

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

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In the Matter of the Petition of :
 :
SURING EDUCATIONAL SUPPORT PERSONNEL :
ASSOCIATION, NUE, WEA :
 :
To Initiate Arbitration Between : Case 13
Said Petitioner and : No. 53814 INT/ARB-7921
 : Decision No. 28688-A
 :
SURING SCHOOL DISTRICT :
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Appearances:

Suring Educational Support Personnel Association, NUE, WEA,
by Mr. James Blank, Executive Director, NUE, and
Ms. Suzanne Dishaw Britz, Research Consultant.

Suring School District by Godfrey & Kahn, S.C., by Mr.
William G. Bracken, Coordinator of Collective Bargaining
Services, and Ms. Liz Luce, Research Associate.

ARBITRATION AWARD

Suring Educational Support Personnel Association, NUE, WEA
(Union or Association) is the collective bargaining
representative for all regular full-time and regular part-time
non-professional employees of the Suring School District. The
Union and the District have been unable to agree upon the terms
to be included in their collective bargaining agreement for the
period July 1, 1995, through June 30, 1997. The Wisconsin
Employment Relations Commission (Commission) caused a member of
its staff to investigate the matter. On March 3, 1996, the
investigator determined that the parties were at an impasse and

recommended that the Commission issue an order for arbitration. The undersigned was selected, by the parties, from a panel of arbitrators provided by the Commission. The Commission entered its order appointing the undersigned to issue a final and binding award pursuant to Sec. 111.70(4)(cm) 6 and 7 of the Municipal Employment Relations Act on April 30, 1996. After due notice to the public, the matter came on for hearing at the Suring School District offices in Suring, Wisconsin, on July 11, 1996.

Both parties presented evidence on the hearing record. The parties agreed that except for certain delayed exhibits, to be provided by the District, the record was closed at the conclusion of the July 11, hearing. A series of delayed and corrected exhibits were filed, in accord with the parties' agreement, by transmittal dated July 18, 1996. Initial briefs were exchanged directly by the parties with copies mailed to the arbitrator on August 30, 1996, reply briefs were exchanged by September 23, 1996.

DISPUTED ISSUE

The tentative agreements include enhanced vacation, sick leave, and holiday leave for some employees. Both offers contain 25¢ an hour step increments for years of experience, and 25¢ an hour wage increases for "off-scale" employees during each year of the contract. The single unresolved contract issue is the amount of the hourly increase to be added to the wage scale over the contract term. The District proposed 20¢ an hour across the

board increases each year of the contract. The Association proposed 30¢ across the board each year. Based upon data in Association Exhibits 6-10b, the Association's wage offer would result in a greater first year cost of \$1,404.60 and greater wage costs of \$2,809.20 during the second year of the contract. The parties have been unable to agree to an appropriate pool of external comparables. They also disagree whether the additional vacation days included in their tentative agreements contribute to increased package costs.

ASSOCIATION'S POSITION

The Association noted that this is the first time that these parties have utilized the arbitration process. "Therefore, the issue of comparables must be decided by the arbitrator." It suggested that Bonduel, Crivitz, Oconto Falls, Shawano-Gresham, Bowler, Gillett, Peshtigo, Wausaukee, Coleman, Menomonie Indian, and Pulaski should be found comparable. It said that these were all organized support staffs in geographically proximate districts. It noted that since the District had also recommended Coleman, Wausaukee, Crivitz, Menomonie Indian, Gillett, Peshtigo, and Oconto Falls, "these seven districts should be automatically included in any comparison group selected by the arbitrator." The Union argued that the four unrepresented districts recommended by the Board, Lena, Niagra, Wabeno, and White Lake, should not be considered comparable. It said that while Wabeno meets the criteria for comparability, it is still negotiating the

terms of its initial contract, therefore, there is no reliable information to be obtained from Wabeno for the purpose of analysis. The Association said that Lena, Niagra, and White Lake should be excluded because they have non-union support staffs. It cited a series of six previous decisions in which arbitrators found "that unorganized districts generally should not be included in comparables." It argued that the determination of appropriate comparables will have long lasting effects during future negotiations. The fact that one quarter of the District's comparables are not represented would "limit the basis for informed comparisons now and in the future." The Association said that in addition to the seven agreed upon comparables, "Bonduel and Bowler are included in the Association's group on the basis of accepted arbitral comparability criteria--union status, similar size and geographic proximity." It noted that both of these districts are within 30 miles of Suring. It said that both Shawano-Gresham and Pulaski should be included because these districts are unionized and geographically proximate to Suring.

"The Association's wage proposal is justified by the record." The Union reviewed evidence for base year 1994-95 which compared maximum wages in Suring with average maximum wages in comparable districts. Food service employees, custodians, aides, and secretaries in Suring earned between \$5.30 and \$6.50 at maximum compared to a range of \$8.38 to \$9.66 in comparable districts. Wages in Suring ranked last in each category. It

said that the Union had not requested catch-up wage increases although they would have been justified in doing so.

It said that the District's wage increases would barely meet cost of living increases, and would put Suring's support staff further below comparable wages. The Union's offer would merely maintain this unit's relationship with the comparables.

The Association noted that the District said that eight of 23 unit members were paid off-scale wage rates. It reviewed evidence that off-scale rates for custodians at \$9.88 an hour in Suring is 22¢ an hour above the average maximum custodian wage, but, it is \$1.43 below the comparable maximum. Other off-scale wages which are between \$1.15 and \$2.57 below the average maximums "fall miserably below the average of comparable districts." It said off-scale rates apply only to current and future employees. "There is no guarantee that the Board will offer to increase off-schedule rates in the future."

The Association said that the Board had placed too much emphasis on percentage level arguments. It said that one must look at actual wage levels. It noted that the Board had not included any documentation of wage comparisons or salary schedules in its presentation. "This is a direct indication that the District is well aware how it measures up to other districts in terms of wage levels." The Union compared financial data to demonstrate the difference between Suring's maximum wage rates and the lowest and highest maximum rates among its comparables.

It argued that the range of differences outlined below is even more startling.

1994-95 MAXIMUM RATE COMPARISON

<u>POSITION</u>	<u>SURING MAX.</u>	<u>COMPARABLE LOW MAX.</u>	<u>DIFF.</u>	<u>COMPARABLE HIGH MAX.</u>	<u>DIFF.</u>
Secretary	\$6.35	\$8.47	-\$2.12	\$10.11	-\$3.76
Aide	5.30	7.90	- 2.60	9.32	- 4.02
Custodian	6.50	8.20	- 2.70	11.31	- 4.81
Food Service	5.35	7.50	- 2.15	10.33	- 4.98

"As previously stated, the District's offer will cause these employees to slip further behind the comparables."

The Association noted that the Board had submitted evidence that Suring's teachers and administrators had settled for 3.8% increases. "However, nothing was provided to show what type of benefit packages these two groups of professional employees enjoy." It said that the teachers' package is distinctly different than the support staff's, and that salary and benefit packages vary between each administrator. It argued that the arbitrator must discount incomplete total package comparisons as being meaningless.

The Union anticipated that the Board will argue that a "so-called 'internal settlement pattern'" supports the Board's offer. It said that this support staff unit is not limited to the level of qualified economic increases which limits professional and administrative wage increases. It said that, "more important is the fact that a 3.8% package increase translates to substantially more in the way of salary increases to the other District

employees than the ESP unit." It noted that a District exhibit which refers to package increases "sidesteps the issue of what kind of salary increases the administrators and teachers received." It said that the superintendent's \$1,747 salary increase alone is greater than the \$1,669 wage difference for the entire ESP unit. The one year total of administrators' salary increases, \$4,116, is greater than the \$3,352 two year total package difference for the entire support staff. The Union said that under its offer of 30¢ an hour, a 12 month support staff employee would receive a \$624 annual increase. An off schedule employee could expect a \$520 increase. The superintendent's 3% increase results in a salary increase that is 3 times more than the average support staff employee can expect to receive.

The Association said that maximum wage increases awarded by the District's external comparables in almost every instance is closer to or exceeds the Union's offer. The District said that employees in Coleman received a 20¢ increase but, it failed to note that Coleman had restructured its salary schedule for 1995-96. "The District's exhibits also fail to note that Peshtigo and Wausaukee restructured their schedules as well." The District reported that employees in Lena did not receive an increase for 1995-97. However, Lena's schedule shows that its employees receive 30¢ to 35¢ per year in step advancements. The District's other comparables received increases between 23¢ and \$1.06. The average comparable received 29¢, which is nearly identical to the Union's 30¢ offer.

The Union said that the District's exhibits show municipal settlements with 3%-5% wage only increases in 1995-96. It argued that "very few of the County and municipal units relied upon for comparative settlement information are similar to the make-up of this unit." Most courthouse units did not include clerical employees. "None of the other County units, Highway, Public Health Nurses, Sheriff Deputies, and Social Workers have positions similar to those included in the ESP group." The Union said that the units that the District used for comparing settlements all have significantly higher salaries than the Suring ESP.

The Union said that the District has distorted the Union's proposal "as 4%-13% increases in 1995-96 and 1996-97." It said these percentages include agreed upon changes to step increments on the salary schedule, which the parties recognized were necessary, to create uniformity and abolish inequities. "Thus, neither party has a burden to sustain this change, and the Board cannot argue that the structural changes comes at a cost." It cited a previous decision in which the undersigned recognized that step increases received under the terms of a prior contract should not be considered in calculating wage offers in a subsequent proceeding. The Association said that even with the agreed upon structural changes, comparable districts have higher wage differentials. "The majority also have annual step advancements, rather than multi-year steps as found in Suring."

"The Association's offer is also preferred from a total compensation standpoint." The Union anticipated that the Board would argue that increased vacation, holiday, and sick leave benefits enhance the support staff's compensation package. It argued that when fringe benefits are included, Suring has the lowest total compensation among the comparables. It reviewed data that shows that the members of this unit receive average total compensation ranging from \$11.33 to \$11.64 an hour compared to \$15.16 to \$17.09 an hour in comparable districts. The Union anticipated that the District might challenge the Union's calculations. It explained that its numbers were based upon maximum hourly rate and the highest number of hours worked by each category of employees in each district.

The Association said that the improvements in fringe benefits included in the tentative agreements simply brought Suring's benefit package closer to the comparable average. The parties agreed to add a fourth week of vacation after 17 years of employment. All of the other districts previously offered four weeks, seven of eleven comparables offer five weeks vacation. Prior to these negotiations, Suring did not pay out for unused sick leave. "Sick leave accumulation of up to 90 days was lost if not used by employees." The TAs provide for a \$5 payment for each unused sick day over 90 days. There is no payment for the first 90 days. "Comparatively, Bowler and Shawano-Gresham are the only two of the eleven comparables not offering some type of sick leave payout. It reviewed evidence that the nine other

comparable districts have more liberal sick leave payout provisions than Suring.

The Association said that the agreed upon increase of an additional half holiday on each Christmas Eve and New Years Eve for 12 month employees, and the addition of New Years Day as a holiday for 9 month employees, brings Suring up to the group average. It anticipated that the Board would say that the Union had failed to include the additional cost of the holiday benefit granted to 12 month employees. The Union said that there would not be any additional cost or loss of productivity, because, the employees would be paid for the day whether or not they work it.

The Union said that though there are no changes in contract provisions relating to health and dental insurance, the Board contends that its premiums and contribution levels are higher than the comparable average. The Union said that the Board's evidence is misleading. It said that seven of eleven comparables paid a greater percentage of the family health premium in 1995-96. "Even at 95% contribution level, the Suring School District ranks 8th of the 11 comparables in terms of the amount paid for health insurance on behalf of full-time employees." It said moderate 4% health insurance premium increases do not justify low wage increases. It said that Suring has the lowest dental insurance rate, \$16 a month below the comparable average in 1995-96. Even though the Employer pays the entire premium, its cost is almost \$8 a month lower than the average. It said that,

though the Union had attempted to negotiate a life insurance benefit, the Suring ESP is the only group without this benefit.

"The District cannot argue that cost controls limit the amount it has available to fund wage increases." The Union said that Suring is one of the few school districts in the state which benefits from the new state school aid formula. It said that during this contract period, Suring's per member limit increased by \$406 per member, its membership also increased from 626 in 1993 to 674 in 1995. The Association reviewed evidence that in 1994-95, the District received \$900,248 in general aid. In 1995-96 the payment increased by almost 39%, and DPI estimates that the District will receive an additional aid increase of 75% to \$2,183,411 in 1996-97. "Obviously, the District could afford to fund the less than \$4,000 difference between the final offers by levying up to its limit in 1994-95."

The Union reviewed evidence that it said, shows that Suring enjoys one of the healthiest Fund 10 balances in the state. It concluded that the District maintained a cash balance in excess of \$400,000 throughout the 1994-95 school year. There were no short-term notes payable. It said that the Board had attempted to rebut the Union's evidence through the testimony of the District Administrator that increased state aid reduced the District's reliance on local property taxes. It argued that in spite of the Administrator's assertions, there will be \$1.2 million in taxes receivable for the District to spend. It said that Suring's \$1.6 million Fund 10 balance places it 26th in the

state in terms of Fund 10 balances as opposed to expenditures. In 1994-95, its balance equalled 38% of all Fund 10 expenditures. In 1995-96, it equalled 37% compared to a statewide average of 18%. It said if Suring reduced its Fund 10 balance to the statewide average, it would have more than \$800,000.

The Union noted testimony that the District has not had to take out a short term loan in five years, and that is a "prudent way to operate." It cited the observation of Arbitrator Zel Rice in a municipal utility arbitration case. In that case, Rice said that, "the members of the bargaining unit should not have to bear the cost of providing cheap electricity to the Employer's customers by accepting wages that are far lower than the rate paid to employees of municipal utilities doing similar work." The Association said that there is no evidence in the record that the Suring School District is cutting programs or putting other projects on hold. It said that the testimony shows that the District has money to spend. "It just chooses not to spend the money on its employees."

DISTRICT'S POSITION

In both its introductory comments and the following "synopsis of the case," the District emphasized that "[i]t would be a mistake ... to simply view this dispute as a 10 cents per hour difference. The arbitrator must consider the background bargaining history as evidenced by the tentative agreements for a greater appreciation of the remaining issue in dispute."

The Board said that the parties had presented virtually identical evidence relating to the cost of the Union's offer. It said that the only difference in their costing methodologies was that the Union failed to include any cost for the additional holiday that 12 month employees will receive under the tentative agreements. It argued that the Union is being unreasonable in refusing to cost this additional holiday. "The Employer loses the productivity from the employee not working. This cost ... must be factored into the settlement." The District said that when the cost of the additional holiday is included in the total package costing, it has offered 5% compared to the Union's offer for 5.6% during the first year of the contract, and its offer is 4.2% compared to the Union's 4.8% during 1996-97. It said that the two year total package difference is \$5,016. It argued that its two year offer for 9.2% is more reasonable than the 10.4% requested by the Union.

The Board said that its proposed comparable group consisting of all of the Marinette and Oconto conference schools, Coleman, Crivitz, Gillett, Lena, Niagra, Peshtigo, and Wausaukee, plus four non-conference districts, is justified. The non-conference districts, Menomonie Indian, Oconto Falls, Wabeno, and White Lake are all contiguous to Suring. The Board said that arbitrators have consistently used athletic conferences to determine comparables in school district cases. It said that reliance on contiguous districts will show appropriate comparisons of the labor market, wages, hours, and working conditions in the area.

The Board said that the Union's reliance only upon other organized districts, is contrary to the law and gives a very biased view of conditions in the area.

The Board noted that both parties had suggested five conference districts and two non-conference districts that are contiguous to Suring as comparables. It said that the Union had omitted conference members Lena and Niagra and non-conference but contiguous White Lake because they are not represented by a union. "The majority of arbitrators have held that non-unionized districts should be taken into account in making comparisons between the parties offers." The District cited comments from eleven other arbitrators, including the undersigned, who found that union representation either should not be or cannot be legally established as a criteria for comparability.

The District noted that the Union had neglected to consider Wabeno comparable in spite of the fact that it is an organized district that is contiguous to Suring. "The Union also includes four other school districts which are not relevant at all, including Bonduel, Bowler, Pulaski, and Shawano-Gresham. No evidence was presented by the Union why the latter four districts are comparable to Suring." The Board said that the Union's own evidence shows that Shawano-Gresham and Pulaski, which have four times more teachers and almost five times more pupils, are not comparable. It said other factors including state aid, equalized valuation, tax percent, and mill rate should exclude Bonduel, Pulaski, and Shawano-Gresham. The Board said that there must be

some rationale for connecting districts with a common bond. "The Union has approached the selection of comparables in a 'helter skelter' manner with no sound rationale." The arbitrator must reject the Union's attempt to bias the results in its favor.

The District noted that Arbitrator Imes previously relied upon the other members of the Marinette-Oconto conference in deciding a dispute involving the Suring teacher unit. It said that "for the sake of consistency and stability in the collective bargaining relationship," the entire M&O conference should be deemed relevant in the instant dispute. It urged that the District's proposed comparables be selected in this proceeding.

"The District's offer is preferred under the greatest weight criterion that imposes revenue controls on the Suring School District." The Board said that during the last two legislative sessions, in response to increasing property tax levies, the State has limited growth in school district revenues and capped teachers' and administrators' salaries. School districts can avoid interest arbitration with their teaching staffs by making package offers of "less than or equal to 3.8% according to a specified formula." Levy limits have now been made permanent. School district revenue increases were limited to \$200 per pupil in 1995-96, and to \$206 in 1996-97. The cap is permanent and it is not adjusted for inflation. The only way the District can exceed these controls is to receive voter approval in a referendum.

The Board said that revenue limits have "had a significant negative impact on many school district programs and operations." Some districts have delayed maintenance projects, limited staff hirings, and scaled back their curriculum. The positive effect has been reduced school tax levies. "Property tax growth has slowed to 3.2% in 1995, down from an average of 8.5 percent annually. ... Taxpayer's are now expecting property tax relief." The Board said that this history defines the climate that impacted collective bargaining. If a district spends too much on salaries, there is less money for other necessary educational expenditures.

The District argued that the Union had ignored the problem by looking to the District's reserves to fund wage increases. The Union is not concerned that the \$5,000 might be "better spent on other items such as bleachers or school district vehicles" that the administrator said are needed. "The District cannot and will not take such a narrow-minded view of its budget." The District, through its elected school board, must balance the needs of its employees with the need of the instructional programs and remain within the revenue limits. "This is a difficult task." The arbitrator should not "second guess" the District's decision. "The issue in this case is whether the \$5,000 that separates the parties can be allocated to those priorities determined by the School District."

"This case is not about the ability to pay." The Board said that the Union had failed to prove why its members should receive

5.6% and 4.8% increases when other District employees are receiving 3.8%. The Board asked, what will happen if support staff continues to ask for increases of this magnitude? "There is an inherent conflict between the collective bargaining law and the school revenue limit law. If District employees continue to receive 3.8% and the District's revenues are frozen, there will be a head-on collision between these opposing forces in the near future." The Board noted that employee wages and benefits typically comprise 80% or more of a school district's budget. It is concerned about 3.8% increases in such a large portion of its budget when revenues are frozen.

The District said that the new statutory criteria requires the arbitrator to "afford most weight to the fact that revenue controls exist." It disagreed with the anticipated argument that the revenue control criterion is equivalent to the ability to pay criterion. It said there would be no sense to equate the two separate factors to one that has previously been spelled out in the statute. The Board argued that in applying the "greatest weight" factor, the existence of "the revenue control criterion must receive at least 51 percent of the arbitrator's weight in the final decision." It said that "the arbitrator is required to specify the weight given to this criterion in his award." The Board said that recent changes in the Municipal Employment Relations Law require for the first time, that arbitrators weigh the factors in any manner. "It was an attempt to break arbitrators' reliance on using comparability as the decisive

factor at the expense of other factors in so many teacher arbitration cases. ... In the District's view, the only way the greatest weight factor of revenue controls can mean anything is if it is given more value or weight than all of the other statutory factors in the final award."

The Board said that its operating reserve has been established to provide it with sufficient cash flow in order to avoid short term borrowing. It said that it needed the reserve because Suring receives less in state aids than many other districts. In 1995-96, it received less aid than 9 of 11 comparable districts, and \$1,300 less than the average comparable in state aid. It said that DPI recommends that school districts maintain a fund balance of between 10% and 15% of their total budget. Suring has followed this guideline. It said that the fund balance made it possible for the District to avoid interest expense on short term borrowing and to maintain its credit and bond ratings. It said that maintaining a \$500,000 operating reserve is a fiscally prudent way for Suring School District to operate considering its overall \$4 million dollar budget. Increased payments from the state will be applied to reducing property tax levies. "This was the goal and the original purpose of the state picking up more of the District's share of educating students."

The District noted that the second new statutory criteria requires arbitrators to give greater weight to local economic conditions than to the criteria which are spelled out in Sec.

111.70(4)(cm) 7r, Wis. Stats. It said that local economic conditions support "the District's more modest final offer." It pointed to evidence that Suring ranked 10 of 12 comparable districts in net taxable income per tax return in 1994. Its \$20,833 average net income was 14% below the \$24,286 comparable average. "This is a staggering and significant amount." The Board said that according to DPI data, Suring had a 17.33 mill rate in 1995-96, this was 7.5% above the comparable average of 16.12%. It said that the \$1,940 per member in-state aid that Suring received in 1995-96 is \$1,317 less than the comparable average aid payment of \$3,256 per member. These factors mean that Suring must fund more of the cost of school operations than other districts, and most of the cost is borne by local property tax levies. The District cited data that shows Oconto County's per capita personal income of \$12,629 is below the state average of \$16,454. The County has 25% less farm land than the state average, and the average farm generated \$55,632 in gross sales compared to the state average of \$65,351 in 1987. The County had a high 6.5% unemployment rate. In April 1996, it ranked 18 of 72 counties in Wisconsin. Personal income in Oconto County in 1991 was \$13,737 per capita compared to the statewide average \$17,919. In 1992, per capita income of \$14,029 resulted in the County rank of 61 of 71 counties. The statewide average in 1992 was \$19,038. The District argued that the arbitrator must give greater weight to local economic conditions than to any of the traditional factors. It said on that basis its offer must be preferred.

The District said that the parties' tentative agreements support its offer. It reviewed a series of six changes, which improve employees' benefits, that are included in the tentative agreements. It said that its agreement to these benefit enhancements and other matters are evidence of the District's good faith to improve employee wages, hours, and working conditions. It said that a change in the wage structure that will provide uniform amounts between wage steps has a direct impact on the remaining wage issue. If it had left the wage structure as it was, the Employer could have offered more than its 20¢ final offer. It argued that all of the tentative agreements had an impact upon its final offer. "It is clear that the District has given the employees many new benefits without getting a quid pro quo in return."

The Board reiterated that it does not claim that it is unable to pay the Union's offer. "However, neither party could seriously argue that the financial ability of the taxpayers of the Suring School District is unlimited." It argued that the interest and welfare of the public are best reflected in the District's lower wage offer.

"The economic and political environment favor the District's offer." The Board said that this environment caused significant changes to be made in the Wisconsin Municipal Relations Act during the last two legislative sessions. It reviewed those changes relating to qualified economic offers to professional school employees and noted limits that have been imposed upon

administrative salary increases. It also cited the revenue limits which have been previously discussed. The Board said that while it understands that these revisions do not apply to support staff, the changes are "an example of the new state policy that has placed a premium on reducing property taxes." It said that the public interest is to contain property tax increases. It cited comments from five separate arbitrators in recent decisions which support its position that all of the District's employees "must assume the responsibility of keeping salary wage and fringe benefits to a reasonable level given the legislature's intent on delivering property tax relief." It argued that its offer to these employees is "overly generous ... there is little rationale for a certain class of District employees receiving 37% more over two years than all other employees in the District." The Board reviewed data that indicates that residents of the State of Wisconsin receive wages that are below the national average, but pay state and local taxes well above those amounts paid by residents of other states. It argued that its offer reflects the Board's efforts to balance many financial considerations. It said that these efforts and the Board's final offer best meet the interests and welfare of the public.

The Board said that its offer is higher than the prevailing settlement pattern in comparable school districts. It pointed to a Union exhibit which "proves that the District's total package increase is above the prevailing settlement pattern and is the highest among the Union's own skewed list of comparables." It

said that the pattern in comparable districts is 3.8% on a total package basis compared to the District's offer for 5%. "The Union's 5.6% is clearly out of the bounds of reasonableness." It concluded that comparable settlements will average 3.8% in 1996-97 compared to the Board's 4.1% and the Union's 4.6%. It noted that the Board's offer is the highest among all of the districts during both years of the contract. It cited comments by Arbitrator Kossoff in a 1993 decision that, "it is not in the interest and welfare of the public to settle a contract at a cost far in excess of the established pattern amount comparable jurisdictions."

"Arbitrators have long held that once an internal settlement pattern has been established, arbitrators should support it and not disturb the internal settlement pattern." The Board said that it had established such a pattern by agreeing to 3.8% total package increases for its teachers and administrators. It noted that its 5% and 4.2% offers to this unit is significantly above that amount. It said that the Union's offer of 5.6% and 4.8% is clearly unreasonable. The Board cited comments from arbitrators including the undersigned that acknowledged the significance of identifiable internal settlement patterns. It argued that recent changes in the Wisconsin Employment Relations Act signal a "new era in labor relations with the presumption that the more modest offer should prevail in an environment of revenue controls and poor economic conditions. It pointed to settlements in other districts and argued that the reason that those support staff

settlements averaged 3.8% is because support staff salaries in other districts have been constrained by internal patterns in those districts. It argued that all of the foregoing factors support the Board's offer which is the most consistent with the wage increases granted to other employees in the Suring School District.

It explained that it is often difficult to be certain that the employees working under a job classification in one district are performing the same responsibilities as employees with the same classification in another district. It said that it had attempted to match the positions accurately. It criticized some of the Association's comparisons of job descriptions in Suring with descriptions in comparable districts. It argued that "by combining non-relevant job classifications to Suring as the Union had done, the analysis is skewed." The Board said that eight out of twenty-three members of the bargaining unit are off of the salary schedule "meaning that they are not limited by the maximum wage rate listed." The Board said that its offer is closer to wage increases in other districts measured in both the dollar and the percentage increments at both the minimum and maximum wage levels.

The District reviewed evidence that in 1995, major union contract wage settlements in the private sector averaged 2.5% nationally. Municipal and County settlements in Suring's geographic area averaged 3% to 3.5%. The District said that its

offer was "head and shoulders" above prevailing public and private sector settlements.

The Board reviewed evidence that it had received 9 applications to fill 5 vacancies in 1994-95, and 14 applications to fill 3 vacancies in 1995-96. "Therefore, based on a labor market approach to wages and benefits, the Union cannot prove that there is a compelling need to raise wages to attract or retain employees." The District noted that increases in the consumer price index have been below 3%. It noted that both of the parties' offers are well above the inflation index. "In fact, under the Board's offer, the employees will receive a real wage increase."

The Board reviewed the level of total package increases that were included in the parties' first contract. That contract, which covered the period from 1992-93 through 1994-95, contained total package increases of 4.5%, 6.9%, and 6% over its 3 year term. The Board argued that because the first contract granted large wage and benefit increases, moderation is warranted in this second contract. It said that it is important to highlight the fact that Suring pays more toward its employees' health insurance premium costs than the average comparable district. It pays \$201 more toward single coverage, and \$463 more toward family coverage annually. It also has a more liberal threshold for its employees to qualify for health insurance contribution. Employees working more than 900 hours receive a 90% premium contribution, and employees who work more than 1,400 hours have 95% of their

premium cost paid for them by the District. "[The Union] cannot demand excessive wage increases as measured against any and all comparable groups and at the same time preserve the liberal and generous fringe benefits provided by the District.

REPLY BRIEFS

The Association and Board reply briefs contained 19 and 29 pages respectively. Both parties repeated many of the arguments contained in their initial filings. Those discussions have been noted above.

ASSOCIATION - The Union responded to the argument that, because of revenue limits, the greatest weight criterion must be given more importance than all of the other statutory factors as follows. It cited a recent decision in which Arbitrator Nathan discussed that argument. Nathan concluded that, in spite of the new criteria, arbitrators are required to evaluate all of the statutory factors. "Thus, if all of the factors must be considered, no heavier factor has an absolute veto over lesser factors without regard to the evidence supporting those lesser factors." The Union said that decision is particularly applicable to the evidence in this case. It reviewed evidence that the Suring School District: is receiving more state aids than it ever has, has no budget problems, and has a cash surplus. It quoted arbitrator Nathan, "A school district which has unplanned surpluses year after year loses some credibility when it comes to the bargaining table and complains that fiscal

restraints prevent it from paying responsible salary increases." It argued that that conclusion is even more relevant in Suring, because, Suring has maintained planned budget surpluses and almost a one-half million dollar annual cash reserve. The Union noted that support staff wages account for only 6.7% of the District's \$4 million Fund 10 expenditures compared to 20-25% of the budget which "is utilized to pay for the salary and benefit packages of three administrators."

The Association argued that the increases which were granted professional and administrative staff should not be construed as internal comparable salaries. Those salary increases were limited by legislative action which was not intended to limit increases for the lower paid support staff.

The Association noted that the District had argued that the parties' tentative agreements contained changes that the Union had requested, and that the District did not receive a quid pro quo in return. It cited discussion by other arbitrators to the effect that: items which have been voluntarily agreed to do not require a quid pro quo; and when wage increases are the only issue, the cost of tentative agreements should not be given great weight. "It is ludicrous for the District to claim that the employees must 'acknowledge the inherent trade-off between salaries and benefits' when there is virtually nothing to trade." It said the employees are at the bottom of the comparability pool in wages. They pay a greater percentage of their annual salary for insurance than any comparable group. The changes in the

salary structure that were agreed to are minimal. The Union said that only one other comparable requires a longer time to reach salary maximum and other comparables have annual wage steps. In Suring, the employees stay at one wage level for many years. "Additionally, the minimum-to-maximum differential at Suring is only \$.75 over a 7-year period." Comparable increase "typically \$2. to \$3." in less time.

The Association said that the District had concentrated on arguing percentage increases. It said that wage levels are a more important measure than percentages and it cited a series of previous arbitration decisions to support its argument. It concluded its reply by arguing that Suring is a financially healthy school district. It argued that local economic conditions should not be considered support for lower offer where the tax rate is decreasing and state aids are increasing substantially.

DISTRICT - The Board argued that the language of the statute and the preponderance of arbitral authority require that non-union school districts located in Suring's labor market be included in the comparable pool. It criticized the Union for considering Pulaski and Shawano-Gresham as comparables. It argued that the Union had suggested that these schools are comparable because they are represented. "These districts are much too large and geographically displaced to be considered comparable to Suring." It argued that for non-certified employees proximity is important for comparability, and that the

District's recommendations are more reasonable than the Association's. It criticized the Union for excluding Wabeno from the comparable pool. It argued that the fact that Wabeno has \$5 starting rate for custodians, compared to \$5.85 in Suring, is evidence that these districts are comparable.

The District said that the Union's wage comparisons are not relevant, because, it compared all of the positions in other districts and "not just relevant ones that relate to Suring." It said that the Union had selected larger, unionized schools and averaged all classifications within positions. It also "omitted employees' maximum wage rates who are off the salary schedule." It said that the Union had tried to "stack the data in its favor." It said that the Union's offer is 47% above the prevailing settlement pattern. The Board disputed the argument that its offer barely meets the cost of living. It said that "on a salary basis, the District's offer is 2.1% and 1.1% (over 2 years) above the relevant Consumer Price Index." It said that arbitrators use package costs in making CPI comparisons, and cited a recent Krinsky decision to support its argument.

The Board said that since 8 of 23 unit members are off the wage schedule, Suring's maximum wage rates are not recognized in the Union's comparisons. It denied that it placed undue emphasis on percentage increases. It said that it had emphasized appropriate wage increases. The Board noted that this is only the second round of contract negotiations between these parties. It said the salary schedule with all of its faults is a product

of bargaining between the parties a short time ago. It argued that the Union is attempting to accomplish too much too soon.

The Board argued that the Union had not given sufficient weight to other internal settlements. It said that it is not fair to compare the actual dollar increases paid to teachers and administrators to the increases for the support staff. It argued that uniform percentage increases are relevant, "not the actual dollar amount received by teachers or administrators." The Board said that the Union had argued that the municipal settlements it had submitted are not relevant because they do not compare employees performing similar services. It said that those comparisons show that the Board's offer is more comparable to other settlements in public employment in surrounding communities.

The Board argued that it is justified in including agreed upon changes in the wage structure in its impact analysis. It said that the Union was disingenuous by refusing to recognize the increased cost of the changes it had negotiated in the wage schedule. "In fact, the cost of the structure change may have been what prevented the parties from reaching a voluntary settlement in this case." It said that the Union had admitted that step adjustments "may cause the offers to be slightly more than comparable settlements." It cited a series of decisions in which step increases were included in cost of living and overall compensation comparisons. It made similar arguments to support its position that the cost of the additional holiday, included in

the TAs, should be included in package cost comparisons of the two offers.

The District said that the Union had failed to introduce evidence that any other district had made a more generous offer than it had offered to this unit. It cited a series of previous decisions in which arbitrators had found that when economic conditions are strained, the interest and welfare of the public favors adopting of the least expensive competitive wage offer. It argued that since the Union had not disputed that economic conditions in Suring are poor, it had conceded the "greater weight criterion to the District."

DISCUSSION

The foregoing effort summarizes the 145 pages of argument which makes it clear that these parties feel strongly about the \$4,213.80 total wage difference that separates their offers. The fact that parties were unable to agree upon either the relative importance of the statutory criteria or a pool of comparable school districts for comparisons appears to have contributed to their failure to arrive at an agreement.

COMPARABILITY - It is as important to establish an appropriate pool of comparable school districts to permit these parties to evaluate their positions for future negotiations as it is to provide the undersigned with a comparable group for comparison purposes in this proceeding. The foregoing conclusion is particularly true because of the nature of the evidence and

the manner in which the parties presented their respective arguments in this case. Selecting an appropriate comparable group involves neither art nor science. Absent an agreed upon pool of comparables the arbitrator is required, when there is sufficient evidence upon which to base a decision, to identify comparable communities for the purpose of applying the criteria set forth in Sec. 111.70(4)(cm)7r, Wis. Stats. Since both parties have said that Coleman, Crivitz, Gillett, Menomonie Indian, Oconto Falls, Peshtigo and Wausaukee are comparable, those seven school districts constitute an agreed upon base of comparables. The foregoing districts are all represented by recognized labor organizations for collective bargaining purposes. Five of the districts, all except Menomonie Indian and Oconto Falls, are members of the Marinette Oconto Athletic conference (M&O). Both Menomonie Indian and Oconto Falls are adjacent to Suring's district boundaries.

In addition to the agreed upon seven districts, the Board said that M&O conference members Lena and Niagara and non-conference but adjacent Wabeno and White Lake, should be included in the comparable pool. Support staffs in these districts except for Wabeno, are not represented. The principal argument the Board advanced for including Niagra and Lena was that they are members of the M&O conference. Most arbitrators, including the undersigned, have found that, though conference membership is recognized as an indication of comparability in cases involving

professional employees, it is not by itself a significant factor in disputes involving non-professional employees. In this case, in spite of its similar size, Niagra appears to be an outlier, because of the low wages paid to the members of this unit and the distance between Niagra and Suring. There is sufficient data about wages and working conditions in school districts that appear more likely to share Suring's labor market than Niagra. For that reason, Niagra will not be included as a comparable. Lena and White Lake are adjacent to Suring. The only apparent reason for not including these districts is because their support staffs are not represented. The Association quoted comments from a half dozen decisions in which arbitrators said that unrepresented employee units should not be considered comparable. The Board cited even more comments by arbitrators, including the undersigned, who have rejected the idea that union representation is a threshold litmus test for comparability. In this case, because of their geographic proximity and other similarities, Lena and White Lake must be included in the comparable group. The only reason that the Association gave for not including Wabeno, which is also adjacent to Suring, is that it was in the process of negotiating its first contract, therefore, data is not available for this contract period. As noted above, a principal reason for establishing comparability is to provide the parties

with an established pool for comparison during future negotiations. Wabeno should be included in that pool.

The Association suggested that, in addition to the seven agreed upon districts, Bonduel, Bowler, Pulaski and Shawano-Gresham should be considered comparable. These districts are not members of the M&O conference. They are all located within 30 miles of Suring and are all represented for collective bargaining purposes. It appears that while Union representation may have been the primary factor that motivated the Association to recommend these districts they meet the criteria to be included in the pool, except for Pulaski. Pulaski is quite a bit larger than any district other than Shawano-Gresham. More significant, however, is the fact that it is more closely aligned with the much larger Green Bay job market than it is with the more rural environment that makes the other school districts comparable.

It appears that Coleman, Crivitz, Gillett, Menomonie Indian, Oconto Falls, Peshtigo, and Waukesha which were recommended by both parties along with Lena, White Lake and Wabeno which were recommended by the Board and Bonduel, Bowler and Shawano-Gresham which were recommended by the Association, comprise a reasonably well balanced comparable group. It is appropriate to compare the parties' offers and the resulting wage and benefit packages in this proceeding with recent settlements and the resulting wage and benefit packages in that group of comparable districts.

WAGE ISSUE - The total difference between the two offers is \$4,213.80 in wages. The difference will only effect 15 of 23 members of this unit. The other 8 members are off of the wage schedule, and will receive identical increases under either offer. The 15 employees whose wages will be effected are expected to work a total of 28,092 hours over the two year period of this contract. The greatest wage difference will effect two employees who work 2,080 hours a year. They would receive \$624 more over two years under the Association offer. The two drivers who will work only 288 hours would receive \$43.20 more under the Association offer. The total \$4,213.80 difference spread across 28,092 hours worked by 15 employees equates to a two year total average difference of 15¢ an hour for an average \$280.92 more per employee under the Union's offer. In order to visualize the difference the two offers will have on all 23 members of this unit, data from Employer Exhibits 3, 4, and 6 has been summarized on Table I below. The two columns on the right reflect the hourly wage proposed by the respective parties during the second year of the contract.

TABLE I

Comparison of Base Year Wages and the Parties 1996-97 Offers

OFF SCHEDULE EMPLOYEES

	Position	Hire	Base Yr.	Hours	Board	Union
1.	Custodian	1980	\$9.60	2080	\$10.10	\$10.10
2.	Custodian	1983	9.88	2080	10.38	10.38

3.	Secretary	1967	6.98	1608	7.48	7.48
4.	Cook-Serv	1971	7.64	1260	8.14	8.14
5.	Cook-Serv	1976	7.64	1080	8.14	8.14
6.	Baker	1982	7.17	900	7.67	7.67
7.	Aide	1975	6.57	1246	7.07	7.07
8.	Aide	1976	7.60	1290	8.10	8.10

ON SCHEDULE EMPLOYEES

	Position	Hire	Base Yr.	Hours	Board	Union
9.	Custodian	1986	\$6.50	2080	\$7.00	\$7.20
10.	Custodian	1994	5.85	712	6.50	6.70
11.	Custodian	1994	5.85	445	6.50	6.70
12.	Secretary	1982	6.35	1440	6.85	7.05
13.	Secretary	1991	5.90	2080	6.60	6.80
14.	Secretary	1993	5.70	864	6.35	6.55
15.	Food S.	1991	4.85	990	5.55	5.75
16.	Aide	1990	4.95	1080	5.75	5.95
17.	Aide	1991	4.95	712	5.75	5.95
18.	Aide	1992	4.95	681	5.75	5.95
19.	Aide	1993	4.85	1246	5.50	5.70
20.	Aide	1993	4.85	1246	5.50	5.70
21.	Aide	1994	4.85	182	5.50	5.70
22.	Driver	1986	7.40	144	7.80	8.00
23.	Driver	1986	7.40	144	7.80	8.00

The Board based its argument upon comparisons of percentage increases proposed by the parties in Suring compared to percentage increases granted in the districts that the Board said were comparable. The Union based its argument upon comparisons of the monetary increases the employees would receive under the two offers. The Board criticized the Association's presentation, because, it said that the Union had added irrelevant job classifications for wage comparisons. It appeared that this criticism by the Board may have been justified.

Cognizant of the Board's concern, the undersigned extrapolated what appeared to be the most conservative comparable wage data from the relevant contracts which were placed in evidence by the Association. In selecting the data to be compared, the undersigned arbitrarily chose what appeared to be the most conservative similar comparisons. For example where comparables have more than one category of a wage classification listed on the wage scale only the mid-range category was used for comparisons. Therefore, in comparing custodial positions in Menomonie Indian which has 3 custodian categories, the comparison was with Custodian II. Similar, admittedly arbitrary, conservative adjustments were made throughout the comparative analysis. Where comparable districts had both educational and non-educational aides, only non-educational aide' wages were selected for comparison. The assistant maintenance' wage classification and kitchen helper classification were compared to custodian and food service categories in Suring. Table II contains a comparison of wages that will be paid to custodial, clerical, food service employees, and aides during 1996-97 in Suring with wages that were received in comparable districts. Since 1996-97, data was not available for Bonduel and Menomonie Indian. The most current available data for 1995-96 and 1994-95 respectively, was used for those districts in the averaging.

TABLE II

1996-97 Wage Comparison

	Cust-1	Cust-2&3	Secty-1	Secty-2	Secty-3	Food-S	Aide-1	Aide-2
Coleman	\$10.25	\$ 9.65	\$ 9.60	\$ 9.60	\$ 9.40	\$8.05	\$8.20	\$8.80
Crivitz	9.80	9.50	10.16	10.16	10.06	9.11	8.81	9.11
Gillett	10.73	10.53	9.50	9.45	9.40	8.69	8.54	8.74
Men Ind.	9.30	8.50	8.70	8.20	8.10	8.33	8.20	8.50
Oconto F.	10.86	9.81	10.18	10.18	9.83	8.22	7.63	8.68
Peshtigo	10.12	9.97	9.68	9.68	9.53	8.88	8.93	9.08
Wausaukee	10.50	10.40	10.67	9.60	9.60	8.82	7.61	9.51
Bonduel	8.62	7.08	8.62	7.72	7.42	6.86	6.21	6.81
Bowler	10.29	8.09	8.75	8.75	8.13	7.91	6.49	8.26
Shawno-G	10.25	8.09	9.66	8.58	8.33	7.88	6.99	7.87
Lena	5.95	5.95	9.80	7.00	6.65	6.55	6.30	6.65
White L.	Arbitrator unable to understand the data.							
Wabeno	7.50	7.50	8.75	8.75	8.75	8.67	7.50	7.50
Average	\$9.51	\$8.75	\$9.50	\$8.97	\$8.78	\$8.16	\$7.62	\$8.38
Suring:								
Board	\$7.00	\$6.50	\$6.85	\$6.60	\$6.35	\$5.55	\$5.50	\$5.75
Union	\$7.20	\$6.70	\$7.05	\$6.80	\$6.55	\$5.75	\$5.70	\$5.95

The foregoing data shows that during 1996-97, 13 of 23 members of this bargaining unit will receive wages that are lower than the wages paid to comparable employees in most comparable districts for which data is available. They will receive between \$1.92 and \$2.45 an hour less than the average received by their counterparts if the higher Association offer is selected. It has not been possible to compare how the wages of two drivers in Suring will compare, because, there does not appear to be a comparable position in the other districts. Since the total dollar difference between the two offers for both drivers for both years of the contract is only \$43.20, no further effort will be made to evaluate the impact of the two offers on these positions.

As noted above, the parties have agreed upon the wages that will be paid to the eight employees who are off of Suring's wage schedule. It should be noted that among this group who will have been employed by the district for between 13 and 29 years in 1996-97, only the two custodians, who will be earning \$10.10 and \$10.38, will be receiving close to the average long term custodian's wage. Suring's senior clerical employees will be receiving \$1.80 an hour less than their average counterpart and senior food service employees and aides will be receiving more than 50¢ an hour less. Once again, these are conservative estimates because the calculations include 1994-95 wages in Menomonie Indian and 1995-96 wages in Bonduel. The comparable

averages do not include longevity or off schedule increments which are offered in some of the comparable districts.

As noted above, the Board has argued that the Association's proposal for average wage increases of 5.75% in 1995-96 and for a 4.21% increase in 1996-97 is excessive when compared to comparable increases. It argued that its proposal for 4.94% and 4% over the two year period is more reasonable. In view of the large wage disparity between Suring's employees and comparable employees elsewhere and in view of the fact that the difference between the Board's offer and the Association's offer amounts to 5¢ an hour in 1995-96 and 7¢ an hour in 1996-97 (based upon Employer Exhibits 6-13), the Board's argument is not well taken.

The Board emphasized the new requirement that arbitrators "shall consider and shall give the greatest weight to any state law ... which places limitations on expenditures that may be made or revenues that may be collected by a municipal employer." It argued that this factor "must receive at least 51% of the arbitrator's weight in the final decision the remaining 49% must be divided between the greater weight criterion ... and all other factors." Since this requirement affects only those petitions for arbitration filed after July 29, 1995, only a few arbitrators have had the opportunity to consider the impact of the new factor.

Arbitrator Harvey A. Nathan's evaluation of the impact of these criteria in Madison Metropolitan School District June 21, 1996, appears to contain the most probing discussion to date.

This case is the first time that the undersigned has been required to apply the new factors in arriving at a decision. Though the facts in this case are not similar to facts presented to Arbitrator Nathan, some of Nathan's observations are relevant to the facts and arguments herein:

... [A]ll of the factors must be considered in every case. ... [N]o heavier factor has an absolute veto over lesser factors without regard to the evidence supporting those lesser factors.

. . .

This arbitrator believes that the new greatest weight standard means something more than a quick look to see if the dollars are there. One must also analyze whether the restraints contained in statutes and directives will hamper the District's overall ability to operate the schools with economic prudence. All of the District's financial needs must be examined with an eye on the realities of the per pupil caps put in place by the state government.

There are several components which go into an assessment of the District's ability to pay given the limitations on its finances. They include the revenue growth and the amount of the new money which can be generated by the general fund, the District's continuing budget surplus and its growing operating reserve, and the District's need to pay for expenses other than teacher salaries and benefits. Madison Metropolitan School District, Supra.

Arbitrator Nathan made one other observation which bears repeating. "A school district which has unplanned surpluses year after year loses some credibility when it comes to the bargaining table and complains that fiscal restraints prevent it from paying reasonable salary increases." The same rationale applies to a

district which has planned surpluses year after year and now protests that the small difference between the wage offers in this proceeding will force it to choose between reasonable wage increases and property tax relief. In view of Suring School District's overall budget, its increasing school aids and planned operating reserves, the legislatively imposed levy and expenditure limitations will not effect the Board's ability to operate the system without seeking additional spending authority from the District's residents. The difference between the two wage offers is not sufficient to permit the higher wage offer to cause economic hardship to the District. The undersigned, after having given the greatest consideration to the limitations that have been placed upon the Suring School District, finds that those restrictions should not effect the outcome of this proceeding.

The Board also emphasized its belief that the other new criterion, which requires arbitrators to give greater weight to local economic conditions than to the other factors for decision making, "warrant[s] the adoption of the District's more modest offer." The evidence does show that Suring is not a wealthy school district. It does not show, however, that this District is either a depressed area or that the District is currently distressed. Wages earned by most of the employees in this bargaining unit in 1994-95 place those employees' annual incomes well below the average net income for residents of the District. This indicates that economic conditions in Suring support the

Association's marginally higher wage offer. Other evidence about the wages received by public employees in the geographic area is discussed below. That data does not support the conclusion that local economic conditions favor the District's "more modest offer," because, those other public employees appear to receive wages that are much higher than the wages received by employees of this school district.

Both parties spent considerable effort advocating their positions about the package cost of uncontested improvements in the employees' benefit package. The Employer is correct that the cost of the additional holiday should be included in the total package cost analysis. This case is not, however, about package costs. It appears that the parties, during this second round of contract negotiations, agreed that the Suring support staff's benefits and wage structure should be improved. It appears that the agreed upon changes bring Suring's wage structure and benefit package more in line with the practices in comparable school districts. The Board has the right to argue that these employees should not "demand excessive wage increases ... and at the same time preserve liberal and generous fringe benefits" However, there is simply no evidence that these employees have done either. There is a small difference in the wage offers. Total package cost data for neither Suring nor any other comparable is in the record. While there is evidence that these employees do enjoy "liberal" health insurance benefits, there is no basis to conclude that Suring's benefit package as a whole is

either more comprehensive or more expensive than the benefits that are provided in other comparable school districts.

Employer Exhibit #52 contains a series of wage schedules for: the periods 1993 through 1997 for Marinette County Courthouse employees; 1993-95 Menomonie County public workers and Sheriff's Department employees, 1992-1994 Oconto County Public Works and Sheriff's Department and Courthouse employees. It also presented wage schedules for the period 1991-1996 for the City of Peshtigo Police and street departments, and 1992-1994 City of Oconto Public Works employees and 1993-1997 City of Oconto Police and Fire Department employees. It used this data to support the argument that there is an established pattern of wage increases in the 3% to 3.5% range in the geographic area surrounding the Suring School District. That point is well taken. The majority of those exhibits, however, relate to much higher hourly wages than the wages that are received by the employees involved in this proceeding.

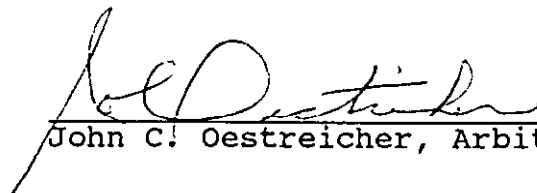
The Employer's internal comparable argument suffers from that same infirmity. Almost one-half of the employees whose wages will be affected directly by this decision, earned less than \$5 an hour during base year 1994-1995. It simply does not make sense to attempt to argue that the 3% wage increase received by a \$25,000 to \$55,000 a year professional teacher or administrator, which results in \$750 to \$1,650 a year additional wages, is comparable to the \$437 a year increase that a full-time \$7 an hour employee would receive. In addition to which, the

State Legislature imposed caps on the size of wage increases that school districts can be required to negotiate with professional and administrative employees. There are no such restrictions affecting negotiations with school districts' support staffs. There is no logical reason or factual basis for extending the restrictions that the legislature imposed upon higher paid professionals and administrative staff upon this District's lowest paid employees. That is particularly true in this instance, where the evidence shows that the wages received by the members of this unit rank below the actual wages of most comparable employees and ranks well below the average of comparable employees in all wage classifications in comparable districts.

The District presented other evidence and arguments relating to private sector settlements nationally and to increases in the Consumer Price Index. This data supports the Board's arguments that when measured in terms of annual percentage cost increases, the Union's wage offer and the package cost of that offer and the agreed upon items is more costly than private sector settlements nationally. The package increase is greater than recent increases in the Consumer Price Index. It is necessary to acknowledge those arguments because of the vigor with which they were pursued. Those and other Board arguments have ignored the real facts about the status of this Employer's wage schedule. These employees are receiving substandard wages. The Board's offer would not provide sufficient increases in these employees'

wages to minimize the existing deficit between the amount of money that Suring's support staff receives compared to wages received by their counterparts in the average comparable school district. For that reason, the offer of the Suring Educational Support Personnel Association shall be incorporated into the parties' 1995-1997 agreement.

Dated this 9th day of October, 1996.



John C. Oestreicher, Arbitrator