

STATE OF WISCONSIN

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OCT 19 1981

BEFORE THE ARBITRATOR

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 In the Matter of the Petition of :
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 TWO RIVERS EDUCATION ASSOCIATION :
 : Case XIV
 To Initiate Mediation-Arbitration : No. 27250
 Between Said Petitioner and : MED/ARB-976
 : Decision No. 18610-A
 TWO RIVERS PUBLIC SCHOOL DISTRICT :
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APPEARANCES: Richard Terry, Executive Director, Kettle Moraine UniServ Council, on behalf of the Association

Dennis W. Rader, Esq. and Edward J. Williams, Esq., Mulcahy & Wherry, S.C., on behalf of the District

On April 27, 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 Two Rivers Public School District, hereafter the Board or the District, and Two Rivers Education Association, hereafter the Association. Pursuant to statutory responsibilities, the undersigned conducted mediation proceedings between the District and the Association on June 25, 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 August 3, 1981. Based upon a review of the evidence and arguments and utilizing the criteria set forth in Section 111.70(4) (cm), Wisconsin Statutes, 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

Positions of the Parties

Board Position

The appropriate comparable districts include ten contiguous districts of similar size in C.E.S.A. 10. These districts are: Brillion, Chilton, Kiel, Manitowoc, Mishicot, New Holstein, Plymouth, Random Lake, Sheboygan Falls, and Valders.

Manitowoc School District, while considerably larger, is included due to the geographic proximity of the City of Two Rivers and the City of Manitowoc.

This comparable pool is supported by the weight of the most relevant arbitral authority. 1/ The Board has selected the same ten school districts defined in the Zeidler award referred to above as the "most comparable" districts as its comparables in this proceeding.

Each of the ten districts selected are in close geographic proximity to the Two Rivers School District, and all are located within CESA 10. These districts all compete for the labor pool of certified teachers seeking jobs within the same general area. In addition, the employees and populace of these districts compete for the same goods and services.

1/ Two Rivers Public School District No. 1, Zeidler, 9/78, Dec. No. 16357-A.

They are influenced by the same variations in the labor market and in the cost of living.

The enrollments for the districts proposed by the Board ranged in the 1980-81 school year between 919 and 5,386. Two Rivers enrollment for that year was 2,603.

The 1979-80 school cost per pupil for all of the districts proposed by the Board as comparables, including Two Rivers, falls within the range of \$1,897.57 to \$2,448.59.

The full value tax rate (the amount which must be paid by a district taxpayer per \$1,000 of equalized valuation) in the proposed comparable districts falls between \$10.07/\$1,000 and \$13.69/\$1,000. Two Rivers taxpayers pay \$10.19/\$1,000.

With respect to equalized valuation per pupil, Two Rivers \$100,475 value of taxable property per pupil is one of the lowest tax bases of the 11 proposed comparable districts, the average of which is \$115,933.

The state aid per pupil received in each of the proposed comparable districts ranges from \$848.11 to \$1,089.49 per pupil. Two Rivers received \$916.37 per pupil, which is slightly above the average amount received among this proposed group of comparables.

The comparable districts proposed by the Association are not comparable since Two Rivers enrollment is significantly less than the average enrollment among these districts and several of the Association's proposed comparable districts are located anywhere from 40 to 65 miles from Two Rivers.

Reliance on athletic conferences is not an adequate criteria to determine legitimate comparables. Even if it were, because the Association utilizes athletic conferences of which Two Rivers was a former member, the use of said conferences is no longer appropriate.

Regarding the districts in the Fox Valley Association Athletic Conference, it has been well established that the six school districts within said conference constitute a distinct labor market and should not be compared with districts outside of that market. 2/

Therefore the districts of Sheboygan, Neenah, Fond du Lac, Kaukauna, Oshkosh, Menasha, Appleton, Green Bay, Kewaskum and Kimberly should be given no weight in assessing the parties' positions. In fact, seven of these districts were defined as being either "less comparable" or "not comparable" in Arbitrator Zeidler's 1978 Two Rivers decision referred to above.

The Association's proposed comparables consisting of 18 statewide districts in cities with populations ranging from 10,000 to 15,000 is not in the mainstream of the customary analysis of comparables which has been developed under the Statute. Furthermore, the majority of these districts are suburbs of major metropolitan areas, and are therefore uniquely influenced in the development of their benefit packages by their proximity to metropolitan pattern setters.

Association Position

Arbitrator Zeidler's decision, referred to the Board, made reference to comparable districts other than those listed by the Board in its proposed list of comparables, including: Cedar Grove, Elkhart Lake, Hilbert, Howards Grove, Kohler, Oostburg, Reedsville, Sheboygan, Stockbridge, Kaukauna, Kimberly, Menasha, Kewaunee, Denmark, Luxemburg, Algoma, Ashwaubanon, DePere and West DePere.

2/See Appleton Area School District, WERC Dec. No. 17202-A, 1/80; Menasha Joint School District, WERC Dec. No. 17966-A, 12/80; Kaukauna Area School District, WERC Dec. No. 18093, 2/81; and Kimberly Area School District, WERC Dec. No. 18246-A, 6/81.

The Board attempted to strengthen its argument of the comparability of its proposed districts by utilizing enrollment figures in said districts. However, the range of enrollments in said districts varies by more than 4,000 and there are many other districts that would fall within that range.

Further, the range of per pupil costs in the Board's proposed comparables varies by more than \$600 per pupil, which hardly creates a compelling argument that these are the only districts with which Two Rivers should be compared.

Therefore, the Association proposes a larger group of comparable districts with a similar base in geographic proximity, population, cost per pupil and other standard areas which support athletic conference comparability.

The Association proposes utilizing the districts in three athletic conferences: the Eastern Wisconsin Athletic Conference which the District currently belongs to, the Fox River Conference which contains the Manitowoc School District, and the Fox Valley Association Athletic Conference which the District previously belonged to.

Discussion

Based upon the data which has been made available, the undersigned will utilize as the primary list of comparable districts those which have been proposed by the Board as the most comparable districts, which districts were also utilized by Arbitrator Zeidler in a mediation/arbitration involving the same parties in 1978. Said districts are comparable based upon geographic proximity, similar size, and the economic resources which are available in said districts for their educational programs:

	80-81 Enrollment	State Aid Per Pupil	Equalized Value Per Pupil	Levy Rate Per \$1,000
Two Rivers	2,603	916.37	100,475	10.19
Brillion	919	484.11	146,437	11.29
Chilton	1,151	761.42	126,617	12.42
Kiel	1,519	1,089.49	99,241	13.69
Manitowoc	5,386	543.94	142,290	10.81
Mishicot	1,213	940.01	95,059	10.07
New Holstein	1,768	866.15	113,525	11.16
Plymouth	2,150	791.79	118,233	11.27
Random Lake	1,228	880.19	112,575	11.75
Sheboygan Falls	1,793	1,034.01	94,466	11.63
Valders	1,190	835.32	110,890	10.92

The undersigned wishes to note however that in his opinion, a fairer list of comparables would include more districts in the same geographical area closer in size to Two Rivers, since all of the proposed comparables, except Manitowoc which has been deleted from the list of comparables for reasons discussed hereafter, are smaller than Two Rivers. This deficiency in the available comparability data probably has some influence on the relative ranking of the District among comparables. The undersigned has accordingly referred to four additional districts of similar size where data is available in certain circumstances to ascertain whether the District's relative ranking would be influenced by their inclusion. Almost universally, the District's relative ranking among comparables would decrease if said districts were included in the comparables. However, because complete data is not available in this record for said districts, reference to them is substantially more limited. The four additional districts in question are:

79-80 Enrollment

Kaukana	3,040
Menasha	3,544
Kimberly	2,467
Kewaskum	2,093

In 1979-80, Two Rivers enrollment was 2,550.

Because there is sufficient data available for surrounding comparable districts for the undersigned to fairly and completely evaluate the parties' final offers, there is no need for the undersigned to refer to other comparables proposed by the parties, though reference to such comparables might be necessary and/or appropriate under other circumstances. Clearly, the most pertinent comparables are surrounding districts of similar size and with similar economic resources, and that is the group of comparables which will be utilized herein.

SALARY SCHEDULE ISSUE

Board's Final Offer

1981 Board Final Offer
Salary Schedule

Lane Step	BA	+12	+24	MA	+12	+24
1	11,555	11,845	12,135	12,715	13,005	13,295
2	12,049	12,350	12,651	13,255	13,557	13,859
3	12,543	12,855	13,167	13,795	14,109	14,423
4	13,037	13,360	13,683	14,335	14,661	14,987
5	13,531	13,865	14,199	14,875	15,213	15,551
6	14,025	14,370	14,715	15,415	15,765	16,115
7	14,519	14,875	15,231	15,955	16,317	16,679
8	15,013	15,380	15,747	16,495	16,869	17,243
9	15,507	15,885	16,263	17,035	17,421	17,807
10	16,001	16,390	16,779	17,575	17,973	18,371
11	16,495	16,895	17,295	18,115	18,525	18,935
12	16,989	17,400	17,811	18,655	19,077	19,499
13	17,483	17,905	18,327	19,195	19,629	20,063
14	17,977	18,410	18,843	19,735	20,181	20,627
15			19,359	20,275	20,733	21,191
16				20,815	21,285	21,755
17					21,837	22,319

Association's Final Offer

TREA Final Proposal
Salary Schedule-Calendar Year 1981

Lane Step	BA	+12	+24	MA	+12	+24
1	11,873	12,171	12,469	13,066	13,364	13,663
2	12,380	12,690	13,000	13,621	13,931	14,241
3	12,887	13,209	13,531	14,176	14,498	14,820
4	13,394	13,728	14,062	14,731	15,064	15,399
5	13,902	14,247	14,593	15,285	15,631	15,978
6	14,409	14,766	15,124	15,840	16,198	16,557
7	14,916	15,285	15,655	16,395	16,765	17,136
8	15,423	15,805	16,186	16,950	17,332	17,714
9	15,930	16,324	16,717	17,505	17,898	18,293
10	16,437	16,843	17,348	18,060	18,465	18,872
11	16,945	17,362	17,779	18,615	19,032	19,450
12	17,452	17,881	18,310	19,170	19,599	20,029
13	17,959	18,400	18,841	19,724	20,166	20,608
14	18,466	18,919	19,372	20,279	20,733	21,187
15			19,903	20,834	21,299	21,766
16				21,389	21,866	22,344
17					22,433	22,923

Positions of the Parties

Board Position

A comparison of teacher wages in comparable districts supports the Board's final offer. Under the Board's final offer, the District will maintain its above average position in relation to comparable districts. The Two Rivers minimum and maximum salaries exceeded the average salary offered in comparable school districts at each of five positions on the salary schedule which were surveyed both in 1979-80 and in 1980-81 under the Board's offer. In not one instance, at either the minimums or the maximums does the District fall below the averages received in comparable districts.

The Board's final offer maintains or improves the comparative ranking of the District among comparable districts for 1980-81. The Board's offer maintains or improves the comparative position of Two Rivers at all of the positions except the MA Maximum. At that position, the District drops from first to second place.

There is no difference between the comparative position of the Board's offer and that of the Association for 1980-81 at each of the positions on the salary schedule which were surveyed.

In light of the fact that the Board's offer maintains the above average salaries enjoyed by the District's teachers and the fact that the favorable comparative ranking of the District will be the same under the Board's offer as it would be under the Association's, the wage increase proposed by the Association is totally unreasonable.

In order to obtain a true picture of the comparative standing of the District, the total compensation received by the District's teachers must be analyzed.

In this regard, the fringe benefits received by the District's teachers are extremely competitive. This fact reinforces the favorable comparative ranking of the District.

The Board's economic offer is the most reasonable when compared with the increases received in comparable districts for 1980-81 and in the local private sector for 1981.

The Board, utilizing a costing procedure wherein the existing staff is moved onto the next year's schedule, calculates the total cost of its offer to be 10.92% and of the Association's offer to be 13.82%. It calculates its proposed increase in wages to be 9.83% and the Association's to be 12.86%.

Using the same costing technique, the average total increase in comparable districts is 11%, which is 2.82% below the percentage increase proposed by the Association. The Board's final offer of 10.92% is much more appropriate in light of these figures.

The Board realizes that these figures represent increases for school year 1980-81, not calendar year 1981, which is the case in the instant proceeding. However, many of these agreements were resolved when the cost of living was much higher than it is at the present time. Since the cost of living is now declining, it is only reasonable to expect the percent increases in wages to be less than they were six months ago.

Also relevant is Arbitrator Imes' award in School District of Sheboygan Falls 3/ wherein she selected the Board's offer which costed 11.36% total package. This award is 2.46% less than the Board's costing of the Association's offer.

Similarly, the total package increase for 1981 for the Manitowoc School District was 11.55%, which is considerably less than the size of the increase being proposed by the Association.

Also relevant is the fact that private sector 1981 settlement figures in the area reflect increases ranging from approximately 7.8% to 10.19%, none of which even approach the Association's position.

The Board's offer is more reasonable than the Association's when viewed in conjunction with the economic environment in the District.

Although the District ranks second in size among comparable districts; Two Rivers ranks eighth with respect to equalized valuation per pupil. The per capita adjusted gross income for the City of Two Rivers is \$629 or 9.1% less than the average per capita adjusted gross income for comparable communities. The City of Manitowoc has a similar problem.

3/ Decision No. 18376-A, 7/81.

Thus, it must be concluded that the Manitowoc area, including its sister city Two Rivers, is an economically depressed area. The area has the lowest average weekly and hourly earnings of those reported by the Department of Industry, Labor, and Human Relations in the State. In addition, the area's unemployment rate has been higher than the State's average over the past year.

In view of the fact that the District lies in the midst of an economically depressed area, the Board's wage offer exceeds that which would reasonably be expected under the circumstances.

The Association has failed to recognize the fact that the Manitowoc School District has agreed to an alternate method of compensation other than a salary schedule. Manitowoc has eliminated any form of a salary schedule structure for 1981 and 1982. Since there is no schedule in Manitowoc for 1981, it is inconceivable that the Association can attempt to illustrate how the two "schedules" move apart or closer together under the parties' final offers.

The Board is not arguing that Manitowoc School District is not an appropriate comparable. Rather, it contends that it is not appropriate to compare a standard salary schedule with a list of wages received by incumbent teachers, whose experience and education credits are unknown, and who are no longer on any type of salary schedule structure.

Assuming arguendo that Manitowoc does pay its teachers a higher salary than the teachers receive in Two Rivers, this is understandable since the Manitowoc District is much larger than Two Rivers, it has a higher equalized valuation per pupil and a higher per capita adjusted gross income.

Furthermore, the District's contributions for fringe benefits in Two Rivers exceeds the contributions for same in Manitowoc.

The validity of the Consumer Price Index as an accurate measure is doubtful. In this regard, the CPI is fraught with ingrained bias since it is based on a fixed market basket, thus, not measuring changes in consumer preference. The CPI also fails to adjust adequately for higher prices that are a result of improved quality. It also exaggerates the cost of housing for most individuals.

As a result of the above failings, strict adherence to the CPI can no longer be considered an absolute in the collective bargaining arena.

On the other hand, the Personal Consumption Expenditure Deflator (PCE) which is an inflation index derived from the United States Commerce Department's quarterly report on the gross national product, uses CPI expenditure categories, but utilizes actual consumer spending patterns to weight the categories. As a result, the PCE Index is a better measure of real market behavior.

From the fourth quarter of 1980 to the first quarter of 1981, the PCE dropped from 10.12% to 9.02%, correlating with the steady drop in the CPI from 12.5% in December 1980 to 10.5% in March 1981. As of May 1981, the CPI had further declined to 9.8%. Thus, it is apparent that even the CPI, which exaggerates the cost of living, is lower than the increased cost of the Board's offer.

Lastly, the national economic experience indicates that few workers are keeping pace with the inflation rate, regardless of the index used to measure the cost of living, and the Board's offer is closer to the local and national experience than that of the Association.

Association Position

Utilizing actual calendar year costing, the District's final offer represents a 9.99% increase, including the total package, while the Association's offer represents a 12.85% increase. The Association's offer is justifiable in light of recent growth in the cost of living as measured by the CPI and other settlements, both local and statewide.

Furthermore, the actual cost to the District, excluding Title I employees who are federally funded is only a 9.66% increase under the District's

offer and a 12.15% increase under the Association's.

Utilizing actual costs on a school year basis, the District's final offer amounts to 8.68% while the Association's represents a 10.27% increase. If the value of the increase in total compensation were compared on a school year basis, the District's final offer amounts to 8.1% and the Association's represents a 9.68% increase.

While the Association's proposal would rank the District higher among comparable districts than would the Board's, the Association's proposal would only rank the district at approximately the median point among such comparables. This is true when looking at actual salaries on the schedules and the relative value of the increases granted in comparable districts.

In the same regard, among comparable statewide districts, the Board's proposal at the B.A. minimum is considerably less than the statewide average.

The cost per pupil in Two Rivers is less than that of any city of like size, statewide.

Furthermore, there are more pupils per teacher in Two Rivers than in other comparable districts statewide, thus creating a larger than average classload for the teachers in the District. The Two Rivers teachers have a larger workload, work more hours and are paid less than other employees within comparable districts and within private industry, all of which facts support the reasonableness of the Association's position.

It is noteworthy that the Board's offer for calendar year 1981 is more than \$400 below the non-metropolitan intermediate budget for 1971, while the Association's offer is only slightly greater than said budget.

The Association's proposed increase is particularly reasonable when compared to the increases agreed to by the District and other employee groups.

The most comparable district to Two Rivers is Manitowoc. Manitowoc and Two Rivers are often referred to as the Twin Cities. They have a joint Chamber of Commerce with strong business ties between them. They are geographically proximate and thus are subject to identical economic and labor market conditions.

The Association is not seeking parity with the Manitowoc salary rate, but rather seeks to maintain its relative position and prevent falling further behind.

The teachers in Two Rivers receive significantly less than teachers with similar experience and graduate credits receive in Manitowoc. If the Board's offer is selected, the District's teachers will fall even further behind Manitowoc teachers.

The reasonableness of the Association's offer is supported by increases in the cost of living, which is best measured by the Consumer Price Index (CPI). On the question whether the CPI or the Personal Consumption Expenditure (PCE) is a more accurate measure of cost of living, after noting many potential flaws in the PCE, the Association points out that the CPI unlike the PCE, is based on the buying habits of actual consumers, it compares "apples to apples" in that a fixed market basket of goods and services is always compared, and lastly, it is not based on interpolation and extrapolation and fluctuating weights, which is the case when the PCE is utilized.

Lastly, since the District never raised the issue of ability to pay, arguments pertaining thereto should not be considered in this proceeding.

Discussion

Because the parties' contract is a calendar year contract, and because the majority of comparable districts have school year contracts, the

usual method of comparing the parties' final offers to salary schedules in effect in comparable districts is plagued with difficulties, since the parties' contract covers a different period of time covering parts of two school years. Accordingly, the undersigned has decided to utilize as a basis of comparison the impact of the parties' offers on the teachers' 1980-81 school year salaries since complete data is available for said period in comparable districts and since the cost of living and impact of inflation is readily ascertainable for said period.

The undersigned recognizes that such a comparison ignores the potential that the rate of the increase in the cost of living is diminishing and that other factors in the economy may not be the same as those which were present when many of the 1980-81 agreements were being negotiated, however, said factors will be more ascertainable (since the economic data will be more complete) and can thus be given more informed consideration in the negotiation of the agreement covering in part, the last half of the 1981-82 school year.

Based upon the foregoing, the undersigned has therefore developed the following tables which reflect seven salary benchmarks among the comparable districts the undersigned has selected. It should be noted that the Manitowoc School District has been excluded from said tables since said District no longer has a salary schedule from which reliable data can be acquired. Although it is reasonable to conclude that the Manitowoc School District is comparable to the Two Rivers District in many respects, absent the existence of a salary schedule in said District which will allow the comparison of "apples to apples," the salaries paid individuals in said District cannot reliably be compared against the salaries paid teachers in other districts, particularly when data is not available to indicate the experience and education of the teachers in the Manitowoc District.

BA Min

	<u>79-80</u>		<u>80-81</u>	<u>% Increase</u>
Brillion	10,350		11,000	6.3
Chilton	10,250		11,050	7.8
Kiel	10,100		11,050	9.4
Mishicot	10,050		11,050	10.
New Holstein	10,250		11,150	8.8
Plymouth	10,300		11,000	6.8
Random Lake	10,300		11,025	7.
Sheboygan Falls	10,400		11,350	9.1
Valders	10,400		11,100	6.7
Average	10,266		11,086	8.
Two Rivers	10,360	Board	11,169	7.8
		Association	11,343	9.5
Rank	3/10	Board	2/10	
		Association	2/10	
+/- Average	+94	Board	+83	
		Association	+257	

80-81

Kaukana		12,150
Menasha		12,300
Kimberly		12,100
Kewaskum		11,100
Total Average		11,340
Two Rivers Rank	Board	5/14
	Association	5/14
+/- Average	Board	-171
	Association	+3

BA Max (0 Credits)

	<u>79-80</u>		<u>80-81</u>	<u>% Increase</u>
Brillion	15,010		16,265	8.4
Chilton	15,119		16,299	7.8
Kiel	15,560		17,014	9.3
Mishicot	14,874		16,354	10.
New Holstein	16,298		17,729	8.8
Plymouth	16,030		17,120	6.8
Random Lake	16,326		18,743	14.8
Sheboygan Falls	16,360		17,822	8.9
Valders	15,310		16,795	9.7
Average	15,654		17,166	9.4
Two Rivers	16.114	Board	17,374	7.8
		Association	17,643	9.5
Rank	4/10	Board	4/10	
		Association	4/10	
+/- Average	+460	Board	+208	
		Association	+468	

			<u>80-81</u>
Kaukana			18,649
Menasha			17,283
Kimberly			18,876
Kewaskum			16,375
Total Average			17,332
Two Rivers Rank		Board	6/14
		Association	6/14
+/- Average		Board	+42
		Association	+311

BA+12 (Step 10) or Equivalent

	<u>79-80</u>		<u>80-81</u>	<u>% Increase</u>
Brillion	13,845		15,035	8.6
Chilton	14,856		15,996	7.7
New Holstein	15,152.50		16,457.50	8.6
Plymouth	14,810		15,800	6.7
Random Lake	14,781		16,317	10.4
Sheboygan Falls	15,042		16,352	8.7
Valders	13,760		14,920	8.4
Average	14,606		15,839	8.4
Two Rivers	14,697	Board	15,842	7.8
		Association	16,091	9.5
Rank	6/8	Board	5/8	
		Association	4/8	
+/- Average	+91		+3	
			+252	

MA Min

	<u>79-80</u>		<u>80-81</u>	<u>% Increase</u>
Brillion	10,850		11,900	9.7
Chilton	10,925		11,750	7.6
Kiel	10,900		12,155	11.5
Mishicot	11,055		12,155	9.6
New Holstein	10,850		11,750	8.3
Plymouth	11,000		11,700	6.4
Random Lake	11,639		12,679	8.9
Sheboygan Falls	11,150		12,100	8.5
Valders	11,100		11,800	6.3
Average	11,052		11,998	8.5
Two Rivers	11,401	Board	12,290	7.8
		Association	12,483	9.5
Rank	2/10	Board	2/10	
		Association	2/10	
+/- Average	+349	Board	+292	
		Association	+485	

80-81

Kaukana	13,338
Menasha	13,659
Kimberly	13,189
Kewaskum	12,320
Total Average	12,345
Two Rivers Rank	Board
	Association
	5/14
	5/14
+/- Average	Board
	Association
	-55
	+138

MA Max (0 Credits)

	<u>79-80</u>		<u>80-81</u>	<u>% Increase</u>
Brillion	16,390		17,990	9.8
Chilton	18,026		19,388	7.6
Kiel	17,725		19,610	10.6
Mishicot	16,281		17,901	10.
New Holstein	18,228		19,740	8.3
Plymouth	17,775		18,905	6.4
Random Lake	18,128		20,948	15.6
Sheboygan Falls	17,964		19,464	8.4
Valders	16,480		18,025	9.4
Average	17,444		19,107	9.6
Two Rivers	18,664	Board	20,119	7.8
		Association	20,435	9.5
Rank	1/10	Board	2/10	
		Association	2/10	
+/- Average	+1220	Board	+1012	
		Association	+1328	

			<u>80-81</u>
Kaukana			22,601
Menasha			21,707
Kimberly			22,165
Kewaskum			20,634
Total Average			19,929
Two Rivers Rank		Board	6/14
		Association	6/14
+/- Average		Board	+190
		Association	+506

MA+12 (Step 10) or Equivalent

	<u>79-80</u>		<u>80-81</u>	<u>% Increase</u>
Brillion	14,415		15,815	9.7
Chilton	15,853		17,029	7.4
New Holstein	16,022		17,327.50	8.1
Plymouth	15,860		17,110	7.9
Random Lake	16,223		17,971	10.8
Sheboygan Falls	16,080		17,390	8.1
Valders	14,410		15,570	8.
Average	15,551		16,887	8.6
Two Rivers	16,113	Board	17,371	7.8
		Association	17,642	9.5
Rank	2/8	Board	3/8	
		Association	2/8	
+/- Average	+562	Board	+484	
		Association	+755	

Schedule Maximum

	<u>79-80</u>		<u>80-81</u>	<u>% Increase</u>
Brillion	16,390		17,990	9.8
Chilton	18,356		19,718	7.4
Kiel	17,925		19,831	10.6
Mishicot	16,281		17,901	10.
New Holstein	18,564		20,244	9.
Plymouth	18,050		19,350	7.2
Random Lake	19,364		22,271	15.
Sheboygan Falls	18,360		19,860	8.2
Valders	16,880		18,425	9.2
Average	17,796		19,510	9.6
Two Rivers	20,003	Board	21,568	7.8
		Association	21,901	9.5
Rank	1/10	Board	2/10	
		Association	2/10	
+/- Average	+2207	Board	+2058	
		Association	+2391	

		<u>80-81</u>
Kaukana		24,824
Menasha		23,141
Kimberly		22,766
Kewaskum		22,309
Total Average		20,663
Two Rivers Rank	Board	6/14
	Association	6/14
+/- Average	Board	+905
	Association	+1238

The above tables indicate that on the whole, the Board's salary offer is generally less, in terms of the value of the percentage increase, than the pattern of increases that were granted in comparable districts. On the other hand, the Association's offer generally exceeds the pattern of increases that have been granted. The undersigned is thus left with the required selection of one of two final offers, neither of which is in accord with the pattern of increases which have been agreed upon in comparable districts.

A further analysis of the above data indicates that although neither final offer is in accord with the pattern of settlements in comparable districts, the Board's final offer is somewhat more "off the mark" than is the Association's. In this regard, the following table indicates that the average percentage increase in comparable districts, based upon the positions examined, was 8.9%. The Board's proposed increase is 7.8% across the board, while the Association's is 9.5%.

	<u>Average % Increase</u>	<u>Board % Increase</u>	<u>Association % Increase</u>
BA Min	8	7.8	9.5
BA Max (0 Credit)	9.4	7.8	9.5
BA+12 (Step 10)	8.4	7.8	9.5
MA Min	8.5	7.8	9.5
MA Max (0 Credit)	9.6	7.8	9.5
MA+12 (Step 10)	8.6	7.8	9.5
Schedule Max	9.6	7.8	9.5
Average	8.9	7.8	9.5

Although the above increases do not represent the total increase received by many, if not the majority of the teachers in the unit, because of their entitlement to increases for experience and graduate credits, said increases do reflect the value of increases resulting directly from the collective bargaining process, which are readily comparable with the increases granted in comparable districts.

Thus, the evidence in the record indicates that although the Association's proposal is higher than the pattern of increases which have been granted in comparable districts through the collective bargaining process, said proposal is less out of line with said pattern than is the Board's proposal.

Furthermore, there is no persuasive evidence in the record that the fringe benefits received by the teachers in the District substantially differ from those received by teachers in comparable districts, except with respect to longevity, where a consistent pattern among comparable districts does not exist.

Longevity Provisions in Comparable Districts
1980-81

Brillion		<u>After 13 yrs.</u>	<u>After 14 yrs.</u>	
	BA	\$110	----	
	BA+12	113	----	
	BA+24	116	----	
	BA+30	118	----	
	MA	----	\$119	
Chilton		<u>BA+27</u>	<u>MA</u>	<u>MA+9</u>
	After 16 yrs.	\$216	\$217	\$219
	After 17 yrs.	332	335	339
	After 18 yrs.	447	452	458
	After 19 yrs.	563	570	578
Kiel	Teachers beyond top of lane receive 1% of BA Base noncumulative. Every 4th year receive 4% of BA Base.			
Mishicot	None			
New Holstein	Teachers beyond last step of lane receive \$200 flat amount. In addition, 1% of lane base for each year service extends beyond schedule for 4 years; and then 1% for each 2 years for 4 2-year periods, to a maximum of 12 years and 8%.			
Plymouth	None			
Random Lake	None			
Sheboygan Falls	<u>BA Lanes</u>		<u>MA Lanes</u>	
	After 14 yrs.	\$ 150	After 15 yrs.	\$ 150
	After 15 yrs.	300	After 16 yrs.	300
	After 16 yrs.	450	After 17 yrs.	450
	After 17 yrs.	600	After 18 yrs.	600
	After 18 yrs.	700	After 19 yrs.	700
	After 19 yrs.	800	After 20 yrs.	800
	After 20 yrs.	900	After 21 yrs.	900
	After 21 yrs.	1,000	After 22 yrs.	1,000
Two Rivers	1980:	After 20 yrs. thru 25 yrs.	\$200	
		After 25 yrs. thru 30 yrs.	400	
		After 30 yrs.	600	
	1981:	Increase longevity by same % as Base Salary increase.		
			<u>Board</u>	<u>Assoc.</u>
		After 20 yrs. thru 25 yrs.	\$216	\$222
		After 25 yrs. thru 30 yrs.	432	444
		After 30 yrs.	648	666
Valders	Teachers at the top of the schedule receive 2% of column base each two years of additional service, not cumulative.			

Total Compensation Comparisons 1980-81
(Board Contributions)

<u>District</u>	<u>Health Ins.</u>		<u>Dental Ins.</u>		<u>Life Ins.</u>	<u>LTD</u>	<u>Tuition</u>	<u>STRS</u> (Employee's Share)
	<u>Single</u>	<u>Family</u>	<u>Single</u>	<u>Family</u>				
Brillion	100%	100%	None	None	State Plan 41%	None	None	5%
Chilton	100%	100%	100%	100%	State Plan 41%	100%	\$45/credit	\$400-5%
Kiel	100%	100%	100%	100%	Time Ins. 100%	100%	\$35/grad. \$25/undergrad.	100%
Mishicot	100%	75%	100%	75%	WEA 100%	None	None	5%
New Holstein	100%	100%	100%	100%	WEAC Trust 100%	100%	\$40/grad. \$35/undergrad.	5%
Plymouth	100%	100%	81%	81%	State Plan 41%	100%	\$50/grad. \$40/undergrad.	5%
Random Lake	100%	100%	100%	100%	State Plan 41%	100%	None	5%
Sheboygan Falls	100%	100%	100%	100%	State Plan 41%	100%	\$42.50/grad.	5%
Two Rivers	100%	100%	100%	100%	State Plan 41%	100%	None	5%
Valders	97.6%	99.9%	99%	68%	State Plan 41%	None	\$55/grad \$45/undergrad.	\$510 \$850

There is therefore no basis for justifying a settlement which differs from an established pattern of settlements based upon substantially superior or inferior fringe benefits. Nor is there any basis in the record for concluding that costly new benefits were agreed upon by the parties during this round of negotiations in exchange for concessions on the salary schedule.

Although it is clear that the economic climate in the Two Rivers area is not healthy, there is no contention by the Board that it is unable to fund the Association's proposal without experiencing harmful consequences to its educational program. Nor does it allege that selection of the Association's proposal will necessitate unacceptable political consequences in the form of increased taxes.

The foregoing tables also indicate that the salaries received by the District's teachers, though generally above the average for comparable districts, are not out of line with those in comparable districts, and accordingly, there is no basis for justifying an "out of line" settlement based upon the lack of comparability of said salaries. In this regard it is noteworthy that in very few cases does the difference between the parties' final offers affect the relative ranking of the District's salaries among comparable districts. Thus, it is clear that this is not a dispute involving the desire by either party to alter the relative ranking of the District among comparables.

Absent evidence of extenuating circumstances justifying a settlement which is out of line with the pattern of settlements in comparable districts, the undersigned believes it is appropriate and fair to use that pattern as the primary basis for selecting one of the two final offers submitted herein. In view of the fact that neither final offer is fully in accord with that pattern, the undersigned is forced to select the one that is closer to the pattern, which is in this case, the Association's final offer.

Because said offer is somewhat out of line with the pattern of 1980-81 settlements in comparable districts, the undersigned believes that said factor should be a legitimate consideration in the negotiations of the parties' 1982 agreement, particularly as it pertains to the last half of the 1981-82 school year.

Lastly, in view of the imperfect nature of the CPI as an accurate measure of the cost of living, particularly as it applies to specific circumstances and individuals, the unproven validity 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, 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.

For the foregoing reasons, the undersigned renders the following

AWARD

The 1981 agreement between the Two Rivers School District and the Two Rivers Education Association shall include the final offer of the Association which has been submitted herein.

Dated this 7th day of October, 1981 at Madison, Wisconsin.

BY: Byron Yaffe
Byron Yaffe, Arbitrator