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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Arbitration Between

THE SCHOOL DISTRICT OF KETTLE MORAINE

-and-

SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 150
(FOOD SERVICE EMPLOYEES)

Case 22 No. 51459
INT/ARB 7393
Decision No. 28239-A

Appearances - Marianne Goldstein-Robbins, Attorney at Law, for the Union
Mark F. Vetter, Attorney at Law, for the Employer

Service Employees International Union Local 150, AFL-CIO, hereinafter referred to as the Union, filed a Petition on August 30, 1994 with the Wisconsin Employment Relations Commission, hereinafter referred to as the Commission, wherein it alleged that an impasse existed between it and the Kettle Moraine School District, hereinafter referred to as the Employer, in their collective bargaining. The Union requested the Commission to initiate arbitration pursuant to section 111.70(4)(cm)6 of the Municipal Employment Relations Act. A member of the Commission's staff conducted an investigation in the matter and submitted a report to the Commission.

The Commission found that the Union has been and is the exclusive collective bargaining representative of certain employees of the Employer in a collective bargaining unit consisting of food service employees. The Union and the Employer have been parties to a collective bargaining agreement covering wages, hours and working conditions of the employees in the unit and it contained a wage reopener for the year July 1, 1994 through June 30, 1995 for the purposes of negotiating a successor salary schedule. It provided that in the event the parties were unable to reach an agreement on a new salary schedule, either party could petition for arbitration pursuant to Wisconsin statutes 111.70(4)(cm).

On May 20, 1994, the parties exchanged their initial proposals on matters to be included in a new collective bargaining agreement. The parties did not meet in efforts to reach an accord on a new collective bargaining agreement but they participated in a mediation meeting conducted by a member of the Commission's staff on August 18, 1994. On August 30, 1994, the Union filed the petition requesting the Commission to initiate arbitration. Subsequent to filing that petition an investigator from the Commission's staff conducted a telephonic investigation that reflected that the parties were deadlocked in their negotiations. By October 27, 1994, the parties submitted their final offers to the Commission and the investigation was closed.

The Commission concluded that the parties have substantially complied with the procedures set forth in the Municipal Employment Relations Act required

prior to the initiation of arbitration and determined that an impasse existed between the parties.

The Commission ordered that arbitration be initiated for the purpose of issuing a finding a final and binding award to resolve the impasse existing between the parties and directing them to select an arbitrator. Upon being advised that the parties had selected Zel S. Rice II as the arbitrator, the Commission issued an Order appointing him as the arbitrator to issue a final and binding award pursuant to section 111.70(4)(cm)6 and 7 of the Municipal Employment Relations Act to resolve the impasse by selecting either the total final offer of the Union or the total final offer of the Employer.

The parties to this arbitration are currently in the midst of a 2 year agreement covering the 1993-94 and 1994-95 school years. That agreement was executed on December 14, 1993 and provided that employees on an individual rate would receive a wage rate increase of 4.3 percent for the 1993-94 school year and an amount to be agreed upon for the 1994-95 school year. The parties agreed that there would be a reopener for the 1994-95 school year for the purposes of negotiating a successor salary. The Union's final offer, attached hereto and marked Exhibit 1, provides that the salary schedule in the agreement be modified by increasing the amount set forth for the school year 1993-94 by 3.8 percent for the 1994-95 school year. The Employer's final offer, attached hereto and marked Exhibit 2, provides that employees on an individual rate should receive a wage rate increase of 1.1 percent for the 1993-94 school year.

COMPARABLE GROUP

The Union proposes a comparable group, hereinafter referred to as Comparable Group A, consisting of the other school districts in the athletic conference to which the Employer belongs. Those school districts are Arrowhead, Kenosha, Mukwonago, Muskego-Norway, Oak Creek-Franklin, Racine, Waukesha and West Allis. The enrollments in those school districts range from a low of 1648 at Arrowhead to 22,260 at Racine. The Employer has the next to the lowest enrollment with 3,387 students. The cost per pupil in Comparable Group A in the 1993-94 school year ranged from a low of \$6,561.29 at Mukwonago to a high of \$7,287.90 at West Allis. The Employer had the next to the highest cost per pupil rate in Comparable Group A during the 1993-94 school year of \$7,175.76, which was the second highest cost per pupil in the comparable group. The mill rate in Comparable Group A ranged from a low of \$6.72 at Arrowhead to a high of \$20.44 at West Allis. The Employer had the third highest mill rate in Comparable Group A. It was \$19.76. The school property taxes in Comparable Group A range from a low of \$8,843,722.00 at Arrowhead to \$72,793,266.00 at Racine. The Employer ranked fifth with total 1993-94 school property taxes of \$19,924,969.00. The equalized property values in Comparable Group A in the 1993-94 school year ranged from \$884,507,459.00 at Oak Creek-Franklin to \$4,175,660,350.00 at Racine. The Employer's 1993-94 equalized property value was \$1,800,602,884.00 and ranked sixth in Comparable Group A.

The Union also relies on a comparable group consisting of contiguous school districts, hereinafter referred to as Comparable Group B. Those school districts are Pewaukee, Palmyra-Eagle, Arrowhead, Waukesha, Oconomowoc, and Mukwonago. The annual school cost per member for Comparable Group B in the 1993-94 school year ranged from a low of \$6,561.29 at Mukwonago to a high of \$7,558.64 at Pewaukee. The Employer's cost per pupil that year was \$7,175.76 and was the second highest in Comparable Group B. The 1993-94 mill rates for Comparable Group B ranged from a low of \$6.72 at Arrowhead to a high of \$19.76 for the Employer. The 1993-94 school property taxes in Comparable Group B ranged from a low of \$4,149,828.00 at Palmyra-Eagle to a high of \$70,135,236.00 at Waukesha. The Employer's 1993-94 school property taxes were \$19,924,969.00 and that was the third highest in Comparable Group B. The equalized property values in Comparable Group B for the 1993-94 school year ranged from \$220,080,243.00 at Palmyra-Eagle to a high of \$3,621,839,519.00 at Waukesha. The Employer's 1993 equalized property value was \$1,800,602,884.00 and was fourth highest in Comparable Group Group B. The K-12 enrollment in Comparable Group B during the 1993-94 school year ranged from a low of 1,309 at Palmyra-Eagle to a high of 13,066 at Waukesha. The Employer's 1993-94 K-12 enrollment was 3,887 and that was the fourth highest in Comparable Group B.

The Employer relies primarily on an internal comparable group consisting of its secretaries, custodial and maintenance employees, nursing service employees, supervisory, technical and administrative employees, teachers, administrators, instructional assistants and the food service employees. Those eight groups of employees consist of 455 employees, 395 of which are in bargaining units. The Union represents 24 employees in the food service unit or 5 percent of the Employer's total work force.

The Employer has not objected to Comparable Groups A and B relied upon by the Union but places its reliance on the internal comparable group consisting of its eight employee groups including seven bargaining units and it will be referred to as Comparable Group C. The Employer does not object to Comparable Groups A and B, relied upon by the Union, but argues that its internal comparable group consisting of its eight employee groups is more appropriate.

The arbitrator finds that all three of the comparable groups merit some consideration in determining the appropriate wage increase to be given to the Union. Ordinarily the arbitrator leans toward the internal comparable groups as most appropriate. However there are circumstances that may arise which would make the external comparable groups more appropriate.

UNION'S POSITION

The Union argues that its offer is below the increase provided to all existing classifications in Mukwonago and below the increase provided to the basic classifications of cook and assistant cook in Muskego-Norway. It contends its offer is just below the wage increases provided to Oak Creek-Franklin food service employees and toward the low end of the increases provided to Kenosha

food service employees as part of a restructuring of a wage schedule abolishing step increments. It takes the position that the Employer's offer of a 1.1 percent wage increase is below the increase provided to any Kenosha food service employee. The Union asserts that only Waukesha and Arrowhead provided employees with increases lower than it proposes and in Waukesha the increase range is closer to that of the Union than the Employer. The Union argues that the increase provided to Arrowhead school district food service employees is out of sync with all other school districts within the athletic conference and is worthy of less consideration than other external comparables because it is the result of an arbitration. It contends that its proposal is significantly lower than the increase provided to food service employees in Comparable Group B. The Union concedes that the Employer's wage rates are generally within the range paid by most school districts within the comparison pool.

The Union takes the position that the P1 classification is below Mukwonago, Kenosha, Waukesha and Muskego-Norway and above Oak-Creek, Pewaukee, Palmyra-Eagle and Arrowhead. It asserts that the P1 classification has a minimum rate below that of almost all comparison communities with the exception of Arrowhead. The Union argues that half of the bargaining unit is in the first five steps of the P1 classification and the wages ranged from \$5.61 to \$6.24 in the 1993-94 school year. It contends that all of those employees were below the lowest paid employee in either Comparable Group A or B. The Union takes the position that its proposal will maintain the Employer in the average range among the comparable communities although still below other communities with respect to the first steps of the P1 classification. It asserts the Employer's offer of 1.1 percent will cause the first steps of the P1 classification to fall still further below their counterparts in other communities. The Union argues that the lowest step of the Employer's P1 classification received \$5.61 an hour in 1993 and that was \$.71 below the lowest rate in the Muskego-Norway district. It contends that the Employer's offer for the 1994-95 school year would widen the gap to \$.98 below the Muskego-Norway rate. The Union takes the position that the Employer is at the mid-range to low mid-range of comparable school districts with respect to the health insurance premium and dental insurance. It points out that the Employer's dental insurance is provided at a 91.7 percent rate as compared to a 100 percent coverage in Muskego-Norway, Arrowhead, Mukwonago, Palmyra-Eagle and Pewaukee, but above the benefit provided by Waukesha and Kenosha. The Union argues that the proposal it has made for 3.8 percent wage increase is supported by the vast majority of comparable school districts that provide food service employees in 1994-95 with identical, similar or better wage increases with the exception of Arrowhead. It contends that there is nothing that warrants the Employer giving its food service employees an inferior wage increase below the vast majority of the comparable school districts. The Union points out that there has never been an instance when either the increase per wage step or total wage costs in the food service unit has followed either the custodial unit or the teacher aide unit and there has been no pattern of consistent increases. It takes the position that because there is no history of pattern bargaining between the units the

Employers internal comparisons cannot justify its wage offer for the 1994-95 school year. The Union asserts there is no pattern from a comparison of the fringe benefit packages negotiated with the Employer's bargaining units. Sick leave benefits have varied, some employees receive holidays and others do not and even overtime is not uniform between the bargaining units. It points out that in the area of health and dental insurance there are important differences between the benefits provided to food service employees and other bargaining units. The Union argues that salary increases of teachers and administrators were capped by recent changes in state law but those changes do not affect wage increases that the food service employees may receive. It contends that the most reasonable basis for evaluating the proposed wage increases is to make comparisons with what similar employees are receiving in comparable school districts. The Union takes the position that food service employee wages are lower than the wage paid to virtually every other bargaining unit and the contribution they must make to health insurance means that they have far less remaining out of their take home pay. The Union takes the position that the Employer's cast forward method of costing each employee group's total package is not accurate because there has been and will be turn over in the bargaining unit. It contends that the cast forward method of costing is an abstract calculation and does not reflect reality and over estimates the actual cost to the Employer because of its turn over experience. The Union asserts that the Employer erroneously calculated the cost of the wage fringe package for other bargaining units because it utilized estimates prepared in February of 1994 before the actual increases were known. It points out that the full premium in 1994-95 for the family coverage for all other units except the custodians increased to \$570.00. It only paid up to a cap of \$530.00 for the food service unit and it paid the entire premium for the other groups of employees. As a result, the Employer paid an additional \$40.00 per month for each full time employee in the other bargaining units that it did not consider in costing the total package increase for these employees. The Union argues that the Employer has not only proposed a lower wage increase for food service employees than provided to other bargaining units but it has also provided a less generous health insurance package. It contends that a proper valuing of the bargaining units wage fringe package for the other groups of employees justifies a higher wage increase for the food service employees than provided to the other bargaining units.

EMPLOYER'S POSITION

The Employer argues that the legislature has imposed limits on wage and benefit increases to be provided to teachers and administrators and their total package increase may not exceed a 3.8 percent increase over total compensation amount for the prior year. It concedes that its food service employees are not covered by those laws. The Employer contends that these laws provide significant guidance and direction as to the level of increases that would be fair and equitable for all its employees. It takes the position that its goal was to achieve internal equity by granting every employee unit and group a total package increase of approximately 3.8 percent which is in line with the statutory wage and benefit increase guidelines and limitations for teachers and admi-

nistrators. It would provide each food service employee with a wage increase for the 1994-95 school year of 1.1 percent. The Employer points out that its proposal would increase the salary schedule for the food service workers to \$136,842.00 which constitutes a 2.89 percent increase in salaries from the previous year. The Employer takes the position that given the cost of step increases and the increases in the cost of fringe benefits, it could only give an additional 1.1 percent increase across the board on the salary schedule and still stay within its desired total package increase of 3.8 percent. It points out that the salary cost increase as a percentage of the total wages and benefits for the prior year is 1.76 percent and the benefit cost increase is 2.03 percent. The Employer argues that the Union's final offer, using the cast forward method, results in the total wage increase of 5.32 percent and a benefits increase of 7.39 percent increase. It contends the Union's final offer would increase total wages and benefits by 6 percent over the total wages and benefits for the previous year and would be wholly out of line with the other voluntary settlements between the Employer and all of its other employees. The Employer takes the position that the Union's proposal exceeds the total package increase given its 431 other employees by 58 percent.

The Employer takes the position that it has evaluated the compensation of all its employee groups by considering the current economic climate in which school districts now operate. It is dominated by revenue caps and statutes limiting wage and benefits for teachers and administrators. The Employer argues it has sought to achieve equity among the various employees by offering nearly identical package increases to all employees in groups. It points out that the eight groups of employees consist of 455 employees, 395 of whom are in bargaining units. The Employer points out that there are only 24 employees in the food service unit constituting a mere 5 percent of its total work force. 95 percent of its employees have voluntarily settled their wages and benefits and have accepted a total package increase of approximately 3.8 percent. The Employer contends that the range for salary increases for all other employees of the district runs from 2.11 percent to 3.3 percent and the smallest increase was in the settlement with the instructional assistants which was 2.11 percent. It takes the position that its offer to the food service units exceeds the 2.11 percent wage increase of the instructional assistants but falls squarely in the middle of the range of the settlements with the other groups and is higher than two of the other bargaining units. The Employer asserts that the Union's final offer would result in a 3.8 percent salary increase for the food service employees which would result in the total wage increase of 5.32 percent, outstripping any other settlement reached with the other employee groups. The Employer argues that the total package increase resulting from the Union's final offer would hit 6 percent and would be 2.1 percent higher than the increases for all other employee groups. It contends that the Union's final offer constitutes an inequitable difference between the food service group and its other employees. The Employer points out that section 111.70 provides that the arbitrator should consider comparison of wages, hours and conditions of employment of municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees generally in

public employment in the same community and in comparable communities. It takes the position that its total package increase of 3.8 percent offered to all employees, was driven by its desire to achieve equity between the various employee groups and still adhere to the fiscal constraints placed on it by the legislature. The Employer asserts that the only appropriate comparison should be internal since its final offer is based on the internal pattern of settlements by the Employer with its other employees during the past year. It argues that arbitrators generally give great weight to settlements between an employer and its other bargaining units. In the absence of compelling circumstances late settlements above a pattern established earlier penalizes employees involved in voluntary negotiations and is destructive of the collective bargaining system. The Employer contends that the goal of collective bargaining is to have arguments reached by the parties through voluntary settlements as opposed to arbitral awards. It takes the position that arbitrators should not issue awards that encourage various collective bargaining units to seek to resolve their labor disputes through arbitration rather than at the bargaining table. The Employer asserts that if it is to maintain labor peace with the many bargaining units and groups with which it negotiates, changes in wages and benefits must have a consistent pattern. The Employer argues that acceptance of the Union's offer would destroy the consistent pattern of settlements which it has thus far achieved. It contends that this offer represents a continuation of its pattern of nearly identical total package increases to all employee groups or units. The Employer takes the position that the Union's proposal would exceed the total package increase by other employee groups by at least 55 percent and that is unacceptable.

DISCUSSION

In making that determination of which of the two final offers of the parties should be selected, there are a number of issues to be considered. One of the most significant is which comparable group the arbitrator finds most appropriate for comparison. The Employer relies primarily on an internal comparable group consisting of its secretaries, custodial and maintenance employees, nursing service employees, supervisory, technical and administrative employees, teachers, administrators, instructional assistants and food service employees. Those eight groups of employees consist of 455 employees, 395 of whom are in bargaining units. The Employer contends that its internal comparable group is the most appropriate to consider in making the selection of a final offer. The Union relies on Comparable Group A, consisting of the eight other school districts in its athletic conference, and Comparable Group B, consisting of the six contiguous school districts. This arbitrator has found all of those comparable groups to be appropriate for consideration and comparison in other arbitrations. However, internal comparables are a compelling factor when an internal pattern of settlements has been established. To maintain an internal pattern of equity in its contract settlements with all of its employees with whom it bargains as well as those other employees with which it does not bargain, the internal health and dental insurance is a significant factor. The Employer has established a settlement pattern with the bargaining

units with which it has reached agreement. The arbitrator must determine if the proposal that the Employer makes to the Union is consistent with the agreements made with the other groups of employees with whom it has reached agreement for the 1994-95 school year. Another factor to be considered by the arbitrator in reaching his decision is whether or not the cast forward method is a proper way to cost the proposals of each of the parties. Ordinarily arbitrators find the cast forward method of costing proposals to be a proper method. It gives a quick snapshot of the bargaining unit at the time the final offers are made and it determines the cost of the proposal to those same employees if they were to be employed the next year. Sometimes there are changes in the personnel of the bargaining unit that would make the cast forward method of determining costs somewhat inaccurate as compared to the actual cost of the next year because of those personnel changes. However, it is still a proper method for determining costs if it is used accurately and uniformly.

The question here is whether or not the cast forward method was used accurately and uniformly so that a proper comparison of the internal comparables could be made.

In this case there has been a failure to use a uniform system of casting forward for this bargaining unit as compared to the other groups with which the Employer has reached agreement. In terms of wages and fringe benefits, the Employer's offer to the Union is below that provided to other bargaining units. The health insurance benefit provided for food service employees require a monthly payment of \$40.00 per month by each employee for family coverage and \$18.00 per month for single coverage that is not required of any of the Employers other groups of employees. They receive this benefit fully paid by the Employer. This results in an added \$.23 per hour for each of the employees in the other groups who receive family coverage that is not provided to the members of the bargaining unit represented by the Union. Arbitrators who rely on internal comparisons between bargaining units for wage increases, have done so when each bargaining unit received consistent wage and fringe benefit increases. That was not the case here. In both percentage terms and cents per hour, the food service unit will receive a smaller wage increase than every other bargaining unit. The Employer's offer to the Union provides a 1.1 percent increase in the wage schedule for food service employees at a 2.61 percent cost using the cast forward method. This yields increases for the lowest paid members of the bargaining unit ranging from \$.06 per hour to \$.09 per hour. In contrast, the increase the Employer gave the secretaries, was \$.25 per hour and custodians received \$.32 per hour and nursing assistants received \$.35 per hour. The Employer characterizes the increase received by school aides as a 2.11 percent increase in the wage schedule. This percentage increase resulted from a \$.17 increase in each step of the wage schedule as compared to the lower increases received by food service employees. This comparison fails to recognize that the school aides also receive full payment of health insurance that provides an increase in monthly benefits of \$40.00 per month for family coverage and \$18.00 per month for single coverage for each employee. Presuming a 40 hour week and 4.3 weeks per month, This would equate to an additional \$.23

per hour for each employee receiving family coverage and \$10.5 cents per hour for each employee receiving single coverage. The Employer has not considered the additional health and dental insurance premium for the other employees in computing the cost of their total package increase.

If the appropriate costing calculations had been made based on the Employer's actual health insurance costs for the other employees who received fully paid insurance, the Union's total package offer would not exceed the increase provided to the other units by any significant amount. The actual increase in the total package of the secretaries' bargaining unit, would be approximately 5.6 percent rather than the 3.8 percent shown on the Employer's costing of the total package if the additional cost of \$40.00 per month for family coverage and \$18.00 per month for single coverage that is paid by the Employer for the secretaries and not paid for the food service employees is considered. That would be just four tenths of a percent different than the cost of the Union's final offer for food service employees. If the appropriate health insurance premiums were included in the costing figures, the Union's final offer is more comparable to the cost of the total package for those groups of employees than the Employer's offer. For example, the projected insurance expense for health insurance plus dental insurance for the instructional assistants that would total \$210,102.00. That would be the equivalent of family coverage of \$530.00 per month per employee for the equivalent of 33 full time employees in the unit. However, the \$530.00 per month per employee that the Employer projected as the insurance expense for health insurance plus dental for 33 employees is not \$210,102.00. The additional increase of \$40.00 paid by the Employer raises the actual health and dental insurance premium paid for the instructional assistants unit an additional \$40.00 per employee per month or an additional \$15,840.00 for the year. This means that the instructional assistants unit received an increase in total wages and benefits of \$904,538.00 rather than the \$888,698.00 that the Employer claims was its total cost for wages and benefits for the instructional unit when it used the cast forward method of determining its total package increase for that unit. This results in an increase of 5.65 percent in the total package of the Employer's settlement with the instructional unit. That is far closer to the costing of the Union's offer of 6 percent rather than the Employer's offer of 3.8 percent. The Union's offer is not 58 percent above the Employer's settlements with the other bargaining units. The Employer's settlement with its school aides had a total package cost of 5.65 percent and is far above its offer of 3.79 percent for the food service unit.

The Employer was aware of the inequity between its offer for the food service employees and the settlements with other bargaining units. The dates of settlements indicate that with the exception of the unrepresented administrators, 6 of the Employer's bargaining units settled after the Employer learned that it would have to pay an additional \$40.00 per month per employee for family coverage and \$18.00 per month per employee for single coverage for the other employee groups but which it did not consider in determining its actual total package costs for each of those bargaining units. The Employer never adjusted

its computation of the total package increase for those employees to reflect that increase in cost. The final offers in this case were not submitted until September and October of 1994 and the Employer knew that the new premium rates for its other employees would be \$570.00 per month while it was only going to pay \$530.00 per month for family coverage and \$200.00 per month for single coverage for the bargaining unit represented by the Union.

Because of the Employer's inaccurate costing of its total package costs for the other bargaining units, a fair comparison cannot be made with the cost of the proposal made to the Union. The alleged 3.8 percent increase in the total package of the instructional assistants was not accurate because it did not include the additional health insurance contribution of \$40.00 per month for family coverage and \$18.00 per month for single coverage that the Employer actually paid but did not include in computing its total package cost. The same would apply for the 3.81 percent for secretaries, 3.81 percent for custodial maintenance employees, 3.8 percent for nursing services, 3.83 percent for supervisory technical and administrative employees, 3.81 percent for teachers and 3.8 percent for administrators. Each of those total package increase percentages did not consider the \$40.00 per month per person family coverage and \$18.00 per month per person single coverage that the Employer paid for each employee in those employee groups. The Employer's actual costs should be increased by those amounts to show the actual percentage increase of the total package for each employee in the other employee groups. It properly costed the total package increase for the food service unit represented by the Union because it did not pay the additional \$40.00 per month for family coverage and \$18.00 per month for single coverage for each employee in that bargaining unit. Thus the 3.79 percent total package increase cannot be properly compared with the Employer's alleged 3.8 percent increase for instructional assistants because the instructional assistants actually received a total package increase of 5.6 percent. The total package increase that the Employer gave to the secretaries bargaining unit, was actually 5.6 percent rather than the 3.8 percent that the Employer claims. The actual 5.6 percent total package increase that the Employer gave to the secretaries is far closer to the total package cost of the Union's final offer for food service employees of 6 percent than it is to the Employer's proposal of a 3.79 percent increase in the total package cost.

The evidence is clear that the Employer has not established a pattern of settlement with its other represented units consistent with its final offer to its food service employees. It has reached agreement with the other bargaining units on the basis of a far superior total package that includes full payment of health and dental insurance premiums at levels \$40.00 per month per employee more than it pays for the health and dental insurance premiums of the food service employees. As a result, the Employer has agreed to total package increase with its other bargaining units ranging from 4.5 percent to 5.6 percent. At the same time, it proposes a 3.79 percent total package increase for the food service employees. It has used the statutory revenue caps and limitations that have been imposed by statute on teachers and administrators to hold the total package increase for food service employees to 3.79 percent but it did not

adhere to those caps for the other groups of its employees. The Employer contends that 95 percent of its employees have accepted the premise that all employee groups should receive a total package increase at or about 3.8 percent. It takes the position that out of the district wide total of 455 employees, only the 24 members of the food service unit have refused to settle for that percentage package increase. However, that is not the case. The Employer has agreed to pay \$570.00 per month per employee for family health coverage and \$218.00 per month for single coverage for all employees groups other than food service employees. At the same time, it is paying a maximum of only \$530.00 per month toward the health insurance costs of its food service employees. In determining its total package increase for the food service employees, it used the figure of \$530.00 per month per employee in computing the total package increase for the food service employees. It used the same figure of \$530.00 per month in computing the total package increase for its other groups of employees when it was actually paying \$570.00 per month per employee for the family health and dental insurance of all of the rest of its employees. Thus it used a maximum health insurance premium of \$530.00 per month in computing the total package increase for all of its employees other than the food service unit when it was actually paying \$570.00 per month per employee for the employees who were not in the food service unit. It was not accurately setting fourth its total package increase for each of those employee groups. As a result, the Employer's claim that the total package increase for all of it employees other than the food service unit was 3.8 percent was not correct. Actually, those employees were receiving total package increases ranging from 4.5 percent to 5.6 percent while the Employer's offer to the food service employees was only 3.79 percent.

The Employer contends that the cast forward method of costing the total package increase for its employees is the proper method to use. The arbitrator does not disagree with that contention. However, the cast forward method should be used in the same manner and with the same components in order to establish parity of offers between all of the Employer's bargaining units and groups. Here the Employer used the same method of costing that it used for teachers and administrators in determining the cost of its total package increase for all other employee units and groups including the food service employees. However, it did not include the full cost of the health insurance premium that it was paying for all employees other than the food service unit. As a result, its cast forward method did not correctly reflect the total package cost of all employees in bargaining units and employee groups other than the food service employees. In order to establish parity between all of its units and groups, the Employer should employ the same method of costing for all of its employees. It did not do this when it did not include the correct amount of health insurance premiums it was paying for its employees in units and groups other than the food service unit. The result is that the Employer has used a flawed method of computing its total package increase of all of its employees other than the food service unit to compare with the total package increase it gave to the food service employees.

The Employer has offered the food service unit a total package increase

substantially lower than provided to the other bargaining units and it has not provided cost comparisons that accurately reflect the difference. The Employer has relied exclusively on its total package costs but it has not adjusted them to reflect the superior health and dental insurance contribution it makes for employees other than the food service employees. It has relied on an outdated total package costing calculation long after the actual health and dental insurance costs were known and it has not provided any offsetting increase to the food service bargaining unit which accepted a cap on health and dental insurance premiums. If the Employer is going to impose a \$530.00 per month cap on health and dental insurance premiums for family coverage for the food service employees while paying \$570.00 per month per employee for all its other employees receiving family coverage it can only provide parity or equity by giving the food service employees a higher percentage wage increase than it gave the other employees. It has not done this. As a result, it is offering the food service employees a total package increase of 3.79 percent while it is giving all of its other employees total package increases ranging from 4.5 percent to 5.6 percent. That is not equity. That is not parity. That is not the way to establish a uniform pattern that is consistent. Arbitrators generally, and this arbitrator in particular, who have relied on internal comparisons between bargaining units for wage increases did so when the Employer had provided each bargaining unit with consistent increases in wages, fringe benefits and total package costs. This is not the case here. In both percentage terms and cents per hour, the food service unit will receive a smaller total package increase than every other bargaining unit. The Employer's offer to the Union provides a 1.1 percent increase in the wage schedule proposed to food service employees. This yields increases for the lower paid employees in the food service bargaining unit ranging from \$.06 per hour to \$.09 cents per hour. By contrast, the increase for secretaries is \$.25 per hour and \$.32 per hour for custodians and \$.35 per hour for nursing assistants. In addition, those same employees received a contribution toward their health and dental insurance that equates to 23 cents per hour for each employee receiving family coverage and 10.5 cents per hour for each employee receiving single coverage.

The arbitrator is satisfied that the Employer has proposed a 3.79 percent total package increase for its food service employees as it claims. However, it did not give the rest of its employees total package increases of approximately 3.8 percent as it claims. Actually it gave them total package increases ranging from 4.5 percent to 5.6 percent. As a result, the Employer has not provided each bargaining unit consistent wage increases and the arbitrator finds its proposal to the food service employees does not fall within the pattern offered to the other internal comparables.

Since the Employer has not offered a consistent pattern of increases to all of its employees the arbitrator must turn to the external comparables in determining which final offer to select. Voluntary settlements among a group of employees doing similar work in comparable communities reflects a collective consensus for an appropriate wage increase. The parties in the course of arriving at a satisfactory settlement, give consideration to all the various

factors affecting wage determinations. The Union has proposed a 3.8 percent increase in wages for the 1994-95 school year while the Employer has proposed a 1.1 percent increase for that same year. A review of the external comparables supports the Union's position. The Union's proposal of a 3.8 percent increase in wages for the 1994-95 school year is in the mid-range of Comparable Group A. It is below the increase offered to all classifications in Mukwonago which range from 8.37 percent to 10.43 percent. It is also below the increase provided the basic classifications of cook and assistant cook at Muskego-Norway where increases range from 5.54 percent to 4.32 percent. The Union's offer is just below the wage increase provided to Oak Creek-Franklin food service employees which range between 4.73 percent and 3.82 percent for the 1994-95 school year. The Employer's offer of a 1.1 percent wage increase for the 1994-95 school year is lower than the wage increase offered to food service employees in any of the school districts in Comparable Group A.

The Union's proposal is supported by comparison to Comparable Group B. It is significantly lower than the increase provided by Mukwonago which was discussed above and to Palmyra-Eagle food service employees who receive increases in the range between 6.08 percent and 5.92 percent in the 1994-95 school year. The Union's proposal is identical to that proposed by both the employees and the school district in Pewaukee and is slightly below Waukesha. The Employer's offer of a 1.1 percent increase is far below all the wage increases offered to food service employees in Comparable Group B. Half of the Employer's food service employees receive lower pay than any employee in either Comparable Group A or Comparable Group B. The Union's proposal will maintain the Employer's food service employee in the average range among Comparable communities, although still rather low with respect to the first steps in the lowest classification. The Employer's offer of a 1.1 percent increase would cause the first steps of the lower classification to fall still farther below their counterparts in any other communities.

The proposal that the Union has made for a 3.8 percent wage increase is supported by the vast majority of school districts in Comparable Group A or B for the 1994-95 school year. The Employer's total package increase proposed for its food service employees is not comparable to the total package increase it offered to each of its other employee groups because of the flaw in costing their total package increases. Accordingly, the arbitrator finds that the Union's final offer more closely adheres to the statutory criteria for selecting the final offer set forth in section 111.70(4)(cm)7 of the Wisconsin statutes.

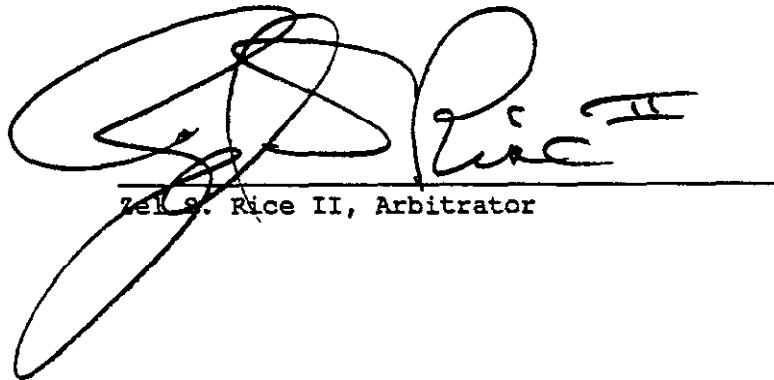
It therefore follows from the above facts and discussion thereon that the undersigned renders the following

AWARD

After full consideration of the criteria set forth in the statutes and after

careful and extensive evaluation of the testimony, arguments, exhibits and briefs of the parties the arbitrator finds the Union's final offer more closely adheres to the statutory criteria than that of the Employer and directs that its proposal contained in Exhibit 1 be incorporated into the collective bargaining agreement as a resolution of this dispute.

Dated at Sparta, Wisconsin this 16th day of May, 1995.



Zel S. Rice II, Arbitrator

EXHIBIT 1

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 150

-FOOD SERVICE EMPLOYEES-

AND

KETTLE MORaine SCHOOL DISTRICT

RECEIVED
OCT 14 1994

REVISED UNION FINAL OFFER WISCONSIN EMPLOYMENT
IN CASE 20; NO. 51071 MM-4932 RELATIONS COMMISSION

SUBMITTED OCTOBER 13, 1994

UNION FINAL OFFER: KETTLE MORaine FOOD SERVICE EMPLOYEES

The union amends Article 20, Section 20.10 to include a 3.8% increase for the 1994-95 School year. In so doing the union proposes to Modify Salary Schedules contained in Appendix A by increasing the amounts set forth for school year 1993-1994 by 3.8%.

EXHIBIT 2

SCHOOL DISTRICT OF KETTLE MORAINE
COLLECTIVE BARGAINING

Service Employees International Union, Local 150
Food Service Employees



Enclosed herewith is the final offer of the School Board in connection with collective bargaining for Service Employees International Union, Local 150 (Food Service Employees), Case 20: No. 51071 MM-4932.

The School Board of the School District of Kettle Moraine proposed to increase the salary schedule, Appendix A by 1.1%. Further the Board proposes to amend Article 20, Section 20.10 to read:

"Employees on an individual rate shall receive a wage rate increase of ~~4.3%~~ 1.1% for ~~1993-94~~ 1994-95 and an amount agreed upon for ~~1994-95~~.

The above proposal will result in an increase of 3.8% in the total compensation package for Food Service Employees.