EDWARD B. KRINSKY, ARBITRATOR

In the Matter of the Petition of	:	
	:	
Waterford Graded School	:	
Support Staff / SLUE	:	
	:	Case 19
To Initiate Arbitration		No 51307 INT / ARB - 7366
Between Said Petitioner and		Decision No 28660-A
	:	
Waterford Graded School	:	
District Joint #1	:	
	:	

Appearances: Ms. Esther Thronson, Executive Director, Southern Lakes United Educators, for the Union.

Mr. Barry Forbes, Attorney at Law, Wisconsin Association of School Boards, for the District.

By its Order of March 20, 1996 the Wisconsin Employment Relations Commission appointed Edward B. Krinsky as arbitrator of the above-captioned matter "...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 Union or the District.

A hearing was held on May 6 , 1996 at Waterford, Wisconsin. No transcript of the proceeding was made. The parties had the opportunity to present evidence, testimony and arguments. The record was completed on October 14, 1996 after receipt by the arbitrator of the parties' briefs and reply briefs.

The parties are at impasse over the terms of their first Agreement covering the period 1994-95 through 1996-97 . They disagree about the following issues: wages for each year of the Agreement; the District's health insurance contribution for 1995-96 and 1996-97; and long term disability insurance [LTD] which will be implemented pursuant to this Award if the Association's final offer is selected. The bargaining unit consists of "regular full-time and regular part-time custodial, clerical, instructional aides and food service employees..."

With respect to the wage issue, there is a difference between the parties concerning

the proposed wage schedule. The District offers a four step wage schedule, with the maximum pay rate effective in the fourth year of service in the position. (If the employee moves to another position, the employee receives the first year rate for that position) The Association proposes a three step wage schedule including a probationary rate, a rate for the first five years of employment, and a rate for employees with five or more years of service. The parties also differ with respect to the number and the titles of proposed job classifications, and they differ about the hours for which a shift premium will be paid.

It is clear from the parties' presentations that they agree that the significant issues are wage rates, health insurance contribution and LTD. The arbitrator's analysis will be confined to those issues since he agrees that those are the most significant issue. The differences over the remaining issues would not affect the outcome of the case

With respect to health insurance, the parties' agree on the 1994-95 contribution. Their positions with respect to the District's monthly contributions per employee for 1995-96 and 1996-97 are as follows

	1995-96	1996-97
District single	$ 260	$ 260
Association single	375	475
District family	325	425
Association family	375	475

With respect to LTD, the Association proposes that the District pay the full cost of a plan, through the WEA Insurance Trust. There is no effective date given for the commencement of this insurance. The District has made no offer with respect to this issue.

With respect to wages, the parties differ about the amount to be paid to each of the affected job classifications as well as the size of the increases in each year of the Agreement.

The District has calculated the costs of the parties' respective offers for the entire bargaining unit as follows:

	1994-95	1995-96	1996-97
Wages			
District	9 08%	5 75%	4 40%
Association	17 14	5 36	4 91%
Total Package			
District	8 78	7.17	5 25
Association	16 06	7 04	5.92

The Association presented cost data for each of the various classifications of employees, but it did not present wage increase and total package increase for the bargaining unit as a whole For this reason, and because no argument was made by the Association that the District's cost figures were erroneous, the arbitrator will utilize the District's costing figures.

The parties' major wage difference is over the amount to be paid to each classification in 1994-95. That is the first year of the first contract and the parties differ about how much of an increase over 1993-94 is necessary to catch up to what is paid to similar employees in comparable school districts. After the first year, their proposed wage increases differ in each year by less than one-half of one percent.

The parties are in disagreement about which groups to use for purposes of comparison when applying the statutory criteria. While both parties view the school districts in the Southern Lakes Athletic Conference [SLAC] as appropriate, the Association views it as appropriate to utilize only those SLAC districts which have unionized employees. There are 34 districts in the SLAC Of these, only about a dozen have one or more bargaining units which are unionized.

In arguing that only unionized districts should be utilized, the Association relies upon awards of arbitrators Vernon and Rice (citations to awards have been omitted). In addition, the Association argues:

> Despite the fact that the district is able to present data from employers who do not have Collective Bargaining Agreements, it remains a possibility that any of that data can change with the blink of the eye. Such employers hire "at will" and that affects wages, hours and conditions of employment..

In support of its argument that all of the SLAC districts should be used, not just unionized ones, the District argues:

> ...Some arbitrators have admittedly ignored non-union school districts in selecting comparison groups. But the great majority of arbitrators have rejected exclusion of non-union comparables because there is no authority under the statutory criteria for doing so

The District cites awards of numerous arbitrators in support of this position, including awards by arbitrators Petrie, Bilder, Kerkman, Briggs, Haferbecker, Grenig, Gundermann, Nielsen, Weisberger, Johnson and Bellman

The District also raises a practical consideration which becomes relevant if the comparisons are limited only to those districts which are unionized

> ...it results in too few districts for comparison purposes. The Association's proposed group results in only two schools being listed for food service comparisons

The arbitrator believes that it is appropriate to use the entire SLAC for purposes of making comparisons. The statute does not limit consideration to unionized employers, and the almost two dozen non-union SLAC districts have a significant effect upon the labor market for employees in the Waterford District. It may be the case that for some issues, greater weight should be attached to comparisons with unionized districts. To the extent that any such weighting is made in this case, it will be noted in the discussion, below.

In making his decision, the arbitrator is required to apply the statutory criteria and then select one party's final offer on all issues in its entirety. The current dispute is covered under the statutory criteria which were in place prior to the passage of the most recent amendments.

There is no dispute in the present case with respect to several of the statutory criteria: (a) lawful authority of the Employer; (b) stipulations of the parties; that portion 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. The other factors will be discussed below.

The remaining portion of criterion (c) is "the interests and welfare of the public .." In arguing that its final offer is supported by this criterion, the District states:

> ... The public expects that the state government's adoption of revenue limits and higher state school aids means something... Examination of [District]

> Exhibits...will show that the State of Wisconsin adopted the revenue limits and school aid changes with the intention that the public would see the results through lower property taxes. The public expects the state government and the Waterford Grade School District Board to deliver.
>
> Board president...Klemko...testified ...that the [District's] committee looked at the wage information available from comparable school districts and gave wage increases in its final offer that were reasonable in light of those comparisons...He further testified that he believed that the public would react negatively to the [District] offering more than that contained in its final offer
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> ...the fact that the [District] can afford to pay for the Association's final offer does not mean that selection of the Association's final offer is in the public's best interest The public has no interest in paying wage levels to these employees which are substantially higher than the wage levels paid to employees performing similar services in comparable school districts. Since the [District's] final offer results in wage rates which are clearly closer to the average wage rates paid to employees performing similar services in comparable school districts (in most instances) the [District] believes that the public's interest is best served by selection of its offer. Finally note that School Board members are in a much better position to gage (sic) the public interest than any of the other participants in the negotiation and arbitration process. [They] must seek election or re-election each 3 years...

The Association takes issue with the District's assertion that the interests and welfare of the public favor the District's final offer. The Association states:

> ...Association Exhibit #21 is a report from the annual meeting with the headline: "Money found, teachers back on schedule." The district had 47% of the budget in surplus. The Department of Public Instruction recommends that the surplus be 14-17 percent. Concerned citizens reacted to the huge fund balance with a request to use tax money for the

> schools---not a whopping surplus. Promises were made by board members to "down spend" some of the tax reserve fund...Under the Association's proposal, it takes about $ 50,000 to fund increases for this bargaining unit of 30 employees for 1994-95 which is a small amount compared to a million dollar surplus The Association's proposal is a good way to "down spend" some of the board's tax reserved fund

The arbitrator is not persuaded by the evidence presented that either party's final offer is more in the interests and welfare of the public than the other, absent something persuasive which comes to light in the analysis of the other statutory criteria. There is no evidence that the adoption of one party's final offer will have a significantly greater effect on property tax rates or the large size of the District's fund surplus than adoption of the other party's final offer The arbitrator does not know whether the District is correct when it argues that the public will react negatively to adoption of the Association's final offer, but even if that should turn out to be the case it does not warrant the conclusion that the interests and welfare of the public favor one final offer more than the other, whether or not elected officials share his perspective on the issue.

With respect to the District's argument that elected officials are the best judges of what is in the public's interest, the arbitrator can only say that under the statute the arbitrator is directed to consider the various criteria, and it is the arbitrator who must be persuaded that the public's interests and welfare are best served by one final offer more than the other.

Factor (d) of the statute directs the arbitrator to consider wages, hours and conditions of employment in comparison with "other employees performing similar services" Factor (e) directs the arbitrator to consider such comparisons with "...other employees generally in public employment in the same community and in comparable communities." The parties' focus is on factor (d) with little attention paid to factor (e). The arbitrator will analyze both criteria together since both involve public sector data.

With respect to the LTD issue, both parties agree that the comparisons favor the Association's position. The District states in its brief, "The practice in comparable school districts admittedly supports the Association's final offer..." The District's data show that 31 SLAC districts have an LTD plan in effect in 1995-96. The District then goes on to explain its view that this issue "is not nearly as important ...in this arbitration as the wage schedule...", and it notes also that in mediation the Association withdrew its LTD proposal only to reinstate it in its final offer These arguments will be considered further, below

With respect to health insurance contribution, both parties agree that the comparisons

favor the Association's position The District states in its brief, "The [District] recognizes that many comparable school districts contribute more toward the family health insurance premium than would be contributed under either final offer" The District gives as its reason for not offering greater contributions the fact that during mediation there was a tentative agreement to accept the contributions offered by the District Because of the tentative agreement, the District still views its health insurance offer as a reasonable one

Even though there is apparently no disagreement that the comparables favor the Association's health insurance offer, it is worth noting how the parties' final offers compare to what other districts in the SLAC are contributing for health insurance

Data presented by the District show, for 1995-96, that all but four of the SLAC districts pay 100% of the single premium. In the present dispute, although the parties final offers are worded differently, both parties have proposed that the District pay an amount which in fact results in the District paying the entire single health insurance premium Thus there really is no issue over single premiums

For family premium, for 1995-96, the District's offer is to pay up to $ 325 which amounts to payment of 59% of the $551 34 monthly premium The Association's offer is to have the District pay up to $ 375 which amounts to payment of 68% of the premium. Among the other SLAC districts, there are only six which pay less than 100% of the family premiums for their employees.

With respect to wages, it is necessary to make comparisons for each of the job classifications in order to better assess the reasonableness of the parties' offers. The classification which is the most contentious between the parties is "Cleaners and Custodians" The Association argues that this should be viewed as a single classification with no distinction made in wage rates between those doing cleaning and those doing custodial duties. The District views those titles as having different levels of skills and responsibilities and it argues that wage comparisons should take that into account. It proposes that Cleaners be compared to employees in other districts whose duties are comparable, and Custodians should be compared to employees in other districts who do custodial duties.

The District presented data for 1994-95 and 1995-96 which are sufficiently complete for the purpose of making meaningful comparisons. The Association did not present data for 1995-96. There is not adequate data presented by either party for 1996-97. In the analysis which follows the arbitrator has used only maximum rates, both for brevity and because he views them as more significant than starting rates

Using the District's figures and its analysis of classifications by job responsibilities, the arbitrator has constructed the following tables for 1994-95 and 1995-96 comparing the parties' final offers with wages paid by other SLAC district (The arbitrator views the median wage paid as more meaningful than the average wage which the District

uses)

	1994-95	1995-96
median of maximum rate paid by 10 comparison districts for cleaners	$ 8.11	$ 8.22
District offer	7 58 [-.53]	7.88 [-.34]
Association offer	8 95 [+.84]	9 31 [+ 1 09]
median of maximum rate paid by 24 comparison districts for building custodians	$ 11.30	$ 11.72
District offer	8 88 [-2 42]	9 10 [-2.62]
Association offer	8.95 [-2.35]	9.31 [-2.41]
median of maximum rate paid by 15 comparison districts for cooks:	$ 8 38	$ 8.63
District offer	8.05 [-.33]	8.30 [-.33]
Association offer	8.28 [-.10]	8 68 [+ 05]
median of maximum rate paid by 4 comparison districts for kitchen/servers:	$ 5.96	$ 6.14
District offer	6.90 [+.94]	7.58 [+1.44]
Association offer	7.30 [+ 1.34]	7.70 [+ 1.56]

The following figures are for the assistant administrator secretary position. The District argues, based upon the duties of the job, that this secretary should be compared to both building principal's secretary and district office secretary classifications in other districts The rates for both are shown below.

median of maximum rate paid by 10 comparison districts for building principal's secretary:	$ 11 69	$ 11 74
median of maximum rate paid by 22 comparison districts for building secretary:	9 36	9 51
District offer	10.92	11.14
Association offer	11 05	11 55

The following figures are for the principal secretary.The District argues that this secretary should be compared to the building secretary in other districts.

median of maximum rate paid by 22 comparison districts for building secretary:	$ 9 36	$ 9.51
District offer	9.85 [+.49]	10.35 [+.84]
Association offer	10.31 [+.95]	10.81 [+1.30]

The following figures are for secretary 2. The District argues that employees in this position should be compared to clerk/typists in other districts

median of maximum rate paid by 7 comparison districts for clerk/ typists:	$ 6.50	$ 6.78
District offer	7.90 [+ 1.40]	8.46 [+ 1.68]
Association offer	8.10 [+ 1.60]	8.55 [+ 1.77]

The bargaining unit also includes Educational Aides The parties do not appear to have a significant dispute about wages paid to this classification, except of course that their wage structure proposals are different for all employees. Both final offers (the District's at 4th year, and the Association's at post-5 years) call for wages of $ 7.85 in

1994-95, $ 8 41 in 1995-96 and $8 97 in 1996-97

The Association presented its own comparability data. It is not as useful as the District's data because it makes comparisons only among unionized districts (and even then does not include data from districts where there is a union other than a WEA affiliate representing the employees), and only for the year 1994-95, the first year of the proposed three year agreement. Also,unlike the material presented by the District, there is no evidence that the Association attempted to ascertain which job titles in use in other districts are most comparable to the District's classifications based upon job duties and responsibilities actually performed

With respect to the dispute over cleaners vs custodians, the Association argues that it does not object to the District's plan to have both cleaners and custodians. Regardless of title, it wants them paid at the rate contained in the Association's final offer, and it notes that there may be problems if the District's offer is selected, in determining retroactively which workers would be awarded custodial wages

The Association wage data show the following for the various job classifications As previously mentioned, there is no real disagreement about Educational Aides, and they are not shown.

	Median of maximum rate of Association comparables 1994-95	District Offer	Association Offer
Administrative Secy	$ 11.27	$10.92 (-.35)	$11.05 (-.22)
Principal Secy	11 07	9.85 (-1.22)	10.31 (-.76)
Secretary II	9.90	7.90 (-2.00)	8.10(-1.80)
Cleaners/Custodians	11.81	7.58 [cleaners] (-4.23)	8.95(-2 86)
		8.88 [custodians] (-2.93)	8.95(-2 86)

The comparison data for food service workers are insufficient for making any meaningful comparisons.

In summary, the evidence presented with respect to factors (d) and (e) clearly favors the Association on the issues of LTD and health insurance With respect to wages, the arbitrator finds the District's comparisons more persuasive than the Association's, but the results of using the District's comparisons do not demonstrate clearly which final offer should be selected

Factor (f) directs the arbitrator to weigh comparisons with "employes in private employment in the same community and in comparable communities" The District presents data furnished by the State for 1995-96 for selected job classifications in the three county area of Kenosha, Racine and Walworth Counties, the counties which correspond geographically most closely to the SLAC school districts. The data show that for each of the selected classifications, the District's maximum wage rate is above the mean wage rate paid by those employers who are in the survey. The Association's proposed wage rates are still higher.

These data are of limited usefulness for two reasons. First, the survey data are taken from a combined survey of private and public employers and they are not broken down separately for private employers. The statutory criteria refer separately to public and private employment Second, the District's comparison is made between what the parties have offered for maximum rates, and what the survey has shown for "mean wage rate" The comparisons would only be meaningful if they compared the parties' maximum wage rates to the mean or median of the maximum rates paid by the survey participants

Further with respect to private sector wages, the District has shown that nationally the average manufacturing wage rate rose 2.7% between February, 1995 and February, 1996 The District notes that for the three years of the Agreement, it is proposing to increase wages 9.08%, 5.75% and 4.40% respectively.

The District also cites Federal statistics showing that in the 4th quarter of 1995 wages increased 1.8% in the first year, and 2.3% annually over the contract term in reported major collective bargaining agreements.

The Association did not address the issue of private sector comparisons in its arguments .

The private sector data presented favor the District's final offer more than the Association's final offer

Factor (g) directs the arbitrator to weigh the changes in the cost of living. The District presents national data showing that the index for US Cities increased by 2.9% during 1994-95 and at a rate of 2.6% for the first 8 months of the 1995-96 school year.

The District notes that its three year wage proposal far exceeds the rate of increase of the cost of living Its wage package would increase 20.84% over three years, and the total package would increase 21 30 % The Association's proposal is significantly higher.

The cost of living factor clearly favors the District's final offer more than the

Association's final offer.

Factor (h) directs the arbitrator to weigh "the overall compensation presently received by the .employes.. " The total package costing of the parties' proposals by the District has been presented above.

The District states

> This is a first contract. .The [District] has recognized that certain job classification wage rates were out of line with wage rates paid to other employees performing similar services in comparable school districts. The [District] has remedied this situation by giving such employees an extraordinary pay increase over the term of this contract.
>
> . .Note that the total package cost estimates for either offer do not include the cost of an open enrollment for health insurance Examination of [District] Exhibit(s). .will show that the (sic) less than half of the 30 members of this bargaining unit currently take health insurance. Following the open enrollment and the significant increase in health insurance contributions under either final offer, it is very likely that all eligible employees will at least take single health insurance. This will greatly increase the cost of either final offer in 1996-97.

The Association recognizes the size of both parties' final offers, but it argues that increases of the size which it proposes are necessary in order for the employees to achieve the "catch up" which is due them. It argues, "the cost of the Association catch up wage proposal is justified in the light of how the employees fare when looking at the big picture... We have ... shown the "catch up" still needed in the areas of insurance and wages..."

There are no total package costing figures given for other internal employee groups, or for other SLAC districts. Clearly a package of the size which the District offers is a reasonable one. The Association's proposed package is still larger. Whether its package is as reasonable, or more or less so, must be determined in relationship to the other statutory factors.

Factor (j) directs the arbitrator to consider "such other factors...normally or traditionally taken into consideration..." There are several such factors which the parties argue are relevant in this case.

First, both parties note that this is a first contract. Both parties recognize that in their tentative agreements the parties have made progress in catching up to the competition. Clearly, the wage and total package offer of the District is much larger than one ordinarily sees in an arbitration proceeding such as this one What remains to be judged is whether the degree to which the District has offered to catch up to the competition is reasonable, or whether the Association is correct that meaningful catch-up requires that its final offer be implemented In support of its position, the Association argues.

> ..The district has no problem finding money to bring their support staff up to a competitive wage Association exhibit (s) show that Waterford Grade School ranks eighth among schools in Wisconsin for their end-of-the-year fund balance. In 1991-92 their end-of-the-year balance was 49 96% of General Fund total expenditures. That large percentage continues today. Our consultant, . says "they are swimming in dollars." The taxpayers who come to the annual meeting are frustrated by the large reserve fund. They pay taxes and want the money used for current needs. The "state education office" only recommends that 14-17 percent be in a fund balance The district keeps promising to "spend down" their "unreserved cash balance" but they have not done so at this writing..

A January, 1995 letter from the Association's consultant asserts that the District's fund balance, reported for 1993-94 was 42%, which ranks 15th among Wisconsin school districts.

The District responds to this argument as follows:

> ...the [District] is prohibited under section 111.70 from changing wages, hours or working conditions during bargaining absent agreement from the Association. The employees in this bargaining unit have not had a wage increase or change in the employer's contribution toward insurance since the 1993-94 school year. When this arbitration is concluded, the employer will issue back pay checks covering the pay increase due for 1994-95, 1995-96 and whatever part of 1996-97 has passed at the time of the arbitrator's award
>
> ...The cost of employees in this bargaining unit in

> 1993-94 was $ 351,501. Since the [District] could not by law increase wages or insurance contributions during the bargaining of this contract, those costs have not increased in 1994-95, 1995-96 or so far in 1996-97...
>
> If the [District's] final offer is selected, the [District] will be immediately liable for nearly $ 170,000 in back pay...The Union's final offer would be substantially more expensive...Remember that the costings do not show the cost of employees taking new single or family health insurance plans during the open enrollment following the arbitration award It is no wonder that the Waterford Grade School District.. has a large fund balance--the [District] has obligated itself to spend much of that money following the settlement of this contract ["Note further that the District has not settled with its teachers' association for 1995-96 and 1996-97"]
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> The [District] does not claim inability to pay for either offer. But at the same time, it should not be criticized for maintaining a large fund balance. Once the arbitration award is issued, the [District] will "spend down" a significant portion of that fund balance in back pay to the members of this bargaining unit.

Despite the parties' lengthy arguments about the fund balance, the arbitrator does not view that issue as determining the outcome of this case. That is, simply because a large fund balance exists is not reason to say that the Association's final offer is more meritorious than the District's. The existence of the fund balance does distinguish this case from many others, however. It is clear in this case that there is absolutely no doubt about the District's ability to afford the Association's final offer, and there is no reason to think, if the Association prevailed, that the District would have to take taxing or borrowing measures in order to implement the Award.

A second "other factor" raised by the District is that during negotiations, prior to the arbitration, the parties entered into a tentative agreement to accept the District's health insurance proposal, the same health insurance proposal which is contained in the District's final offer. At a subsequent mediation session the Association withdrew its tentative agreement on health insurance.

With respect to this factor, the District argues:

> The [District] made the tentative agreement part of its

> final offer. The [District] faced competing demands in the formation of its final offer. It could spend more money on wage rates, health insurance premiums or long term disability insurance The [District] rejected spending more on health insurance premiums because of the tentative agreement Since it had been good enough to be acceptable to the Association at one point in time (and since the parties never had a tentative agreement on wage rates) the [District] believed that its money was better spent on wage rates than on more health insurance premium contributions.
>
> If this tentative agreement was acceptable to the Association once, it cannot be all that bad now. The existence of the one time tentative agreement proves that the [District's] final offer is at least reasonable on its face. The [District] concludes that the existence of the tentative agreement over the health insurance premium contribution is evidence strongly favoring selection of its final offer.

The Association does not address these arguments.

The arbitrator agrees with the District that when bargainers tentatively settle an issue it is evidence that they mutually view their tentative agreement as reasonable. Certainly one or the other party, or both, may be reticent to make the tentative agreement, but at that point the bargainers do not view the proposal as so unreasonable as to be a basis for holding out for a better bargain, and they accept the tentative agreement, subject to obtaining a complete agreement and achieving ratification. Either party or both has the right to reject a tentative agreement, as was done here by the Association with respect to health insurance, although such rejections do not improve the collective bargaining relationship. The arbitrator does not view the rejection as reason to implement the District's final offer. A contrary conclusion would discourage parties from entering into tentative agreements, since once having done so they would not be able to change their position if the dispute were not resolved and arbitration were necessary.

The District discusses another "other factor". It argues that the arbitrator should give little weight to the Association's proposal that the District adopt a new LTD plan upon settlement of the contract. The District argues:

> ..The [District] recognizes that many area schools provide long term disability insurance to their employees The fact that this contract is about to

> expire means that the LTD insurance issue can be visited again in the near future. The Arbitrator must balance evidence supporting the [District's] wage offer with evidence supporting the Association's LTD insurance offer. Wages are retroactive. New insurance plans are prospective Given the fact that the contract will expire soon, the wage schedule issue is clearly a much more important issue than the LTD insurance issue

It is obvious that the magnitude and impact on the parties of the wage and health insurance issues are substantially greater than the impact of the LTD proposal during the life of the proposed agreement, in part because the three year term of the Agreement will expire soon. It should be noted, however, that simply because a proposed part of a final offer has an impact late in the contract period, that is not reason necessarily to give that proposal either less or more weight than other parts of the final offer. The weighting will depend upon the nature of the proposal and its context in the dispute.

It is apparent to the arbitrator that the wages and health insurance issues are more critical issues in this case than LTD. The LTD comparisons favor the Association. Health insurance comparisons strongly favor the Association's position, and the Association's health insurance offer is far below what is received by employees in comparable districts. The District had sound reason for viewing its health insurance proposal as reasonable, however, given the Association's tentative agreement to it. As a result, the District asserts, its focus in its final offer was on wages.

Since both the LTD and health insurance issues clearly favor the Association's final offer, the District's wage offer, if the District is to prevail, must be more reasonable than the Association's and so much so that it is weighed in the balance as the determining issue in this case.

With respect to cleaners and custodians, the figures show that when the analysis is confined to just those districts in which the employees do work comparable to what they will do as cleaners under the District's proposal, the District's final offer is low by comparison ($53 below the median in 1994-95, and $.34 below the median in 1995-96), but these rates are more reasonable than the Association's offer which would result in the District's cleaners being paid significantly more than the competition ($ .84 above the median in 1994-95 and $ 1.09 above the median in 1995-96).

When the analysis is confined to just those districts in which the employees do work comparable to what they will do as custodians under the District's proposal, both final offers result in significantly lower wages than are paid by the competition, although the Association's final offer (below the median by $ 2.35 in 1994-95 and 2.41 in 1995-96) is closer to the competition than the District's offer (below the median by $ 2 42

and $ 2.62).

The result of the District's desire to separate cleaners from custodians, if its final offer is adopted, is that it pays a more competitive wage for cleaners than would be the case under the Association's proposal, but custodians would receive a less competitive wage under the District's proposal than under the Association's.

A similar analysis of the figures presented earlier shows that the Association's final offer is closer to the competition with respect to cooks, while the District's final offer is closer to the competition with respect to kitchen/servers, building secretaries and secretary 2s With respect to the administrative secretary position, the determination of which is the closer final offer depends upon which classification is used in the comparison groups The District's data show that its offer is closer if the comparison is with building secretaries, and the Association's is closer if the comparison is with building principal's secretaries.

This analysis does not persuade the arbitrator that one party's wage offer is clearly more meritorious than the other's The District's wage offer does not provide the level of wages which justifies its providing only a 59% family health contribution and no LTD

What about the other factors? When the increases offered by the District are compared with increases in the private sector and with cost of living increases, the District's final offer is favored. The District's offer is also favored with respect to total compensation in the sense that no one can question the reasonableness of a total package offer of the magnitude of increase offered by the District for the three year period totaling more than 19% All of these factors are in terms of comparing economic increases since 1993-94, the year prior to the first year of the contract in dispute here. However, none of these factors take into account the starting point.

As mentioned previously, this is a first contract between these parties, and both parties have realized in their bargaining that there is a need to catch up to the competition in many areas in which the District has paid its employees at levels below those received by similar employees in other school districts. The large increases in the District's final offer demonstrate its serious efforts to remedy the situation. However, given how far below the comparables the employees have been compensated, the District's final offer is not as reasonable as the Association's higher final offer.

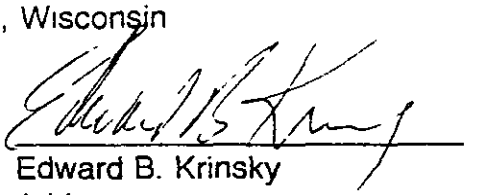
If the District's offer is implemented, employees will have wages which in some cases are above those paid in comparable school districts, and in some cases below. They will receive 59% of family health insurance benefits, while the comparables receive 100%, and they will receive no LTD until it is bargained in a future contract, while the comparables receives it now.

If the Association's offer is implemented, employees will have wages which in some cases are above those paid in comparable school districts, and in some cases below They will receive 68% of family health insurance benefits while the comparables receive 100%, and pursuant to this decision they will receive LTD which the comparables are now receiving

From this perspective, the arbitrator believes that the Association's proposal is more reasonable. It provides wages that are too high in some classifications but not high enough in others, but it provides a greater degree of catch up to the comparable districts than does the District's offer in the benefits area

Under the statute the arbitrator is required to select one final offer in its entirety. This is always a difficult decision, and this case is no exception. Based upon the above facts and discussion, the arbitrator hereby selects the final offer of the Association.

Dated this 1st day of November, 1996 at Madison, Wisconsin



Edward B. Krinsky
Arbitrator