum District monthly payment under this section cannot exceed \$258.05 with or without dependents.

(SECTION CONTINUED ON NEXT PAGE)

  
6/7/90

STOUGHTON EDUCATION ASSOCIATION

March 14, 1990

Teachers who retire at or after age 55 have the right to continue in the District group health plan at group rates. After a teacher has exhausted Employer paid health insurance premiums under this section, he or she may continue in the group plan by paying the health premiums directly to the provider, or administrator, on a direct billing basis.

3. ARTICLE 120.0 - Calendar: The school calendar for 1990-91 and 1991-92 shall be determined by a joint committee with three representatives each from the SEA and the Board of Education. If the committee cannot reach agreement on calendars, the committee shall choose an additional member from the community, not a member of the SEA or the Board of Education, who shall have the deciding vote.
  
4. ARTICLES 330.0, 330.01, 330.3, and 330.31 - Under these sections the individual teacher shall pay the equivalent of 10% of the premium of the medical insurance for 1989-90 and 1990-91. The Board of Education shall pay the equivalent of 100% of the premium for dental insurance, expressed in dollar amounts for 1989-90 and 1990-91. [Otherwise, no change is proposed in the language of these sections.]
  
5. ADDITIVE SCHEDULE for 1989-90 and 1990-91 - The amounts that appear on the 1988-89 Additive Schedule shall be increased by 5% for 1989-90 and by an additional 5% for 1990-91.

*ML* 4/7/90

1989-90 STOUGHTON SALARY SCHEDULE

STEP	<u>BA</u>	<u>B+12</u>	<u>B+24</u>	<u>B+30</u>	<u>MA</u>	<u>M+12</u>	<u>M+24</u>
0.0	18390	19126	19861	20229	20597	21332	22068
1.0	19126	19861	20597	20965	21332	22068	22804
2.0	19861	20597	21332	21700	22068	22804	23539
3.0	20597	21332	22068	22436	22804	23539	24275
4.0	21332	22068	22804	23172	23539	24275	25011
5.0	22068	22804	23539	23907	24275	25011	25746
6.0	22804	23539	24275	24643	25011	25746	26665
7.0	23539	24275	25011	25379	25746	26665	27585
8.0	24275	25011	25746	26114	26665	27585	28504
9.0	25011	25746	26482	26850	27585	28504	29423
10.0	25746	26482	27218	27585	28504	29423	30344
11.0	—	27218	27952	28320	29423	30344	31263
12.0	—	27952	28688	29056	30344	31263	32183
13.0	—	28688	29423	29791	31263	32183	33102
14.0	—	—	30159	30711	32183	33102	34022
15.0	—	—	30895	31630	33102	34022	34941

*ML* 6/2/90

C

1990-91 STOUGHTON SALARY SCHEDULE

STEP	<u>BA</u>	<u>B+12</u>	<u>B+24</u>	<u>B+30</u>	<u>MA</u>	<u>M+12</u>	<u>M+24</u>
0.0	19493	20274	21053	21443	21833	22612	23392
1.0	20274	21053	21833	22223	22612	23392	24172
2.0	21053	21833	22612	23002	23392	24172	24951
3.0	21833	22612	23392	23782	24172	24951	25731
4.0	22612	23392	24172	24562	24951	25731	26512
5.0	23392	24172	24951	25341	25731	26512	27291
6.0	24172	24951	25731	26122	26512	27291	28265
7.0	24951	25731	26512	26902	27291	28265	29240
8.0	25731	26512	27291	27681	28265	29240	30214
9.0	26512	27291	28071	28461	29240	30214	31188
10.0	27291	28071	28851	29240	30214	31188	32165
11.0	—	28851	29629	30019	31188	32165	33139
12.0	—	29629	30409	30799	32165	33139	34114
13.0	—	30409	31188	31578	33139	34114	35088
14.0	—	—	31969	32554	34114	35088	36063
15.0	—	—	32749	33528	35088	36063	37037

*ML*  
6/7/90

APPENDIX B

May 15, 1990

FINAL OFFER OF STOUGHTON AREA SCHOOL DISTRICT

1. Salary Schedule 110.0

Language of 110.0 to remain unchanged. Delete sections 110.01 through 110.04. Propose new section 110.01:

Salary for 1989-90: The average salary increase for 1989-90 shall be \$1741 which includes all paycheck items including salary schedule, increment, extra curricular, longevity. A new salary schedule with the traditional structure is as attached.

Salary for 1990-91: The average salary increase for 1990-91 shall be \$1861 which includes all paycheck items including salary schedule, increment, extra curricular, longevity. A new salary schedule with the traditional structure is as attached.

2. Calendar 120.0

The school calendar for 1990-91 and 1991-92 shall be determined by a joint committee with three representatives each from the SEA and the Board of Education. If the committee cannot reach agreement on calendars, the committee shall choose an additional member from the community, not a member of the SEA or the Board of Education, who shall have the deciding vote.

3. Medical Insurance 330.01

The individual teacher shall pay the equivalent of 10% of the premiums of the medical insurance as determined by the Board of Education for 1989-90 and 1990-91.

4. 330.31

Change dates to 1989-90 and 1990-91.

5. Voluntary Early Retirement: 111.5

A. A teacher shall be eligible for early retirement under this section and subject to its restrictions, if:

1. The teacher has at least 15 years of employment in the Stoughton Area School District;
2. The teacher is age 57 through 64 (55 through 64 up to June 30, 1990) on the last day of the school year;
3. The teacher resigns; and



4. The teacher notifies the District in writing of his or her intent to retire before February 15 of the last school year the teacher will be in service. Under this option, the earliest date a teacher can retire is at the end of the school year following the teacher's 57th birthday (55th through June 30, 1990).

B. A teacher who elects early retirement under this section retains no re-employment rights with the District.

C. This Section 111.5 shall remain in effect only as long as Wisconsin's early retirement law remains in effect as it existed on March 15, 1990. This section 111.5 terminates if this section 111.5 or any of its applications or exclusions is found to violate any discrimination laws. In such case, the parties will bargain about the subject matter of early retirement to the extent it is mandatorily bargainable.

D. Health Insurance Coverage: The District shall continue to pay 90% of the cost of single coverage pursuant to the group health plan for any teacher who retires under this section, for five years or until the retiree attains age 65, whichever occurs first. A teacher who retires under this section may maintain health coverage for the teacher's dependents, in the group plan covering unit employees, if allowed by the coverage provider, for five years or until the retiree attains age 65. If the retiree is eligible under this section to maintain health coverage for dependents, the District shall pay up to \$314.69 (including single coverage) toward the cost of that coverage. The maximum district monthly payment under this section D cannot exceed \$314.69 with dependents, or \$120.90 without dependents.

Teachers who retire at or after age 55 have the right to continue in the District group health plan at group rates, carrier permitting. After a teacher has exhausted Employer paid health insurance premiums under this section, he or she may continue in the group plan by paying the health premiums directly to the provider, or administrator, on a direct billing basis.

6. Additive Schedule

Increase the 1988-89 amounts 5% for 1989-90, and an additional 5% for 1990-91.

7. Term of Agreement

Change dates to reflect 1989-90 through 1990-91 agreement, including in Section 550.0.

4/20/90  
for 5/27/90

DISTRICT OFFER

MAY 15, 1990

*900000  
for 50000*

District: stoughton

Schedule: st9001

step	BA	BA + 12	BA + 24	BA + 30	MA	MA + 12	MA + 24
0	18124	18849	19574	19936	20299	21024	21749
1	18849	19574	20299	20661	21024	21749	22474
2	19574	20299	21024	21386	21749	22474	23199
3	20299	21024	21749	22111	22474	23199	23924
4	21024	21749	22474	22836	23199	23924	24649
5	21749	22474	23199	23561	23924	24649	25374
6	22474	23199	23924	24286	24649	25374	26280
7	23199	23924	24649	25011	25374	26280	27186
8	23924	24649	25374	25736	26280	27186	28092
9	24649	25374	26099	26461	27186	28092	28998
0	25374	26099	26824	27186	28092	28998	29905
1		26824	27548	27911	28998	29905	30811
2		27548	28273	28636	29905	30811	31717
3		28273	28998	29361	30811	31717	32623
4			29723	30267	31717	32623	33529
5			30448	31173	32623	33529	34436
6				31717 L	33167 L	34073 L	34979 L
7				32261 L	33711 L	34617 L	35523 L
8				32804 L	34254 L	35161 L	36067 L
9				33348 L	34798 L	35704 L	36610 L

longevity 69583

DISTRICT OFFER

MAY 15, 1990

*Approved  
for SRS*

District: stoughton

Schedule: st0101

ep	BA	BA + 12	BA + 24	BA + 30	MA	MA + 12	MA + 24
0	18968	19727	20485	20865	21244	22003	22762
1	19727	20485	21244	21624	22003	22762	23520
2	20485	21244	22003	22382	22762	23520	24279
3	21244	22003	22762	23141	23520	24279	25038
4	22003	22762	23520	23900	24279	25038	25796
5	22762	23520	24279	24658	25038	25796	26555
6	23520	24279	25038	25417	25796	26555	27504
7	24279	25038	25796	26176	26555	27504	28452
8	25038	25796	26555	26935	27504	28452	29400
9	25796	26555	27314	27693	28452	29400	30349
0	26555	27314	28073	28452	29400	30349	31297
1		28073	28831	29211	30349	31297	32246
2		28831	29590	29969	31297	32246	33194
3		29590	30349	30728	32246	33194	34142
4			31108	31677	33194	34142	35091
5			31866	32625	34142	35091	36039
6				33194 L	34711 L	35660 L	36608 L
7				33763 L	35280 L	36229 L	37177 L
8				34332 L	35850 L	36798 L	37746 L
9				34901 L	36419 L	37367 L	38315 L