

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

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In the Matter of the Stipulation of

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

DELA VAN-DARIEN SCHOOL DISTRICT

and

Case 21
No. 46348 INT/ARB-6161
Decision No. 27152-A

DELA VAN-DARIEN EDUCATION ASSOCIATION

To Initiate Arbitration
Between Said Parties

APPEARANCES:

Robert Butler on behalf of the District
Dennis G. Eisenberg on behalf of the Association

On March 19, 1992 the Wisconsin Employment Relations Commission appointed the undersigned Arbitrator pursuant to Section 111.70 (4) (cm) 6 and 7 of the Municipal Employment Relations Act in the dispute existing between the above named parties. A hearing in the matter was conducted on May 29, 1992 at Delavan, WI. Briefs were exchanged by the parties and the record was closed by July 31, 1992. Based upon a review of the foregoing record, and utilizing the criteria set forth in Section 111.70(4)(cm) Wis. Stats. the undersigned renders the following arbitration award.

ISSUES:

This dispute is over the terms of the parties' collective bargaining agreement covering the 1991-93 school years. There are several issues in dispute:

Wages--

District Proposal--

Continue the current salary schedule structure, increasing the BA Base to \$23,020 in 1991-92, and \$24,070 in 1992-93. Maintain current fixed dollar horizontal and vertical increments. Results in a salary increase of \$1927 per returning teacher, or 5.96% in 1991-92, and \$1951 per returning teacher, or 5.69% in 1992-93.

Association Proposal--

Change the salary schedule structure by adding one step to the BA and BA+6 lanes, deleting two regular steps and nine longevity steps from the BA+24 lane, deleting two regular steps and eleven longevity steps from the MA, MA+6, MA+12, MA+18, MA+24 and MA+30 lanes. Increase and index horizontal and vertical increments. BA Base salary of \$23,000 in 1991-92 and \$23,900 in 1992-93. Results in a salary increase of \$2,198 per returning teacher, or 6.79% in 1991-92, and \$2,244 per returning teacher, or 6.5% in 1992-93.

Retirement Benefits--

District Proposal--

Continue current contract language which allows retiring teachers a choice between single health insurance premium payments for five years or terminal leave payment of \$100 per year of service with a maximum allowable payment of \$2000.

Association Proposal--

Delete terminal leave payment option, and provide for District payment for five years of either single or family health insurance benefits after retirement.

Health and Dental Insurance--

District Position--

Continue existing contract language.

Association Position--

Include routine physical examinations under the health insurance plan. Provide for an open enrollment period during the term of the agreement and once every five years thereafter.

Require that orthodontia lifetime maximums increased from \$1000 to \$1500 and crown coverage increase from 50 to 80%.

Reimbursed College Credits--

District Proposal--

Increase reimbursement from \$70 per credit to \$75 per approved undergraduate credit and \$80 per approved graduate credit.

Association Position--

Increase reimbursement to \$77 per credit (undergraduate and graduate) in 1991-92 and \$88 per credit in 1992-93.

Comparability--

District Position--

Use Athletic Conference plus three contiguous districts.

Association Position--

Use Athletic Conference.

Total Package--

A cost difference of slightly more than \$60,000 in 1991-92 and \$88,000 in 1992-93.

District Proposal--

A total package cost increase of approximately \$2700 per returning teacher, or approximately 6% in 1991-92, and approximately \$2950 per returning teacher, or 6.2+% in 1992-93.

Association Position--

A total package cost increase of approximately \$3170 per returning teacher, or 7.1+% in 1991-92, and \$3150 per returning teacher, or 6.6+% in 1992-93.

The undersigned will first discuss the relative merit of the parties' proposals on each of the individual issues in dispute, and thereafter, the relative merit of the parties' proposed total packages will be addressed.

COMPARABLES:

District Position--

The District's proposed comparables are the same that have been utilized by the parties in past negotiations and by another arbitrator in an interest arbitration proceeding involving the same parties. Use of the same comparables leads to predictability and stability in labor relations, and is supported by arbitral precedent. (Citations omitted)

The Association has introduced no persuasive evidence to suggest why the District's three contiguous districts, Big Foot Union High, Clinton, and Williams Bay, should not be treated as comparables.

The Big Foot settlement is particularly comparable since the teachers in that District accepted a lower than average salary package in exchange for a maintenance of insurability provision, a significant tuition reimbursement increase, early retirement health insurance benefit improvements, and deletion of ten steps from the salary schedule. The Big Foot settlement thus indicates what teachers in a nearby district were willing to pay for the concessions sought by the Association in this matter.

The number of teachers and pupils, geographic proximity, and similarity of local economic conditions are the appropriate indicators of comparability. While many arbitrators look to athletic conferences as an indication of comparability, the use of athletic conferences is merely a surrogate indication of these other factors. (Citations omitted) Athletic conference membership is not so important an indication of comparability that it should be allowed to overcome considerations of similar size, local economic conditions, and geographic proximity.

There are significant variations in the student and teacher count in the districts in the Athletic Conference. This is to be expected given the inclusion of union high school districts in the Conference. Thus, since pupil and teacher counts vary considerably, size is not a useful indication of comparability in this arbitration.

Clearly, geographic proximity supports consideration of the District's three contiguous districts as comparables.

It is difficult to compare costs or aids per pupil, or equalized valuation per pupil, or levy rates, when K-12 and union high school districts are mixed together in a comparison group. However, one can compare the average income of taxpayers in all of these districts. In this regard, in most years, the three contiguous districts had average taxpayer mean total incomes closer to the average of the Board's comparison group than did the District.

Association Position--

The parties have historically used the Southern Lakes Athletic Conference as comparables. The only reason the three contiguous districts were utilized as comparables in 1985 was that there were few agreements in the Athletic Conference districts at the time. Said reason was explicitly articulated by the interest arbitrator who issued an award in that round of negotiations.

The three contiguous districts share very little in common with the District. Very few District employees live in those three communities.

More importantly, an adequate number of districts in the Athletic Conference have settlements that can be utilized in determining the comparability of the parties' offers.

Discussion--

The undersigned finds no persuasive reason not to include the District's three contiguous districts in the mix of comparable districts since they certainly are geographically proximate, there is no evidence that they are distinguishable either in size or wealth from other agreed upon comparable districts, and they have been utilized by the parties in the past as comparables. Under these conditions, limiting the mix of comparables to the districts in the Athletic Conference would unnecessarily reduce the relevant, comparable population based upon a somewhat arbitrary consideration, i.e., Athletic Conference membership.

SALARIES:

District Position--

This is the most important issue in dispute. The cost of this contract is of primary concern to the Board due to the loss in state school aids and local economic conditions in the District. The primary source for the approximately \$149,000 difference between the final offers is the difference

in the salary offers, resulting in differences in WRS and Social Security costs. The total salary difference between the two offers is somewhat over \$115,000, not including WRS and social security cost differences.

The most useful salary comparison in this arbitration is the salary increase per returning teachers.

The District's salary offer is substantially closer to the average salary increase per returning teacher in comparable districts, whichever method of costing the Lake Geneva settlement the arbitrator utilizes.

When average salaries are compared, the District's final offer in 1991-92 generates an average salary that is substantially higher than the average salary in comparable districts. The Association's final offer generates an average salary that is substantially higher still. The Board's 1992-93 salary offer generates an average salary that is much closer to the average salary of settled comparable districts than that proposed by the Association. It is therefore dead wrong to suggest that the District's teachers need to catch up to the salary levels in comparable districts when they already are paid, on average, more than teachers in comparable districts.

When benchmark rankings are compared, the District's final offer does a better job of maintaining the District's benchmark ranking in 1990-91 than does the Association's final offer. In fact, the Association's final offer results in a radical change in the District's historic benchmark rankings.

Relatedly, while the District's ranking at the BA step 6 benchmark is relatively low, said ranking is justified, given the District's desire to encourage teachers to continue their education and the mandate under WI Statutes that licensed teachers earn six college credits every five years..

Though a comparison of benchmark rankings indicates that the District salary schedule ranks below some comparable districts, particularly at the maximum benchmark rankings, this is offset by the extensive longevity increments provided in the District salary schedule. Because of this longevity schedule, teachers in the District receive substantially higher salaries than the MA Maximum and Schedule Maximum salaries indicate.

Though the Association's final offer is closer to benchmark averages than the Board's final offer, the value of a benchmark analysis is limited in this case because teachers in comparable districts are not necessarily placed on the schedule in places matching their years of experience in the district because of salary schedule changes that have occurred. Indeed, if the Association's

offer is selected, teachers in the District would not be placed on steps equal to their years of experience.

Many arbitrators have recognized that restructuring of salary schedules reduces the usefulness of benchmark comparison, making such comparisons less valuable than comparisons of average salary increases per returning teacher. (Citations omitted)

Both parties salary offers exceed the percent increase in the cost of living by a significant amount. The Association simply cannot justify 6.8 and 6.5% offers when inflation is running between a modest 2.7 to 4.0 percent. There is no legitimate claim for "catch-up" when teacher salary improvements in the District are compared with the CPI. The CPI should be given equal weight with other statutory criteria in proceedings such as this. (Citations omitted)

With respect to the structure of the salary schedule, said structure is the result of past voluntary collective bargains.

The Association has failed to justify its proposed change in the salary schedule structure.

First, it has not met its burden of convincingly proving that there is a need for change. It certainly has not demonstrated that there is a need for an additional step in the BA and BA+6 lanes, particularly since the importance of these lanes will diminish in the future due to the requirement under WI Statutes that licensed teachers continue to acquire educational credits in order to retain their licenses.

Assuming arguendo that there were some disparities that need addressing, the Association's proposal is excessive in that it results in salaries above the Athletic Conference average.

The Association's proposal also should fail because it imposes an undue hardship on the District in that it seeks not only a salary schedule structure change, but also an inordinately large salary increase. Instead of offering to settle for a salary increase below the comparable average, as the teachers in Big Foot did, the Association has asked for more money than that received by the comparables.

In addition, the Association's timing could not have been more inappropriate since the District has lost a considerable amount of state aid revenue and can ill afford an above average increase in compensation.

The Association has also failed to offer a quid pro quo of sufficient value to buy its proposed change.

The premise is now well established that major salary structure changes should be accomplished through voluntary collective bargaining, and should not be imposed by an arbitrator. (Citations omitted)

The current salary schedule structure gives teachers gaining experience bigger pay raises than teachers in the longevity portion of the schedule, and teachers moving through the longevity portion of the schedule bigger pay raises than teachers reaching the bottom of the schedule. This system rewards teachers for additional experience, encourages additional education, and encourages experienced teachers to stay in the District by rewarding longevity. In contrast, the Association's placement of teachers on their proposed schedule is not rational. There are simply too many unexplained exceptions to the Association's articulated rules for placement of teachers on the schedule. At least 30 teachers are placed on the Association's proposed schedule in a manner which does not comport with the Association's proffered formula for placement of teachers on said schedule.

In addition, the Association formulated its proposed schedule based upon comparisons with schedules in comparable districts, which in many cases do not reflect where teachers are actually placed on said schedules.

The record indicates that the District's teachers will also receive larger pay increases under the District's offer than has been the case among typical state and local government employees.

The District's offer also vastly exceeds the percentage increase in compensation received by the average private sector worker in Wisconsin and across the nation.

Association Position--

Each step of the Districts' salary schedule is on average thousands of dollars behind the comparables, justifying catch up in this case, particularly since the District's teachers have been in this relative position for nearly eight years.

Sometimes a lower than average salary is due to concessions made in order to achieve superior fringe benefits. That is not the case in the District, which

affords its teachers inferior fringe benefits when compared to comparable teachers, particularly in the areas of life and health insurance.

The issue before the arbitrator is not the benchmarks found at the traditional corners of the salary schedule, but rather what compensation level should be available to employees as they progress through the schedule, and how long should it take to earn the established job rate maximum. In this regard, the Association's final offer, in every lane, has a schedule length that is almost identical in length to comparable schedules. In fact, over one third of the comparables have 10 step schedules that are substantially shorter than the Association's proposed schedule.

The Association's proposed schedule is also almost identical to the comparables when benchmark ratios between the Bachelor's degree, BA+7, MA Minimum, MA+10, MA Maximum, and Schedule maximum are compared.

The Association's proposed salary schedule provides greater economic incentives both horizontally and vertically for teachers to obtain additional training and to remain in the District than does the District's schedule. In contrast, the District's schedule provides less incentive in these regards than exists in all other comparable districts.

Since the District is one of the wealthiest in the State with a tax levy rate in the bottom quartile, there is no reason why the District's teachers should remain so far behind.

The District's reliance on average teacher salaries should be given little weight since years of experience and training for each school employee compliment are different.

Discussion--

The undersigned believes that the parties' salary proposals can be evaluated in a number of relevant ways.

If average increases per teacher are analyzed in terms of dollars, the District's proposal for 1991-92 is clearly closer to the comparable average than is the Association's. For 1992-93, the same conclusion may be reached, though in this case the District's proposal is shy of the comparable average by about \$150, while the Association's proposal is above the comparable average by about \$200.

When the proposals are analyzed in terms of their percentage value, the District's proposal for 1991-92 is again closer to the comparable average; however, it is below that average by about .3% while the Association's proposal is above that average by about .5%. In 1992-93, the District's proposal is about .3% below the comparable average and the Association's is about .6 above the comparable average.

If one looks at the dollar value of the parties' proposals over two years, the District's proposal is at least \$125 below the comparable average and the Association's proposal is about \$400 over the comparable average.

From another perspective, clearly the structure of the Association's salary schedule is significantly more comparable than the District's proposal.

In the undersigned's opinion, the most significant comparisons that need to be made in this case require an analysis of what will teachers moving through the schedule in future years be paid in comparison with similarly situated teachers in comparable districts under the parties' proposals. Since the undersigned cannot, based upon the record evidence, reliably compare salaries actually received by individuals in all of said districts since it is undisputed that in many instances individuals are not placed on said schedules in a manner which comports with their years of service, the best basis of comparison in this regard that is available to the undersigned is the salary schedules contained in the relevant collective bargaining agreements. Though this basis of comparison is admittedly flawed in that it doesn't reflect how all individuals are actually paid, it is all the undersigned can utilize to determine the relative pay practices of otherwise comparable districts.

In making such a comparison the undersigned has looked at six groups of teachers in the District during the 1991-92 school year.

The first group of four are in the BA+12 column, step three. Under the Board's offer said teachers would be about \$400 above the comparable average, and under the Association's offer they would be about \$600 over that average.

2.5 FTEs were in the BA+24 column, step 12, and another 22.4 would be affected by the Association's revised structure at this point on the schedule. The District's proposal at this point of the schedule is about \$2450 below the comparable average, and it would take teachers about 17 years to reach the comparable average under the District's longevity schedule. After 26 years under the District's schedule, teachers could reach a maximum of about

\$3000 above the comparable maximum average. The Association's proposal is about \$3500 above the comparable average.

5.5 FTEs will be affected by the new MA maximum proposed by the Association. Under the District's proposed schedule, similarly situated teachers on step 13 of the schedule would receive about \$2600 less than the comparable average, and it would take teachers about 18 years to reach the comparable average for that column. After 26 years, teachers in that column would reach a maximum which is about \$3700 above the comparable average. The Association's proposal is about \$3400 above the comparable average.

5 FTEs would be affected by the Association's proposed new MA+12 maximum at step 13. Under the District's proposal, similarly situated teachers on step 13 would receive about \$3150 less than the comparable average, and it would take teachers about 19 years to reach the comparable average for that column. After 26 years, teachers in that column would reach a maximum which is about \$3300 above the comparable average. The Association's proposal is about \$4100 above the comparable average.

6 FTEs would be affected by the Association's proposed new MA+24 maximum at step 13. Under the District's proposal, similarly situated teachers on step 13 would receive about \$3600 less than the comparable average, and it would take teachers about 20 years to reach the comparable average for that column. After 26 years, teachers in that column would reach a maximum which is about \$2700 above the comparable average. The Association's proposal is about \$2800 above the comparable average.

29 FTEs would be affected by the Association's proposed new MA+30 maximum at step 13. Under the District's proposal, similarly situated teachers on step 13 would receive about \$4400 less than the comparable average, and it would take teachers about 22 years to reach the comparable average for that column. After 26 years, teachers in that column would reach a maximum which is about \$2000 above the comparable average. The Association's proposal is about \$2200 above the comparable average.

Based upon all of the foregoing, one can see that although the District's salary proposal is slightly closer to the comparable settlement average when the size of comparable salary increases are compared, and although the District's salaries for teachers without much seniority are more comparable than the Association's, the structure of the District's proposed salary schedule perpetuates serious problems since as teachers in the District gain experience and training, they increasingly fall behind comparable average

salaries, creating increasingly unfair disparities. This is particularly inequitable in a District that is known for its high educational quality and that has relatively low tax levy rates. Though the District's salary proposal permits teachers to catch up to and exceed the comparable averages by means of longevity step increases, the undersigned does not believe it is fair to require teachers to work an extra five to nine years before they begin receiving comparable salaries. The District's failure to address this problem persuades the undersigned that its salary proposal should not be given much positive consideration or weight in the selection of a final offer in this proceeding.

On the other hand, while the Association's salary proposal effectively addresses this issue, it does so in a manner which is unnecessarily costly at a time when the District is faced with significant program cuts and tax increases. In this regard the Association's proposal would result in unnecessarily high salaries as the top of the schedule where teachers in the District are already comparably paid, and more importantly, as teachers move through the schedule, rather than achieving comparable salaries for them, the Association's proposal would result in salaries far in excess of comparable averages, which clearly is not a legitimate objective in a catch up situation. Based upon this consideration alone, the undersigned does not deem the Association's salary proposal to be fair and reasonable, and, like the District's salary proposal, said proposal will not be given positive consideration or weight in the selection of the final offer in this proceeding.

HEALTH AND DENTAL INSURANCE:

District Position--

The record indicates that WPS, the insurance carrier for the District, does not offer periodic open enrollments. Three comparable districts also contract with WPS, and two comparable districts contract with different carriers, for which there is no evidence on this issue. Thus, it would appear that the Association's real motive in proposing periodic open enrollments is to force the District into switching health insurance carriers. The Association's proposal in this regard should not be selected since it can not be enforced without the District switching health insurance carriers. This would definitely create an undue hardship for the District. Again, the Association has also failed to demonstrate a need for this change in the status quo. Absent a showing of necessity and absent a quid pro quo, the Association proposal should not be selected.

Though a majority of comparable districts have health plans covering routine physical examinations, three comparable districts do not provide such coverage. The Association has not shown overwhelming evidence of support for this proposal amongst the comparables, nor has it demonstrated a need for such coverage. Absent these two factors, the Association should be required to provide a quid pro quo of sufficient value to the Board to buy the change. The Association has not provided the District with such a quid pro quo.

While the record indicates that that many comparable districts offer orthodontia benefits which the Association seeks, several offer less benefits in this regard than the District provides. Though the Association reports an average orthodontia benefit of \$1450, the Association failed to include two districts with no such benefits in its calculations. If these districts are included in the calculation, the average drops to \$1208, or \$1267 if the three contiguous districts are included in the calculation. The Association has failed to demonstrate that there is a need for this change. The mere fact that a majority of the comparables provide what the Association seeks does not, in and of itself, justify the change, particularly in view of the fact that a fair quid pro quo has not been offered.

Association Position--

Nine of eleven comparable districts have \$1500 orthodontia coverage. In addition, the three additional contiguous districts provide such coverage.

Four comparable districts provide 80% coverage for crowns and five have 100% coverage. Only one other district in the Athletic Conference provides 50% coverage for crowns.

Because of the inferior coverage of the District's health and dental insurance, the District ranks 10th of 11 comparable districts when the average monthly premium for family health and dental insurance is compared. Even with the improvements proposed by the Association, the total fringe benefit cost will increase only \$20.47. The District will still be paying \$24 per month below the comparable average.

The Association's open enrollment proposal is supported by the following considerations. The District's current carrier will not honor the current contract language. This means that once an employe chooses no insurance, or single insurance and wishes to change coverage based upon new circumstances, the individual cannot do so. In contrast, the Association's

proposal is in harmony with the carrier's policy and contract with the District.

In addition, it simply is not fair to grant an employee a contractual right that cannot be delivered. If the current language is permitted to continue, future disputes are certain to arise.

Lastly, 8 of the 11 Athletic Conference districts, as well as the three contiguous districts have the right to change or re-enter not just once every five years as proposed herein, but once every three years.

Discussion--

Because of the District's relatively low health and dental costs, when viewed in the context of comparable district costs, and because of the clearly established practice among the comparables to provide \$1500 orthodontia coverage and 80% crown coverage, the Association's proposals on these issues are deemed to be more reasonable than the District's.

With respect to the coverage of routine physicals, though a majority of the comparables provide such coverage, the practice in this regard is not as uniform. However, since such coverage is provided in most comparable districts, and presumably, since this benefit is of great significance to affected individuals, and lastly, since even if such benefit were provided by the District, the District's health insurance costs would still be below the comparable average, the undersigned deems the Association's proposal in this regard to be more reasonable than the District's.

On the open enrollment issue, clearly the District's status quo proposal is not reasonable since the District does not dispute that its current carrier will not honor said proviso. In contrast, it would appear that at least a majority of comparable districts provide for periodic open enrollment periods, which supports, at least in concept, the reasonableness of the Association's position on this issue. Furthermore, if indeed the District's current carrier limits the right of employees to change their enrollment only to situations where an employee's spouse loses eligibility for medical group insurance coverage, highly inequitable results might arise where, for example, the marital status of an employee might change or where the status and needs of an employee's dependents might change and where the employee might not be able to make an appropriate coverage change to address such changed circumstances. Though it is not clear from the record that such would be the case, the fact that the District's carrier has indicated very limited and specific conditions for changing coverage which does not include the above described

circumstances, together with comparability evidence, compels the undersigned to conclude that the Association's proposal in this regard is more reasonable than the District's.

RETIREMENT BENEFITS:

District Position--

Health insurance rates are based on experience, which is defined as the amount of the benefit which is used by subscribers. The Association's proposal would allow those individuals who are most apt to have a poor experience rating to stay on the family health insurance plan longer. The result would be to increase the District's health insurance premium costs in the future. This is in direct contravention to the trend which is taking place in public employment.

The Association argues that its proposed deletion of the terminal leave payment is an adequate quid pro quo for its request for family health insurance coverage for retirees. Simple math refutes this argument. The current maximum terminal leave pay is \$2,000. The Association's proposal for family health insurance coverage for five years, costed out at 1992-93 insurance levels, would cost the District more than \$26,000. To argue that this is an equitable trade off is absurd.

Association Position--

100% of the comparables pay family health insurance benefits for those who retire. In fact, the number of years of coverage proposed by the Association is less than the comparable average.

Discussion--

Clearly, comparability evidence supports the reasonableness of the Association's position on this issue.

TUITION REIMBURSEMENT:

Association Position--

While ten years ago the District reimbursed teachers for almost the full amount of tuition at UW Whitewater, the District's offer amounts to about 60% of Whitewater's current tuition. The average comparable reimbursement for 1991-92 amounted to \$94. While a majority of settled

comparable districts are paying \$114 for 1992-93, the Association only proposes \$88.

Discussion--

Comparability evidence again supports the reasonableness of the Association's position on this issue. In fact, the Association's proposal in this regard remains below the comparable average.

TOTAL PACKAGE:

District position--

It is important not to view the Association's proposals in isolation, but rather as a total package. The Association has introduced evidence which would suggest that some of the comparables have the benefits which the Association seeks. What it fails to mention is the numerous trade offs which were given in other districts for these concessions. The mere fact that comparables exist which may support the Association's position is not in and of itself enough to prove the necessity of their proposal.

The District has had a tremendous cut in its state aid revenue for 1992-93. The District has lost an anticipated \$779,949 in state aid. It is one of the biggest losers in the State in this regard, and is the biggest loser amongst the comparables. As a result, various programs have been capped, reduced, or cut. However, even after these cost cutting measures, the District will still need to either raise taxes to pick up a remaining revenue shortfall of almost \$650,000, or cut additional programs. The District projects that it would have to raise the levy 15.6 percent in order to keep the school budget in its current form.

If the Association's offer is selected, the District will have to make up close to a million dollars through program cuts and tax increases.

The arbitrator should also take into account the current economic and political environment. It cannot be disputed that Wisconsin's economy, though stronger than the nation's as a whole, is still in a very precarious position.

Although the District's property values have increased over the past few years, the District's taxpayers have not kept pace with the increase in property values. In fact, taxpayers in the District earn on average \$2580 less than taxpayers in comparable Districts.

The interest and welfare of the public criterion is the most important criterion in this proceeding, and in this regard, the interest and welfare of the public would best be served by selection of the District's final offer. The District has already cut, capped, and reduced programs and projects a 15+ percent increase in the levy rate to make up for the state aid revenue shortfall. Selection of the Association's offer will result in deeper and more pervasive cuts.

Association Position--

There is a compelling need to increase fringe benefits in the District because it is far behind comparable districts in this regard. There is also a need to reduce the salary schedule elongation. The combination of these needs necessarily results in a higher phase in increment cost.

The Association's proposed total package is in line with or even less than the prevailing settlement pattern. Any hardship the District would incur would be minimal. There is no dispute that the District is one of the superior districts in the State. The low levy rates in the District will be increased only a negligible amount under the Association's offer. Because of the catch up nature of said offer, the cost to the District is both necessary and reasonable.

Discussion--

The value of the Association's total package is significantly closer to the comparable average than is the District's. In 1991-92 the District's package is about \$400 below the comparable average, while the Association's proposal is about \$100 above that average. In 1992-93 the District's proposal is at least \$200 below the comparable average, while the Association's proposal approximates the comparable average.

This fact supports selection of the Association's final offer, particularly when it is viewed in the context of the conclusions reached above by the undersigned. Simply put, the Association's final offer better brings the District into the mainstream of comparable salaries and benefits than does the District's offer. Though the Association's salary proposal is somewhat excessive, the totality of the Association's offer is by and large significantly more comparable than is the District's total package offer.

Though the District's argues that no adequate quid pro quos have been offered by the Association in exchange for the improved benefits the Association seeks, the undersigned believes said concept is applicable where

a union seeks exceptional or unusual benefits or where an employer seeks concessions from its employees in the form of take backs. It does not apply where, as here, an Association is simply asking that employees be brought into the comparable mainstream.

While the undersigned is somewhat uncomfortable requiring the District to pay more at a time when program cuts and tax increases are contemplated, the District and its citizens must understand that maintaining high quality teachers and programs necessitates at least comparable wages and fringe benefits, and that the District has, to date, fallen short in that regard. To achieve those ends the District's citizenry will undoubtedly have to make the hard decision to continue the quality of the District's high quality programs by providing more tax support to the District. If the District's citizens reject that option in order to retain their relatively low tax levy rates, clearly the quality of the District's programs will suffer. However, that choice cannot be made by the undersigned, whose limited role is to determine what constitutes fair, reasonable, and comparable terms and conditions of employment for the District's teachers. In that regard, the Association's proposal comes closer to achieving that end than does the District's.

Based upon all of the foregoing considerations, the undersigned hereby renders the following:

ARBITRATION AWARD

The Association's final offer shall be incorporated into the parties' collective bargaining agreement.

Dated this 31st day of August, 1992 at Madison, WI.


Byron Yaffe
Arbitrator