EDWARD B. KRINSKY, ARBITRATOR

In the Matter of the Stipulation of MONROE SCHOOL DISTRICT and MONROE EDUCATION ASSOCIATION To Initiate Arbitration Between Said Parties	Case 16 No. 46269 INT/ARB-6142 Decision No. 27451-A

Appearances:
Mr. Barry Forbes, Staff Counsel, Wisconsin Association of School Boards, for the District.
Ms. Mallory K. Keener, Executive Director, Capital Area UniServ South, for the Association.

On December 16, 1992, the Wisconsin Employment Relations Commission issued an order appointing the undersigned as arbitrator, ". . . to issue a final and binding award, pursuant to Sec. 111.70(4)(cm)6. and 7. of the Municipal Employment Relations Act, to resolve said impasse by selecting either the total final offer of the Monroe School District or the total final offer of Monroe Education Association."

A hearing was held at Monroe, Wisconsin, on February 3, 1993. At the hearing the parties were given the opportunity to present evidence, testimony and arguments. No transcript of the proceeding was made. The record was completed on May 3, 1993, with the receipt by the arbitrator of the parties' reply briefs.

The dispute between the parties is over terms and conditions for their 1991-1993 Agreement. At issue are the salary schedules for each of the two years, additional dental insurance benefits which the Association proposes to add in the second year of the Agreement, and a proposed deletion from the Agreement of certain language by the District.

With respect to the salary schedule, the parties have no disagreement about the structure of the schedule. They disagree about the base salary for each year, which affects the entire schedule when the parties' agreed-upon index is applied.

The District proposes a base of $20,396 for 1991-92 and a base of $21,426 for 1992-93. The Association's proposed base figures are $20,535 and $21,565.

With respect to dental benefits, the Association's final offer includes the following revised language:

> Article VII,J,2,b:
>
> Coverage shall be a maximum of $1,000 per individual per year for most normal and customary charges except that effective August 1, 1992 or effective thirty (30) days from an arbitrator's award coverage shall include orthodontic benefits which shall be a maximum benefit per person per lifetime of $1,500. Effective August 1, 1992 or effective thirty (30) days from an arbitrator's award, the coverage shall also include orthodontia, at 50%; and onlays, porcelain crowns, and cast crowns, at 80%.

Beginning with the word "except" in the first quoted sentence, all of the proposed language is new.

With respect to the language item, the District's final offer proposes a deletion of the following language at Article IX,C,4:

> All evaluative material will be removed from a teacher's central office file and returned to the teacher after five years.

This is the first time that these parties have used the interest arbitration procedure. In their negotiations they have not agreed about which other school districts should be used for purposes of comparability. Their differences in that respect are small, however. Both parties have proposed use of the Badger Conference schools: DeForest, Fort Atkinson, Middleton-Cross Plains, Monona Grove, Oregon, Sauk Prairie, Stoughton and Waunakee. Their only disagreement is that the Association proposes to use the Madison School District for some comparison purposes, while the District views Madison as being inappropriate as a comparable district.

The arbitrator will use the Badger Conference school districts as comparables. There is no persuasive reason given for including Madison as a comparable. To the extent that Madison influences wages, benefits and working conditions of those Badger Conference schools which are located closer to it than is Monroe, Madison's influence will be felt when comparisons are made within the Badger Conference. There is no need to consider Madison separately.

In making his decision, the arbitrator is required to weigh the statutory factors. In this dispute the parties have not

indicated any disagreements with respect to several of the factors: (a) lawful authority of the employer; (b) stipulations of the parties; that part of (c) pertaining to "the financial ability of the unit of government to meet the costs of any proposed settlement"; and (i) changes in circumstances during the pendency of the arbitration proceedings. The remaining factors will be discussed below.

Language Issue

The District's final offer proposes to delete the language of Article IX,C,4, quoted above. At the hearing, the District presented no evidence or testimony indicating the basis for its proposal. In its brief, the District states its belief that "it is appropriate to keep such evaluative materials, both favorable and unfavorable to individual teachers, for more than five years." However, the District offers no evidence that the existing, voluntarily negotiated language, has caused any problems. The District notes also that the Association, in its brief "only makes passing references to the issue . . ."

In its reply brief, the Association notes that the District has offered no evidence in support of its proposed language deletion. It states:

> The Association can only conclude that the Board's position on this subject is indefensible and thus the Employer made no effort to justify it. While it is true that the MEA views this issue as the least important issue in the instant dispute, that is in part because the Association views the Board to have capitulated its position. The Association does not view the change as unimportant. This change in contract language is not acceptable to the teachers who view this as an important negotiated means of monitoring and maintaining their personnel records.

Given the lack of any evidence that the disputed language in the prior Agreement has caused difficulties which might justify its elimination, the arbitrator has no basis for supporting the District's proposal that it be deleted. There is also no evidence that the District has attempted to bargain this change previously. At some point in the past the parties arrived at a mutual decision to include the disputed language in the Agreement. If that language is the cause of problems which need to be addressed, the parties can address them at the bargaining table. There is no reason given, much less any persuasive reason, for the arbitrator to remove it from the Agreement.

On this issue, the arbitrator supports the Association's final offer.

Dental Benefits Issue

The Association has requested orthodontic coverage up to $1,500 per person per lifetime, with 50% paid by the District. The data show that five of the eight other Conference districts pay 50% for orthodontic coverage. In addition, in Sauk Prairie, there is a specified dollar limitation for dental benefits, but the dollars may be spent on orthodontia. With respect to the $1,500 proposed limit, five of the eight Conference districts have the $1,500 limit and a sixth district has no limit.

The Association has requested coverage for payment for crowns, with the District paying 80%. Seven of the eight other Conference districts pay 80% (3 districts) or higher (4 districts) for crowns.

In its brief, the District acknowledges these comparisons. It argues, however:

> The Board admits that there is some support for the offering of crown and orthodontia coverage in the benefit packages offered in some comparable school districts. But Monroe's current dental insurance plan already has certain benefit provisions superior to 4 of the 8 comparable school districts (Middleton, Monona Grove, Sauk Prairie, Stoughton). The Association has not offered to reduce basic coverage to 80 percent or to reduce the maximum coverage per person per year to $600 or $800. The Board believes that analysis of comparable school district dental insurance benefits does not support selection of the Association's dental insurance proposal.

The Association argues that the dental benefits which it seeks will be provided to the District at low cost relative to what is paid in the comparable districts. When the new benefits take effect, if they are implemented by the arbitrator, the total monthly premium paid in Monroe in 1992-93 will be $15.84 for single plan and $46.20 for family plan.

For 1992-93 the median figure for the other Conference districts (excluding Sauk Prairie which is self-funded) is $15.87 for single plan and $47.44 for family plan. This means that if the Association's final offer for improved benefits were to be implemented in 1992-93, the total monthly premium paid in Monroe would be below the Conference median by ($.03) for single plan, and ($1.24) for family plan. The dollar amount paid by the District would be the lowest in the Conference, as is now the case also, for both single and family plans because the District pays 80% of the premium while many of the comparable districts pay a larger percentage.

In its reply brief, the District raises several arguments about the Association's proposed dental benefits. The District does not deny that comparisons with other districts which look only at crowns and orthodontia coverage are favorable to the Association. It argues, however, that the Association,

> . . . fails to recognize other benefit levels in Monroe and comparable districts where Monroe provides superior benefits to comparable schools. The Association cannot justify its proposed change in dental insurance benefits simply by focusing on a few of the many benefits provided under the District's dental insurance plan and claiming that those benefits are inferior to those provided by other districts.

In this same vein, the District states:

> . . . The Association has provided no evidence to indicate whether orthodontia, casts and crowns are more or less valuable than $1,000 maximum benefits per year (which Monroe has, but Monona and Sauk Prairie do not have) or 100 percent payment of basic benefits (which Monroe has but Middleton-Cross Plains and Stoughton do not have). The Association has not proven that its proposal to change the dental insurance plan is supported by the comparisons -- it has merely proven that the schools of the Badger Conference have different benefit plans, and that each plan, including Monroe's, has some benefit levels equal or superior to all others.

The District argues also that the existing dental benefits were bargained voluntarily in 1981 and it is not evident what has been given by the District, or received by the Association, since then to maintain those benefits. The District notes the absence of a quid pro quo offered by the Association to achieve higher dental benefits. Moreover, it argues, the Association has not proven a need for the higher benefits, "other than the Association's assertion that its membership wants it." The District argues:

> . . . Evidence of benefits in comparable school districts does not prove a need for a change because Monroe's dental benefit is superior to half the schools in the conference in other benefits provided under the dental insurance plan. Evidence of comparable school districts shows a wide variety of benefit levels, with some benefits inferior and others superior to that offered by the Monroe School District.

In its reply brief, the Association emphasizes that the comparables favor its offer, and it argues: "Efforts by the District to show that other aspects of the Monroe dental plan are superior to certain Badger Conference plans ignore that, in the majority and on balance, Badger Conference dental plans exceed Monroe's dental benefit structure."

The Association argues that improved dental benefits are very important to its membership, noting that of 181+ full-time employes, there are 162 subscribers to dental benefits. It emphasizes also that the Association has been attempting to improve dental benefits in bargaining for ten years.

The Association argues, citing other arbitration awards, that where there is a compelling need for change and overwhelming support among the comparables for such change, no quid pro quo is needed. It suggests, however, that it has offered a quid pro quo. It states, in its reply brief:

> If a quid pro quo is sought, consider the following. In the long run, the Association leaves in place an important factor for cost-mitigation of dental insurance. These parties have at present a dental plan that falls short of the comparable plans in more than one substantial way. Not only is the plan lacking in coverage for orthodontia, crowns, inlays, etc. It also requires that employees pay more of the premium than in all but one other Conference school district of those districts that have competitive plans. The Association left this built-in mitigating factor intact. The result is that even with the improved benefit structure, the Monroe Board will pay the lowest dental premium of all competitive Conference schools (i.e., excluding Sauk Prairie). (AS BR, pp. 7-8, TABLE 1).
>
> In addition, the Association does propose a lower than average salary increase in the second year of the contract in order to offset costs of the newly added dental benefits. Since the new dental features will scarcely be realized during the 1992-93 term, the Board got something (a lower than average salary increase) for nothing.

The Association asks the arbitrator to support its proposed dental benefits for the additional reason that it has attempted for years to get improved benefits, and the District has refused to grant them, despite the fact that the comparison districts have granted such benefits to their teachers. The Association points out that it is not asking the arbitrator to suddenly grant a benefit which it has not tried diligently to secure on its own.

The Association cites a Februarv 3, 1993 letter from Superintendent Munro:

> I have been involved in all of the teacher bargaining since 1983. During each of these two-year agreements, the MEA has requested in their initial proposal an increase in the level of coverage to include onlays, porcelain crowns, cast crowns and orthodontia. In each bargain, these improvements were eventually dropped voluntarily . . .

The first question to be addressed is whether the comparables support the Association's proposed change. The Association's exhibits clearly show that the comparable districts provide crown and orthodontia coverage, and the percentage of payment by the District which the Association proposes is in line, or lower than, what most of the comparable districts pay.

As mentioned above, the District argues that crown and orthodontia benefits should not be isolated, but rather the dental benefits as a whole given by each district should be considered. The District argues that this puts the District's offer in a more favorable light.

The arbitrator is satisfied that the comparables favor the Association's final offer with respect to crowns and orthodontia. When those benefits for which the District's plan is more generous are considered, the arbitrator cannot determine from the evidence whether the District's dental plan, overall, should be viewed as equal, superior, or inferior to the comparison plans. The District argues that such analysis shows its plan to be superior, but the District does not offer any computations which show that what it is offering is so generous as to outweigh the Association's favorable comparisons with respect to crowns and orthodontia.

The arbitrator has concluded that the Association's proposal to include orthodontia and crown coverage is supported by the comparisons, and the resulting premiums are also competitive with the comparisons.

The next question to address is cost. The District cites the letter of February 3, 1993, written by District Superintendent Munro, in which he states, referring to the proposed new dental benefits, "The cost of this improved level of benefit is estimated at a $30,000-per-year increase for just the teaching staff . . ." The derivation of this cost estimate is not given.

From Association Substitute Exhibit #45 one can calculate that there are approximately 117 full-time employes who have the family plan, and 45 full-time employes who have the single plan. If the new rates were implemented for the entire year, the cost

to the District would be (45 FTE x $15.84 x 12 mos. x 80%) = $6,843 for single plan and (117 x $46.20 x 12 x .80) = $51,892 for family plan, or a total of $58,735. Without the improved benefits the premiums for 1992-93 would be $10.36 for single plan and $27.96 for family plan. The cost to the District would be (45 x 10.36 x 12 x .80) = $4,476 for single plan and (117 x 27.96 x 12 x .80) = $31,405 for family plan, or a total of $35,881. Thus, the added costs of the new benefits for an entire year, 1992-93, would be ($58,735 less $35,881) $22,854, or $1,905 per month.

In fact, the cost of the new benefits for 1992-93 will be zero because the Association's final offer provides that the new benefits take effect 30 days after this Award, and the year is over on June 30th. In their costing of their offers, the parties agreed that for 1992-93 they would assume that the new benefit would be in place for five months. That cost would be $1,905 x 5 = $9,523. Whichever of these calculations is used, the cost is significantly below the $30,000 cost estimate in the Superintendent's letter.

The arbitrator has concluded that the cost of the proposed dental benefit is not an important factor during the term of this Agreement. Thus, based on both comparisons of benefits, and cost during the term of this Agreement, the arbitrator supports the Association's final offer with respect to dental benefits.

Salary Issue

The parties' salary offers (not including longevity increases) result in the following increases:

Average Increase Per Returning Teacher

	1991-92		1992-93	
	$	%	$	%
District Offer	2148	7.08	1947	5.99
Association Offer	2370	7.81	1949	5.96

As is clear from the above table, the parties' proposed increases in the second year are virtually identical. The cost difference between the final offers for salary in the first year is $40,181. For the second year the difference is $362.

Both parties believe that an analysis of benchmark salaries supports their final offer. The following table shows the change in benchmarks from 1990-91. It shows the District's rank among the comparables and shows the relationship of the District's dollar figures to the median of the comparables under both final offers. (Waunakee is not included in the table because it does not have a salary schedule.)

	1990-91			1991-92			1992-93		
	Rank	Comparables Median	District Above (Below) Median	Rank	Comparables Median	District Above (Below) Median	Rank	Comparables Median	District Above (Below) Median
BA-base	8 of 8	$19493	$(243)	Dist 8	$20590	$(194)	Dist 7	$21765	$(339)
				Assn 5		(55)	Assn 6		(200)
BA-6	7 of 8	24172	(302)	Dist 7	25532	(241)	Dist 6	26989	(421)
				Assn 5		(69)	Assn 6		(248)
BA-max	7 of 8	27291	(3421)	Dist 7	28580	(3289)	Dist 7	29865	(3124)
				Assn 7		(3117)	Assn 7		(3297)
MA-base	4 of 8	21833	305	Dist 5	23493	(48)	Dist 4	24640	0
				Assn 3		122	Assn 3		160
MA-9	5 of 8	30158	(51)	Dist 5	32214	(315)	Dist 6	33799	(289)
				Assn 5		(97)	Assn 5		(71)
MA-max	7 of 8	35088	(1439)	Dist 7	36986	(1333)	Dist 7	38900	(1447)
				Assn 7		(1090)	Assn 7		(1204)
Sched-max	5 of 8	37830	(292)	Dist 7	40010	(238)	Dist 7	42173	(392)
				Assn 4		33	Assn 5		(121)

NOTES: There are some discrepancies in the parties' figures for some districts. In making his calculations, the arbitrator used the contract figures for Middleton-Cross Plains. The Association did not use the base figures, apparently because the Employer is allowed to hire teachers above the base. Since that is an option, not a requirement, the arbitrator used the base figures. Also, the Association used an incorrect figure for the BA-base in Monona Grove for 1990-91, and the District used incorrect figures for MA-9 in Sauk Prairie and Schedule-max in Middleton-Cross Plains for 1990-91.

In terms of ranking, there is no change at BA-max and MA-max during the two-year period. At BA-base and BA-6 both offers improve the ranking over the two-year period. At MA-9 the Association's offer maintains the ranking while the District's offer lowers the ranking. That is also the case at Schedule-max where in the first year the Association offer improves the ranking, but then in the second year it returns to the 1990-91 position. At MA-base the District maintains the ranking over the two-year period, although it lowers the ranking in the first year.

In terms of relationship to the median, comparing 1991-92 to 1990-91, both final offers improve the District's relative position at BA-max. Both result in deterioration at MA-base and MA-9. At BA-base, BA-6, MA-max and Schedule-max, the Association's final offer results in relative improvement, while the District's offer results in relative deterioration. In terms of closeness to the 1990-91 median (i.e. status quo), the Association's offer is close at BA-base, BA-6, BA-max, MA-base and MA-9 and Schedule-max. The District's offer is closer at MA-max.

The benchmark analysis favors the Association's final offer in terms of dollars in relationship to the comparables. It is also significant that the District's offer results in relative deterioration at all but one benchmark.

The arbitrator does not believe that as much significance should be attached to the benchmark analysis in this proceeding as might otherwise be the case for a reason pointed out by the District in its exhibits and brief. The meaningfulness of placement at a particular benchmark, and of benchmark comparisons in the Conference is called into question where there have been significant changes in the placement of teachers on the salary schedules in some districts. This occurred, for example, in 1990-91 in Fort Atkinson where teachers were frozen in placement on the salary schedule, and in Oregon where steps were deleted from the base of the schedule and added to the top of the schedule.

The following table shows the parties' proposed percentage and average dollar salary increases per returning teacher (excluding longevity increases) in relationship to the median figures for the comparables. Unlike the benchmarks, these figures are not called into question because of changes made in salary structures.

Salary Increase (excluding longevity)

	1991-92		1992-93	
	%	$/Teacher	%	$/Teacher
Median of Comparables	6.9	2157 (Dist. figures) 2171 (Assn. figures)	6.4	2081 (Dist. figures) 2108 (Assn. figures)
District Offer	7.08	2148	5.99	1947
Assn. Offer	7.81	2370	5.96	1949

Increase 1990-91 to 1992-93

	%	$/Teacher
Median of Comparables	(1.069 x 1.064) = 13.7%	$4238 (Dist. figures) 4279 (Assn. figures)
District Offer	13.5%	4095
Assn. Offer	14.2%	4319

These figures demonstrate that both parties have offered percentage increases in average salary which are above the median figure for the comparables in the first year, and below the median increase in the second year. The percentage increases in average salary for the two-year period is 13.5% offered by the District, and 14.2% offered by the Association. The District's offer, in percentage terms, is closer to the median increase of the comparables (13.7%) although slightly below it.

As the table shows, the parties' figures produced different medians for average-salary-per-teacher among the comparables. If the District's figures are used, the median is $4,238 for the two-year increase, and the District's offer is ($143) below the median, while the Association's offer is $81 above the median. If the Association's figures are used, the median is $4,279 for the two-year period. The District's final offer is then ($184) below the median and the Association's is $40 above the median. Thus, using the average salary per returning teacher, the Association's offer is slightly preferable to the District's over the period of the Agreement in relationship to the comparables.

The statute requires the arbitrator to consider factor (e) "comparisons . . . with . . . other employes generally in public employment in the same community and in comparable communities."

The District has presented data for other municipal employees in the Monroe area. Some of the data are from actual wage documents. Some are in the form of responses to a wage survey done by the District, and these data do not have supporting documentation which would enable one to verify the accuracy of the data.

These data appear to show the following:

City of Monroe employees had wage rate increases from 1/91 to 1/92 of approximately 4%, except for some secretarial classifications where the rate increase was slightly over 10%. For the year 1/92 to 1/93, wages increased approximately 4%.

City of Monroe police had their wages increased from 1/91 to 1/92 by approximately 2.5%. From 1/92 to 1/93 the rate increase was slightly above 5%.

For hourly employees of the Ludlow Memorial Library, it appears that their 1992 rates were approximately 5.9% above 1991 rates. For 1992, it appears that some classifications may have received 3.7%, while others received 6.7%.

For unionized secretaries at Blackhawk Technical College, rates increased from 1991 to 1992 by 3.9%. The increase in 1993 over 1992 was 3.8%. Part-time secretaries may have had increases of 5% and 2.8%, respectively.

These data suggest that the increases given to the teachers during the relevant periods were above those given to other public employees in the Monroe area, at least as indicated by the evidence presented.

The Association presented data with respect to the District's administrative employees, for 1990-91 and 1991-92. The median increase for 9 administrators was 7.35%. The mean increase was 7.69%. These figures compare to a mean increase of 7.08% under the District's offer, and 7.81% under the Association's offer.

The figures presented in this section suggest a preference for the District's offer when comparisons are made with public employees of area municipal employees, and a preference for the Association's offer when comparisons are made with the District's administrative staff.

The statute requires the arbitrator to give weight to factor (f), "comparison . . . with . . . other employes in private employment in the same community and in comparable communities."

The District presented data about major collective bargaining settlements in the private sector, nationally. In the

arbitrator's opinion, these do not warrant further consideration because they do not reflect settlements in Monroe or comparable communities.

The District also did a wage survey of area businesses. There are seven responses showing wage rates for 1991, 1992 and 1993. They are not identified by employer name, and it is not possible to identify what type or classification of employees the figures represent, so that they are not of much value. Also, there are no underlying documents which attest to the accuracy of the responses. They show changes from 1991 to 1992 ranging from a wage cut to a 7.4% increase and, from 1992 to 1993 ranging from no increase to a 10.3% increase. The median increases for each year are in the 3% range.

For the reasons described above, the arbitrator has no way of knowing the accuracy or representativeness of these data. He thus does not view this factor as favoring either party's final offer more than the other's, even though the figures seem to favor the District's offer more than the Association's.

Factor (h) directs the arbitrator to give weight to the "overall compensation" of the employees.

In terms of percentage increase from 1990-91 to 1991-92, the median increase of the comparables for total package was either 6.9% or 7.0%, depending upon which parties' figures are used. The District's offer is an increase in total package of 7.2%, while the Association's increase is 7.9% according to District figures, or 8.3% according to Association figures.

For 1992-93, the median increase of the comparables for total package was 6.9%. The District's increase is 6.7%. The Association's increase is 6.8% according to District figures, or 6.4% according to Association figures.

Over the two-year period, the median increase of the comparables was (1.069 or 1.07 x 1.069) = 14.4%. The District's increase is 14.4%. The Association's increase is 15.2%. Thus, the District's increase, in percentage terms, is closer to the median increase of the comparables than is the Association's increase.

In terms of total compensation per returning teacher, the parties' figures differ. The Association does not present cost figures calculating the District's package. It does present figures for its own package, but those figures differ from the District's calculation of the cost of the Association's offer. The figures for the increase in total compensation differ by $19,732 in the first year and $4,104 in the second year. These differences affect the calculation of the total package per returning teacher. The District calculates its offer as resulting in a package of $2,996 per returning teacher in 1991-92

and $1,969 for 1992-93. It calculates the Association's offer as being $3,262 and $3,041. The Association's calculation of its own offer is $3,371 and $2,815.

If there was an attempt by the parties to reconcile these figures, no evidence was presented on that point. By looking at the line items, the arbitrator can account for the differences (there are many), but he does not know why the figures are different or which ones are correct.

The parties also do not agree on some of the figures for comparable districts, and thus they do not agree about the median figures for the comparables, for average compensation per returning teacher. If the Association's figures are used, the medians for 1991 and 1992 for the comparables are $2,993 and $3,160. If the District's figures are used, the medians are $2,917 and $3,188. Again, the arbitrator does not know which figures are accurate. Whichever figures are used, the District's offer is closer to the median in each of the two years.

If the two yearly increases are combined, the figures appear to favor the Association's offer, but whether they in fact do so, and to what degree, is dependent upon which figures are used for the Association's offer and for the comparables median. Because he is unsure of which figures to use, the arbitrator has not drawn any conclusion about which final offer is preferable compared to the comparables with respect to average compensation per returning teacher, in dollar terms.

Factor (g) directs the arbitrator to give weight to the "cost of living."

The District presents data showing that for 1990-91, the Nonmetropolitan Urban Areas Index, published by the federal government, rose 5.3%. That was during the year prior to the beginning of the term of the Agreement which is being arbitrated here. It shows also that during 1991-92 the increase was 2.6%, and from July, 1992 through December, 1992, the increase was 2.8%.

Both parties' final offers far exceed these cost-of-living increases. However, the District's offer, as the one which is slightly lower, and thus closer to the cost-of-living index figure, is preferred based upon this criterion.

Factor (j) directs the arbitrator to give weight to "such other factors . . . which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through . . . arbitration . . ."

The District cites this factor with respect to its arguments concerning the Association's proposal to improve dental benefits. The District argues that the current benefits are of long-standing, and although it is the case that the Association has

made proposals for improvement for ten years, the parties have always reached voluntary agreement to maintain the existing dental benefits. It argues that the Association's proposal is a significant one which will have high costs in the future, though not during the Agreement being arbitrated here. The District argues that arbitrators in other cases have been reluctant to make significant changes in conditions which have been voluntarily bargained and have been in place for a long period of time. The District argues also that where arbitrators do allow such a change, it is normally in a situation where a meaningful quid pro quo has been offered by the party seeking the change.

The District argues that need for the change has not been shown and that no quid pro quo has been offered, given the Association's above-average salary proposal over the two-year period of the Agreement.

The Association argues that it does not need to provide a quid pro quo for the change in dental benefits because the comparables, in its view, provide overwhelming support for the proposal.

The Association mirrors these arguments with respect to the District's proposal to delete contract language. The Association cites the existence of language of long-standing, which was voluntarily bargained. It argues that the District has not shown any need for the change, and has offered no quid pro quo to the Association for acceptance of the change.

Do these arguments cancel one another? Both parties have proposed changes in long-established provisions, and both have failed to offer a quid pro quo. In principle they do cancel one another. In practice, it would appear that the dental benefits issue is more important than the language issue, at least as measured by potential cost and by the scant attention given by the parties to the language item. However, the District has shown no reason for making the language change, while the Association has demonstrated that the comparables provide substantial support for its proposal to improve dental benefits.

The arbitrator believes that it is less unfair to award benefits, where there have been attempts to secure them for years at the bargaining table and where the comparables support such benefits, than it is to award removal of contract language where there has been no testimony or evidence presented for why it should be done, and no indication that there have been problems with the language or attempts to delete it in prior bargaining. This conclusion is not given great weight by the arbitrator, however, because of the significant costs which are associated with the dental benefits for which no quid pro quo has been offered. There are no such costs in this Agreement only because the bargaining and arbitration processes have taken so long, not because the benefits have no costs associated with them.

In conclusion, the arbitrator does not favor either offer more than the other with respect to factor (j).

Factor (c) directs the arbitrator to give weight to the "interests and welfare of the public . . ."

There is no dispute about the fact that the District has the ability to pay either party's final offer. The District argues, however, that where, as here, the District's offer is in line with what the comparables have bargained, and where there is no difficulty recruiting and retaining teachers, and where the taxpayers of the District are not as well off economically as those in comparable districts, the District's lower offer should be selected so as not to further increase the property tax burden.

There is no dispute about the fact that the District is not having difficulty recruiting and retaining teachers. There is also no dispute about the fact that the District's offer approximates the increases given by comparable districts for 1991-92 and 1992-93. Are the District's taxpayers in a poorer financial position than those of the comparables?

The District presents data for the comparable school districts showing: mean total income, mean taxable income, and mean tax paid. Those figures, for 1991, may be summarized as follows:

	1991 Mean Total Income	1991 Mean Taxable Income	1991 Mean Tax Paid
Comparable Median	$32995	$30162	$1849
District Rank	8 of 9	9 of 9	9 of 9
District Above or (Below) Median	(7374)	(8073)	(348)

The increase in mean total income from 1990 to 1991 in the Monroe School District was 2%. The increase in the comparables median figure was 5.2%. Similarly, in the District, mean taxable income rose 2.7% while the increase in the comparables median figure was 5.8%.

The District presents other data which are not specific to school districts. Rather, the data are for Green County (in which Monroe is located), and the other counties in which the comparable districts are located: Dane, Jefferson and Sauk. The arbitrator has listed below some of the figures from the District's exhibits:

	Dane	Green	Jefferson	Sauk
1989 % population below poverty level	10.5%	7.8%	7.2%	9.7%
1989 per capita income	$15542	$13006	$12770	$11697
1991 average unemployment rate	3.0% (Madison MSA)	6.0%	5.4%	5.5%
Earned income from farming (in a 1987 publication)	2 %	19%	6%	14%
% Employed in farming, forestry and related employment	3.8%	22%	13.4%	17.7%
% Employed in farm implement and processing	3.3%	9.2%	10.2%	5.5%

The District also has estimated the percentage of agricultural property in the District and in comparable districts. It has done this by using the statistics for cities, villages and towns which are partly or wholly in each district. Since boundaries of these entities are not the same as for school districts, the figures are only estimates. These data show, for 1992:

	Comparables Median	Monroe
Estimated % of Property in district classified as agricultural	9.8%	17.3%

Monroe has the second highest percentage among the comparable districts.

The District presents voluminous farming statistics, not shown here, to support its arguments that the farm economy is troubled and weak. Given the relatively high percentage of income from farming and farm-related activity upon which taxpayers depend, the District argues, its offer and not the higher Association offer should be selected.

The Association describes Monroe as a "thriving community" which is not lacking the ability to pay the Association's final offer.

The Association argues that the District has exaggerated the role that agriculture plays in the economy of the Monroe School District. It shows statistics indicating that less than 10% of the income of Green County's residents is from farming. Of the income of farm households, more than half comes from non-farm sources. For purposes of argument, and to maximize the contribution of agriculture to the economy, the Association presents figures based on the assumption that all of the agricultural full value of municipalities is within the school district's boundaries (which is not in fact the case). Even with this assumption, the Association argues, Monroe's agricultural property is 21.7% of the total property, compared to a median figure of 17.3% for the comparables. It concludes that the District's agricultural base is not significantly higher than that of comparable districts.

The Association calculates that the parties' cost differences in the first year of the Agreement would cost the owner of a $75,000 house just $10.02 per year. The Association emphasizes that the District's taxes are not high in relationship to the comparables. The District ranks last (9th) in its levy rate ($2.18 below the median), and last (9th) in school costs per pupil ($516 per pupil below the median). If State Aids are subtracted from school costs, and the resulting net cost is examined, the District ranks last (9th), below the median cost per pupil by $217. These are all 1990-91 figures.

The Association points to a significant improvement in the unemployment rate in Green County. It cites a November, 1992 monthly rate of 2.9%, compared to a statewide average of 4.2%.

Even if one accepts the Association's arguments that the District is exaggerating the role of the agricultural economy as it affects the school District, the figures for income of District residents show clearly that they are not as well off as taxpayers in comparable districts. It is also the case, however, that residents of the District do not support the schools economically as much as do residents of comparable districts. Their tax rates are relatively very low, but that is not the case with property value. In 1991-92 for example, the District ranked 5th of 9 in equalized value per member. The District's figure was $1,002 above the median of the comparable districts.

The arbitrator has concluded that in a case such as this one, where the District's proposed salary and total compensation increases approximate the increases bargained by the comparables and exceed the increase in the cost of living, there is more reason to support the District's position in relationship to the "interests and welfare" of the public than to support the Association's higher final offer. This conclusion is reinforced

by the figures showing the relatively low income of the District's taxpayers, although the District's argument would be stronger if its residents had relatively low property values and relatively high taxes, which they do not.

Conclusion

The statute requires that the arbitrator select one final offer or the other in its entirety. This is a very close case, and thus it is a very difficult choice to make.

The arbitrator is persuaded that the District's taxpayers are less well-off financially than are the comparison districts, and yet the District's final offer provides average increases in salary and total compensation, and they are greater than the increase in cost of living. The arbitrator is not persuaded that the District should be called upon to do more than that at this time.

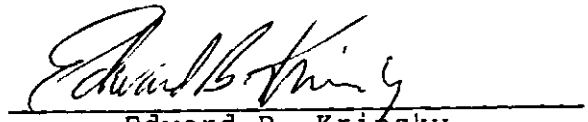
The Association's final offer costs somewhat more, and includes new dental benefits. There clearly is support for those benefits among the comparables, but the arbitrator does not view the need for those benefits as so compelling as to require the District to implement them now. In other words, the arbitrator sees greater reason to implement the District's salary and package offer, which keeps up with the average increase among the comparables, even though it does not include new dental benefits, than he does to implement the dental benefits which would then require that he implement the higher Association salary and package offer. The dental benefits are clearly justified, but the parties can include them in a subsequent bargain. The one real negative in the District's final offer is its unilateral deletion of the contract language pertaining to teacher files. However, the arbitrator is persuaded that this is not a significant item and does not justify a decision to not select the District's entire final offer because of it.

Based upon the above facts and discussion, the arbitrator hereby makes the following

AWARD

The District's final offer is selected.

Dated at Madison, Wisconsin, this 15th day of June, 1993.



Edward B. Krinsky
Arbitrator