

FREDERICK P. KESSLER
ARBITRATOR

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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the matter of the
Interest arbitration between

DANE COUNTY, WISCONSIN,
MUNICIPAL EMPLOYEES
LOCAL 60, AFSCME, AFL-CIO

and

MONONA GROVE SCHOOL DISTRICT

DECISION
Case 64, No. 51444
INT/ARB 7391
Decision No. 28339-A

A. INTRODUCTION

On April 13, 1995, this arbitrator was advised that he had been selected by the parties to hear the interest arbitration dispute between Local 60, AFSCME, AFL-CIO (hereinafter referred to as "the Union") representing the Custodial Employees unit and the Monona Grove School District (hereinafter referred to as "the District"). A hearing was scheduled for June 22, 1995, at 10:00 a.m. at the Office of the District.

The hearing began at 10:00 a.m. and finished at noon. Testimony was taken; exhibits were received. The parties agreed to submit brief to the arbitrator by July 21st, with rebuttal briefs due on August 24th. The final brief was received by the arbitrator on September 4, 1995.

B. APPEARANCES

The Union appeared by Jack Bernfeld, Staff Representative for Wisconsin Council 40, AFSCME, AFL-CIO. He called as his only witness Darold Lowe, the former union Staff Representative, who serviced the Local from 1971 to 1993. Also present were Rick Badger, Al Skram, Union Vice President Tom Tetzloff, the Union's representative with the unit, and former Union Vice President Don Meicher.

The District appeared by Barry Forbes, Staff Counsel, Wisconsin Association of School Boards, Inc. He was assisted by Bryan Rach.

C. PERTINENT STATUTES

Interest arbitration disputes are governed by Chapter 111 of the Statutes relating to Municipal Employment. The factors that an arbitrator may consider are specifically enumerated in Sec. 111.70(4)(cm)7. These factors are:

111.70 Municipal employment (4) (cm)

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

- a. The lawful authority of the municipal employer.
- b. Stipulations of the parties
- c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.
- d. Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services.
- e. Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees in private employment in the same community and comparable communities.
- f. Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees in private employment in the same community and comparable communities.
- g. The average consumer prices for goods and services, commonly known as the cost-of-living.
- h. The overall compensation presently received by the municipal employes, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment and all other benefits received.
- i. Changes in any of the foregoing circumstances during the pendency of the arbitration proceeding.
- j. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in public service or in private employment.

D. THE FINAL OFFERS OF THE PARTIES

1. The District Final Offer

The final offer of the District, dated December 21, 1994, provides as follows:

1. Increase pay rates by 1.45 percent per cell on July 1, 1994 and 1.91 percent per cell on July 1, 1995.
2. Change the contract duration to make the agreement effective on July 1, 1994 through June 30, 1995.

2. The Union Final Offer

The final offer of the Union, dated March 9, 1995, provides as follows:

1. Amend Appendix A Wage Rates as follows:
 - A. Effective July 1, 1994 increase all wage rates by three percent (3%)
 - B. Effective July 1, 1995 increase all wage by an additional three percent (3%).
2. The tentative agreements of the parties.

E. POSITION OF THE DISTRICT

The only area of difference in this dispute is the amount of the wage increases to be given during the two years of the Labor Agreement. The District has proposed a 1.45 percent per cell for the first year and a 1.91 percent per cell increase the second year. When the wage increases and the step movement through the wage schedule are combined for the employees the average wage increase amounts to 56 cents per hour or 3.98 percent in the first year. The same increase and step movement under the Union's final offer will result in a 78 cent per hour increase or 5.4 percent increase in the first year. The second year increase computed in by that method results in an increase under the District's offer of 3.8 percent and under the Union's offer of 4.9 percent.

The District proposes a comparable group composed of the Badger Athletic Conference and the other School districts in Dane County. The wages currently paid the school custodians in Monona Grove are higher than any of the other districts in that group. They would continue to be between 16% and 40% higher than the comparable schools under the District's final offer.

There are three ways to compare the final offers of the parties. An arbitrator may look at the resulting wage rate of the offers, compared with the other districts; He may compare the amount of money in the offer alone, with the amount offered in the other districts; or he may look at the percentage increase in the offer alone, and compare it with the average percentage increase in the other districts.

The Union's final offer is closer to the average percentage increase for the comparable districts than the final offer of the District. The average percentage increase is not the method that should be considered determinative by the arbitrator. Using that method, the rich to get richer and the poor to stay poorer.

When the the other bargaining units in the District are compared, the District's final offer is closer to the pattern of settlements. The Board is governed by state law that imposes revenue limits on school districts. The District must fairly distribute it's resources in order to meet all of it's obligations. No reason exists for granting the custodial employees a higher increase than the rest of the District's employees.

The the total package cost of the final offer of the District is closer to the cost of living increases that are projected for the period of the labor agreement than is the Union offer. The Consumer Price Index is one of the criteria to be considered. When the public's interest is evaluated, the evidence shows that the District already has the highest levy rate of any of the school districts in the comparison group. An increase in that rate, to pay for the higher wage settlement for the members of the custodial unit, would be inappropriate.

In a prior arbitration, eight years earlier, Arbitrator Gil Vernon found that the primary group of comparable districts was the Badger Athletic Conference. The Madison School District, the Cities of Monona and Madison, and Dane County were designated as a secondary comparison group. Both then and now, some of the Badger Conference Schools are not represented by unions. The Badger Athletic Conference, plus the additional school districts primarily located in Dane County, is the most appropriate group of comparable districts.

The Madison School District, which was included in the comparable districts proposed by the Union, should not be included in any group of comparables. Enrollment there is over eleven times greater than the enrollment in Monona Grove. The size alone of the Madison Metropolitan School District makes any comparison extremely difficult.

The lack of geographic proximity should not be the basis for excluding any of the Badger Athletic Conference schools. The Conference is within the same geographic area in which the Union's proposed comparable districts are found.

The Union's proposal that the Madison Metropolitan School District be the only school district in the primary comparison group is unreasonable. Comparison groups containing more than one school district are clearly necessary. One school district, particularly if it is so dissimilar from Monona Grove, is inappropriate.

The District's proposed comparable schools have the same wide range of average per pupil costs, average school aids, average equalized value per pupil and levy rates. When the Madison district, which does not receive any school aids under the current equalization formula, is considered, the dissimilarities are apparent.

School districts whose employees are without Union representation should not be excluded from the comparable group. Issues such as fair share, just cause, or other questions unique to union representation are not under consideration or in dispute in this arbitration proceeding. The only issue involves a dispute over the size of a wage increase. That issue could occur at any of the districts in the proposed group.

Non-school custodial employees should not be considered in a comparison group. The hours that they work and the seasonally nature of school district employment is very different from other custodial employees. They are very busy for part of the year. No classes are held during long periods at holidays and during the summer vacation. If a summer program is scheduled by a district, it does not take place in each school building.

The arbitrator should be comparing hourly wage levels, not the wage increase that the parties have proposed, regardless of whether the proposal is a cent per hour or percent increase. The Monona Grove District employees are the highest paid based on current wage levels. The District will continue to pay it employees more money than any other comparable district under either final offer.

Moderation should be exercised by the arbitrator in this case. "Catch-up" may be appropriate if a district's wages are far under the average of a comparable set of districts. That is not called for in this case. Here wages lead, rather than follow, the trend.

The Wisconsin Association of School Boards has described some of the "benchmark" jobs usually found on custodial staffs in most school districts. They have provided job descriptions and a summary of duties for some of the maintenance, building custodial and general cleaner positions frequently found in those districts. When Monona Grove's Range IV position duties were compared, they were similar to the Association's Maintenance position. The District's Range II position was similar to the Association's Building Custodian position. The Association's General Cleaner position was similar to the District's Range I Custodian.

Monona Grove's Range IV position was the highest paid position in the comparable district group. This lead both at the starting pay level and at the maximum pay level. In the District's proposed comparison group, the pay level was nearly \$2.00 per hour higher than average at the starting pay level. It was \$3.47 higher than average at the maximum pay level for 1994-95. The figures for 1995-96 are similar. However, fewer Districts had settled their 1995-96 labor agreements, so the comparison were limited.

The District's Building Custodians have the second highest starting pay rate, and the highest maximum pay rate, for the 1994-95 year. The Building Custodian starting rate is the only rate in any of the unit's classifications in which it does not rank the highest of the comparable districts. For employees in this classification, the final offer of the Union will put the starting rate at \$1.94 above the average and the maximum rate at \$4.21 above the average for the comparable units. In 1995-96, this substantial difference will continue to increase under the Union final offer.

General Cleaners employed by the District rank second in starting pay and first in the maximum pay under the current labor agreement. The District's final offer will move them to first in both of those categories for both 1994-95 and 1995-96. Their pay rate will exceed the average by \$2.07 for the starting pay and \$4.23 for the maximum pay in 1994-95 under that offer. In 1995-96 they will exceed the average by \$1.76 and \$3.89.

The Union is silent on the question of the current pay rates of the employees as compared with the wages currently paid to other custodial employees. It is aware that Monona Grove custodians are the highest paid among similar school districts in the area.

The District final offer is fairer than that of the Union even if the comparison is on the cents per hour increase proposed in each district. The District's offer is closer to the average cents per hour increase in the comparable districts. When the three of the "benchmark" classifications are examined, the final offer of the Union is substantially higher and therefore farther from the average cents per hour offer than that of the District.

The third method to compare wage increases is to measure percentage increases. The Union's final offer appears closer to the average percentage increase for the comparison group, most of the time, for both years of the labor agreement. However, the only reason that the percentage increase method appears to support the Union's final offer is because the wages currently paid to custodial employees in the District are already the highest in the comparison group. Increasing the wages by any percentage will still leave them at the head of the group.

When the final offers are compared to the wage increases paid to other unionized employees of the District on a percentage per cell basis, the results are mixed. The teachers, the largest of the bargaining units within the District, settled their labor agreement with an increase of 1.71% for 1994-95. They have not yet entered into a settlement for 1995-96. Teacher wage increases are closer to the final offer of the District.

Two substantially smaller bargaining units, representing the clerical employees and the food service employees, have settled for a 3.5% increase. That increase is closer to the final percentage offer of the Union. Those two units, each with 15 employees, as compared with the 144.5 full time equivalent teachers, have a minimal effect on the District's levy limitation. Those settlements should not be weighed in the same fashion as the teachers settlement.

Any internal comparison that does not include the teachers wage increases, the biggest bargaining unit in the District, on the grounds that the teachers are professionals, is inappropriate. There are substantial occupational differences between the custodial employees, food service employees and clerical employees. There is no reason that those units should be included as comparable units if the teachers are excluded.

The Union asserts that there is a pattern of past settlements among the non-professional units. These settlements indicate similar wage packages were negotiated. The settlement pattern is not as similar as the Union asserts. In 1993-94 alone, the custodians received a 3.5% increase compared with a 4% increase for clerical employees, and a 5% increase for food service employees.

The unrepresented administrators within the District also received a much lower total package cost increase than the offer to the custodians. When all the internal settlements in the District are compared, they support the conclusion that the District's final offer is preferable.

When non-school district custodial employees are added to the comparison, the wage results are mixed. Dane County and the Madison Area Technical College custodians are both paid more at starting levels and less at the maximum rate. Both of those units did receive a 3.5% increase, which supports of the Union's offer. State of Wisconsin custodial employees are paid significantly less at all levels. Although they received a "catch-up" pay increase in 1994-95, they are still well behind the wage rate the Monona Grove School District. City of Madison custodial employees receive a pay rate similar to that of the District. They received a 3% and 4% increase for their two year agreement. This supports the Union's offer. The City of Monona pays it's custodial employees substantially less than the District. Even with the significant increase they received in 1994 and 1995, they are still far behind the District.

The State of Wisconsin and the University of Wisconsin system are significant employers in the Monona area. A 1% increase for custodial employees 1995-96 is the expected result for their contracts. These proposed increases support the final offer of the District.

Private sector wage settlements in the Dane County area indicate wage increases granted to other unionized employees are not nearly as generous as the final offer of the District.

The Consumer Price Index for the average urban wage earner in U.S. cities shows a 2.4% rise during the 1993-94 school year and a 2.9% increase during the 1994-95 school year. Medical costs are included in computing the CPI. Those costs have increased by 4.6% from April of 1994 to April of 1995, for all urban consumers while the CPI as a whole increased at a 3.1% rate.

The employees in the custodial unit have almost all of their medical expenses paid by health insurance. More than 90% of the cost of health insurance is paid by the District. The arbitrator should consider the total package cost increase rather than wage increase standing alone. The total cost of the District's 1994-95 package is 4.06% compared with the Union's package of 5.47%. Both packages exceed the increase in the CPI. The District's total cost is closer to the average for the comparison group. That is also true when the 1995-96 package costs of the District's final offer of 3.73% is compared with the Union final offer cost of 4.72%. Total package costing, which is criticized by the Union, has been recognized by other arbitrators. It is part of the statutory criteria that an arbitrator must consider.

The interest of the public is another criteria that an arbitrator must consider. The District's final offer is more consistent with that interest because it will cost the taxpayers of the District \$33,063 less over the two year period than the final offer of the Union. There are statutory revenue limits on the taxing authority of the District. If the Union's final offer is selected, other expenditures of the District must be reduced in order not to exceed the maximum tax increase allowed. Currently the District has the highest tax levy of any of the comparable districts.

The District does not have the highest income levels in the comparison group. It does have the highest per pupil cost. The custodial staff has the highest wages. The total package cost is increasing at a faster rate than the revenue limits. The interest of the public would be best served by selection of the District's final offer.

F. POSITION OF THE UNION

The non-instructional bargaining units in the District have historically negotiated and have been granted a wage increases similar to each other. The District is now trying to alter that pattern. Since 1991, the bargaining pattern has been nearly identical for those units.

The parties have never negotiated their Labor Agreements based on "package" costs. They have always looked at the wage rates only.

The wage rate increases have never been represented as including the step increases based on longevity. Longevity steps are a separate consideration in union/management negotiations. Normal salary step incremental movement should not be considered as part of the wage increase in this arbitration. The Union has never based it's negotiations with that understanding. If it had, the starting wage rate would always be a step down from the rate that the District considers the current wage rate for the job.

The District's final offer of 1.45% and 1.91% is based on the 3.8% package cost of the final offer to the teachers. Non-professional employees are not subjected to the statutory limits placed on teachers as a result of recent legislative action (the Qualified Economic Offer statute). The actions of the District are clearly an inappropriate attempt to include other employees under those limits.

The disparate nature of the two occupational groups argues against inclusion of teachers in any comparison group with custodial employees. The proper groups to consider regarding the internal pattern are the other represented non-professional employees. Including teachers, with their statutory limits, skews the range inappropriately.

The Union's final offer more accurately reflects the cost of living increases in small metropolitan areas during the period of the agreement. The District attempt to tie the cost of living increases to the "total package" cost is inconsistent with arbitral authority. CPI is compared with wages in most arbitration decisions. Wage increases insulate the employees against inflation. They are not measures of the cost to the employer.

The Madison Metropolitan School District must be included to find comparable school districts to Monona Grove. That district, which includes part of the town of Blooming Grove, is adjacent to the Monona Grove. In fact, the City of Monona is hemmed in by water and by the City of Madison. The Monona Grove District also includes the town and village of Cottage Grove. The Madison Metropolitan School District serves Blooming Grove; it physically separates Monona from Cottage Grove. In effect, the two school districts are completely intertwined. Of the five schools that the Monona Grove operates, four are within a mile of each other in Monona, one is nine miles away in Cottage Grove. Four Madison schools are within blocks of the District's schools.

The Madison area is the labor market from which the District draws its employees. The City of Monona is totally dependent on Madison. Monona has no industry or employment base of its own. It is more dependent on Madison than any other Dane County community. The Village of Cottage Grove, the other community that makes up the District is a rapidly growing former farming center that is now suburban community. The village contains a higher percentage of Dane County residents who commute to Madison for employment than any Dane County suburb.

The Madison Metropolitan School District should be the primary comparable district with Monona Grove. 70% of the members of the bargaining unit live in either the City of Madison or the City of Monona. The metropolitan labor market must be considered. In prior arbitrations, Madison has been found to be a comparable district in disputes involving the Monona Grove District.

Two sets of secondary comparable districts should be considered by the arbitrator. The first includes the other represented school districts in the Badger Athletic Conference. Of those districts, Fort Atkinson and Monroe should be given diminished weight because they are not located in Dane County. Stoughton should also be given less weight because so few of its residents commute to Madison for employment.

An additional group of public employees should be considered by the arbitrator. Those are the custodial employees of the City of Madison, the City of Monona, Dane County, Madison Area Technical College and the State of Wisconsin. Those governmental agencies use the same labor market to secure employees. While the functions of the institutions at which the employees work are different, the custodian jobs are nearly identical. They clean, maintain and provide security for their employers.

The custodial employee wage rates in non-unionized districts should not be considered. The conditions of employment in those districts are not bargained. They are unilaterally imposed by the employer. Arbitral authority does not support the inclusion of such employee wage rates as comparable districts in interest arbitration disputes.

The enrollment comparisons, which the District utilizes to argue comparability are not relevant in this case. This is not a rural district. It should not be compared with one. It is a district integrated into the Madison metropolitan area.

The District errs when it attempts to equate the job functions of Monona District custodial employees with those at other school districts. Classifications, duties and the work environment differ in each district. An employee at a pay range level in one district may have duties entirely different from another employee at the same pay in a different district.

The wage increases that were negotiated in the Union's proposed comparable districts strongly support the Union's final offer. In every instance, the wage increase negotiated by custodial employees equals or exceeds what is sought by the Union in Monona Grove. The Union's offer is more consistent with the statutory criteria and therefore should be included in the 1994-96 Labor Agreement.

G. DETERMINATION OF COMPARABLES

The Monona Grove District serves several Madison suburban communities. Although the District is substantially suburban, it contains two very different areas. The area surrounding Cottage Grove consists of newly developed subdivisions and some agricultural land. The balance of the District, the area in the City of Monona is an older, completely developed, suburban community.

The Cottage Grove area is similar to the area in the school districts serving DeForest, McFarland, Middleton-Cross Plains, Oregon, Sun Prairie, Verona and Waunakee. A high percentage of the residents of those communities work in the City of Madison.

The area in the City of Monona is very similar to the City Madison. In fact, Monona is entirely surrounded by the City of Madison or by Lake Monona. The Badger Athletic Conference, of which Monona Grove is a member, consists of DeForest, Fort Atkinson, Monroe, Oregon, Sauk Prairie, Stoughton, Verona, and Waunakee School Districts.

Determining which districts are appropriate comparables requires that several issues be resolved. First, should non-represented employees be included in the comparable group? Second, should a group other than the athletic conference be used for a non-professional unit? Third, should the Madison Metropolitan School District be included, despite it's size difference with Monona Grove? Fourth, should the proposal of the Union to designate the Madison district as the only primary comparable district be considered? Finally, should a secondary comparable group consisting of the State of Wisconsin, the City of Monona, the City of Madison, Madison Area Technical College, and Dane County be considered.

In a prior arbitration involving Monona Grove, Arbitrator Gil Vernon selected a group of comparable school districts, and other units of government, to be considered in evaluating the final offers. The Madison area has changed considerably since that time. Today it is one of the fastest growing metropolitan areas in Wisconsin. The Village of Cottage Grove alone has increased it's population by 49.51% between the 1990 census and 1994, having the fastest growth rate of any community in Dane County. Commuting and employment patterns have been altered substantially since Vernon's decision in 1987.

Non Represented Employees. It is very difficult to compare benefits resulting from collective bargaining, with those which were determined unilaterally by the employer. Some of the districts in the Badger Athletic Conference are staffed by unrepresented custodial workers. Of the school districts abutting Madison, only DeForest's custodial staff is not organized. It is possible to assemble a reasonable group of comparable districts that are organized by unions. These will be the districts used.

Use of the Athletic Conference for Non-professionals. While the athletic conference is an appropriate grouping for a professional association bargaining unit, it is not necessarily appropriate for non-professionals in districts located in urban centers in the state. An athletic conference is probably the better alternative for non-professionals in districts outside of a large urban area. However, in an urban community, which does not have an employee residency requirement, school districts lines will have no impact on job seekers, especially for a position in custodial work. In order to secure competent employees, the District must be competitive with all nearby employers seeking similar workers.

Area-wide competitiveness must be a primary consideration. A Monona resident could just as easily work for Madison Metropolitan District, or the City of Monona, or this District. A Monroe or Fort Atkinson resident is unlikely to be willing to commute the 40 miles necessary to perform custodial work in the Madison area.

Teachers are motivated by a variety of factors in making their employment decisions. Some may seek an affluent suburban district where they hope to find more motivated students, more involved parents, or a more academic atmosphere. Others may wish to use coaching skills and gravitate to districts with strong athletic team traditions. Others may flee violence that is believed to be disproportionately found in urban schools systems. Idealism may direct some toward special opportunities in an urban setting. Teachers may move to a location of a preferred job, rather than seek employment only where they already live.

Those factors are unlikely to apply to a custodial worker. Considerations based on classroom environment and student motivation are unlikely to be factors for a potential custodial employee when they make their decisions to seek employment. Their contact with students in the classroom is minimal, and a suburban setting would appear to have no extra attractiveness to them.

For all these reasons, I conclude that the proposed rural districts (including those in the Badger Conference, and the non-metropolitan and non-Dane County school districts used in the past), are not appropriate in this arbitration. The only school districts that should be considered comparable are those unionized districts located within the Madison metropolitan area which are adjacent to the Madison Metropolitan School District. These districts are competitive for custodial employment purposes with Monona Grove. They will be utilized for comparison purposes.

Inclusion of the Madison Metropolitan School District. The Madison Metropolitan School District with it's 24,452 pupils should also be included. It is the anchor city for the area. A person seeking employment as a school district worker in the Madison area can reasonably apply with all the districts in the vicinity. This includes those that that surround Madison as well as the Madison Metropolitan District.

Madison as the only Comparable District. A comparison with only one other district is discouraged, especially in a setting in which there are other easily ascertainable similar districts to Monona Grove. No justification exists for concluding that the Madison Metropolitan School District would be the only competition for securing other custodial workers.

Although the Madison District is appropriate to include in group of comparable districts, when it stands alone it has too disproportion an impact on this arbitration and on future bargaining. It would be too easy for one of the parties to avoid negotiations until the Madison Labor Agreement is resolved.

Secondary Comparable Group of Non-school District Employees. The city, county, technical school and the state custodial workers are not appropriate for consideration as a comparable group of employers. A school district employee works different hours of the day and generally at different times of the year than other custodial employees. Those at a technical colleges, which deal with a large number of adults, have classes in the evenings, and usually have extensive summer sessions that are not comparable with a elementary school or a high school from custodial requirements. None of those types of employees are a proper group for comparison purposes in this interest arbitration.

Therefore, the school districts in which custodial workers are represented by a union, that are urban or close in suburban districts, and that are in the Madison area, are the appropriate comparable school districts. Other governmental units and the remaining Badger Athletic Conference districts are rejected.

The appropriate group of school districts that should be considered are as follows. Those districts have similar income levels and levy rates and are all adjacent to Madison.

<u>District</u>	<u>1993 Students</u>	<u>1992 Income</u>	<u>1993-94 Levy Rate</u>
Madison	24452	32,093	20.87
McFarland	1940	37,246	16.06
Middleton-CP	4476	40,821	19.03
Oregon	2945	36,057	20.57
Sun Prairie	2304	27,421	19.28
Verona	3316	41,418	17.26
<u>Waunakee</u>	<u>2134</u>	<u>36,032</u>	<u>18.69</u>
Average			
w/o Madison	2852	36,499	18.48
with Madison	5938	35,870	18.82
Monona Grove	2115	34,134	23.16

H. DISCUSSION

1. External Comparison of Wages

Traditionally the most important criteria considered by arbitrators is a comparison of the wages paid in the District with those paid in the comparable school districts or units of government. For these comparisons to be accurate, the step movement of the employees up a longevity ladder, if a longevity provision is in a labor agreement, generally are not taken into consideration. Step increases are the result of a separate contractual provision. Because the number of steps are different in the different labor agreements, the length of time it takes to progress through the steps generally varies.

The time it takes to reach the maximum wage rate varies between thirty six months in Monona Grove to one hundred twenty months in Verona. Those differences would distort the wage comparisons. Therefore step differences will not be taken into consideration in evaluating these proposals. However, the top and bottom of the wage rate in each relevant job is useful for comparison purposes because it generally reflects the most competitive wages (entry level) and provides at least one additional uniform step (top level) found in all bargaining units.

The District has submitted three "benchmark" positions found in most custodial unit labor agreements for consideration in comparing the wage proposals. Positions have similar responsibilities. The job duties, though similar, are not necessarily identical in each district. Nevertheless, those "benchmark" classifications are helpful in evaluating the impact of the final offers and are considered in this decision.

The minimum or starting wage for each of the classification is significant. The entry level position in Monona Grove is the Range I Custodian. This position is comparable to the Wisconsin Association of School Boards General Cleaner position. The wage range in that position among the comparable communities is as follows:

<u>District</u>	<u>1993-94</u>		<u>1994-95</u>		<u>1995-96</u>	
	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>
Madison	\$11.56	13.15	\$11.90	13.54		
McFarland	7.80	10.99	8.03	12.05	8.18	12.20
Middleton-CP	10.48	11.53				
Oregon						
Sun Prairie	8.56	9.91	8.91	11.49	9.26	11.88
Verona	7.75	10.00	7.80	10.35	7.85	10.45
<u>Waunakee</u>	<u>8.05</u>	<u>9.55</u>	<u>8.15</u>	<u>10.65</u>		
Average	9.03	10.86	8.96	11.62	8.43	11.51
Monona Grove	10.24	13.06				
District			10.39	13.25	10.48	13.37
Union			10.55	13.45	10.86	13.84

Madison and Middleton-Cross Plains currently have a higher entry level salary. Both proposed wages are exceeded only by Madison in either year of the Labor Agreement. That relative position would continue with the adoption of either of the final offers. The District proposal would be closer to the average wage for that position.

The Monona Grove Range II Custodian Shift Coordinator is also a useful benchmark. That position is similar to the Wisconsin Association of School Boards Building Custodian position. The wages per hour for that position in the comparable districts are as follows:

<u>District</u>	<u>1993-94</u>		<u>1994-95</u>		<u>1995-96</u>	
	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>
Madison	13.39	14.93	13.79	15.38		
McFarland	9.06	12.58	9.21	12.73	9.36	12.88
Middleton-CP	10.80	11.89				
Oregon	8.90	10.60	9.24	11.00		
Sun Prairie	9.62	11.03	9.97	11.38	10.32	11.73
Verona	8.80	11.05	8.85	11.10	8.85	11.10
<u>Waunakee</u>	<u>9.00</u>	<u>10.80</u>	<u>9.15</u>	<u>11.25</u>		
Average	9.94	11.73	10.04	12.13	9.51	11.90
Monona Grove	10.76	13.54				
District			10.92	13.74	11.01	13.86
Union			11.08	13.95	11.41	14.35

Again, only Madison exceeds the District in the maximum hourly wage rate for this position. The District is lower than Madison and Middleton-Cross Plains at the entry level, but exceeds all the other comparables. Both the District's and the Union's final offer continue that ranking. The final offer of the District would bring the District closer to the average for the comparable districts.

The final useful benchmark positions are the Monona Grove Range IV position and the Wisconsin Association of School Boards Maintenance position. The wage rates for those positions are:

<u>District</u>	<u>1993-94</u>		<u>1994-95</u>		<u>1995-96</u>	
	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>
Madison	14.11	15.95	14.54	16.43		
McFarland						
Middleton-CP	11.38	12.55				
Oregon						
Sun Prairie	10.59	12.13	10.94	12.48	11.29	12.83
Verona						
<u>Waunakee</u>	<u>9.59</u>	<u>11.60</u>	<u>9.60</u>	<u>12.00</u>		
Average	11.42	13.06	11.69	13.64	11.29	12.83
Monona Grove	11.80	14.57				
District			11.97	14.78	12.08	14.91
Union			12.15	15.01	12.51	15.44

Again, the District is currently second only to Madison under both years of the Labor Agreement with both of the final offers. The difference between the average of the comparable districts and Monona Grove is reduced if the final offer of the District is adopted.

The statute specifically provides that the wages, hours of work and conditions of employment be compared with other public employees performing similar services. In this case that comparison helps the District proposal. The District final offer is not as generous as the Union's, but it continues the high ranking of the District. The custodial workers remain at a pay rate above the average for the comparable districts and are exceeded only by Madison. The District proposal moves the wages closer to the average of the comparable units than does the Union proposal.

The District should be able to both recruit new employees and to retain the existing staff within the Madison area under the final offer of the District. Wages will continue to make the District a competitive employer in the area under the District offer.

2. Internal Comparisons

The Union relies substantially on the comparable settlements of the other non-professional bargaining units within the district. The Union's claim of a historical relationship between the various non-professional bargaining units is not supported by the evidence. The wage increases agreed upon in the past several years have not been identical for professional and non-professional units.

The District's contention that the Union should accept a wage increase similar to the 1.71% Qualified Economic Offer made to the teachers is without merit. The teachers now have statutory limits on their ability to bargain and to submit contract disputes to arbitration. Those limits do not apply to the non-professional units within school districts. Custodial workers are clearly not covered by the statute that limits teachers.

The Labor Agreement between the Clerical unit and the District provided for a 3.5% wage increase in both 1994-95 and 1995-96. The Food Service employees received a 3.5% increase effective July 1, 1994, and July 1, 1995, and a 1% increase on January 1, 1995 and January 1, 1996. These increases are more consistent with the Union's final offer. The Teacher Aides have not yet reached an agreement. When the internal comparisons shown, the final offer of the Union is more consistent with the settlement pattern within the District.

3. Private Sector Wage Patterns

Private sector labor agreement settlements, in industries employing over 1000 persons, reached during the first quarter of 1995, have negotiated an annual wage increase of 1.9%. In service industries, the settlement amount was 2.8%. The 1.9% amount is supportive of the final offer of the District, while the 2.8% figure is closer to that in the Union's offer. Private settlements are less persuasive in public sector interest cases because of the differences between public and private employment do to the nature of the employment, the relative job security and the traditional benefit packages.

4. Consumer Price Index

The increase in the Consumer Price Index supports the the final offer of the Union. A 3% CPI increase is projected for 1995 and a 3.1% increase is projected for 1996. This is closer to the final offer of the Union. If workers are to be protected against inflation, their wages must be increased at a rate consistent with the CPI.

The total package cost should not be used as a measure against the CPI increase. The appropriate measure is the increase in the wage rate. It is not disputed that medical services are increasing at 4.6% unadjusted rate from April 1994 to April of 1995. This is a faster unadjusted rate than the increase of the CPI as a whole during that period. It still is only 1.5% faster than the unadjusted CPI. The rate difference is not so great as to significantly distort the CPI average.

The commonly held view is that medical costs account for approximately 14% of the gross national product. That percentage would appear to indicate that rate deferential between the overall CPI and the CPI for medical services such as we are seeing would have a de minimus impact on the total Consumer Price Index in any single year.

The actual CPI increase for the 1994-95 school year is more supportive of the final offer of the Union.

5. Interest of the Public

The general public is concerned both with providing quality education to it's children and holding the costs to the lowest reasonable level. The legislature has imposed levy limits on public school systems. As a result, any cost increase in one aspect of the school district operation will result in diminished spending for other areas of service. Since the comparable districts have all been able to secure the services of other competent custodial employees, that the quality of service will not be substantially impaired if the lower increase is adopted. The District will still maintain it's relative competitive advantage.

The difference between the costs of the two final offers is not great. The Union's final offer costs \$11,907 more in 1994-95 and \$21,156 in 1995-96. The total cost is \$33,063 for the two year period, including fringe benefits.

The final offer of the District is more reflective of the interest of the public because of the levy limits. The higher increase proposed by the Union would require reduced spending in another area, although not by an enormous amount. In 1994-95, the District was limited in total spending increases to 2.3% or \$194.27 per pupil (which ever is greater). The final offer of the Union, without service reductions, would exceed that limit, with no provision for other spending increases, or even with a constant level of spending in other areas.

The District already has the highest levy rate of all the comparable districts. This fact also supports the conclusion that the final offer of the District is preferred.

6. Conclusion

The percentage amount in the District's final offer is supported by the greater number of factors an arbitrator is required to consider in a public sector contract dispute. The selection of a wage percentage increase that is similar to the teachers, who are limited by Qualified Wage Offer required for school district professional employees, should not be viewed as a primary factor in this decision.

It is more significant that the District continues to maintain it's second place status, among all the City of Madison and adjacent suburban districts. Comparable wage rates has always been the major factor in a determination in a interest case. That factor remains the most significant here. Overall, the District's offer brings wages in this unit closest to the average of the comparable while retaining it's relative ranking among the comparable units. The Monona Grove School District is a high wage district. It will continue to remain competitive in hiring and retaining custodial personnel under the District's final offer.

I. AWARD

The final offer of the District will be incorporated into the Labor Agreement for the two year term for 1994-95 and 1995-96.

Dated at Milwaukee, Wisconsin
this 9th day of October, 1995



FREDERICK P. KESSLER
ARBITRATOR