

STATE OF WISCONSIN
BEFORE THE MEDIATOR/ARBITRATOR

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FEB 24 1981

In the Matter of the
Mediation/Arbitration Between
KAUKAUNA EDUCATION ASSOCIATION
and
KAUKAUNA AREA SCHOOL DISTRICT

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

Case II
No. 26686 Med/Arb 840
Decision No. 18093-A

APPEARANCES:

Dennis W. Muehl, Executive Director, Bayland Teachers United,
appearing on behalf of the Kaukauna Education Association.

Mulcahy & Wherry, S.C., Attorneys and Counselors at Law, by
Edward J. Williams, appearing on behalf of Kaukauna Area School
District.

ARBITRATION HEARING BACKGROUND:

On October 7, 1980, the undersigned was notified by the Wisconsin Employment Relations Commission of appointment as mediator/arbitrator, pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Relations Act in the matter of impasse between the Kaukauna Education Association, referred to herein as the Association, and the Kaukauna Area School District, hereinafter referred to as the Employer. Pursuant to statutory requirements, mediation proceedings were conducted between the parties on November 18, 1980. No public hearing was held as no members of the public either requested or were present for a hearing. Mediation failed to resolve the impasse and the matter proceeded to arbitration that same day. At that time, the parties were given full opportunity to present relevant evidence and make oral argument. The proceedings were not transcribed. The record was held open for an additional seven (7) days for the submission of data relevant to the comparable districts with the understanding that comment on any newly submitted data would be allowed. Post hearing briefs were filed with and exchanged through the Arbitrator.

THE FINAL OFFERS:

The only issue at impasse between the parties pertains to base salary with the Employer offering \$12,225.00 and the Association requesting \$12,350 as the base salary for 1980-81. The final offers are attached as Appendix A.

STATUTORY CRITERIA:

Since no voluntary impasse procedure was agreed to between the parties regarding the above impasse, the undersigned, under the Municipal Employment Relations Act, is required to choose the entire final offer of one of the parties on all unresolved issues.

Section 111.70(4)(cm)7 requires the mediator/arbitrator to consider the following criteria in the decision process:

- 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 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 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.

THE POSITIONS OF THE PARTIES:

The Employer: The Employer sets forth two issues: determination of comparable communities and determination as to which offer is more reasonable. In support of its argument regarding comparable communities, the Employer cites a number of arbitration awards wherein criteria were set forth as factors determinative of comparable communities. On the basis of these factors, the Employer offers Ashwaubenon, Brillion, DePere, Freedom, Hilbert, Hortonville, Kimberly, Little Chute, West DePere and Wrightstown as the most comparable communities. The Employer contends these communities are most comparable because they are geographically and demographically similar. The communities are close in geographic location to Kaukauna, (five of them are directly contiguous), they are all located in the Fox River Valley and they all compete for the same goods and services and are influenced by the same variations in the labor market and the area cost of living. Additionally, the Employer states the average daily pupil membership of these communities ranges

ship and full time teacher equivalency. The Employer notes that Menasha is an exception to its position but maintains that Menasha is part of the single urban employment area of Neenah-Menasha and therefore is more closely tied to Neenah than to Kaukauna.

Utilizing the most comparable communities, the Employer avows that its offer increases or maintains its comparable position within those communities. Further, the Employer continues its offer more closely matches the average dollar and percentage increase received by the teachers in these most comparable districts in the selected steps of BA minimum, BA maximum, MA minimum, MA maximum and schedule maximum. The Employer notes that its offer at both the minimum and maximum salary level exceeds the other districts average salary and that its dollar increase exceeds the average dollar increase of those districts. Additionally, the Employer states that when percentage increases are considered, its offer is above or equal to the average percent increase in those communities in all instances but the schedule maximum.

The Employer continues that if the larger districts are added to the most comparable districts, its offer still remains the more reasonable offer since it maintains the district's position when compared to the salary averages and exceeds the average salary and average dollar increase in the districts. Based on these facts, the Board concludes that its offer will improve its comparative position among the comparable school districts and will keep the teachers ahead of the average salaries and is therefore the more reasonable offer.

The Employer also argues that its offer is more reasonable when it is compared to area private sector settlements. Citing a survey of five industries in Kaukauna, the Employer notes that settlements in these industries ranged from 8.0% on wages only to 11.6% as a total package offer. This, together with the national statistics which indicate that settlements in all industries, excluding construction, average 9.5%, the Employer asserts makes the Board's offer of 10.88% in wages and 11.21% package more appropriate than the Association's offer of 12.02% in wages and 12.3% package.

Finally, the Employer declares that other criteria in Section 111.70 are more important than the cost of living one since the cost of living as reflected by the Consumer Price Index is highly exaggerated. The Employer continues, however, that even if the CPI were to be considered as an index to the cost of living, its teachers are not losing ground to inflation. In support of its position, the Employer cites a random survey of four teachers which indicated that since 1974 they have received total increases which were greater than the increase in the CPI over the same period of time.

The Association: The Association proposes the six communities within the Fox Valley Association Athletic Conference as the comparable communities. Citing that arbitrators have recognized the importance of the athletic conference as a criterion of comparability; that athletic conferences are generally established on the basis of similarity in student body high school size; athletic competitiveness and geographical location; and that these particular communities have been in the same athletic conference for 10 years, the Union argues there is merit in determining these communities as the most comparable communities. The Association continues that Kimberly, Neenah, Menasha, Appleton and Oshkosh, aside from being in the athletic conference also meet other criteria generally accepted as factors determining comparability. The communities, according to the Association, are for all practical purposes a single metropolis

from Oshkosh to Kaukauna when Little Chute is included and as such they experience great community interrelationships. These communities share the same shopping and market areas; the same recreational areas; the same labor market and the same general resources utilized by all the communities and the school districts.

In addition to the above factors being determinative, the Association argues that the bargaining history of the district supports the Association comparables and that the Employer's efforts to refute this position show that the commonality which exists when the comparables are expanded is that the athletic conference schools remain a basic part of the consideration. Thus, the Association continues, that an arbitrator, selecting any other comparables than the athletic conference, would break historical ties among the Fox Valley Association schools. For these reasons, as well as the fact that at least one arbitrator has previously ruled that this athletic conference constituted appropriate comparables, the Association concludes that these communities which reflect enough similarities to outweigh the differences in size are the most appropriate comparables.

Additionally, the Association asserts that the Employer, while citing criteria as reason for selection, has established no basis for selection of its comparables. The Association notes that the Employer did not utilize size of community; CESA district; contiguous schools, distance from Kaukauna; athletic conference; community of interest or relationship to urban areas as a basis for its selections but a smattering of each. Thus, concludes the Association, the Employer has not been consistent in applying selective criteria and therefore the arbitrator should give little weight to the Employer's comparables.

Finally, the Association contends that the Employer's comparison of its offer to private sector settlements lacks credibility. It notes that similar efforts exerted by the Association to obtain the same information met with substantially different results and that the information given by the Employer is piecemeal. In some instances it reflects wages only increases and in some instances, it reflects wages and fringes and thus does not provide information by which to make comparisons.

The Association continues that if the Fox Valley Association Conference is used as the appropriate comparables, its offer is more reasonable when the settlements among these comparables are considered. Noting that no matter how the final offers are costed, the Association states that the final offer of either the Board or the Association will not change the ranking of Kaukauna among the comparable districts at the BA minimum, BA maximum, MA minimum, MA maximum and the schedule maximum position. Continuing, the Association indicates that the essential difference between the two offers is that the Association's offer would result in less relative loss of position and the Board's offer would result in a greater average dollar spread loss.

The Association recognizes that its teachers are currently paid better than other districts' teachers for the education and training they have and contends that the 1979-80 relationship between fixed faculty and various salary schedules should be maintained. It continues that if the Employer's offer were to be accepted, this economic relationship would be reversed in at least three school districts.

Additionally, the Association states that Kaukauna teachers are somewhat at a disadvantage when other aspects of compensation

are considered. It notes that Kaukauna teachers have 90% of their health insurance paid by the District while other districts all provide 100% of the insurance premium; that its employees pay into the dental insurance plan; that its district is the only one to charge leaves of absence against sick leave, and that Kaukauna's teachers have no personal leave.

Further, the Association argues that the Employer's wage comparisons are misleading in that the comparables are not selected in a consistent manner; the method of costing used maximizes the cost of the salary increase, and the salaries of Neenah and Menasha were not annualized and thus the actual salary increase in those districts is distorted. The Association posits that the Employer's unique way of costing the package is not truly reflective of the value of the final offers.

Finally, the Association asserts that its offer more closely matches the cost of living increases which have been occurring. Citing that the Consumer Price Index increased 12.6% in 1980-81 over 1979-80 from September to September, the Association concludes that its base salary increase of 10.02% on wages and 12.33% on total package is more reasonable than the Employer's offer of 8.9% on wages and 11.24% total package. In anticipation that the arbitrator may give weight to the Employer's method of costing, the Association also indicates that no matter which method of costing is used, the net effect is negligible. It points out that the difference in costing the two offers amounts to \$4,400, reflecting a difference between \$37,895 costed by moving the 1979-80 staff forward on the 1980-81 schedule or \$42,251 costed by moving the 1980-81 staff backwards on the 1979-80 schedule.

DISCUSSION:

Both parties argue that selection of comparable communities is crucial to the determination of which final offer is more reasonable. Thus, in their arguments before the undersigned, the Association maintains that the comparable communities should be the athletic conference, based on past bargaining history, and the Employer proposes a set of comparables which it states meets the criteria previous arbitrators have set forth for purposes of comparison. Although the Association makes a relevant argument pertinent to bargaining history, the undersigned would not have been adverse to expanding the comparables if other communities in the area meet the general criteria of comparability. Noting that a previous arbitrator determined that this athletic conference was an appropriate set of comparables in a dispute involving Appleton, the undersigned does not take issue that that ruling but does note that in the instant situation, three of the six districts are significantly larger than Kaukauna with larger per pupil memberships and larger full time teacher equivalencies and that only one district is smaller.

The Employer has proposed a set of comparable communities which it considers most comparable. It used the following criteria to make the assertion: all the communities are located in the Fox River Valley; they all compete for the same goods and services and they are all influenced by the same fluctuations in the labor market and in the cost of living. The Employer did not, however, show the relationship of these communities in assessed valuation and receipt of state aids, generally indicia of a community's ability to absorb the costs of certain services. Additionally, the Employer proposed a set of comparables which relate to Kaukauna in the same manner that the Employer raised objection to relevant to the athletic conference. The majority of the districts the Employer proposes for comparison purposes are anywhere from two and

one half times smaller to five and one half times smaller than Kaukauna. Even when the secondary set of comparables is considered (all of which are larger than Kaukauna), the number of communities larger than Kaukauna does not begin to offset the number of smaller communities presented. Additionally, no other relationship is shown to exist between these districts other than they are in the Fox River Valley and they may share some economic community of interest. Therefore, it is not reasonable to accept a new set of comparables when it is no more logical than those previously used. The undersigned thus selects the athletic conference as the appropriate set of comparables since there has been some indication that these communities have been at least part of previous comparables.¹ Too, they demonstrate some similarities in that they are in the athletic conference; they are all in the Fox River Valley; the school districts maintained similar growth patterns over the past five years; the communities maintained similar assessed value increases over the past five years, and at least three of the districts are comparable in per pupil membership, full time teacher equivalencies and assessed valuations.

The method of costing the proposals employed by the parties differed and the undersigned has accepted the method proposed by the Association wherein the 1979-80 staff was determined and moved forward on the 1980-81 schedule. Utilizing this method, the percent increases on wages only reflects that the Board's offer amounts to an 8.9% increase and the Association's offer amounts to a 10.02% increase. This differs from the Employer's method of costing in that the Employer projects that the wages only increase of the Board's offer would be a 10.88% increase and the Association's offer would be a 12.02% increase.² Despite the different methods used to cost the proposals and the significant difference in calculating the cost of the wages only part of the offer, the total cost of the packages were calculated approximately the same with only a .03% difference.

		<u>Board Offer</u>	<u>Association Offer</u>
<u>Board Costing:</u>	Wages Only	10.88%	12.02%
	Total Package	11.21%	12.3 %
<u>Association Costing:</u>	Wages Only	8.91%	10.02%
	Total Package	11.24%	12.33%

Utilizing the costing method which reflects that the wage proposals result in an 8.9% or a 10.02% increase on wages, the undersigned finds that when considering wages only increases alone with all the districts in the athletic conference, neither offer is significantly out of line. The percent increases in the other districts approximate 9% to 12% on wages only. The two signifi-

¹ Exhibits presented by both parties indicate that the athletic conference communities have been considered as part of the comparables in the past. Further, longevity language in the Kimberly and Oshkosh contracts appear to reflect that there has been comparisons made between Kimberly, Oshkosh and Kaukauna. Thus, although it might be better to have a more balanced set of comparables, precedence does exist for considering the athletic conference.

² The Employer proposed a costing method which determined the 1980-81 staff costed on the 1980-81 schedule and moved them back to the 1979-80 schedule to determine the cost of those same teachers in 1979-80 and then calculated the cost of the wage increase on that basis.

cantly similar sized communities, Menasha and Kimberly, reflect wage only increases which would indicate the Association's offer is slightly nearer the percentage increases each of those communities will receive.³

The undersigned does not find that the data given pertinent to private sector employers in the area was sufficient to make appropriate comparisons. Therefore, no further consideration will be given to that issue of comparability.

In comparing the overall benefits received by the Kaukauna teachers with the other communities, there are no significant differences. The Employer has suggested that longevity must be considered as "cash in hand" compensation and thus increases the monetary benefits available to the Kaukauna School District, however, a review of the longevity provisions of the other districts indicates they all receive longevity payments and some receive them sooner than others. Thus, they all receive a "cash in hand" benefit which may or may not be accurately reflected as the total value of the benefit when it is calculated at 26 years. As to the provisions of sick leave, non-funeral leave, personal leave⁴, long term disability insurance, life insurance dental insurance and health insurance, all districts have these benefits, although as the Association has suggested, it appears that the Kaukauna District is slightly behind, but the difference is not substantial enough to warrant consideration of the final offers on this basis.

Although the undersigned has stated that there is relatively little percentage difference between the two proposals when they are compared to the other districts, Association Exhibit 14 demon-

³Menasha's wages only increase, just recently determined by an arbitration award, is a 9.7% increase. Kimberly, although not determined, has final offers which can reflect what the minimum and maximum increases may be. A review of the proposed base increases and other schedule increases in Kimberly reflects that the Board's offer, if accepted, will approximate a 10% increase in wages and the Association's offer, if accepted, will approximate a 13% increase in wages. It is difficult to tell whether the approximations are exactly correct since the undersigned does not know the distribution of teachers in that district, but the assumptions have some validity.

Kimberly:	<u>B.A. Min.</u>	<u>B.A. Max.</u>	<u>M.A. Max.</u>	<u>M.A. Max.</u>	<u>Schedule Max.</u>
Board Offer:	11,880 8.99%	18,414 8.99%	12,880 11.03%	21,510 11.04%	21,972 10.80%
Assn. Offer:	12,100 11.01%	18,876 11.73%	13,189 13.70%	22,165 14.42%	22,766 15.04%

⁴Kaukauna School District does not provide personal leave.

strates that the offers do affect the relative ranking of the district compared with the other districts. In Exhibit 14, the Association presents a historical relationship of Kaukauna to the other districts. This relationship shows that the District has maintained the same relative ranking over the past five years in selected positions and that when they have varied it has been only by a single position, i.e., dropping from fourth position to fifth and going back to fourth. Neither offer attempts to move the teachers forward in the ranks and, in fact, both result in the relative ranking dropping by one position at the B.A. minimum ⁵, the M.A. maximum and the schedule maximum levels. This together with the fact that over the past five years the District has lost fewer of its pupils compared to the other districts; has had its assessed value increased proportionately to the other districts and has been able to reduce its levy rate significantly leads the undersigned to conclude that if the final offers reduce the relevant rankings of the teachers, the dollar difference in the rank should be minimized, as is attempted within the Association's proposal.

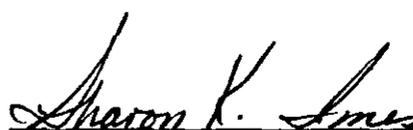
Having concluded that the Association's proposal is more reasonable above, the undersigned finds no need to address the question of cost of living, wherein conflict exists over which index is more proper, the Consumer Price Index or the Public Consumption Expenditure Index, both of which recognize that there has been an increase in the cost of living over the previous year.

Thus, having reviewed the evidence and arguments and after applying the statutory criteria, and having concluded that the Association's offer is more reasonable, the undersigned makes the following award:

AWARD

The final offer of the Association, along with the stipulations of the parties which reflect prior agreements in bargaining, as well as those provisions of the predecessor collective bargaining agreement, are to be incorporated into the collective bargaining agreement as required by statute.

Dated this 18th day of February, 1981.


Sharon K. Imes
Mediator/Arbitrator

SKI:eb



KAUKAUNA EDUCATION ASSOCIATION

KAUKAUNA, WISCONSIN 54130

September 12, 1980

Mr. Stuart Mukamal, Investigator
Wisconsin Employment Relations Commission
Room 560 - State Office Building
819 North Sixth Street
Milwaukee, Wisconsin 53203

Re: Kaukauna School District
Case I No. 26365 MM2840

Final Offer:

Increase base salary from 11,225 to 12,350 on 1979-80
salary schedule structure (as per attached grid).

A handwritten signature in cursive script that reads "M. J. Paque".

Mike Paque

Chief Negotiator
Kaukauna Education Association

cc: Dennis W. Muehl

BASE SALARY 12,300

OPTION # 307

RUN DATE 7/74/HO

	BA	BA-9	BA-18	BA-24	BA-38	MA-9	MA-15	MA-24
STEP 1	INDEX 1.00000	1.02000	1.04000	1.06000	1.08000	1.10000	1.12000	1.14000
	SALARY 12,350	12,597	12,844	13,091	13,338	13,585	13,832	14,079
STEP 2	INDEX 1.04000	1.06125	1.08250	1.10375	1.12500	1.14750	1.17000	1.19250
	SALARY 12,844	13,106	13,369	13,631	13,894	14,172	14,450	14,727
STEP 3	INDEX 1.08000	1.10250	1.12500	1.14750	1.17000	1.19500	1.22000	1.24500
	SALARY 13,338	13,616	13,894	14,172	14,450	14,758	15,067	15,376
STEP 4	INDEX 1.12000	1.14375	1.16750	1.19125	1.21500	1.24250	1.27000	1.29750
	SALARY 13,832	14,125	14,419	14,712	15,005	15,345	15,685	16,024
STEP 5	INDEX 1.16000	1.18500	1.21000	1.23500	1.26000	1.29000	1.32000	1.35000
	SALARY 14,326	14,635	14,944	15,252	15,561	15,932	16,302	16,673
STEP 6	INDEX 1.20000	1.22625	1.25250	1.27875	1.30500	1.33750	1.37000	1.40250
	SALARY 14,820	15,144	15,468	15,793	16,117	16,518	16,920	17,321
STEP 7	INDEX 1.28000	1.30875	1.33750	1.36625	1.39500	1.43250	1.47000	1.50750
	SALARY 15,608	16,003	16,398	16,793	17,188	17,691	18,155	18,618
STEP 8	INDEX 1.32000	1.35000	1.38000	1.41000	1.44000	1.48000	1.52000	1.56000
	SALARY 16,302	16,673	17,043	17,414	17,784	18,278	18,772	19,266
STEP 9	INDEX 1.36000	1.39125	1.42250	1.45375	1.48500	1.52750	1.57000	1.61250
	SALARY 16,796	17,182	17,568	17,954	18,340	18,865	19,300	19,714
STEP 10	INDEX 1.40000	1.43250	1.46500	1.49750	1.53000	1.57500	1.62000	1.66500
	SALARY 17,290	17,691	18,093	18,494	18,896	19,451	20,007	20,563
STEP 11	INDEX 1.45000	1.48375	1.51750	1.55125	1.58500	1.63250	1.68000	1.72750
	SALARY 17,908	18,324	18,741	19,158	19,575	20,161	20,748	21,335
STEP 12	INDEX 1.49000	1.52500	1.56000	1.59500	1.63000	1.68000	1.73000	1.78000
	SALARY 18,402	18,834	19,266	19,698	20,131	20,748	21,366	21,983
STEP 13	INDEX 1.50000	1.57625	1.61250	1.64875	1.68500	1.73750	1.79000	1.84250
	SALARY 18,523	19,467	20,411	20,362	20,810	21,458	22,107	22,755
STEP 14	INDEX 1.50000	1.57625	1.65500	1.69250	1.73000	1.78500	1.84000	1.89500
	SALARY 18,523	19,467	20,439	20,902	21,366	22,045	22,724	23,403
STEP 15	INDEX 1.51000	1.58625	1.66500	1.74625	1.78500	1.84250	1.90000	1.95750
	SALARY 18,649	19,590	20,563	21,566	22,045	22,755	23,465	24,175
STEP 16	INDEX 1.51000	1.58625	1.66500	1.74625	1.83000	1.89000	1.95000	2.01000
	SALARY 18,649	19,590	20,563	21,566	22,601	23,342	24,083	24,824

MULCAHY & WHERRY, S.C.

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September 10, 1980

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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION
MILWAUKEE

WILLIAM J. MULLIGAN
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OF COUNSEL
RAY P. WHERRY

CERTIFIED MAIL

PLEASE REPLY TO
Green Bay

Mr. Stuart S. Mukamal, Mediator
Wisconsin Employment Relations Commission
State Office Building - Room 560
819 North Sixth Street
Milwaukee, Wisconsin 53203

Re: Final Offer - Kaukauna Area School District
Case I, No. 26365, MM-2840

Dear Mr. Mukamal:

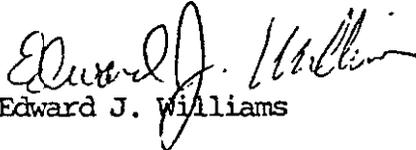
The following is the School Board's final salary offer in this matter:

Increase base salary from \$11,225.00 to \$12,225.00 on
1979-80 salary schedule structure.

If you have any questions concerning this final offer, please do not
hesitate to contact me.

Very truly yours,

MULCAHY & WHERRY, S.C.


Edward J. Williams

EJW/jy

cc: Dennis W. Muehl, Bayland Teachers United
(by Certified Mail)

Harry Goetz

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