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 * In the Matter of *
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 * WESTERN WISCONSIN TECHNICAL * Case No. 22840 *
 * INSTITUTE FACULTY FEDERATION * Decision No. 16356-A *
 * Local 3605, WFT, AFT, AFL-CIO * Wisconsin Employment *
 * * * * * Relations Commission *
 * and *
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 * WESTERN WISCONSIN VOCATIONAL, * * * * *
 * TECHNICAL & ADULT EDUCATION * Thomas P. Gilroy *
 * District No. 2 * Mediator/Arbitrator *
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Decision: August 15, 1978

APPEARANCES:

For Local 3605

Fred L. Skarich, Representative, W.F.T.

For the Employer

Richard C. Davis, Personnel Administrator

I. BACKGROUND

The Western Wisconsin Technical Institute Faculty Federation, Local 3605, WFT, AFL-CIO (the Union) and the Western Wisconsin Vocational, Technical & Adult Education, District No. 2 (the Employer) are parties to a collective bargaining agreement (Joint Exhibit 1) for the term of July 1, 1976 - June 30, 1979.

An impasse in negotiations under a reopener clause led to the Union's filing a petition on April 7, 1978 with the Wisconsin Employment Relations Commission requesting the initiation of Mediation - Arbitration pursuant to the Municipal Employment Relations Act.

On May 24, 1978, this neutral was appointed Mediator - Arbitrator to resolve this impasse. The neutral met with the parties on Wednesday, July 26, 1978. Following a mediation session which did not resolve the impasse, a hearing was held by this Arbitrator on that date at which time evidence and arguments were heard on the final offers of the parties regarding the one issue at impasse.

II. FINAL OFFERS OF THE PARTIES

The Union

The final position of the Union is for a 7 1/2 percent increase across the established salary structure.

The Employer

The final position of the Employer is a 5 percent increase across the established salary structure.

III. POSITIONS OF THE PARTIES

The Union

Arguments presented by the Union may be summarized as follows:

1. In comparison with other Wisconsin Vocational Technical and Adult Education (VTAE) Schools, the Employer ranks 11th of 16 on the B.S. minimum salary and 7th of 15 on the B.S. maximum. For the Masters minimum, the Employer ranks 10th of 15 and 7th of 15 at the M.A. maximum. The Employer has been slipping back in these rankings.

2. There has been a consistent loss of dollars to inflation over the recent past as the salary schedule has fallen behind the inflation rate. Since 1973, the Consumer Price Index has increased by a cumulative percentage of 45.7 percent and each year's salary increase has not kept pace with the inflation rate.

3. Increases based on longevity and/or education credit which are built into the salary structure should not be considered in evaluating the merits of a proposed across-the-board salary increase. They are not relevant to the question of a catchup with the cost of living. Their purpose is to attract staff and reward service and educational credit. The system was established prior to collective bargaining.

4. Other neutrals have recognized that increments are not to be considered as an offset to cost of living changes.

5. There is one job category and no opportunity for promotion to other positions as in many other types of employment.

6. The Employer has not been a leader compared to other districts nor has it been near the bottom in salaries.

7. Increases for the first two years of this agreement were 6 percent and 5 percent as against a 14.2 percent C.P.I. rise.

8. Comparisons with the local K-12 School District are not pertinent since more work experience is required in the VTAE's. Nor is comparison with the local university and its system of various faculty ranks and tenure system.

9. With regard to other benefits provided by the Employer, holiday costs have already been included in the costs cited by the Employer and, for example, excused time off has been used sparingly by employees. In addition, private sector employees generally receive more benefits than public sector employees.

The Employer

Arguments presented by the Employer may be summarized as follows:

1. The compensation for longevity and educational credit is a cost to the Employer. The Wisconsin law includes overall compensation and all benefits as a criteria for arbitration decisions.

2. The Union's suggestion that the salary structure must change with the cost of living would have resulted in an 82 percent salary increase over the last 5 years. No one has been receiving that level of increase and the Employer did provide raises totaling 61 percent as against a 45 percent change in the C.P.I.

3. The cost of the Employer's offer is 8.4 percent, or 8.7 percent including fringes compared to a cost of 10.9 percent, or 11.12 including fringe benefits.

4. The step increments on the salary structure are automatic and not based on performance. The B.S. salary range, including credit for experience and education has a spread of 69 percent and adding the M.A., the total spread from B.S. minimum to M.A. maximum is 95.4 percent. This is an excellent range for essentially one job category. Income advancement opportunity is excellent. This is without considering across-the-board increases to the basic structure.

5. The Employer has higher step increments than the average VTAE schools and therefore others can offer a higher percentage increase than this Employer at no greater cost. A 7 percent Employer offer on the B.A. base, with no changes in increment value, would have the same cost as the offer of 5 percent now being made.

6. The Employer's offer increases the budget per full time equivalent enrollment by 9.7 percent. The Union's proposal increases this by 10.86 percent with the state aid limitation on cost increases at 9 1/2 percent. Accepting the Union proposal would result in limiting budget growth to 8.15 percent next year or increasing taxes, although the Employer is not arguing ability to pay.

7. With regard to local comparative wages and benefits, the Employer's salary structure compares very favorably with the La Crosse School District, the La Crosse Campus of the University of Wisconsin and Cooperative Educational Agency 11 which includes La Crosse.

As compared to the other public employees in the community, the Employer's B.S. salary, compared to selected positions, exceeds the county by 18.7 percent at the average minimum salary and 69.6 percent at the maximum and exceeds selected city positions by 3.7 percent at the minimum and 60.6 percent at the maximum.

For comparable communities with VTAE schools, the Employer is slightly below average at the B.S. minimum, well above the average maximum B.S. salary with an even more favorable position for M.A. salaries.

As compared to private employment in La Crosse and in comparable communities, a ratio of teacher salaries to earnings of production workers may be used. Data shows that W.W.T.I. has the most favorable relative position at both the B.S. minimum and maximum.

8. Regarding cost of living changes, in the last 8 years, employees at W.T.T.I. have actually gained real income with salary increases well above C.P.I. changes, not including salary increases for experience and educational credit. This holds true for the present three year contract as well.

In addition, the Employer has been paying the employees' full 5 percent share of the Teachers Retirement System in recent years.

9. Overall compensation comparisons show W.T.T.I. in a favorable position regarding holidays, excused time, medical, dental and insurance benefits. The fringe benefit costs at W.T.T.I. for these benefits exceeds the fringe benefit cost of these items in private industry.

In addition, employment at W.T.T.I. has been very stable.

10. This is a wage reopener for the last year of a three year contract. Normally, for multi-year agreements, the larger increases are in the first year with smaller increases in the second and third years. The recent average increase for major three year agreements is 5.6 percent as compared to 8.15 percent under the parties' three year agreement, including this final offer by the Employer.

IV. DISCUSSION

In terms of the interest and welfare of the public and in terms of the Employer's financial ability, there has been no argument of inability to pay. However, the Union's final offer apparently will have an impact on next year's budget due to legal limitations on budget increases. No compelling argument has been made that the Union's proposal is clearly contrary to public interest nor that it would have a dramatic impact on the financial position of the Employer.

Regarding comparative wages, hours, and conditions of employment, in looking at other VTAE schools and salary levels, apparently Milwaukee is in a category of its own with respect to salary levels. Apparently, most of the VTAE's are not competing with Milwaukee where the salary schedule easily exceeds all other VTAE's. A comparison with Milwaukee therefore does not seem realistic. In addition, Madison and Waukesha, presumably due to size, pay considerably more than most other VTAE's. If we eliminate those three VTAEs, the remaining schools appear to be more comparable with respect to population, although there is still considerable range, and more comparable with respect to salary levels. The ranking of W.W.T.I. then is 8th of 13 at B.A. minimum, 4th of 12 at B.A. maximum, 7th of 12 at M.A. minimum, and 4th of 12 at M.A. maximum. Since few are hired at the minimum salary because of experience requirements, the B.A. minimum may not be that significant and overall W.W.T.I. appears to compare favorably with most other districts. It is not the leader, nor is it clearly not paying competitive salaries.

Data presented on '78-'79 salary changes where available from other VTAE's indicates that the Employer's offer would keep its salaries reasonably competitive.

With respect to salary comparability with other public employment in La Crosse, there is an inherent difficulty in determining fair comparisons in terms of various jobs. The data that was presented for city and county employment where a Bachelor's Degree is required supports the Employer's argument that W.T.T.I. salaries are competitive. The same may be said of comparisons with private employment in La Crosse and comparable communities.

In assessing the overall compensation presently received at W.W.T.I., the present step increases for experience and education must be considered by the neutral. Nothing in the record presented would lead to the conclusion that the Employer is not competitive with respect to holidays, excused time, insurance benefits, etc., and employment is certainly stable.

The strongest argument made by the Union is the change in the cost of living as a justification for its final offer. The parties have presented data on changes in consumer prices going back a number of years. The Arbitrator's view of much of that data is that the parties negotiated an agreement effective July 1, 1976 which included a salary settlement for two years and this third year reopener. Presumably, those settlements for the first two years took into consideration price changes. One of the major purposes of a reopener is to protect the Union from economic changes in the interim. The Arbitrator's view is therefore that the most relevant price changes are those since 1976.

One of the major questions raised by the parties is how increments which are already built into the system, should be treated in considering the equities of a particular across-the-board increase. This is particularly crucial in assessing the relative merits of the parties' final offers as they relate to cost of living changes.

While these increments are obviously a cost to the Employer, their purpose is clear. They were established to reward teachers as they gain experience, and presumably become more valuable, and as they gain additional educational credits or degrees, thereby bringing additional knowledge into the classroom. They were not established as a buffer against increased living costs nor should they now be considered differently than salary increases elsewhere due to a promotion, increased skills or effort, etc. The parties have already agreed to these automatic increases for experience and education and in assessing the impact of price changes or salaries might well be considered a separate matter.

The data presented for '76-'77 and '77-'78 indicate a 6 percent raise in '76-'77 and a 5 percent raise in '77-'78. The C.P.I. index reflected an increase greater than the total of 11 percent salary increase for those two years. The data for this year on consumer price changes would indicate that the Employer's 5 percent across-the-board offer will not offset the erosion of price increases on salaries let alone provide a real gain. The Union's final position more realistically reflects the impact of consumer price changes.

The Arbitrator is bound by Wisconsin law to consider consumer price changes and certainly this is a well-accepted standard used by parties in salary negotiations. Whether this standard suggests that salaries must at least keep pace with inflation changes \$ for \$ is not clear. Certainly, the C.P.I. may not control where the Employer cannot finance a particular increase. A balance must be struck between competing standards or criteria as to which final offer should be adopted by the Arbitrator.

While a position somewhere between the Employer's 5 percent final offer and the Union's 7 1/2 percent final offer may in fact be the "most reasonable" position, the Arbitrator is required to pick one final offer or the other. The Arbitrator's judgement, considering all of the standards provided by statute and the arguments and evidence presented, is that the Union's final offer should be implemented.

V. DECISION

The final offer of the Union shall be incorporated into the agreement between the parties.

August 15, 1978

Thomas P. Gilroy /s/
Thomas P. Gilroy, Arbitrator