

STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

RECEIVED

AUG 26 1981

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In the Matter of the Petition of :  
  
UNION HIGH SCHOOL EDUCATION :  
ASSOCIATION :  
  
To Initiate Mediation-Arbitration :  
Between Said Petitioner and :  
  
UNION GROVE UNION HIGH :  
SCHOOL DISTRICT :  
  
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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

Case VIII  
No. 26410  
MED/ARB-770  
Decision No. 18441-A

APPEARANCES

Mark L. Olson, Mulcahy & Wherry, S.C., on behalf of the District  
Esther Thronson, Uniserv Director, on behalf of the Association

On February 25, 1981 the Wisconsin Employment Relations Commission appointed the undersigned as Mediator-Arbitrator, pursuant to Section 111.70(4)(cm) 6.b. of the Municipal Employment Relations Act in the matter of a dispute existing between Union Grove Union High School District, hereafter the District, and Union High School Education Association, hereafter the Association. Pursuant to statutory responsibilities, the undersigned conducted mediation proceedings between the District and the Association on April 23, 1981. Said mediation effort failed to result in voluntary resolution of the dispute. The matter was thereafter presented to the undersigned in an arbitration hearing conducted on the same date for final and binding determination. Post hearing exhibits and briefs were filed by both parties by July 10, 1981. Based upon a review of the evidence and arguments and utilizing the criteria set forth in Section 111.70(4)(cm), Wis. Stats., the undersigned renders the following award.

The only substantive issue in dispute involves the salary schedule. The parties also disagree on what constitutes comparable school districts. Since this latter issue has a significant impact on the substantive issue in dispute, it will be discussed first.

COMPARABILITY

POSITION OF THE PARTIES

Association Position

The most comparable grouping from the geographic area is comprised of both union high schools and area K-12 high schools, a group most closely resembling the Southern Lakes Athletic Conference.

On the other hand, the inclusion of K-8 "feeder" schools is inappropriate. In support of this conclusion is a decision of Arbitrator Hutchinson wherein she found that Union Grove Elementary School was not comparable to the high school into which it "feeds", namely Union Grove High School.<sup>1/</sup>

Therefore, the most reasonable and appropriate grouping of comparable districts includes:

- \*Badger (Lake Geneva UHS)
- \*Burlington
- \*Delavan-Darien
- \*East Troy
- \*Elkhorn

<sup>1/</sup> Jt. School District #1, Village of Union Grove, et al, Decision No. 17198-B, 5/80.

Mukwonago  
Palmyra  
\*Salem Central/Westosha  
\*Walworth  
\*Whitewater  
Williams Bay  
\*Wilmot

\*Southern Lakes Athletic Conference  
District Position

The appropriate comparable districts include the school districts within the Southern Lakes Athletic Conference, the Districts of comparable size within CESA 18 and the K-8 districts which feed into the Union Grove Union High School District.

There have been several decisions which support the District's inclusion of the K-8 districts which feed into the Union Grove Union High School District in its list of comparables.<sup>2/</sup>

In Wilmot Union High School District (Dec. No. 16398-A, 10/78) Arbitrator Zeidler stated that "...the first and most important level of comparison is the group of Union High Schools....". However, he also stated that "the second level of comparison is that of districts which have high school components, the K-12 districts; and the next level is that of the elementary school districts."

The parties' final offers should be weighed in comparison to the following seventeen (17) school districts: Central/Westosha Union High School, Lake Geneva Union High School, Walworth Union High School, Waterford Union High School, Wilmot Union High School, Burlington, Delavan-Darien, East Troy, Elkhorn, Mukwonago, Palmyra, Whitewater, Williams Bay #1, Dover #14, Raymond Jt. #1, Union Grove, and Jt. 2, Yorkville.

Each of the 17 districts is in close geographic proximity to the Union Grove Union High School District; and, with the exception of Mukwonago, all of the districts are located within CESA No. 18. Thus, they all naturally compete in the labor pool of certified teachers competing for jobs within the same general area. In addition, the employees and the populace of these districts compete for the same goods and services.

Athletic conference designations are also relevant in choosing comparables since they are based upon geographical location, similarity in student body, high school size, and athletic competitiveness.

The Southern Lakes Athletic Conference consists of the following ten (10) school districts in addition to Union Grove: Lake Geneva Union High School, Walworth Union High School, Burlington, Delavan-Darien, East Troy, Elkhorn, Mukwonago (until the 1980-81 school year), Central/Westosha Union High School, Waterford Union High School, Whitewater, and Wilmot Union High School. These ten districts comprise 65% of the District's selection of comparables.

The number of students and staff are vital elements utilized to establish comparability among school districts. For the 1980-81 school year, the enrollments for the comparable districts proposed by the District ranged from 5.8 to 248.6 teachers. Union Grove falls at the lower end of the range with a student enrollment of 806 (12th of 18 in size) and in FTE staff size of 51.9 (10th of 18 in staff size).

Another variable which is utilized in establishing comparability is the cost expended for each student by the District. The 1979-80 school cost per pupil for all of the District's proposed comparable districts falls within the range of \$1,695.99 to \$2,525.79. Union

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<sup>2/</sup> Neosho Joint School District #3, Dec. No. 17305-A, 5/80; Hartford Joint School District #1, Dec. No. 17589-A, 6/80; Fox Point Joint School District #8, Dec. No. 16352-A, 11/78).

Grove has the highest per pupil operating costs of the proposed 18 comparable districts.

Another method to determine comparability is to review similarities in tax rates and equalized valuation per pupil. With respect to full value tax rate (the amount which must be paid by a district taxpayer per \$1,000 of equalized valuation), the amounts paid in the comparable districts fall between \$3.46/\$1,000 and \$13.88/\$1,000. Union Grove's levy rate of \$5.66 is below the average for these districts. However, with respect to equalized valuation, per pupil, Union Grove's value of taxable property per pupil is above the average for these districts.

In fact, Union Grove taxpayers pay the highest levy rate of the Union High School Districts based on the lowest equalized valuation of property per pupil.

Finally, the comparable districts proposed by the District constitute the same school districts that were selected by Arbitrator Zeidler as being comparable districts in the Wilmot Union High School area, as cited earlier.

#### Discussion

The undersigned has selected the following districts as comparables primarily based upon the similarity of their size and the geographical proximity of said districts to the District, and secondarily, based upon the relative comparability of the resources said districts expend per pupil in support of their educational programs.

<u>UHS</u>	Enrollment	FTE Staff	School Cost Per Pupil
Central/Westosha	1,100	58.75	\$1,723.20
Lake Geneva	920	64.20	2,384.87
Union Grove	806	51.90	2,525.79
Walworth	613	40.85	2,295.03
Waterford	833	45.75	2,142.14
Wilmot	828	49.80	2,086.55
<u>K-12</u>			
East Troy	1,690	84.70	\$1,900.60
Elkorn	1,786	104.50	2,124.80
Palmyra	1,318	86.63	1,916.78
Williams Bay	437	33.50	2,426.29
<u>K-8</u>			
Jt. #1 Union Grove	565	33.50	\$1,789.62

Since ability to pay is not an issue in this proceeding, the relative ability of the above districts to support their educational programs has not been given significant consideration in the formulation of this list.

The above list of comparable districts excludes several districts proposed by both parties on the ground that said districts are not similar to the District in size as measured by student enrollment and FTE staff.

In selecting the above population of comparable districts, the undersigned wishes to note that in his opinion the organizational distinctions between K-12, K-8, and union high school districts are not sufficient, in and of themselves, to negate the comparability of such districts based upon other considerations. Admittedly, other characteristics such as size or ability to pay may affect the comparability of such districts, but absent evidence of such distinguishing characteristics, the undersigned will not exclude districts from a list of comparables merely because of differing grade structures.

SALARY SCHEDULE ISSUE

1980-81 DISTRICT FINAL OFFER

Salary Schedule

Lane Step	1 BA	2 +12	3 +24	4 MA	5 +12	6 +24
1	11265	11828	12392	12955	13518	14081
2	11828	12392	12955	13518	14081	14645
3	12392	12955	13518	14081	14645	15208
4	12955	13518	14081	14645	15208	15771
5	13518	14081	14645	15208	15771	16334
6	14081	14645	15208	15771	16334	16898
7	14645	15208	15771	16334	16898	17461
8	15208	15771	16334	16898	17461	18024
9	15771	16334	16898	17461	18024	18587
10	16334	16898	17461	18024	18587	19151
11		17461	18024	18587	19151	19714
12			18587	19151	19714	20277
13				19714	20277	20840
14				20277	20840	31505
15				20840	21404	21967
16				21404	21967	22530

1980-81 ASSOCIATION FINAL OFFER

1	11450	12022	12595	13167	13740	14312
2	12022	12595	13167	13740	14312	14885
3	12595	13167	13740	14312	14885	15457
4	13167	13740	14312	13884	15457	16030
5	13740	14312	14885	15457	16030	16602
6	14312	14885	15457	16030	16602	17175
7	14885	15457	16030	16602	17175	17747
8	15457	16030	16602	17175	17747	18320
9	16030	16602	17175	17747	18320	18892
10	16602	17175	17747	18320	18892	19465
11		17747	18320	18892	19465	20037
12			18892	19465	20037	20610
13				20037	20610	21182
14				20610	21182	21755
15				21182	21755	22327
16				21755	22327	22900

POSITION OF THE PARTIES

District Position

A comparison of teacher wages in the comparable school districts proves that the District's final offer is the more reasonable.

In 1979-80, Union Grove's minimum and maximum salaries exceeded the average salary offered in the other Union High Schools at each position surveyed (BA Minimum, BA Maximum, MA Minimum, MA Maximum, MA+24 Maximum, Schedule Maximum) except for the BA Minimum. This situation will remain constant for 1980-81 under the Board's offer.

For both 1979-80 and 1980-81, under the District's offer, the District remains above the average of the comparables at each position, except BA Minimum, when compared with all of the Union High School and K-12 districts. The same conclusions hold true when the K-8 districts are added to the list of comparables.

The District's offer would award the teachers a level of compensation far above that dictated by the size of the District in comparison with comparable districts.

The increased cost in wages of the District's final offer is 9.97% while the increased cost in wages of the Association's final offer is 11.78%, utilizing the 1980-81 staff backed to their 1979-80 positions to calculate 1979-80 costs. Utilizing the same procedure, the total impact of the District's offer is 9.8% and that of the Association is 11.42%.

The District's offer is more reasonable when compared with the increases received in comparable districts, which ranged from 6.77% to 11.15%, all of which are below the size of the increase proposed by the Association. In the same regard, the average wage increase in comparable districts was 9.87% or .1% below the District offer and 1.91% below the Association's.

The validity of the Consumer Price Index as an accurate measure of inflation is doubtful since it is based on a fixed market basket of goods and therefore does not measure changes in consumer preference. It also fails to adjust adequately for higher prices which are a result of improved quality. Furthermore, it exaggerates the cost of housing. For these and other reasons the Personal Consumption Expenditure Deflator (PCE) is a more appropriate measure of the increase in the cost of living. It measures the price changes of goods and services currently purchased by consumers and takes into consideration the shift in consumption patterns due to inflation.

The PCE and thus consumer prices have risen at an annual rate of 10.12% from December 1979 to December 1980. The District's offer is closer to this increase in the cost of living than is the offer of the Association.

Regardless of the index used to measure the cost of living, the District's offer is closer to the local and national experience than that of the Association. In this regard, the major settlements negotiated in 1980 averaged 9.5% which leads to the conclusion that American workers are not receiving wage increases which keep pace with the reported cost of living.

If local settlements are to be viewed as indicia of an area's cost of living, then the District's offer remains the most reasonable of the two.

Assuming the CPI is utilized as a measure of the cost of living, the CPI is demonstrating a definite downward progression, which must be taken into consideration in evaluating the reasonableness of the parties' offers.

#### Association Position

The Association offer would maintain the relative position of the District among comparable schools while the District's offer would seriously erode its ranking among comparables.

The Association has in the past held an above average position among comparable districts. The Association proposes to maintain that position and in areas where erosion has occurred, to restore the District's position.

An important issue for the Association is the maintenance of relative position among comparable districts. This is especially true for the MA+24 Maximum and Schedule Maximum of the salary schedule. The District has a concentration of employees at that spot and that area is the target of all employees in the District. In this regard the Association proposal generates a salary at MA+24 Maximum and Schedule Maximum which maintains the rank of the District at that position, while the District offer would result in an erosion of its rank.

Both offers fall below the CPI increase for the period covered by the pending award. No workers are managing to keep up with the CPI, but the Association offer is more reasonable in light of the inflation that is known for the period covered by the contract in dispute. For the District to offer one-third of the staff 7% to 7.99% increases in salary places their offer in a less than reasonable position, given current CPI data.

The Association does not propose a wage settlement to match the raise in the CPI for the comparable time period, nor does it maintain that the CPI is a faultless measure of inflation. However, it does refute the use of the PCE as an accurate measure of the cost of living. With all of its critics, the CPI remains the universal standard for measuring price changes in the United States.

Discussion

The following table reflects seven salary benchmarks among the comparable districts the undersigned has selected. 3/

As can be seen from the chart, the size of the increases offered by the District at all but one of the places on the salary schedule compared herein, when measured in percentages, are more in accord with the size of increases granted by comparable districts than are the increases proposed by the Association. Furthermore, even at the M.A.+24 lane maximum, where the Association's proposal is more in line with comparable settlements than the District's when measured in percentages, the District's ranking among comparable districts still is one out of nine if the District's proposal were implemented. Thus, at this point on the schedule, though comparable districts have granted larger percentage increases than those offered by the District, it would appear that such efforts have been designed to allow senior teachers with substantial graduate credits to catch up, in terms of salary, with teachers in districts which are salary leaders at this end of the salary schedule, and the District appears to be one of those leaders.

Not only is the District's proposal more in accord with the size of increases granted by comparable districts, but it also allows the District to remain no more than number three in rank among comparable districts at five points on the salary schedule.

Although the District's proposal maintains a below average position at the B.A. Minimum, and results in a lower rank among comparables at the M.A. Minimum, in view of the comparability of the size of its increases, the relatively strong ranking of the District among comparable districts, and the insignificant number of teachers in the District at the B.A. Minimum and M.A. Minimum steps, an analysis of the proposals, when viewed in the light of comparable salary schedules and settlements, supports the reasonableness of the District's offer.

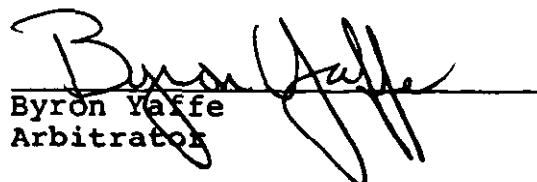
In view of the imperfect nature of the CPI as an accurate measure of the cost of living, the unproven nature of the PCE as a reliable and fair measure of same, and the proven inability of the majority of American workers to keep up with the cost of living, utilizing either measure, during periods of high inflation; where as here clear patterns of settlements have been established, particularly where a "catch up" issue is not involved, the undersigned believes that such settlement patterns provide a fairer basis for determining the reasonableness of the parties' economic proposals than strict reliance on either of said indices. Accordingly, the decision reached herein shall be based upon the analysis of comparables discussed above.

For the foregoing reasons, the undersigned renders the following

AWARD

The 1980-81 agreement between Union Grove Union High School District and Union High School Education Association shall include the final offer of the District which has been submitted herein.

Dated this 19<sup>th</sup> day of August, 1981 at Madison, Wisconsin.

  
Byron Yaffe  
Arbitrator

APPENDIX A

MA+24

LN MAX OR  
EQUIVALENT

	BA MIN			BA MAX			MA MIN			MA+5 YRS			MA+10 YRS			MA MAX			LN MAX OR EQUIVALENT		
	79/80	80/81	%	79/80	80/81	%	79/80	80/81	%	79/80	80/81	%	79/80	80/81	%	79/80	80/81	%	79/80	80/81	%
<u>UHS</u>																					
Central/ Westosha	10,500	11,000	9.	15,225	15,800	3.8	11,700	12,200	4.3	13,575	14,075	3.7	15,900	16,450	3.5	18,000	18,650	3.6	18,800	19,450	3.5
Lake Geneva	10,800	11,800	9.3	N/A	N/A	N/A	11,800	13,100	11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walworth	10,650	11,400	7.	N/A	N/A	N/A	11,750	12,650	7.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Waterford	10,950	11,870	8.4	14,905	15,825	6.1	11,950	13,040	9.1	14,025	15,115	7.8	16,400	17,490	6.7	19,030	20,620	8.4	19,630	22,100	12.6
Wilmot	10,333	10,842	5.	15,470	16,716	8	11,328	12,033	6.2	13,489	14,452	7.1	15,644	17,160	9.7	17,876	19,027	6.4	18,753	20,280	8.1
<u>K-12</u>																					
East Troy	11,000	11,700	6.4	13,600	14,400	5.4	12,550	13,250	5.6	14,350	15,050	8.4	16,350	17,350	6.1	18,450	19,450	5.4	19,550	20,800	6.3
Elkhorn	10,975	11,745	7.	14,600	15,620	7.	11,725	12,545	7.	14,225	15,220	7.	16,725	17,895	7.	18,725	20,035	7.	20,575	22,015	7.
Palmyra	10,200	11,346	11.2	14,250	15,852	11.2	11,700	13,015	11.2	13,450	14,926	11.	16,450	18,299	11.2	17,200	19,133	11.2	18,400	21,241	15.4
Williams Bay	10,500	11,400	8.6	16,590	18,012	8.6	11,025	11,970	8.6	14,175	15,390	8.6	16,800	18,240	8.6	18,900	20,520	8.6	20,475	22,230	8.6
<u>K-8</u>																					
Jt #1, Union Grove	10,300	11,150	8.2	14,700	15,675	6.6	11,500	12,350	7.4	13,500	14,475	7.2	15,500	16,475	6.2	17,100	18,075	5.7	17,100	18,875	10.4
<u>Average</u>			<u>8.</u>			<u>7.1</u>			<u>7.8</u>			<u>7.6</u>			<u>7.4</u>			<u>7.</u>			<u>9.</u>
Union Grove UHS	10,500B	11,265	7.3	15,225	16,334	7.2	12,075	12,955	7.6	14,700	15,771	7.3	17,325	18,587	7.3	19,950	21,404	7.3	21,000	22,530	7.2
		All,450	9		16,603	9		13,168	9.		16,030	9.1		18,893	9.1		21,755	9.		22,900	9.
Rank	(6-8/11)	(7/11)* (5/11)**		(3-4/9)	(3/9) (3/9)		(2/11)	(5/11) (2/11)		(1/9)	(1/9) (1/9)		(1/9)	(1/9) (1/9)		(1/9)	(1/9) (1/9)		(1/9)	(1/9) (1/9)	

\*District  
\*\*Association

B - Board  
A - Association