

In the Matter of Arbitration

Between

SOUTH MILWAUKEE EDUCATION ASSOCIATION

and

SOUTH MILWAUKEE BOARD OF EDUCATION

CASE XIII, No. 24754

MED/ARB-438

Decision No. 17254-A

AWARD

I. MEDIATION. Mediation on the above entitled matter occurred on November 19, 1979, from 7 to 11 p.m. at the offices of the South Milwaukee Board of Education, 1001 15th Avenue, South Milwaukee.

II. ARBITRATION. Arbitration on the above entitled matter also occurred on November 19, 1979, beginning at 11:10 p.m. at the Board offices described above.

III. APPEARANCES.

JAMES H. GIBSON, UniServ Director, WEAC UniServ Council 10,
appeared for the Association

MULCAHY & WHERRY, S.C. by MARK L. OLSON, Attorney,
appeared for the Board

IV. NATURE OF PROCEEDINGS. This is a matter of final and binding arbitration between the South Milwaukee Education Association and the South Milwaukee Board of Education. The Association filed a petition on June 15, 1979, with the Wisconsin Employment Relations Commission alleging that an impasse existed between it and the Board in collective bargaining negotiations, and asked for mediation-arbitration.

The petition was filed pursuant to Section 111.70 (4) (cm) 6 of the Municipal Employment Relations Act. The Commission conducted an investigation, concluded that an impasse existed, certified that the conditions precedent to the initiation of mediation-arbitration as required by the act existed, and ordered, on September 5, 1979, such mediation-arbitration. The parties having selected Frank P. Zeidler, Milwaukee, Wisconsin, as the mediator-arbitrator, the Commission appointed him on October 2, 1979.

The negotiations were for a 1979-80 Agreement. They had stipulated to a set of agreements, but two issues remained. These were an early retirement proposal of the Association, and the 1979-80 salary schedule. The early retirement proposal was resolved in mediation. Thus only the salary schedule remained at issue.

V. FINAL OFFERS ON SALARY.

A. Association Offer:

RECEIVED

FEB 7 1980

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

"1979-80 SALARY SCHEDULE

	<u>BA</u>	<u>MA</u>
"Minimum	\$11,285	\$12,610
Maximum	\$19,002	\$21,891
Increment	\$ 600	\$ 677

"An amount will be granted by recommendation of the Administration of a total of 8.15% of the individual's base salary (not including the increment) not to exceed the maximum of the schedule. This provision shall not apply to teachers who were at the top of the salary schedule in 1978-79.

"Replace the current longevity pay provision with the following:

"Each teacher at the maximum of either the Bachelor's or Master's Degree lane in 1978-79 shall receive an increase of 9.84% over their 1978-79 base salary (including longevity pay, if any)."

B. Board Offer:

"SOUTH MILWAUKEE

BOARD OF EDUCATION - FINAL OFFER August 20, 1979

"1 - Salary	BA	MA
Min	11,135	12,440
Max	18,770	21,584
Incr.	587	670

6.7% across the board not to exceed the maximum of schedule.

Teachers at top to receive: BA max of 78-79: 8.5%
MA max of 78-79: 8.3%

"Delete current longevity plan."

VI. Chapter 111.70 (4) (cm) 7 sets forth the following:

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

"a. The lawful authority of the municipal employer.

"b. Stipulation of the parties.

"c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.

"d. Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes performing similar services and with other employes generally in public employment in the same community and in comparable communities and in private employment in the same community and in comparable communities.

"e. The average consumer prices for goods and services, commonly known as the cost-of-living.

"f. The overall compensation presently received by the municipal employes, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

"g. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

"h. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment."

VII. THE LAWFUL AUTHORITY OF THE EMPLOYER. This issue is not involved here.

VIII. STIPULATIONS OF THE PARTIES. All other matters are stipulated to.

IX. THE ABILITY OF THE UNIT OF GOVERNMENT TO MEETS COSTS. This issue is not involved.

X. THE INTERESTS AND WELFARE OF THE PUBLIC. This issue is involved and will be treated as a part of the other criteria which will be discussed.

XI. COMPARABLE SCHOOL DISTRICTS.

A. The South Milwaukee Education Association (SMEA) has used the school districts in WEAC UniServ Council #10 as a base for comparison. These districts include Cudahy, Franklin, Greendale, Greenfield, Oak Creek, St. Francis and South Milwaukee. The following information is derived from SMEA Exhibit 5 about these districts in comparisons to South Milwaukee:

TABLE I

SELECTED COMPARATIVE DATA BETWEEN SOUTH MILWAUKEE
AND OTHER UNI SERV COUNCIL #10 DISTRICTS

Average Daily Pupil Membership

Highest: Oak Creek, 4,484	South Milwaukee: 3,861
Lowest: St. Francis, 1,506	Rank: 5

F Bargaining Unit Staff

Highest: Oak Creek, 249.95	South Milwaukee: 229.5
Lowest: St. Francis, 101.0	Rank: 3
Average: 205.0	

Total Operating Costs/ADM

Highest: St. Francis, \$2,157	South Milwaukee: \$2,010
Lowest: Oak Creek, \$1,809	Rank: 5
Average: \$2,029	

Full Value Taxable Property/ADM

Highest: Oak Creek, \$101,300	South Milwaukee: \$91,281
Lowest: Franklin, \$66,081	Rank: 3
Average: \$88,088	

Full Value Tax Rate

Highest: Franklin, \$17.23	South Milwaukee: \$15.07
Lowest: Oak Creek, \$13.02	Rank: 2
Average \$14.50	

The Board submitted a list of 18 districts considered comparable. These include West Allis, Elmbrook, Wauwatosa, New Berlin, Menomonee Falls, Oak Creek, Muskego, Cudahy, Greenfield, Greendale, South Milwaukee, Germantown, Brown Deer, Franklin, Whitnall, Shorewood, Nicolet, and St. Francis. The listings are in order of average "Daily Pupil Membership". West Allis, the highest on the list, had a ADM of 9,698. St. Francis, the lowest, had a ADM of 1,506, and South Milwaukee with an ADM of 3,861 was 10th in the list of 18 districts. In FTE bargaining staff, West Allis was highest with 664.49, St. Francis lowest, and South Milwaukee was 9th of the 18 districts with a listing of 229.5 FTE bargaining unit staff. In total operating costs per ADM, Nicolet, was highest with a cost of \$2,570, Oak Creek lowest at \$1,809, and South Milwaukee 14th with \$2,010.

The full value taxable property/ADM was \$179,297 at Nicolet, the highest of the 18; \$60,988 at Muskego, the lowest of the group; and \$91,281 at South Milwaukee, 10th in the list. Full value tax rate at South Milwaukee was \$15.07, which was 5th in the list of 18, where the highest rate was at Germantown with a rate of \$17.54, and the lowest at Muskego with a rate of \$10.66.

The Board in Board Exhibit 5 listed average daily pupil membership in 1972-73 and then in 1978-79. The decrease at South Milwaukee was 27.1% compared with the greatest decrease of 33.4% at Menomonee Falls, and the increase of 2.03% at Germantown. South Milwaukee was fifth in size of decrease.

B. Summary of Association Position on Comparables.

The South Milwaukee Education Association is a part of WEAC UniServ Council #10 since 1972. The 1458 teachers of this council have combined their resources to hire a professional staff person. The officers of the Association meet together to discuss and promote their interests, and are particularly aware of and concerned about the comparative value of their respective agreements.

The firm of MULCAHY & WHERRY represents six of the seven districts. Thus both parties have firsthand information on these, whereas in the Board's list, the information is secondhand in many cases. In the SMEA list the parties are comparing "apples to apples".

Of these districts a clear settlement pattern has emerged.

The teachers in the seven local associations live in close geographic proximity to each other, and compete for the same goods and services and are affected by the same cost of living. They are purchasing within the same area because of the costs of transportation. 70% of the SMEA teachers live in the seven districts, and only 6% live in the other districts used by the Board.

The seven districts have been used by the SMEA in the current bargaining, and the Board did not indicate that the group was not appropriate. The Board submitted its final offer for arbitration without first having made a decision as to which districts they considered most comparable, as shown in SMEA Ex. 3. The Board's selection was therefore arbitrary.

The criteria of comparison shows that the South Milwaukee District is quite comparable to the other six districts and approximates the average.

The SMEA test meets the tests for comparability submitted by the Board. In geographic proximity the SMEA districts are closer than the other eleven districts of the Board. In average daily attendance the Board's list of averages departs more from the South Milwaukee list than does the SMEA list. This is also true of FTE teachers and full value taxable property data.

The SMEA does not accept the "concentric ring" theory of comparability offered by Arbitrator Mueller in Mukwonago. There is no evidence that this is applicable to South Milwaukee. The theory itself is absurd as shown by the great disparity between teachers' salaries in districts which are approximately the same distance from Milwaukee. However the most comparable districts within the concentric rings are those in closest proximity.

C. Summary of the Board's Position on Comparable Districts.

The Board says that its list of comparables provides a more comprehensive basis for analysis and is supported by arbitral authority. It notes that each of 17 districts form the perimeter of the City and County of Milwaukee. These districts naturally compete with the Board for certificated teachers. The Board's employees and populace compete for the same goods and services in the same economic environment of Milwaukee, and are influenced by the same economic variations.

The Board cites an opinion of Arbitrator Mueller in School District of Mukwonago Dec. No. 16363-A (10/78) that there is a major principle in that there is an influence extending from the center of the metropolis to surrounding districts, with substantial variations between districts located at equal proximity. The Board asserts that all districts are equally influenced by the metropolitan area.

The Board asserts that average daily membership and full-time equivalency are important in comparability. It notes that in its list South Milwaukee is at the median. No attempt was made to enhance the Board's position by selecting smaller districts.

In the matter of full value taxes, the Board noted that while the District ranks 10th out of 18 in full value taxable property, its rank is 5th out of 18 with respect to full value rates.

The Board says that South Milwaukee is a member of the Milwaukee Suburban Athletic Conference. The Conference includes Cudahy, Shorewood, Wauwatosa, West Allis, Waukesha and Whitefish Bay. Waukesha is not included in the Board's list, because it is not located in Milwaukee County, and is not influenced the same as nearer districts. Whitefish Bay was not included owing to insufficient information. The Board's list takes into consideration the impact of the City of Milwaukee on surrounding districts and the similarities of the districts.

The Board objects to the position of the Association that only the UniServ Council #10 districts are comparable. The Board notes that the Whitnall District would have been considered comparable by SMEA if it were in Council #10. Also the Suburban Conference schools were considered "somewhat" comparable by SMEA. The Board says that UniServ Council #10 does not determine the most applicable comparative pool and cites Arbitrator Raskin in City of Brookfield, Dec. No. 14395 (8/76) that comparability means substantial equality in population, geographic proximity, mean income of employed person, overall municipal budget, total complement of relevant personnel, and wages and benefits paid. In Mukwonago the arbitrator cited geographic proximity, average daily pupil membership and bargaining unit staff, full value taxable property and state aid are relevant, acceptable, and recognized criteria. UniServ units were not recognized in Brookfield and Mukwonago, and were rejected by Arbitrator Weisberger in School District of Coleman, Dec. No. 16770-A (8/79).

The organization of a UniServ unit does not demonstrate that they are exclusively comparable; neither does the representation by the law firm of MULCAHY & WHERRY of six of the districts demonstrate comparability since this firm also represents other districts in the metropolitan area which can then be used for comparison.

The Board rejects the Association argument that its data on its list is more accurate than the data the Board has obtained from printed contracts. The Board also rejects the contention of the Association that the settlement of four contracts in the Association's list of seven determines a settlement pattern; but the settlement of these four favors the Board offer.

The Board also says that the factor cited by SMEA for comparison such as close proximity, area competition and cost of living, and attendance at area colleges applies to each and all districts of the Board.

With respect to the Association contention that the Board never felt the Association list not to be comparable, the Board agrees that they are comparable, but they are not the only districts, and each of the Board's list also is comparable.

The Board also rejects the argument of the Association that since the Board did not compile a comparative pool till shortly before the hearing, this was a manipulative effort. On the contrary, the Board submitted objective and concrete arguments on its list, and further nothing requires the Board to reveal a list prior to a hearing. That the Board did so is due to its courtesy. The lag in the Board's selecting a comparative basis is due to its approach to negotiations in which it sought to resolve the dispute.

The Board also cites Arbitrator Imes in School Board of Greenfield, Dec. No. 17337 (12/79) in which the arbitrator decided in favor of the district's list of comparables, as the district's larger list of comparables included the association's list.

D. Discussion. The parties here recognize that the list of comparables is critical to their case and have advanced diverse arguments for their lists. In consideration of the lists and arguments, the arbitrator makes the observation that there are degrees of comparability in the Milwaukee area and that the factors that affect comparability interact in a complex fashion. Thus while salary rates established in the Milwaukee School District tended to have an impact in surrounding districts, yet this impact is moderated by the size of the district and the tax base. Further, although the "concentric ring" influence of Milwaukee exists, yet within Milwaukee County there are regions which are subject to similar economic influences, which in turn affect salary rates, and school expenditures. Thus, for example, the north shore suburban districts of Milwaukee show rather high expenditures per pupil related to a higher tax base.

The arbitrator believes that in the Milwaukee area a case can be made for asserting that southern Milwaukee County districts are in a region internally more comparable than the western, northwestern, north and north shore districts. Within this southern region, however, a distinct sub-region is formed by the industrial area as compared to the "bedroom suburbs". The industrialized district includes Cudahy, South Milwaukee, Oak Creek, and St. Francis. Oak Creek with its large land area and St. Francis with its small area and small tax base are in those characteristics different from Cudahy and South Milwaukee. In this way the arbitrator arrives at degrees of comparability shown in the following table (sources: Assn. Ex. 5, Bd. Ex. 3 and 4):

TABLE II
ARBITRATOR'S VIEW OF COMPARABILITY OF SCHOOL
DISTRICTS WITH SOUTH MILWAUKEE

<u>District</u>	<u>ADM.</u>	<u>FTE Staff</u>	<u>Oper. Cost /ADM.</u>	<u>F.V. Tax Prop/ADM</u>	<u>F.V. Tax Rate</u>
<u>Most Comparable</u>					
Cudahy	3979	235.8	2034	\$ 87,407	13.73
South Milwaukee	3861	229.5	2010	91,281	15.07
Oak Creek	4484	249.95	1809	101,300	13.02
St. Francis	1506	101.0	2157	84,784	14.43
<u>Regionally Comparable</u>					
Franklin	2585	169.1	2155	66,081	17.23
Greendale	3930	220.89	2051	86,263	14.57
Greenfield	3936	227	1988	98,941	13.43
Whitnall	2313	149.18	2241	98,880	16.32
<u>Generally Comparable</u>					
West Allis	9698	664.49	2333	153,589	14.61
Elm Brook	9204	607.5	1965	118,302	14.33
Wauwatosa	7581	503.1	2466	171,355	12.84
New Berlin	5934	365.1	2015	96,958	15.00
Muskego	4255	239.8	1721	60,988	10.66
Menomonee Falls	5524	353.1	2047	90,579	13.59
Germantown	3117	197.05	2194	77,883	17.54
Brown Deer	2668	171.8	2301	93,983	15.48
Shorewood	2034	138.8	2489	125,926	16.09
Nicolet	1935	124.6	2570	179,297	12.30

The effect of this analysis is to reject the argument of the UniServ Council that Council inclusion of a district of itself establishes comparability. Rather proximity, size, tax base, expenditures and tax rate, and economic characteristics are among the major factors.

The effect of this also is to accept the general principle of the Board that suburban districts including the Athletic Conference have a useful degree of comparability; but that there are higher degrees of comparability shown by stricter analysis. Thus, for example, the larger size of West Allis and Wauwatosa militate against full comparability with South Milwaukee and other smaller suburbs.

XII. COMPARISON OF WAGES.

A. The following is a comparison of final offers from Board Exhibits 6 and 7 and Association Exhibits 6, 7 and 16:

TABLE III
COMPARISON OF FINAL OFFERS

1. <u>Salary</u>	BA	MA
Min.		
Board	11,135	12,440
Assn.	11,285	12,610
Max.		
Board	18,770	21,584
Assn.	19,003	21,891
with max. longevity	19,277	22,166
Incr.		
Board	587	670
Assn.	602	677
2. <u>Across the Board Increase</u>		
Board - 6.7% not to exceed schedule maximum		
Assn. 8.15% " " " " "		
3. <u>Teachers at Top</u>		
Board		
BA Max. - 8.5%		
MA Max. - 8.3%		
Longevity Plan Deleted		
Assn.		
Longevity Clause Deleted		
BA and Max. - 9.84% over 1978-79 Base		
Salary including 1978-79 longevity.		
4. <u>Average Increase</u>		
<u>Classification</u>	<u>\$ Amount</u>	<u>%</u>
All Teachers		
Board	1538	9.3
Assn.	1840	11.1
Top Teacher		
Board	1295-1554	(6.7%-7.9%)
Assn.	1712-1986	9.84%

B. Comparisons of South Milwaukee Offers with Salaries in Other Districts.

SMEA Exhibit 11 presented an exhibit on the comparative earning power of South Milwaukee teachers in 1978-79 and settlements in 1980 on its list. The following data is abstracted from Association Exhibits 11 and 12:

TABLE IV
COMPARATIVE EARNING POWER OF SOUTH MILWAUKEE
TEACHERS COMPARED WITH SELECTED DISTRICTS

<u>District</u>	<u>1978-79</u>			<u>1979-80</u>			
	<u>Aver. Salary</u>	<u>Rank</u>	<u>\$ Diff. /Tea.</u>	<u>Aver. Salary</u>	<u>Rank</u>	<u>\$ Diff.</u>	
						<u>Bd.</u>	<u>Assn.</u>
South Milwaukee Board Assn.	17,147	5		18,423	7		
				18,726	(6)		
Cudahy	17,022	6	-125	18,746	5	+323	- 20
Oak Creek	17,557	2	+410	19,177	3	+754	+451
St. Francis	16,843	7	-304	18,668	6	+245	- 58
Franklin	17,614	1	+467	18,890	4	+467	+164
Greendale	17,456	3	+309	19,260	2	+837	+534
Greenfield	17,326	4	+179	19,442	1	+323	+ 20

The Whitnall District which the arbitrator considers comparable in the southern Milwaukee County group of districts is not listed as there is no comparable data available to the arbitrator on average salary.

The South Milwaukee School District has but two lanes: BA and MA. Each additional credit is granted a \$25 increase. The Association placed each of its teachers in the appropriate place in the schedules of each of the six other districts and then found percentages of teachers who were at salaries which rank one through seven among the seven salary schedules. It contends that none are in the first rank, 0.2% in the second rank, 14% in the third rank, 25% in the fourth rank, 28% in the fifth rank, 24% in the sixth rank and 8% in the last rank. Using a weighted average based on reverse position in which a weight of 649 is 1st and 176 is 7th, the South Milwaukee weight is 311 for 5th, the Cudahy weight is 309 for 6th, St. Francis is 176 for 7th and Oak Creek is 449 for 4th (Assn. Ex. 13A, 13B).

The Association in Exhibit 15 gave data on 1979-80 salary settlements for its comparable list. The following table is abstracted from settlements made in 1979. During the arbitration proceedings arbitrators made an award for the District in Greenfield, and for the Teachers' Association in Cudahy. These data are incorporated.

TABLE V

SELECTED INFORMATION ON SALARY SETTLEMENTS IN 1979
FOR 1979-80 IN THE ASSOCIATION'S LIST OF COMPARABLES

<u>District</u>	<u>\$ Inc. /Tea.</u>	<u>% Inc. /Tea.</u>	<u>Aver. Sal. Inc. as % of Known CPI Rate</u>
Oak Creek	1,605	9.9	62.7%
St. Francis	1,550	10.4	66.7%
Greendale	1,804	10.7	69 %
Cudahy	1,803	11.1	70.3%
Greenfield	1,500	9.0	57.7%
South Milwaukee			
Board	1,538	9.3	58.9%
Assn.	1,840	11.1	70.3%

District Exhibits 8 - 21 listed the salaries at seven different credit levels and at the fifth and tenth years and at maximums of these levels. It also listed the rank of South Milwaukee as compared to the 17 other districts the Board considers comparable.

The following table is derived from these exhibits, showing selected data at five credit levels.

TABLE VI

SALARIES AND SALARY RANK, BASE AND MAXIMUM
OF SOUTH MILWAUKEE AT SELECTED CREDIT LEVELS
IN COMPARISON TO 17 DISTRICTS IN THE
MILWAUKEE METROPOLITAN AREA

<u>Salary Schedule</u>	<u>Base</u>	<u>1978-79</u>		<u>Rank</u>	<u>1979-80</u>			<u>Rank</u>
		<u>Rank</u>	<u>Max.**</u>		<u>Base</u>	<u>Rank</u>	<u>Max.**</u>	
<u>BA+0</u>								
Highest	11,844		18,334		11,772		19,818	
Lowest	10,260		15,387		10,835		16,349	
South Milwaukee	10,435	3*	17,750	5				
Bd. Offer					11,135	4	18,770	4
Assn. Offer					11,285	2	19,002	3
					(3 Districts not settled)			
<u>BA+15</u>								
Highest	12,081		19,051		11,879		20,613	
Lowest	10,429		16,016		11,150		17,159	
South Milwaukee	10,810	7	17,925	7				
Bd. Offer					11,510		19,145	
Assn. Offer					11,660		19,377	
<u>MA+0</u>								
Highest	12,674		21,822		13,175		23,386	
Lowest	10,806		20,005		11,631		20,721	
South Milwaukee	11,660	11	20,061	11				
Bd. Offer					12,440	10	21,584	6
Assn. Offer					12,610	5	21,891	3

TABLE VI continued

<u>Salary Schedule</u>	<u>Base</u>	<u>1978-79</u>		<u>Rank</u>	<u>1979-80</u>			
		<u>Rank</u>	<u>Max.**</u>		<u>Base</u>	<u>Rank</u>	<u>Max.**</u>	<u>Rank</u>
<u>MA+15</u>								
Highest	12,896		22,669		13,680		24,295	
Lowest	10,243		20,273		11,854		21,407	
South Milwaukee	12,035	10	20,436	11				
Bd. Offer					12,815	10	21,959	10
Assn. Offer					12,985	9	22,266	6
<u>MA+30</u>								
Highest	13,520		23,546		14,246		25,238	
Lowest	11,150		20,273		11,854		21,540	
South Milwaukee	13,268	10	20,811	14				
Bd. Offer					13,190	10	22,334	12
Assn. Offer					13,360	10	22,641	8

*Post COLA not included

**Maximum includes longevity, if any

This table does not reflect the ranking of South Milwaukee at salaries at the five and ten year steps. The following table shows this information:

TABLE VII

1978-79, 1979-80* SALARY RANK OF SOUTH MILWAUKEE FOR BASE, 5 YEAR, 10 YEAR AND MAXIMUM LEVELS IN COMPARISON WITH 17 DISTRICTS IN THE MILWAUKEE METROPOLITAN AREA, BOARD OFFER

<u>Salary Schedule</u>	<u>Base</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Maximum</u>
<u>BA+0</u>				
1978-79	3	6	9	5
1979-80	4	4	5	4
<u>BA+15</u>				
1978-79	6	10	9	7
1979-80	6	7	9	8
<u>BA+24</u>				
1978-79	10	7	10	13
1979-80	8	8	8	7
<u>MA+0</u>				
1978-79	11	7	6	11
1979-80	10	4	5	6
<u>MA+15</u>				
1978-79	10	8	6	11
1979-80	10	6	6	10
<u>MA+24</u>				
1978-79	11	8	7	10
1979-80	10	7	7	8
<u>MA+30</u>				
1978-79	12	10	8	14
1979-80	10	8	7	12

*Three districts not settled for 1979-80 at the time the exhibit was supplied.

The Board in its Exhibit 27 provided the following information on dollar increases and percentage increases of the 1980 settlements. The districts are collected in terms of degree of comparability.

TABLE VIII
WAGE SETTLEMENTS DOLLAR AND PERCENTAGE INCREASES FOR 1979-80
IN COMPARABLE DISTRICTS

<u>District</u>	<u>\$ Increase</u>	<u>% Increase</u>	<u>% Increase As Calculated by Association</u>
1. Cudahy	1,803	11.1	
2. Oak Creek	1,605	9.8	9.9
3. St. Francis	1,542	9.9	10.4
Average, Districts 1-2	1,704	10.45	10.15
Average, Districts 1-3	1,672.50	10.5	10.47
4. Franklin	1,297	7.7	
5. Greendale	1,604	9.4 Est.	
6. Greenfield			
Bd. Offer	1,500	9.0	
Assn. Offer	1,643	9.9	
7. Whitnall	1,675	9.0	
Average, Settled Districts, 1-7	1,588	9.48 Est.	9.58 Est.
8. Elmbrook	1,498	9.01	9.5
9. Wauwatosa	1,216	6.77	
10. New Berlin	1,690	10.7	
11. Menomonee Falls	1,605	9.78	
12. Germantown	4,133	9.5	
13. Brown Deer	1,378	8.5	
14. Shorewood	1,550	9.0	
15. South Milwaukee			
Bd. Offer	1,545	9.3	
Assn. Offer	1,856	11.2	
Average of all Districts Settled	1,507	9.09	9.2

Not Settled - Muskego, Nicolet, West Allis

SMEA Exhibit 9 was a table of the percentage of teachers in the seven districts selected by the Association as comparable who were at the top of the schedule. In 1978-79 46% of the South Milwaukee teachers were at the top of the schedule. This was also true in Greenfield. In Cudahy 38% were at the top, and in St. Francis, which was the lowest in the district, only 20% were at the top. The Association projects that in 1979-80, 50% of the teachers would be at the top.

The following table is derived from SMEA Exhibit 16 on top salary comparisons:

TABLE IX

TOP SALARY COMPARISONS AT SELECTED STEPS FOR SELECTED DISTRICTS
IN SOUTHERN MILWAUKEE COUNTY
1979-80

District	BA+0 Credits			MA+0 Credits			MA+30 Credits		
	Salary	\$ Incr.	% Incr.	Salary	\$ Incr.	% Incr.	Salary	\$ Incr.	% Incr.
Cudahy	18,771	1,682	9.8	21,402	1,917	9.8	23,233	2,081	9.8
Franklin	18,847	1,046	5.9	21,352	1,159	5.7	22,658	1,217	5.7
Greendale	17,755	1,519	9.4	22,642	1,937	9.4	24,511	2,097	9.4
	Est. on assumed '79 inflation rate of 14.2%								
Oak Creek	19,605	1,486	8.2	22,017	1,669	8.2	24,084	1,825	8.2
St. Francis	19,818	1,633	9.0	20,882	1,721	9	21,932	1,721	8.5
South Milwaukee									
Bd.	18,770	1,221	7.0	21,584	1,404	7	22,334	1,404	6.7
Assn.	19,277	1,727	9.8	22,166	1,986	9.8	22,916	1,986	9.5
Greenfield	18,265	1,335	7.9	21,392	1,503	7.6	23,429	1,611	7.4

C. The Association's Position on Base Salary. The Association says that there are two issues: What should the total wage increase be for 1979-80, and how should a wage increase be distributed for teachers who earned maximum salaries in 1978-79? The Association notes that 46% of the South Milwaukee teachers were at the BA or MA maximums, a high percentage in comparison to the other districts. These teachers normally receive only the across the board percentage raise which is not sufficient to allow them to recoup a comparatively fair amount of their losses from inflation. This is a problem recognized by the parties in the past and dealt with by longevity. The longevity is being scrapped in turn for percentage increases, and the arbitrator must decide which of the proposals is the more equitable.

The Association says that its Exhibit 11 on average salaries of 211 of the 229.93 teachers in the District for whom data was complete, shows South Milwaukee teachers' salaries ranked fifth out of the seven districts selected by the Association. The Association says that its exhibits of the ranking of South Milwaukee teachers (SMEA Exs. 13A, 13B) also show that the teachers ranked fifth in the districts it considers comparable.

The Association says that its Exhibit 21 shows that under both offers the comparative position of the South Milwaukee teachers will diminish with respect to Cudahy, Greendale, Greenfield, Oak Creek and St. Francis, but it would diminish less under the Association offer than under the Board offer.

The Association says that its Exhibit 15 shows that the Board offer provides less "catch-up" for the known inflation rate of 15.6% than other districts in the Association's lists of comparable. The Board is applying a rate of only 58.9% of the inflation rate while other districts which settled range from 62.7% to 118.5%. The latter figure was due to an earlier settlement in Franklin, when the Board settled for an average 7.7% inflation when the rate was at 6.5%.

The Association also asserts that the Board's final salary offer would do severe harm to the comparative position of the maximum South Milwaukee teachers salaries. A South Milwaukee teacher must take 15 years to move from the minimum salary to the maximum and another ten years to earn the maximum longevity pay of \$250. In other districts the maximum is reached at 15 or 16 years. During the period of moving through this "apprenticeship" period, the teacher can receive vertical increments for experience, horizontal increments for credit and across the board raises. At the maximum however, there is only the across the board pay which does not provide protection against high inflation. The parties in the past recognized the difficulties by increasing maximum salaries above the across the board increases. However the results show that the Board would produce the second lowest increases in the comparison districts, and the Board would diminish the relative position of the maximum salaries more than the SMEA offer will improve them.

The Association says that the Board rankings in Board Exhibits 8-21 show that the Board proposal will do nothing to improve the miserable ranking of South Milwaukee teachers. The Board offer maintains the rank position in 20 instances, improves it in 1 and diminishes it in 7. The Association offer on the other hand improves the position in 17 cases, maintains it in 9 and diminishes it in only 2 cases. These data are

analyzed for the seven districts in close geographic position and not for the entire Board list. The SMEA offer will improve the conditions of South Milwaukee teachers who are ranking fifth, sixth, or seventh in their categories in the comparable seven districts, and at the critical maximum salaries, both Board and SMEA offers will diminish the relative ranking of South Milwaukee teachers in six out of eight positions compared.

The Association is critical of the Board's use of average settlement in the Board's comparison districts since the same average applied to high and low salaries can produce a greater dollar advantage for the high salaries. Average settlement does not take into consideration the need for catch-up as has been demonstrated in the low ranking status of South Milwaukee teachers. The Association says that this is demonstrated in its Exhibits 11 and 12.

The Association rejects the argument of the Board that employees at the maximum salaries can earn more under the Board proposal than they could under the current longevity provision. This is a comparison without value. However, in comparing the maximum salaries plus longevity, it can be seen that the Board offer will do substantial harm to teachers at the maximum. They will not get an increase of 8.5%, because the proposed increase of 8.5% is based only on the maximum salary without longevity. When longevity is included, the actual raise is less than 8.5%, or in the case of a teacher at the maximum of the Bachelor's level, it will be a 6.95% increase, and one at the MA Maximum plus maximum longevity, it would be 6.96%.

D. The Board's Position. The Board notes the different character of the South Milwaukee salary schedule. It has only a BA and a MA lane which sets forth a minimum and maximum salary and which specifies an increment in dollars. A teacher, however, can get a \$25 credit payment for each credit beyond a Bachelor's or Master's degree. They also receive a 5.4% increase in base on the 1978-79 offer.

The Board calls attention to its Exhibits 8-21 which compare the rank of teachers with others in the list of comparative districts that the Board has designated. The Board notes that in 1978-79, of 28 salary schedule positions reviewed in its chart, it ranks in the top half of the comparative pool for 53.6% of the time. In 1979-80, even assuming that the Association offer had prevailed in both the Cudahy and Greenfield Districts, the chart will show that the Board's final offer significantly improves the District's comparative position. In 1979-80 the Board offer would rank in the upper quartile of comparisons four different times instead of once as in the previous year. It ranks in the second quartile 18 times as compared to a previous 14 times. As to ranking in the upper half, it is in this upper half in 78.6% of the steps in 1979-80 as compared to 53.6% in 1978-79. The Board improved its comparative position by 25%. In 1979-80 the Board increased its positions in the third quartile, moving 7 of the 13 positions in 1978-79 into the second quartile in 1979-80. Of the 28 salary steps considered in Exhibits 8-21 the Board improved 21, maintained its position on 5 and lost ground only on 2 steps, and then by only 1 rank. The Board's offer is therefore competitive and reasonable.

As to the effect on the maximums, of the seven maximum positions considered, the Board moved one into the upper quartile, it moved four into the second quartile and only two remain in the third quartile. Several of the improvements in ranks are considerable.

The Board holds that its offer is more reasonable when reviewed in terms of the 1979-80 settlements in comparable districts. The Board notes that its salary schedule increase is 9.3% above 1978-79 with an average teacher increase of \$1,545. An exhibition of the 18 comparable districts selected by the Board shows that its offer is more comparable than the Association's offer of an 11.2% increase with a wage increase of \$1,856. The average dollar increase is \$1,507; the Board's offer is \$38 more. Of the 12 districts that settled, not one district settled for an average dollar increase greater than the Association proposal. The Association's final offer exceeds the dollar increase in those districts that have settled by \$349.

The Board says that if the arbitrator favors the Association's comparable pool, the Board's final offer compares more favorably than the Association offer with those districts which have settlements. The Board exceeds their average of \$1512 per teacher by \$33.

The Board says that its proposed percentage increase of 9.3% exceeds that average in its comparable list of districts by 0.2% whereas the Association offer exceeds this average by 2.11%. No settlement exceeds that 11% range of increase as does the Association offer. The Board's offer even exceeds that average settlement using the percentages claimed by the Association.

The Board asserts that the salary received by the teachers at the maximum exceeds the salary those employees would receive were a longevity provision still in effect, and were the extra payment being offered by the Board not being offered. If the present system continued, the employee at the maximum would only get a 6.7% increase plus \$250 maximum longevity, but under the Board's offer the employee would get 8.5% increase on base salary, and this would amount to 6.7% plus \$311.

The Board states that its offer provides real dollar increases amounting to inflation "catch-up" in excess of those obtained by comparable districts. It notes the argument of the Association that the Board offer represents the lowest inflation catch-up compared to four districts which had settled. More accurate than statistics showing percentages of "inflation catch-up" are the average dollar increases in the areas. Noting that the arbitrator in the Greenfield matter rendered an award in favor of the Employer in Greenfield and that the arbitrator in Cudahy made his award in favor of the Association, the Board supplied this list in the reply brief:

<u>District</u>	<u>Average Dollar Amount Increase</u>
South Milwaukee Board Offer	1,545
South Milwaukee Association Offer	1,856
Franklin	1,297
Greendale	1,604
Oak Creek	1,605
St. Francis	1,542
Cudahy	1,803
Greenfield	1,500

The Board notes that the average wage increase in the Association's own comparisons is \$1,559, \$14 above the Board offer, whereas the Association proposal is \$297 above the average increase.

The Board says that if it shows the increase for all the schools in the Association's list, the Athletic Conference and the Whitnall District, the average is \$1,532, while the Board offer exceeds this by \$13 and the Association exceeds this by \$324. The Board says its offer exceeds the average in its own comparative pool by \$17, and the Association offer exceeds this by \$328.

The Board also says that its offer is reasonable when compared with salaries received in comparable districts. The Board states that while the Association used one method of analysis of salaries by using average salaries, this is not the most reliable, because it did not indicate the full complement of teachers, and with this information the Association's data could change. The Association could have used salary steps. The Board says that its modified version of actual salary steps found in comparable districts show that the Board is not losing ground among the comparable districts of the Board, but rather is gaining ground. The Board rejects the Association's allegation that its offer is causing the comparative position to diminish. It showed that the teachers are receiving average dollar wage increases that approached or exceeded the norm. There is no hard data supplied by the Association that there is an actual decline in salary position, since the Association's conclusion is based on hypothetical averages.

The Board also rejects the Association's exhibits on ranking, because it does not show what the Board's offer and Association's offer for 1979-80 would produce.

The Board also contends that its offer equitably distributes monies to the teachers including those at the maximum. The Board protests the conclusion of the Association that it injures the position of teachers at the maximum. The Board says that the average increase for teachers at the BA schedule for the districts selected by the Association is 8.3%. The Board is offering 8.5% for this level. The average in the MA level is 8.2%, and the Board exceeds this with 8.3%. The Board also points to its improvement in ranking of the maximum salary when its comparative list is considered, and notes that there is an improvement at every one of the selected steps.

E. Discussion. A major difficulty is presented in making a comparison of the South Milwaukee salary system with that of other systems because of the existence of only two lanes, since each credit obtains an additional sum for the teacher possessing it. The use of averages for comparison has some validity, but it also has some drawbacks. Average salary does not represent the same mix of teachers in different districts. An average salary for a district with many teachers at the entry levels is difficult to use to compare with the average salary of a district with many teachers at the maximum, as an argument to raise the level of the salaries in the first district.

Similarly, there is a question of the full validity of average dollar increases. They cannot fully represent what happens at various levels of a salary schedule. In this matter the arbitrator thinks it is worthwhile to inspect actual salaries which will be paid among the most comparable groups.

The following table compares the most comparable group which includes South Milwaukee, Cudahy, St. Francis, and Oak Creek. The information is derived from Board Exhibits 9, 11, 15, 17, and 21:

TABLE X
COMPARISON OF 1979-80 SALARIES AT SELECTED CREDIT LEVELS
FOR CUDAHY, OAK CREEK, ST. FRANCIS, AND SOUTH MILWAUKEE

<u>Credit Level</u>	<u>Cudahy</u>	<u>Oak Creek</u>	<u>St. Francis</u>	<u>South Milwaukee</u>			
				<u>Bd.</u>	<u>Rank</u>	<u>Assn.</u>	<u>Rank</u>
BA+0							
Base	11,217	11,010	10,950	11,135	2	11,285	1
10 Yr.	17,341	17,176	16,970	17,005	3	17,285	2
Max.	18,778	19,605	19,818	18,770	4	19,002	2
						19,277	2
BA+15							
Base	11,778	11,450	11,475	11,510	2	11,660	2
10 Yr.	18,172	17,836	17,495	17,380	4	17,660	3
Max.	19,343	20,613	20,343	19,145	4	19,337	2
MA+0							
Base	12,451	12,441	12,592	12,440	4	12,610	1
10 Yr.	18,845	19,157	18,612	19,140	2	19,380	3
Max.	21,405	22,017	20,882	21,584	2	21,891	2
						22,166	2
MA+15							
Base	13,348	12,992	13,117	12,815	4	12,985	4
10 Yr.	19,742	19,928	17,495	19,515	3	19,755	3
Max.	22,318	22,897	21,407	21,959	3	22,266	3
MA+30							
Base	14,246	14,093	13,642	13,190	4	13,360	4
10 Yr.	20,639	21,139	19,662	19,890	3	20,130	3
Max.	23,233	24,004	21,932	22,334	3	22,641	3
						22,916	3

From an inspection of this table, the arbitrator is of the opinion that the Board offer tends to be low and in part confirms the information derived from Table IV that the Association position worsens with the most comparable groups.

The following information was derived from Association Exhibit 16 and relates to the rank that the respective offers had in the southern Milwaukee County districts with the exception of the Whitnall District in 1978-79 and 1979-80.

TABLE XI

RANK OF SOUTH MILWAUKEE IN 1978-79 AND RANK OF OFFERS
IN 1979-80 WITH RESPECT TO 6 SOUTHERN MILWAUKEE COUNTY DISTRICTS
AT SELECTED LEVELS

<u>BA+0</u>	<u>1978-79</u>	<u>1979-80</u>	<u>MA+0</u>	<u>1978-79</u>	<u>1979-80</u>
Bd.	4	5	Bd.	4	3
Assn.		3	Assn.		2
<u>BA+10</u>			<u>MA+10</u>		
Bd.	5	7	Bd.	5	5
Assn.		3	Assn.		4
<u>BA+20</u>			<u>MA+20</u>		
Bd.	6	7	Bd.	6	7
Assn.		4	Assn.		5
<u>BA+30</u>			<u>MA+30</u>		
Bd.	4 of 4	4	Bd.	6	6
Assn.		4	Assn.		5

The arbitrator is persuaded by this table and Table X that the Board offer tends to lag in the most comparable groups, although on the basis of its exhibits and evidence, the Board offer improves the status of the teachers with respect to metropolitan comparisons.

The Board offer is reasonable as to average increase and as to percentage increase both in the metropolitan area and in the most comparable districts. The arbitrator finds the percentage offer and average increases of the Association very high.

In weighing the data on average dollar and percentage increases, and improved metropolitan position against the lower dollar amounts both at the selected credit levels and top steps, the arbitrator is of the opinion that the matter of actual wages is more weighty, and therefore on the basis of wage comparisons alone, believes that the Association offer more nearly conforms to the statutory guidelines. The relative loss of position of the teachers with respect to comparable districts concomitant with a high inflation, indicates that now is the time for some "catch-up" and only this justifies the large average increases and high percentage increase.

XIII. COMPARISON OF SOUTH MILWAUKEE TEACHERS WITH EMPLOYEES IN PRIVATE EMPLOYMENT.

A. The Board presented a series of exhibits dealing with earnings of persons in private employment. Board Exhibit 30 A-E was a report of the Bureau of Labor Statistics of the US Department of Labor issued July 26, 1979. It reported, among other things, that real gross average weekly earnings decreased 0.8 percent from May to June after allowance for seasonal variation. Real average weekly earnings were down 3.4 percent over the year.

Board Exhibit 31 A-C was a report of the Bureau of Labor Statistics reporting on real earnings in Milwaukee in July, 1979. The report, among other things, stated that real gross average weekly earnings declined 6.1 percent from July, 1978, to July, 1979, in the Milwaukee area.

Board Exhibit 32 A was a report of the Bureau of Labor Statistics dated September 25, 1979. It reported, also among other things, that real gross average weekly earnings declined 0.8 percent from July to August, 1979, with a decline of 4.2 percent over the year.

Board Exhibit 34 was a report of the Bureau of National Affairs, Inc. dated August 9, 1979. It stated, among many items, that first year pay increases in major settlements negotiated for the first six months of 1979 averaged 8.2% up from 7.6% for the previous year. Agreements covering 5,000 or more employees negotiated in the first half of 1979 provided first year wage-fringe adjustment averaging 9.2%.

The Association in commenting on the changes in the Consumer Price Index, noted that private employees at a large South Milwaukee Company, Bucyrus-Erie, are covered by a cost of living adjustment which reduces the effect of inflation on their wages.

The Board notes that its exhibits show that for full-time and part-time factory production workers in the Milwaukee area, real gross and real spendable earnings had undergone a "dramatic decline" between July, 1978, and July, 1979. The decline has continued into August and holds true for the private non-farm sector of the economy. The Board notes that manufacturing contracts without escalator clauses contained an average adjustment at an annual rate over the life of the contracts of 8.1%, while all industries, not including construction, had an average annual rate over the life of the contract of 6.5%. The Board's offer of 9.3% is closer to the national experience than the Association's demand of 11.2%. The Board recognizes that in times of inflation all employees are adversely affected.

B. Discussion. The evidence of the relationship of professional employees such as teachers to the general work force as far as pay is considered is not clearly established and is often disputed in cases such as of this type. However, the arbitrator believes that there is a factor which must be considered in the Employer's favor here, and that is that in the general settlement of wages, the Board's proposed percentage increase more closely fits the national trend than does the Association's percentage increase, and that further, the real gross earnings are declining.

XIV. TOTAL COMPENSATION.

A. The Association presented a series of exhibits, 14 A to 14 E inclusive, which presented data on total compensation for the seven districts the Association considers comparable, with the rank. The following table is derived from these exhibits:

TABLE XII

RANK OF SOUTH MILWAUKEE IN TOTAL COMPENSATION FOR 1978-79
AND 1979-80 IN COMPARISON TO 6 OTHER SOUTHERN
MILWAUKEE COUNTY DISTRICTS

<u>Credit Level</u>	<u>Total Compensation</u>			
	<u>1978-79</u>	<u>Rank</u>	<u>1979-80</u>	<u>Rank</u>
BA+0	22,240	4		
Bd.			23,690	5
Assn.			23,965	4
BA+15	22,682	7		
Bd.			24,135	7
Assn.			24,410	7
BA Max.	23,124	6		
Bd.			24,757	7
Assn.			25,032	7
MA+0	25,214	5		
Bd.			27,026	4
Assn.			27,390	2
MA Max.	26,106	6		
Bd.			28,094	6
Assn.			28,458	6

The totals for South Milwaukee included sums, if any, for base wage; longevity; tuition reimbursement; health, life, and dental insurance; long term disability; retirement and social security.

Board Exhibit 22 showed that the Board was one of 11 districts that provided both health and dental insurance of 15 districts reported as having settled on this item. The Board was 8th in amount of combined insurance costs for the single employee and 9th in the combined total for family insurance. Board Exhibit 23 dealt with life insurance paid at BA+0 credit maximum and MA+0 credit maximum. Of the 14 districts in the metropolitan area listed by the Board as its comparable group of districts offering this type of insurance, the Board offer ranks 3rd in amount for insurance at the BA+0 level and at the MA+0 level. Board Exhibit 24 showed that 14 districts offered long term disability insurance, but South Milwaukee did not offer this form of insurance.

Board Exhibit 25 was a cost analysis of the two offers. The following table is an abstraction from it:

TABLE XIII

COST ANALYSIS ABSTRACTED

<u>Item</u>	<u>1978-79 Base</u>	<u>1979-80 Board Offer</u>	<u>1979-80 Assn. Offer</u>
<u>Wages</u>	\$3,815,022	\$4,169,727	\$4,241,240
\$ Increase		354,665	426,018
% Increase		9.3%	11.2%
Aver. Teacher Inc.		\$ 1,545	\$ 1,856
Extra-Curricular	\$ 98,815	\$ 105,436	\$ 106,868
Depart. Chairman	21,679	23,131	23,446
<u>Benefits</u>	\$ 447,604	\$ 528,218	\$ 531,982
<u>Total</u>	\$4,413,120	\$4,826,512	\$4,903,536
\$ Increase		413,392	490,416
% Increase		9.4%	11.1%
<u>Aver. Teacher Inc.</u>		\$ 1,801	\$ 2,137

B. The Association's Position. The Association, while noting that the statutes called for consideration of total compensation comparisons, yet cautions against giving too much weight. It asserts that such comparisons do not take into account the relative value of each benefit, because of variables in such things as insurance with deductibles, group experience and so on. The Association however notes that from its Exhibits 14 A to 14 E the inescapable conclusion is that the Board offer would diminish the relative position of the total compensation of the South Milwaukee teachers more than the SMEA offer would improve it.

The Association raises the question as to why the Board did not include data on such fringe benefits as tuition STRS and social security in this matter, and sees no relevance in the Board argument that the particular staffing configurations and salary compositions makes a difference as to whether these fringes are to be included in some districts' total compensation but are not to be figured here. The fact is that the Board and Association offers would both rank 4 for total benefits at the BA+0 credit maximum, and the Board offer would rank 5 and the Association offer 3 at the MA+0 credit maximum.

C. The Board's Position. The Board notes that arbitrators have been predisposed in viewing a party's final offer to give preference to the factor of total compensation. In this case, the Board has not included information on such things as social security and retirement as it has done in other cases. The Board says that the data and format employed by the school boards in other cases which included such information were compiled with the particular staffing configurations and salary compositions of those districts in mind. The staff and the type of salary at South Milwaukee are not the same as in other districts, and the South Milwaukee Board has not felt compelled to utilize the same premises under which the other may have operated. The South Milwaukee Board simplified and condensed the available data, and did not outline benefits such as social security and retirement, since these are uniform benefits found elsewhere

and related to wages, so that they do not change the substantive ranking of any of the districts included in the Board's comparison. Also there is no requirement that the District use the same method of analysis employed by other parties in different proceedings.

The Board emphasizes that its Exhibits 22-24 reflect the payments made on behalf of teachers which they would necessarily have to assume themselves if the Board did not assume them. Insurance benefits are high cost items. The most important elements of total compensation are insurance and wages. The Board, drawing on data from its Exhibits 9, 15, 22, 23, and 24 provided a table of the total wages and insurances for 1979-80. This table is shown here with the exception that the disputes at Cudahy and Greenfield have been concluded, and the results of their wage offers determined.

TABLE XIV
WEIGHTED COMPARISONS INCLUDING WAGES AND INSURANCES,
1979-80

<u>District</u>	<u>BA+0 Credit Maximum</u>	<u>MA+0 Credit Maximum</u>
Brown Deer	\$18,034	\$22,564
Cudahy	20,639	23,311
Elmbrook	19,460	22,874
Franklin	20,198	23,023
Germantown	17,433	21,869
Greendale (Pre-Cola)	18,686	23,357
Greenfield	19,856	23,011
Menomonee Falls	19,506	23,132
Oak Creek	20,966	23,391
New Berlin	19,983	22,734
St. Francis	21,533	22,608
Shorewood	19,816	23,336
Wauwatosa	19,851	23,190
Whitnall	18,427	24,706
South Milwaukee Board	20,220	23,055
Assn.	20,454	23,364

This chart shows that the South Milwaukee Board offer ranks 4th in the BA+0 level, and at the MA+0 level the Board ranks 8th or in the top one half of the comparative pool. This demonstrates that teachers do receive wages and benefits which rank favorably with the wages and benefits received by teachers in comparable districts.

D. Discussion. The respective claims of the parties again resolve themselves as to whether the offers should be compared against the group of metropolitan area districts, or against a group of districts located geographically closer to the South Milwaukee District. Using the metropolitan area list of comparables, the Board's offer is reasonable. However in comparison with the more comparable districts in the southern Milwaukee County area, the Board offer tends to lag at levels other than BA+0 and MA+0. It is the arbitrator's conclusion therefore that the Association offer more nearly meets the standard of comparability as far as total compensation goes.

Using eight of the southern districts of the County (including the Association's list and Whitnall), the Board and the Association rank 4th at the BA+0 credit level, and the Board ranks 5th at the MA+0 level while the Association offer ranks 3rd. This compares closely with the data in Table XII where only seven districts excluding Whitnall were used. However, observing Table XII one sees that at the maximum the Board's offer tends to drop in rank considerably, a concern emphasized by the Association. The arbitrator's conclusion then is that the Association offer more nearly meets the standard of comparability as far as total compensation goes.

XV. COST OF LIVING.

A. SMEA Exhibit 10 was information on the Consumer Price Index for July, 1979, for Milwaukee from an unidentified source. The information for Urban Wage Earners and Clerical Workers stood at 225.0 and was up 15.6 from a year previous. Board Exhibit 28 was information on the U.S. City average consumer price index also for Urban Wage Earners and Clerical Workers. The index rose from 204.7 in January, 1979, to 223.7 in September, 1979. In July, 1979, the change was up 11.5% from the previous year; in August, the change was 12% above the previous year; and in September, the change was up 12.4%. Board Exhibit 29 showed that the Milwaukee index at 225.0 in July, 1979, was up 15.6% above a year ago. The September, 1979, Milwaukee index was up to 228.7, or 14.2% above the previous year.

B. The Association's Position. The Association says that teachers are constantly in a "catch-up" position to inflation. Those with a cost of living adjustment have quarterly adjustments, but it takes South Milwaukee teachers 12 months to catch-up. The Association notes that its salary increase for 1978-79 was 7.6% when the inflation rate was 10.5% for the previous 12 months. Thus the teacher recouped only 72% of the loss from the previous 12 months. In order to recoup 72% of the loss from the inflation between July, 1978, and July, 1979, which was 15.6%, the average salary settlement would have to be at least 11.2%. While the Association offer is below this figure at 11.1%, the offer of the Board at 9.3% would harm the teachers more. The Milwaukee CPI is the only CPI to appropriately use in the district, and the Association has consistently used it.

The Association rejects the Board's contention that all consumers are losing to inflation and therefore the South Milwaukee teachers should not feel badly about their plight. The Board in its reply brief submitted data which indicated that the average settlement in its list of comparables would be 5.9% greater than the Board offer at 58.9% of the CPI increase, whereas its own offer would be 5.5% more.

C. The Board's Position. The Board states that it is cognizant of the rapid increase in the CPI for Urban Wage Earners and Clerical Workers, and it refers to its Exhibits 30 through 33 which show the impact. This impact is to be viewed in the light of the overall earnings of all other workers. The Board notes that real gross and real spendable earnings have undergone a dramatic decline between July, 1978, and July, 1979, going from a decline of 6.5% for real gross average weekly earnings and 5.7% for real spendable earnings. Workers in production also saw their earnings decline. As has been noted before, the Board points out that none of the average adjustments for settlements in the first six months of 1979 approach the 11.2% of the Association. Though everyone is affected adversely, the Board has a fair and equitable offer, and the benefits of the Board offer added protection to inflation.

The Board states that it has presented more current data on the rate of inflation for the Milwaukee area. The Association offer does not present current data. The current data shows that there is a decline in the rate of inflation. The Board is being asked in effect to over-compensate for recent, dramatic fluctuations and to build an inflationary bias into the salary schedule.

D. Discussion. If the increase in the CPI is to be taken under the statute for whatever its value is and to compare that with percentage of salary offers, the Association offer more nearly conforms to this criterion. The Board raises two questions about applying the criterion in this way. One is that the average increase being offered is not above a double digit figure, that is 10%, and secondly to grant the Association offer would be to be acting counter to a trend of a dropping rate of inflation, and to build an inflationary bias into the salary schedule. There is merit in considering the percentage increase as to comparability, and in this the comparables favor the Board. As to whether the inflation has ceased and is going downward, the November rate for the UWE & CW index stood at 15.8%, and the U.S. All Items index for the same period stood at 12.8%. Both of these would indicate a continuing inflation.

However, this arbitrator follows the practice of applying the change in the index at the time the Agreement could have gone into effect, say from September, 1979. The Milwaukee area index stood at 14% at this time. This is still a substantial amount above both offers.

On this criterion the arbitrator concludes that the Association offer more nearly meets the change, and the arbitrator repeats that the Employer's offer in percentage more nearly meets the comparable raises granted.

XVI. CHANGES DURING THE PENDENCY OF THE HEARING. The arbitrator has noted the changes in the CPI.

XVII. OTHER FACTORS. A factor to be considered and not raised by either party is the consideration of the Presidential wage guidelines. The Board's offer is closer to this guideline. The arbitrator has noted that the increase of 11.2% proposed by the Association is a drawback to its offer. It is offset, however, by the deterioration that the teachers would experience in comparisons with the most comparable districts, and by the need for catching up at the higher levels.

XVIII. SUMMARY. As a summary, the arbitrator has concluded the following:

1. The Association's offer on wages in dollar amounts more nearly meets the level of wages in the most comparable group which are the school districts in southern Milwaukee County and not necessarily the UniServ Council districts.

2. The Board's offer when calculated in average increase and percentage increase is more comparable to other such increases than the Association's proposed increases.

3. The Board's offer more nearly conforms to what private employees are experiencing in wage increases.

4. The Association's offer in total compensation more nearly conforms to what teachers in the most comparable districts are experiencing, though the Board's offer is an improvement for the teachers with respect to their metropolitan wide status.

5. The Association's position more nearly conforms to the changes in the cost of living.

6. The Board's position, in consideration of other factors, more nearly conforms to the Presidential wage guidelines.

7. In considering the foregoing matter the arbitrator believes that the comparison of total compensation is more important than other factors, including average increases and percentage increases, and that the Agreement should include the offer of the Association for 1979-80.

XIX. AWARD. The Agreement between the South Milwaukee Education Association and the South Milwaukee Board of Education for 1979-80 should include the offer of the South Milwaukee Education Association.

Frank D. Zerzely
arbitrator
February 4, 1980