

FEB 22 1993

WISCONSIN LABOR RELATIONS BOARD

Arbitration \*  
of \*  
MAPLE DALE-INDIAN HILL SCHOOL DISTRICT \*  
and \*  
MAPLE DALE-INDIAN HILL CHAPTER, \*  
NORTH SUBURBAN EDUCATION ASSOCIATION \*  
re \*  
WERC Case 21 No. 47416 \*  
INT/ARB - 6459 \*  
\* \* \* \* \*

**INTEREST ARBITRATION AWARD**

Decision No. 27400-A

**ISSUES**

The unsettled issues are the amount of employee contribution to the health insurance premium and the second year wage increase. The District proposes an employee contribution of five percent (5%) of the monthly health insurance premium for the '92-'93 school year and ten percent (10%) of the premium in '93-'94. The Association proposes that the employees pay ten percent (10%) of the increases in the health insurance premiums over the premiums for the '91-'92 school year. The District proposes an average salary increase in '93-'94 of \$2550 while the Association proposes an increase of \$2450.

**INTRODUCTION**

The Maple Dale-Indian Hill School District, hereinafter called the District or the Board, and the Maple Dale-Indian Hill Chapter of the North Suburban Education Association, hereinafter called the Association, exchanged proposals for a '92-'94 collective bargaining agreement on March 11 and March 31, 1992. After four negotiations sessions the District filed for arbitration. On August 17, 1992, a staff member of the WERC conducted an investigation and found that the parties had reached a deadlock. Final offers were submitted to the WERC on September 15, 1992. Arbitration was ordered by the WERC on September 18, 1992.

The undersigned arbitrator was selected from a panel submitted to the parties and appointed by the WERC. A hearing was held on December 1, 1992. Post-hearing briefs were exchanged and sent to the arbitrator on January 15, 1993 and rebuttals were exchanged and sent to the arbitrator on January 25, 1993. Appearing for the District was Mark F. Vetter, Attorney of Davis & Kuelthau; appearing for the Association was Patrick A. Connolly, Executive Director, North Shore United Educators.

#### SELECTION OF COMPARABLES

Background and Arguments of the Parties: The District and the Association agree that the primary comparables of the Maple Dale-Indian Hill School district are the Nicolet Union High School and the other two elementary school districts which, with this elementary school district, feed into it. Those elementary districts are Fox Point-Bayside and Glendale-River Hills. Both parties also note that these comparables were the ones viewed as the "most comparable" in Arbitrator Kerkman's 1978 decision (No. 16352-A). This arbitrator agrees with the parties and with Arbitrator Kerkman and accepts those districts as the primary comparables.

Because none of the three feeder schools have settled and all three are in arbitration, the District and the Association put forward secondary comparables. The Association proposed four additional districts (Mequon-Thiensville, Whitefish Bay, Shorewood and Brown Deer) which are contiguous to the Nicolet area and which have similar economic characteristics (See Assoc. Ex. D-1). The District stated that it initially considered the same set of secondary comparables but rejected this set because only one of these districts had settled (Mequon-Thiensville). Furthermore, the Mequon '92-'93 settlement reflects an earlier pattern because it was agreed upon in May, 1991 and is for the third year of a three year

agreement. The District therefore decided that the appropriate set of secondary comparables for this arbitration were the 21 of the 31 Milwaukee suburban districts which had settled their '92-'93 contracts.

The Association argues that the District reliance on all Milwaukee suburban districts is an attempt to shift the focus away from the status quo among the most appropriate set of comparables (Assoc. Reply Brief, p.4). The Association contends that the District's secondary comparables are contrived and if accepted will have a negative effect on future negotiations and arbitrations.

In support of this contention, the Association shows in Table 1 (Assoc. Reply Brief) that the status quo in four of the eight districts, including Maple Dale-Indian Hill and Nicolet High School is no employee contribution to the health insurance premium. In two of the other four districts, the employee contribution is considerably less than proposed by the District in this dispute. Only the Nicolet High School and Fox Point-Bayside employee contributions to the health insurance premium are similar to the contributions proposed by the District in its final offer.

In its reply brief, the District argues that in order to provide the arbitrator with meaningful information it is necessary to go beyond the comparables proposed by the Association because the Association set contains only two settlements, one of which is stale. The District concludes that the expansion of the comparables "to all school districts in the metropolitan Milwaukee area is not only warranted, but completely justified." (Bd. Brief, p.5).

Discussion: After careful consideration of the arguments of the Association and the District about the merits of the secondary set of comparables which each proposed, the arbitrator decided that it would be preferable to reach a decision based solely on the primary comparables. These are the comparables on which both

parties agree. They are the ones selected by Arbitrator Kerkman in an earlier arbitration. These are the ones which this arbitrator finds to be the proper comparables under the statutory criteria. Therefore, the arbitrator will confine his analysis about comparables to the primary comparables. The arbitrator believes that the parties have supplied him with sufficient information about these comparables to render a decision in accordance with the statutory criteria.

#### **EMPLOYEE CONTRIBUTION TO THE HEALTH INSURANCE PREMIUM**

Background and arguments of the Parties: Employee contributions to the health insurance premium have existed in two of the three comparable districts (Nicolet and Fox Point-Bayside) since, at least, 1976. (Assoc. Reply Brief, p.8). In the third, Glendale-River Hills, it was agreed in negotiations for the 1990-1992 contract that the employees would contribute \$150 annually toward the family premium and \$75 annually toward the single premium. It was also agreed that this contribution would be increased annually by the same percentage increase as the "percentage increase in the premium cost to the District." (Assoc. Ex. AA-1).

The following table shows the cost of the family premium and the employee contributions in each comparable district for the 1991-1992 base year and for 1993-1994 when the full force of the District offer will be in effect. The arbitrator has shown only the data for the family premium in order to simplify the analysis. There are twice as many family premiums as single premiums and omission of the single family analysis would not change the picture because it would generate similar results. Also, where the District and Association data differ slightly because their projected increases for '93-'94 are not identical, the arbitrator has relied on the Association data. The table is derived from information in Association Exhibits K-1 through K-4, verified by comparison with District Charts I, II and III in its Brief.

TABLE 1 - FAMILY HEALTH INSURANCE PREMIUMS &amp; EMPLOYEE CONTRIBUTIONS

<u>District</u>	1991-1992			1993-1994		
	<u>Annual Premium</u>	<u>Employee contribution</u> \$	%	<u>Annual Premium</u>	<u>Employee Contribution</u> \$	%
Nicolet	\$ 6792	\$ 720	10.6%	\$8303	\$880	10.6%
Fox Point	6409	641	10	8065	807	10
Glendale- River Hills	6170	150	2.4	7680		
				Board	768	10
				Assoc.	301	3.9
Maple Dale- Indian Hill	6191	0	0	8024		
				Board	802	10
				Assoc.	183	2.3

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In support of its position the Association states that the increase from no employee contribution to ten percent in two years is excessive and that no other district has had such a large increase so fast. The Association argues that its suggested contribution of 5% and then 10% of the increase in premium is more reasonable and meets the requirement that employees start making contributions to the ever increasing health insurance premium. The Association states that the District has not furnished a quid pro quo for this substantial change. Furthermore, the Association points out that it agreed to lengthen the calendar by one day in the negotiations for the 1990-1992 agreement in return for not having to make a contribution to the health insurance premium. Including its secondary comparables in its analysis, the Association claims that the employee proposed contribution exceeds the pattern among the comparables.

The District states that it is the only district among the primary comparables that has not had an employee health insurance contribution and that there should be one. It argues that the contribution schedule proposed by the

Association is "tokenism" and that in 12 years it will only reach 7.7%, an amount still less than the percent Nicolet and Fox Point would have been paying for 28 years (Bd. Reply Brief, p.6). The District states that it paid for the extra day agreed upon in the 1990-1992 contract by increasing the wage increase from \$2300 to \$2500, which is about the worth shown for that day on page 11 of the Association Brief. It also states that Side Letter A (Assoc. Ex. N), agreed to in the negotiations for the '90-'92 contract, supports its position on this point. The District questions whether a quid pro quo is warranted in this dispute and that, if the arbitrator believes it is, the slightly greater second year increase proposed by the District should be considered in that light.

The District, in response to the Association claim that only one third of the secondary comparables proposed by the District have employee contributions of 5% or greater for '92-'93, states that 50% of those school districts require some type of employee contribution and none require a token 1% contribution for '92-'93 as proposed under the Association's final offer.

Discussion: The arbitrator finds that the data in Table 1 support the position of the District in this Dispute. If the employer position prevails in the Glendale-River Hills dispute all of the primary comparables will have about 10% employee contributions to the family premium in '93-'94. If the association prevails in that dispute, two of the three comparables will have the 10% contribution to the family premium while the other will have one of about 4%. Even under that scenario, the District position in this dispute seems preferable under the statute to the Association position because the average of the three comparables is closer to the District position than to the Association position. Furthermore, even the lower contribution under the Glendale-River Hills association final offer is considerably higher than is proposed under the

Association offer.

The arbitrator believes that the Association argument that the District proposal is too much too fast can be regarded as a two-edged sword. One could also argue that for many years, the Maple Dale-Indian Hill teachers had a privileged position relative to the teachers at the primary comparables. This arbitrator rejected the two much, too fast argument many years ago in a dispute between the Village of Mount Horeb and the police force represented by Local 695 of the Teamsters. In that dispute, which occurred shortly after the statute was amended to cover that municipality and others with a population of 2500 or more instead of 5000 or more, this arbitrator ruled that the Village had enjoyed the benefit of salaries lower than were paid by the comparables for many years and that this fact outweighed the arguments in favor of gradually increasing the wage to the level of the going wage.

The arbitrator agrees with the District that in some situations, some arbitrators have found that it was not necessary to provide a quid pro quo in return for a departure from the status quo. In this situation, if the salaries and benefits of the District, including a 10% teacher contribution to the health insurance premium, are about the same as those of the comparables, this arbitrator questions whether a quid pro quo is warranted. In the section of this opinion and award dealing with the salary increase, the arbitrator will evaluate more fully whether there is any need for a quid pro quo, and, if so, whether the District has provided one.

Side Letter A suggests that the addition of the extra day was agreed upon in return for additional salary and no teacher contribution to health insurance during the previous contract. As such, it is more supportive of the District

argument than the Association argument. The arbitrator therefore rejects this ground for providing an employee contribution that is significantly less than that made by the teachers in comparable districts.

The arbitrator finds no need to discuss District or Association arguments based on their analyses of their secondary comparables because he has found that the relevant comparables are only the primary comparables on which the parties have agreed and which have been used in an earlier arbitration. Therefore, no weight is given to arguments based on the secondary comparables.

The arbitrator finds therefore that on the issue of the amount of employee contribution to the health insurance premium that the final offer of the District is preferable to that of the Association. The arbitrator turns next to the salary increase issue.

#### **SALARY INCREASE**

Background & Arguments of the Parties: District Exhibits 7 and 11A through E contain the data in support of the District position that the arbitrator found most relevant. Association Exhibits M-1 and M-2 contain the data underlying the primary Association argument about the insufficiency of the net salary increases of the District relative to the primary comparables after offsetting the increased teacher contribution to the health insurance premium. In Table 2, below, the arbitrator has summarized the information in Board Exhibit 7 showing the salary increases for the four districts in the primary comparable group.



**TABLE 2 - SUMMARY OF '92 & '93 SALARY INCREASES**  
School District

	<u>1992-1994</u>	
	<u>Dollars</u>	<u>Percents</u>
Nicolet Union High School	\$5003	11.70%
Fox Point-Bayside	Bd. 4112 Assoc. 4989	10.79 13.01
Glendale-River Hills (Bd. & Assoc.)	5004	12.08
Maple Dale-Indian Hill	Bd. 5000 Assoc. 4900	12.11 11.87

With the exception of the Board offer in the Fox Point Bayside arbitration, the going increase among the primary comparables is about \$5000, the figure proposed by the District. The Association offer provides for an increase which is only \$100 less than this figure.

The Association argues however that this is not the proper comparison because it fails to take into account the reduction in the increase associated with the increases in the teacher contribution to the health insurance premium. Table 3, below, constructed from the data in Assoc. Ex. M-1 and M-2 shows the increase in what the Association refers to as "take home pay" - - - the net increase in pay after the salary increases have been reduced by the amount of the average increase in the teacher health insurance contribution.

**TABLE 3 - SALARY INCREASES LESS INCREASED TEACHER CONTRIBUTION TO INSURANCE**

<u>School District</u>	<u>'92-'94 Dollar</u>	minus	<u>'92-'94 Increased</u>	=	<u>Net Increased</u>
	<u>salary increase</u>		<u>Teacher Health</u>		<u>Take Home Pay</u>
			<u>Ins. Contribution</u>		
Nicolet H.S.	\$5003	-	\$105	=	\$4898
Fox Point-Bayside	Bd . 4112	-	107	=	4005
	Assoc. 4989	-	107	=	4882
Glendale-River Hills	5004	-	Bd. 444	=	4560
	5004	-	Assoc. 110	=	4894
Maple Dale-	Bd. 5000	-	Bd. 649	=	4351
Indian Hill	Assoc. 4900	-	Assoc. 149	=	4751

If one accepts the Association argument to use the increase in take home pay as the basis for choosing between the final offers, the final offer of the Association appears in a more favorable light. However, because two of the comparables are in arbitration and the comparisons are being made with the increases under the final offers, it is necessary to consider various possibilities and comparisons. If the Association offers are chosen in both the Glendale-River Hills and Fox Point-Bayside arbitrations, then the "net increase pattern" would be about \$4900 and the District offer of a net increase of \$4351 would fall considerably below that pattern. The Association offer of an increase of \$4751 would be more in line with the other settlements.

On the other hand, if the Board positions prevail in the Fox Point-Bayside and Glendale-River Hills disputes, the net average increases in those schools will be \$4005 and \$4560. These increases are closer to the \$4351 increase proposed by the District rather than the \$4751 increase proposed by the Association. If the take home increase comparison is confined to Nicolet, the one comparable which has settled, (for an increase of almost \$4900), then the Association position is preferable to that of the District.

The arbitrator believes that it is necessary to look at one more set of figures to complete the analysis of the salaries of the comparables. Essentially, what the arbitrator wishes to determine is how the Maple Dale-Indian Hill salaries at the bench marks compare with the bench mark salaries of the other districts in the primary comparable group and how the comparisons would be affected by the choice of the District and the Association final offers.

In order to do this, the arbitrator constructed a simplified summary table from the data contained in District Exhibits 11A-11E comparing the 1991 bench

marks of the comparables and the deviations from that average in 1991-92 and 1993-94 under the District and Association offers. Although Nicolet is the only district which has settled for '93-'94, salaries are not at issue in Glendale-River Hills. Salaries are still in dispute at Fox Point-Bayside. However, rather than use the two offers in that dispute, the arbitrator has used an average of those offers in order to simplify the table, This simplification does not appear to change the results appreciably.

TABLE 4 - DEVIATIONS FROM SALARIES OF COMPARABLES AT BENCH MARKS

Bench- mark	1991-1992			1993-1994		
	Average of Comparables	Maple Dale- Indian Hill	Deviation From Average	Average of Comparables	Deviation from Av. District	Assoc.
BA Min.	\$22,505	\$21,061	(\$1,444)	\$23,651	(\$ 877)	(\$ 927)
BA Max.	32,870	34,352	1,482	35,019	2,127	2,045
MA Min.	24,950	25,959	1,009	26,374	1,696	1,635
MA Max.	48,146	49,248	1,102	51,918	1,336	1,219
MA+30 Max.	50,150	50,141	(\$ 9)	54,168	51	(\$ 68)

Analysis of the data in Table 4 shows that the Maple Dale-Indian Hill salaries at the bench marks in '91-'92 were considerably below the average of the comparables at the BA Min, about even at the MA+30 Max, and \$1000 to \$1500 above the average of the comparables at the BA Max, MA Min, and MA Max. Under the District offer, the deviations from the average are changed favorably to Maple Dale-Indian Hill at each bench mark. Under the Association offer, the same is true except at the MA+30 Max where there is a small drop relative to the average.

Discussion: Although, as shown in Table 3, the increase in take home pay over the two year period at Maple Dale-Indian Hill will be less than that of the comparables if the association positions prevail in arbitration at Fox Point-Bayside and Glendale-River Hills, the arbitrator does not believe this possibility outweighs two other considerations. First, Table 2 comparing the dollar increase in average salaries shows that both the District's and Association's proposed increases are about the same as two of the comparables and slightly or greatly in excess of the salary increase at the third comparable, Foxpoint, depending on which offer prevails.

Second, Table 4 shows that the Maple Dale-Indian Hill salaries at the bench marks are, for the most part, equal or higher than the average of the comparables. This was true in '91-'92 and continues to be true in '93-'94 under either the District or Association offer.

A final consideration is whether the salary increase proposed by the District should and does contain a "quid pro quo" for the initiation of a sizeable teacher contribution to the health insurance premium. The arbitrator believes that no need for a quid pro quo has been demonstrated. As has been stated in the early part of this opinion discussing the employee contribution to the health insurance premium, the ten percent employee contribution to the family health insurance premium is the pattern prevailing among the comparables. Absent other considerations, bringing a group up to the pattern does not require a quid pro quo.

Furthermore, since the Maple Dale-Indian Hill salary schedule was and still is equal or better at most bench marks than the average schedule of the comparables, no need for a quid pro quo is found based on a salary schedule bench mark comparison.

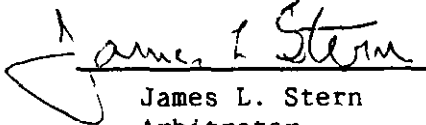
Finally, the arbitrator turns to the question of whether there are other aspects of the compensation packages of Maple Dale-Indian Hill and the comparables which warrant a quid pro quo. The salary increase exceeds the increase in the consumer price index. Therefore, this is not a reason for an additional salary increase. All of the comparables are wealthy districts and the fact that Maple Dale-Indian Hill has the highest income per return in the State is not sufficient to warrant a quid pro quo when the comparables rank second, third and tenth in the State. There may be minor differences in the benefits and working conditions in the four districts but the arbitrator was not made aware by the testimony or exhibits of any major differences between Maple Dale-Indian Hill and its comparables that would warrant a quid pro quo.

**AWARD**

With full consideration of the statutory criteria and the exhibits, testimony, briefs and reply briefs of the Association and the District, the arbitrator finds that the District offer is preferable under the statute and selects the District offer.

The arbitrator orders that the final offer of the District and the agreed upon stipulations be placed into effect.

2/18/93  
February 18, 1993

  
James L. Stern  
Arbitrator