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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

: In the Matter of the Petition of :
: :
ASHWAUBENON EDUCATION ASSOCIATION : CASE XII
: No. 26584 Med/Arb 813
: Decision No. 18060-A
: To Initiate Mediation-Arbitration :
: Between Said Petitioner and :
: :
ASHWAUBENON SCHOOL DISTRICT :

APPEARANCES:

Mr. Dennis W. Muehl, Executive Director, Bayland Teachers
United, appearing on behalf of the Association.
MULCAHY & WHERRY, Attorneys at Law, by Mr. Dennis W.
Rader, appearing on behalf of the District.

ARBITRATION AWARD

Pursuant to Section 111.70(4)(cm)6.b of the Municipal
Employment Relations Act, the Wisconsin Employment Relations
Commission appointed the undersigned to serve as Mediator-
Arbitrator in the matter of a collective bargaining dispute
between Ashwaubenon Education Association, hereinafter the
Association, and Ashwaubenon School District, hereinafter
the District or Board. Mediation, as contemplated by the
statute, was conducted at Green Bay, Wisconsin, on November 25,
1980. Efforts to mediate the sole issue in dispute between
the parties were not successful. By the prior agreement of
the parties, the undersigned convened an arbitration hearing
in the matter on that same date. The proceeding was not
transcribed. The parties were given full opportunity to
present relevant testimony, evidence and argument. Post-
hearing briefs were exchanged by the undersigned on January 22,
1981.

ISSUE:

The issue in dispute between the parties arose out of
negotiations pursuant to a monetary reopener in the 1979-81
agreement. The parties were in disagreement over the issues
of the 1980-81 salary base and the 1980 summer school pay rate.
The parties resolved the issue of summer school pay by stip-
ulation. The issue of base salary proceeded to arbitration.
The Association's final offer for the 1980-81 base salary is
\$12,350, an increase of \$900 over the 1979-80 base. The
District's final offer for the 1980-81 base salary is \$12,250,
an increase of \$800.

The statute requires that the Mediator-Arbitrator, acting
as arbitrator, adopt the final offer of one of the parties.
The decision of the arbitrator is final and binding upon the
parties and shall be incorporated into the 1979-81 written

agreement of the parties. Section 111.70(4)(cm)7 Wis. Stats. sets forth the criteria to be considered by the undersigned in rendering an award:

- A. The lawful authority of the municipal employer.
- B. Stipulations of the parties.
- C. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.
- D. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees 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 employees, 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.

POSITIONS OF THE PARTIES AND DISCUSSION:

The Association contends that its final offer is the more reasonable of the two on the basis of comparability, the cost of living and equity. In its brief, the Association provided mathematical corrections relative to the Board's costing of the two proposals which substantiate that the Association offer represents a 9.89% salary increase or 10.0% increase in total compensation for 1980-81 and the District offer provides a 9.01% salary increase or 9.16% total compensation increase for 1980-81. The Association argues that such corrections are not only significant in lowering the percentage and dollar cost of both offers, but also in terms of providing meaningful comparisons of the offers to salaries paid in other appropriate districts.

In addition to the lower cost of the respective offers as a result of the aforementioned corrections, the Association

claims that additional savings will be realized in the District for 1980-81 by the replacement of two senior teachers with new teaching staff members. The Association avers that such savings lower the total increase in compensation for the 1980-81 staff of 200.5 teachers to 8.99% under the Association offer and 8.16% under the Board proposal. The increase under the Association's proposal is \$427,987 and is well within the amount the District has designated for teacher salary increases for 1980-81, according to the Association.

The Association indicates that the parties have historically negotiated two year contracts. Since 1973, the agreements have included a deferred salary increase in the second year. The 1979-81 contract, according to the Association, was the first agreement to provide a salary reopener in the second year which broke the pattern of increasing the base salary by \$50 in the second year. The Association contends that the Board's offer reestablishes the \$50 "bump" and is clearly inadequate in view of cost of living increases alone.

The Association asserts that the Consumer Price Index is an appropriate measure of cost of living increases and reflected an annual rate of increase of 12.6% in September, 1980. The Association claims that its final offer is more consistent with the increase reported in the cost of living at the effective date of the wage reopener. In addition, the Association argues that its offer is consistent with salary increases granted by the District to administrators. District administrators, according to the Association, received a 9.45% salary increase or 10.0% total compensation increase for 1980-81.

The Association offers three sets of districts which it claims provide appropriate comparisons with the Ashwaubenon School District. Those groupings consist of 1) the Green Bay school district, 2) districts in the Bay Athletic Conference, and 3) other school districts including four larger districts in the lower Fox River Valley.

The Association asserts that over the years, salary disparities between Ashwaubenon and Green Bay have consistently been reduced through the parties' collective bargaining. In 1979-80, the Green Bay base salary was \$25 higher than the District's base. The Board's offer, according to the Association, would increase the salary disparity between the two districts while the Association's offer would result in a higher base salary for Ashwaubenon for the first time.

The Association notes that the District has been the historical salary leader among districts in the Bay Athletic Conference. Although adoption of either the Association or District proposal would not affect the relative rank of the District among conference schools, the Association claims that the Board's offer would erode the District's salary position. The Association avers that some conference schools are locked into the second year of a two year agreement and that wages bargained in one year agreements among conference schools for 1980-81 have averaged an increase of 8.4%. The Association claims that its final offer is more consistent with the increases observed within the comparable groupings for 1980-81.

The Board argues that its final offer is the more reasonable of the two in view of the interest and welfare of the public, comparability data, consumer prices, changes during

the pendency of the arbitration process and other factors. The Board states that the District offer generates an average salary increase of \$1,971 or 10.48%, while the Association offer provides an average salary increase of \$2,139 or 11.37%.

With respect to comparability, the District offered data on eleven area conference and non-conference districts which the District claims constitute appropriate comparisons on the basis of geographic proximity, average pupil membership and full-time equivalency staff, per pupil operating cost, state aid and full value tax rate. Of those eleven districts, the District avers that the five athletic conference districts of Howard-Suamico, New London, Seymour, DePere and West DePere are the most comparable to Ashwaubenon on the basis of size. To lesser degrees, according to the District, the district of Green Bay followed by the smaller districts afford comparability considerations. The District argues that the Association's inclusion of large districts in the lower Fox River Valley and other remote districts is inappropriate and ignores the concentric ring theory with respect to the metropolitan influence upon surrounding districts.

The District contends that its final offer exceeds the average wage increase granted for 1980-81 among comparable districts. The District notes that Ashwaubenon will maintain its salary leadership role among districts in the athletic conference regardless of which offer is awarded. Furthermore, the Board states that the District has a salary schedule which enables teachers to advance rapidly and often across educational lanes. The District further notes that Ashwaubenon provides longevity pay of 1% of the base salary for each year of service to teachers beyond the salary schedule. Almost 50% of the bargaining unit will be beyond the schedule maximum for 1980-81. The result, according to the Board, is that an Ashwaubenon teacher with 30 years' experience financially outdistances a teacher with 30 years' experience in any comparable district by several thousand dollars annually at higher educational levels.

The District claims that its offer is supported by the historical wage progression which has been observed in the District. The Board's offer represents a 7% base increase, the same level of increase settled upon in 1978-79 and 1979-80. The District argues that no change is warranted in the percentage increase on the base because the District has had a historically superior position among comparable districts. The Association offer, according to the District, represents a 7.9% increase in base and is excessive. The District avers that the historical difference between the Green Bay base and Ashwaubenon base does not justify the Association's offer which would exceed the Green Bay base for 1980-81.

The Board further argues that its offer is consistent with 1980-81 wage increases for other District employees. The District states that support staff received a wage increase of 8.7% and that administrators received a wage increase of 9.45% or a 10% total compensation increase.

170
200
34000

The District presented substantial evidence and argument relative to the reasonableness of the offers in view of the cost of living. The Board contends that the Consumer Price Index issued by the U.S. Department of Labor is not the single most appropriate measure of actual cost of living

increases. The Board asserts that the CPI is fraught with ingrained bias. The District notes that the CPI is based upon a fixed market basket of goods established by consumer preferences and expenditures in 1972-73. The pegging of the index to consumption patterns in 1972-73, according to the District, ignores technological improvements which have been realized subsequently and the substitutions made by consumers in response to higher costs.

The Board further contends that the CPI exaggerates the cost of housing by failing to account for consumers who have purchased homes in previous years at lower mortgage rates and who are therefore not affected by current price and interest rates.

The District argues that certain Wisconsin arbitrators as well as numerous critics have acknowledged the inadequacies of the CPI in reflecting the actual increase in the cost of living. The Board contends that a more accurate measure of changes in the cost of living is available in the Implicit Price Deflator for Personal Consumption Expenditures (PCE). The PCE is based upon quarterly gross national product reports and analyzes actual consumer spending patterns by weighted categories. The PCE, according to the District, provides a better measure of real market behavior. The Board states that the PCE increased by an annual rate of 10.5% in the second quarter of 1980, which is matched by the District's total compensation offer of 10.5%.

The District contends that even if the undersigned accepts the CPI as the most accurate measure of changes in the cost of living, District teachers, unlike most American workers, will be able to keep pace with increases in the CPI under the Board's offer as a result of increases on the base and increments and ability to advance across lanes on the salary schedule.

In its argument, the District distinguishes between an unwillingness and an inability to meet the Association's final offer. The Board states that it is unwilling to pay the Association proposal and that such is in the best interest and welfare of the public. The District states that the school year budget is predicated upon previous expenditures, assumptions and projections. The District avers that area enrollments have been on the decline for the last five years. That trend, according to the Board, is forecast to become more pronounced and will impact upon allowable growth in per pupil expenditures and state aids. The Board argues that the Association offer would place the District over cost control limits and would have a detrimental impact on aids for 1981-82.

The District cites additional constraints of increased costs in the uncontrollable areas such as insurance, utilities and transportation. The Board states that it has already made budgetary cuts affecting maintenance, field trips and audio-visual equipment in order to provide monies for salary increases. The District claims that if the Association offer is awarded, additional budget cuts will be needed and will affect educational programs.

The parties have offered a variety of comparability groupings and have mutually cited districts in the Bay Athletic Conference and the district of Green Bay. The District is significantly larger than any of the other Bay Athletic Conference districts.

BAY ATHLETIC CONFERENCE

	<u>1979-80 Enrollment</u>	<u>FTE Staff (rounded)</u>	<u>% State Aids</u>
Ashwaubenon	3,673	195	44.8
Howard-Suamico	2,832	150	62.3
Pulaski	2,799	176	54.5
Marinette	2,686	NA	NA
Shawano	2,669	NA	NA
New London	2,429	143	50.5
Seymour	2,345	145	52.5
De Pere	2,076	124	42.8
West De Pere	1,998	121	51.5
Clintonville	1,785	119	46.0
Green Bay	18,112	1,045	39.6

The proximity of the Green Bay district has clearly had an impact on the terms and conditions of employment observed in Ashwaubenon. The undersigned is satisfied that the historical relationships within the athletic conference and with Green Bay are the most relevant for purposes of comparability.

There is no dispute that Ashwaubenon has been the salary leader among districts in the Bay Athletic Conference, or that the salary differential between Ashwaubenon and Green Bay has consistently narrowed over the recent years. The Association presented the following data with respect to one and two year settlements among conference schools relative to 1980-81:

BAY ATHLETIC CONFERENCE
RANKING
SETTLEMENTS
1979-80 to 1980-81

TWO YEAR AGREEMENTS - BASE INCREASES - 2nd YEAR

<u>LOCAL</u>	<u>1979-80</u>	<u>1980-81</u>	<u>DOLLAR INCREASE</u>	<u>% INCREASE</u>
Seymour	10,950	11,650	\$ 700.00	6.4
Marinette	10,850	11,500	650.00	6.0
West De Pere	11,200	11,950	750.00	6.7
De Pere	11,200	11,950	750.00	6.7
<hr/> Average	<hr/> 11,050	<hr/> 11,763	<hr/> 725.00	<hr/> 6.6

ONE YEAR AGREEMENTS - BASE INCREASES

<u>LOCAL</u>	<u>1979-80</u>	<u>1980-81</u>	<u>DOLLAR INCREASE</u>	<u>% INCREASE</u>
Pulaski	10,700	11,413	\$ 713.00	6.7%
Howard-Suamico	10,975	11,850	875.00	8.0%
Clintonville	10,500	11,400	900.00	8.6%
Shawano	10,650	11,650	1,000.00	9.4%
New London	10,584	11,600	1,016.00	9.6%
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Average	10,682	11,583	901.00	8.4%
Ashwaubenon (Bd.)	11,450	12,250	800.00	7.0%
Ashwaubenon (Assoc.)	11,450	12,350	900.00	7.9%

The average dollar increases in 1980-81 salaries at certain steps on the salary schedule under conference settlements and the proposals before the arbitrator are as follows:

AVERAGE DOLLAR INCREASE - 1980-81

	<u>Bay Conference</u>	<u>Board Offer</u>	<u>Association Offer</u>
BA base	\$ 901	\$ 800	\$ 900
BA maximum	1,404	1,072	1,206
MA maximum	1,862	1,536	1,728
Schedule maximum	1,954	1,696	1,908

The Board presented the following data on 1980-81 settlements in comparable districts:

1980-81 SETTLEMENTS

	<u>WAGES</u>		<u>TOTAL COMPENSATION</u>	
	<u>\$ Inc.</u>	<u>% Inc.</u>	<u>\$ Inc.</u>	<u>% Inc.</u>
De Pere	1,276	8.0	1,623	8.25
Howard-Suamico	1,907			11.9
Pulaski	1,662	12.38	2,114	12.22
West De Pere	1,275	8.67	1,764	8.5
Clintonville	1,391	9.79	1,851	10.15
New London	2,161	10.8	2,778	11.2

1980-81 ASHWAUBENON

	<u>WAGES</u>		<u>TOTAL COMPENSATION</u>	
	<u>\$ Inc.</u>	<u>% Inc.</u>	<u>\$ Inc.</u>	<u>% Inc.</u>
Board Offer	1,713	9.01	2,152	9.16
Association Offer	1,880	9.89	2,350	10.0

Both final offers modify the historical relationship between the Green Bay and Ashwaubenon bases. The Board's offer would reverse the pattern of narrowing differentials whereas the Association's proposal would break the pattern by surpassing the Green Bay base.

While the awarding of either final offer will not affect the relative salary rank of Ashwaubenon among conference districts, the arbitrator is persuaded that the District's salary position would be eroded under the Board's proposal. In terms of percentage increases in total compensation for 1980-81, three of the five conference districts cited in the foregoing table have settled for higher percentage increases than those proposed by either the District or Association.

The parties have contended that their respective offers are supported by increases in the cost of living. The District's offer represents a 9.01% salary increase (9.16% total compensation increase). The Association's offer provides a 9.89% salary increase (10.0% total compensation increase). The undersigned concludes that the Association's final offer is supported by the cost of living increase whether it is measured by the September, 1980 CPI of 12.6% or the 1980 second quarter PCE of 10.5%. Accordingly, the undersigned finds no need to discuss the relative merits of the two measures.

The arbitrator is further satisfied that the Association's offer is consistent with the wage increases granted District administrators. District administrators received a 10% increase in total compensation for 1980-81. While the undersigned appreciates the need for fiscal constraint in the face of cost controls, declining enrollments and continued inflation, no explanation has been offered for why teachers, who are also experiencing similar economic pressures, should receive a smaller increase in total compensation than that granted District administrators.

Based on the above and foregoing, it is the opinion of the undersigned that the Association's final offer on the 1980-81 base salary is the most reasonable. Having considered the final offers, the evidence, the statutory criteria and the arguments of counsel, the undersigned makes the following:

AWARD

The final offer of the Association is to be incorporated into the written 1979-81 collective bargaining agreement along with the stipulation of the parties.

Dated this 25th day of April, 1981 at Madison, Wisconsin.

By: Kay B. Hutchison
Kay B. Hutchison
Mediator-Arbitrator