

STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

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DEC 27 1982

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

\* \* \* \* \*  
\* In the Matter of the Petition of \*  
\* THE DE PERE EDUCATION ASSOCIATION \*  
\* To Initiate Mediation-Arbitration \*  
\* Between Said Petitioner and \*  
\* THE SCHOOL DISTRICT OF DE PERE \*  
\* \* \* \* \*

Case IV  
No. 29824  
MED/ARB 1703  
Dec. No. 19728-A

I. APPEARANCES

Dennis W. Rader, Attorney, Mulcahy and Wherry, S. C.,  
appearing on the behalf of the School District of De Pere.

Ronald J. Bacon, Executive Director, United Northeast  
Educators, appearing on the behalf of The De Pere Education  
Association.

II. BACKGROUND

On February 12, 1982, representatives of the De Pere Board of Education (herein after referred to as the "Board") and the De Pere Education Association (herein after referred to as the "Association") commenced negotiations on a successor agreement to the 1981-82 collective bargaining contract. The parties reached agreement on numerous issues which arose during negotiations. However, they were unable to resolve their differences over the salary schedule and language to apply to layoffs.

On May 25, 1982, the Association filed a petition requesting the initiation of mediation/arbitration pursuant to Section 111.70(4)(cm)6, Wis. Stats. Subsequent thereto, an investigator from the Wisconsin Employment Relations Commission met with the parties in an attempt to resolve the dispute. It was the conclusion of the investigator that the negotiations were deadlocked and the investigation was closed. Subsequently, the commission ordered the parties to select a mediator/arbitrator to assist the parties in resolving their dispute.

The parties selected the undersigned as mediator/arbitrator. The mediator/arbitrator met with the parties on September 7, 1982, in an attempt to resolve the outstanding issues in dispute. The mediation was conducted and the respective parties came to agreement on the issue of layoff language. However, the parties were not able to come to an agreement over the issue of salary schedule. The mediator/arbitrator then served notice of his intent to resolve the dispute by final and binding arbitration. The parties waived their respective rights to written notice of such intent and their right to withdraw their final offer as extended by Section 111.70(4)(cm)6c. Wis. Statutes. The mediator/arbitrator then conducted an arbitration hearing and received evidence. The parties agreed to present arguments in written form due October 8, 1982, and an opportunity for reply was granted. Exchange of reply briefs was completed October 15, 1982. Subsequent to the receipt of briefs, the mediator/arbitrator requested supplemental data, which was received November 18, 1982. Based on a review of evidence, the argument, and the criteria set forth in Section 111.70(4)(cm), Wis. Stats., the mediator/arbitrator renders the following award.

### III. FINAL OFFERS AND ISSUES

The Board's final offer in respect to wages is attached as Appendix A and the Association's final offer in respect to the wages is attached as Appendix B. Stipulations of the parties are on file at the Wisconsin Employment Relations Commission and not reproduced here.

A review of the salary schedules reveals that the Board's offer proposes to increase the BA base from its 1981-82 level of \$13,025 to \$13,690 for 1982-82. They propose to increase the MA salary base from \$14,329 to \$15,058. The Association's offer, on the other hand, proposes to increase the 1981-82 BA base salary to \$14,050 and the MA salary base to \$15,455. Both offers propose to maintain the 1981-82 existing increment structure, and moreover, both offers maintain the existing postschedule increment provisions.

At the hearing there were initially respective differences in the costing of the two proposals. However, the difference was very slight and the parties stipulated that the proposals could be costed as follows:

	<u>Wages Only</u>	<u>Total Package</u>
District	7.6%	8.2%
Association	10.4%	10.8%

### IV. ARGUMENTS BY THE DISTRICT

The District first argues that their final offer is more reasonable when compared to the public interest. Directing the arbitrator's attention to the Statute, the District points out that the public interest and welfare is a consideration included in one of the criteria to be weighed by arbitrators in assessing the reasonableness of final offers. They believe their final offer is more reasonably related to the public interest due to the general economic down turn in the Midwest. Their argument details some of the economic difficulties being experienced by the tax paying public. In review of these difficulties, the Board feels their offer is more reasonable as it recognizes these economic difficulties while still providing what they consider to be a reasonable wage and benefit level to its teachers.

The District next argued that their final offer guarantees that the teachers will receive pay and benefit increases that exceed the increases in the cost of living regardless which cost of living index is utilized. They present a graph which shows that during the one year previous to August, 1982, the rate of inflation has ranged from a high of 7.06 percent according to one index to a low of 5.9 percent according to another index. No matter what index or measures are employed, the Board asserts their offer significantly exceeds the rate of inflation and does not believe that any of the economic indicators support the Association's proposed 10.8 percent total package increase or their double-digit wage demand. Moreover, the Board asserts that between 1978-79 and 1981-82 school years, the wage and benefit increases afforded the De Pere teachers have consistently exceeded the overall increase in the Consumer Price Index. The Board believes that their historical analysis of wage increases in comparison to the increases in the Consumer Price Index is a more valid and telling analysis than the Association's historical analysis, which they believe to be distorted.

The Board next suggests that the arbitrator, when comparing the final offers to comparable districts, consider districts surrounding the metropolitan Green Bay area as well as districts

included in the Bay Athletic Conference. In respect to what they consider to be appropriate criteria in determining comparable districts, the District submits that the most comparable districts are West De Pere, Pulaski, and Howard-Suamico. They also feel that the remaining districts which comprise the Bay Athletic Conference are regionally comparable, those being Ashwaubenon, Clintonville, Marinette, New London, Seymour, and Shawano. In addition, they believe Denmark to be properly included in this regionally-comparable pool. The Board notes that the Association has included in their primary group of comparables, Ashwaubenon, West De Pere, Howard-Suamico, and Green Bay. However, the Board disagrees with the inclusion of the School District of Green Bay and the exclusion of the other Bay Area Athletic Schools. They do not believe the Green Bay School District to be comparable as it has 986.FTE in comparison to the 125.85FTE staff level in De Pere. They believe the Green Bay district is simply too large to provide any valid basis of comparison.

The Board next argues that their offer maintains the De Pere teacher's leadership position among the comparables. In this respect, they believe the critical question is whether an 8.2 percent or a 10.8 percent raise is a more reasonable total compensation increase in today's depressed economy. In support of their position that their offer is more reasonable, they compare the economic resources of the district to those in comparable districts and then juxtapose this comparison against De Pere teacher's salaries compared to salaries in comparable districts. The District believes that the economic data shows the district to be in a rather modest economic position. While this is true, they also point out that the De Pere teacher's salaries have always been highly competitive. Their rank in terms of salaries exceeds the rank in terms of economic resources. The District believes that its 1982-83 offer, when compared to the settlements in comparable districts (Marinette and Seymour are the only settled schools for 1982-83), will continue to provide De Pere teachers with superior wage levels within the regionally-comparable group. They believe this conclusion is further strengthened by a review of the historical relationships between De Pere salaries at selected benchmarks and the average salary in the most comparable and regionally-comparable groupings on the same benchmarks. In 1980-81, the De Pere teachers ranked above the average at the salary benchmarks for the most comparable and regionally-comparable districts. In 1981-82, the difference between the most comparable and regionally-comparable averages remained pronounced and the De Pere teachers still ranks significantly above the most comparable and regionally-comparable averages. In comparison to the settled districts for 1982-83, the Board's offer would allow the De Pere teachers to continue to exceed the average salary level received by teachers in the comparable districts. The District also argues that in 1980-81, the district's teachers received a greater increase at each of the benchmarks than the teachers in the most comparable and regionally-comparable districts. The increases in De Pere significantly exceeded the most comparable and regionally-

The Board next argues that their economic offer is more reasonable when compared to the increases received by other district employees and other municipal employees in the city of De Pere. The District believes that their offer is most fair when compared to the salary received by other school district employees. Further, in this regard they dispute the validity of comparisons made by the Association between teachers and other district employees. In terms of other city employees, the District believes their offer nearly matches the wage increases received by the Fire Department employees, whereas the Association's offer greatly exceeds the increases received by other city employees. This is particularly true in respect to the Fire Department, where the Association's wage increase of 10.4 percent exceeds the Fire Department settlement by 1.6 percent and exceeds the city employee settlement by 2.4 percent.

The District also attacked the arguments made by the Association in support of its salary offer. They believe that the Association's primary comparable pool remains too limited to be of any use in this dispute. They also believe that the Association's secondary comparable pool, which includes all districts statewide, is inappropriate. Further, there are a number of difficulties which exist in respect to the data presented by the Association for the state school districts. The Board's analysis then details the problems that they see in the Association's comparison. The Board has similar problems with the methodology utilized by the Association in analyzing the teacher's "career earnings." The Board also believes that the Association's computations of the increases received by city employees are grossly distorted.

#### V. ARGUMENTS BY THE ASSOCIATION

The Association first argued that their comparables are more meaningful than those of the Board and present an appropriate basis for utilization of the statutory criteria. The Association notes that both parties urge the consideration of three districts within the Bay Athletic conference, those being Ashwaubenon, Howard-Suamico, and West De Pere. In addition, the Association argues that the School District of Green Bay should also be considered to be comparable. In respect to the District's inclusion of the District of Denmark as a comparable district, the Association notes that in Case XII, Number 26584, Med/Arb.--813, Arbitrator Hutchinson chose to ignore the District of Denmark as comparable to the District of Ashwaubenon. In this respect, they believe Denmark is not comparable to Ashwaubenon, and since that both parties agree that the district of De Pere is comparable to Ashwaubenon, then Denmark should not be comparable to De Pere. In respect to the inclusion of Green Bay into their pool of comparables, the Association argues that they should be considered comparable based on the geographic proximity of Green Bay to De Pere, and also based on the fact that both areas compete for employees performing similar services in both public and private sectors. The Association suggests that the other Bay Area Athletic Conference districts included as comparable by the District should not be included as their economic resources are different than those of the De Pere district in as much as they are outside the Green Bay metropolitan area. However, even if the arbitrator were to allow the other Bay Area Conference schools to be used as comparable, those districts would not distort the Association's position for their salary demand. For instance, if the Seymour district 198-83 base was "plugged-in" to the De Pere salary schedules, the salary alone would generate a 9.64 percent increase in salary cost. They believe this is closer to the Association's offer than the District's proposal.

The Association next argues that their salary offer is most reasonable due to the fact that the community has already accepted a pay standard higher than the Association's salary demand when they accepted the police and fire contracts. The Association presents data which shows that the September 1, 1982 earnings for the patrolmen increased to 13.56 percent. The Association then compared the patrolmen increase to the increase that a BA teacher with 13 years service would receive over the same period. They believe that under the Board's offer, the teacher would receive only 5.1 percent increase. Under the Association's demand, the same teacher would receive an increase of 7.86 percent. The Association also reviews salary data submitted by the Board which shows that a fire-fighter jumped in salary an average of \$15,080 and that this is an 8.2 percent cell adjustment. They compare this to the salary adjustments under each offer at the seven benchmarks. According to their data, the Association's offer is in the neighborhood of 7.8 percent on each cell and the District's offer is in the neighborhood of 5.1 percent on each cell. They believe this demonstrates and proves their argument that the De Pere community accepts higher wages for other public employees than the Association has proposed for 1982-83.

The Association next attacks the Board's general "doom and gloom" arguments. They believe the Board is arguing that "doom and gloom is everywhere in the economy and therefore, implies that the good teachers of De Pere should also face doom and gloom and the arbitrator should award their offer." The Association does not believe all is doom and gloom in the community of De Pere and presents exhibits showing that the De Pere area is doing well economically and that the average household income in De Pere is higher than in most neighborhood communities. It is also important to note, the Association's opinion, that the Board has never indicated that it could not pay the Association's salary offer. The Association would suggest that if the De Pere economy is as shaky as suggested by the Board, the Board would have indicated or argued that it could not afford to pay the Association's offer. The Association also directs attention to data which they believe shows that the De Pere teachers lost purchasing power when looking at their historical earnings compared to the CPI.

The Association next argues that its offer is more fair when compared to "internal comparables." They direct attention to exhibits which show that the career De Pere teachers have not received the same percentage of increases over the past five years that De Pere administrators have achieved. They believe that these exhibits demonstrate that the administration is pulling away from the teaching staff in terms of salaries and that they believe this to be unfair.

The Association also believes that the Board's offer would cause the De Pere's teachers to lose significant ground against state-wide teacher averages. Comparing the 1982-83 offers to the 92 districts who have all voluntarily settled, the Association's final offer would keep the De Pere teacher's in position on state-wide averages constant and not raise that position. However, on the other hand, the Board's final offer significantly lowers the De Pere teacher's position in respect to state-wide averages. They believe the most fair and reasonable offer is their offer as it would maintain De Pere teacher's rank compared to state-wide schools.

The arbitrator also notes that the local negotiating committee filed an addendum to the Association's brief and it is noted that these arguments support and underline the arguments discussed above.

VI. DISCUSSION

The parties have presented evidence and proferred arguments in the following areas:

- A. What districts should constitute comparable districts?
- B. Comparisons of wages to other employees performing similar service (i.e. teachers in comparable districts).
- C. Comparisons to other employees generally in public employment in the same community (i.e. De Pere policemen, De Pere firemen, other city of De Pere employees and nonteaching employees of the school district).
- D. Cost of living.
- E. The public interest and welfare.

The argument in these areas corresponds to the statutory factors to be considered by the mediator/arbitrators in making his/her decision. The arguments will be analyzed in each of these areas singularly and then the evidence will be weighed as a whole.

A. Comparable Districts

There is much argument in the record as to what school districts should be considered comparable. The Association argues that the districts which should be considered as comparable are Ashwaubenon, Howard-Suamico, and West De Pere, and the District of Green Bay. They also argue that state-wide averages for the 1982-83 settlement should be considered. The Board argues that the most comparable districts are Pulaski, West De Pere, and Howard-Suamico. They argue that the remaining districts of the Bay Athletic Conference be designated as regionally-comparable. They are Ashwaubenon, Clintonville, Marinette, New London, Seymour, and Shawano. They also argue that Denmark should be included in the regionally-comparable pool. Thus, both parties agree that three school are comparable. They are Ashwaubenon, Howard-Suamico, and West De Pere.

The most glaring difference in the respective parties' position as related to comparable districts is the fact that the Association includes the Green Bay School District in the comparable group whereas the Board does not and the fact that the Board includes the remaining schools of the Bay Athletic Conference and Denmark, whereas the Association does not. The arguments over these differences relate to (1) the much larger size of Green Bay, thus whether it is appropriate for inclusion with a much smaller district of De Pere and (2) the non-metropolitan nature of the other schools in the Bay Athletic Conference, and thus, whether they are appropriate to be compared to De Pere, which does not share any economic resources, labor markets, etc. with these schools as De Pere does with Green Bay.

The mediator/arbitrator has considered the arguments over what schools should be considered comparable. Frankly, it is the opinion of the arbitrator that much of this argument is not relevant inasmuch as there are only two settlements in any of these schools for 1982-83. These schools are Seymour and Marinette. Whether Green Bay, Denmark, or Bay Athletic Conference schools other than Seymour or Marinette are comparable is not really a meaningful question in terms of comparability, absent 1982-83 settlements, or evidence on final offers in these districts which might facilitate some helpful inference

*i.e. Arb  
doesn't  
decide basic  
comparability  
dispute*

about the reasonableness of the parties respective 1982-83 offers. Inasmuch as Seymour and Marinette are the only districts settled for 1982-83, the pertinent question becomes whether they should be considered comparable.

It is the opinion of the mediator/arbitrator that Marinette and Seymour are comparable districts to De Pere. This conclusion is based on a variety of considerations including the fact that they are, as is De Pere, member schools of the Bay Athletic Conference. Arbitrators usually agree that athletic conference schools are generally comparable absent special circumstances. It is also deemed that De Pere is comparable to Seymour and Marinette because of their similarity in terms of their enrollment, FTE, and other tax and cost factors. For instance, De Pere is only slightly smaller than Marinette and Seymour in terms of enrollment and FTE.

The Association has also argued that the offer should be compared to teacher settlements expressed as a state-wide average for 1982-83. Normally, this arbitrator and others have not been disposed to give state-wide averages much weight. The following comments by Arbitrator Yaffee in the School District of Ithica, decision no. 18946-A, 1982 expresses this principle:

"The state-wide average comparable proposed by the Association has not to the undersigned's knowledge been given significant weight by arbitrators in such proceedings, particularly where there is sufficient reliable data regarding comparable districts in the vicinity of the district in question. The undersigned does not believe that the Association has presented a persuasive argument to justify varying that practice."

However, when there are so few settlements in the districts offered as comparable, paying some attention to some state-wide averages is warranted. This is consistent with the principle enunciated above by Arbitrator Yaffee. How much weight to be attached to these averages is another matter. This will be discussed after analyzing the evidence relating to Seymour and Marinette and the evidence relating to state-wide averages.

#### B. Comparisons to Other Employees Performing Similar Services

Section 111.7(4)(cm), Wisc. Stats. enumerates several factors to be considered by arbitrators in rendering decisions. The factor (d) reads in part "comparisons of wages, hours, and condition of employment of the municipal employees involved in the arbitration proceedings with wages, hours, and conditions of employees performing similar services . . ." The discussion that follows below relates to this portion of factor (d) and is separated from the second half of factor (d) for convenience sake only.

The most remarkable aspect of the evidence as it relates to the first portion of factor (d) is the forementioned lack of settlements of comparable districts. This aspect of the evidence is noteworthy from the outset because it will cause the arbitrator to consider and give more weight to factors that he is not previously given much weight to. No only more weight than normal have to be given to state-wide averages, but more weight will have to be given to other factors such as cost of living and wages of other municipal employees.

It is the arbitrator's opinion, that when there is adequate settlement data in comparable districts, this portion of factor (d), all things considered equal, deserves and is granted by most arbitrators significant, if not controlling weight. Comparisons to employers doing similar, if not identical work in similar communities provides a very reasonable and objective

measure of the relative merits of the final offers. However, the evidence in respect to this portion of factor (d) is very thin and it is a reasonable response to place greater reliance and weight on other statutory criteria. While the evidence relating to these other factors may not be as "hard" or as satisfying as evidence is when there is an adequate number of settled schools, nonetheless it must be considered. Simply put, "we have to do the best we can with what we have."

In respect to the Marinette and Seymour settlements for 1982-83, the mediator/arbitrator notes that the evidence indicates that these settlements costed out, in terms of total compensation, as follows:

		Board's Final Offer	Difference	Association's Final Offer	Difference
Marinette	8.28%	8.2%	(.08)	10.8%	+2.52
Seymour	<u>9.10%</u>	<u>8.2%</u>	<u>(.90)</u>	<u>10.8%</u>	<u>+1.7</u>
Average	8.69%	8.2%	(.49)	10.8%	+2.11

Comparing the final offers in terms of total cost, it is apparent that the Board's offer compares more favorably with the settlements with Marinette and Seymour because it is closer to the Marinette and Seymour settlements individually and to the average of the Marinette and Seymour settlements.

The chart below expresses a comparison of the settlements in Marinette and Seymour at the commonly accepted benchmarks and the respective final offers:

<u>Comparison of Actual Salaries 1982-83</u>				
<u>In Marinette, Seymour and Final Offers</u>				
	<u>Association</u>	<u>Board</u>	<u>Marinette</u>	<u>Seymour</u>
BA Base	\$14,050	\$13,690	\$13,050	\$13,675
BA 0 Max	21,802	22,509	21,590	19,845
MA Base	15,455	15,058	14,877	14,769
MA 0 Max	25,403	26,013	24,440	24,358
MA+24 Max	27,969	28,515	26,068	24,358

The above chart indicates that the Board's offer exceeds the settlements in Marinette and Seymour at these benchmarks. This tends to suggest the Board's offer is more reasonable as there is no apparent justification for the Association's greater offer. However, ~~the Association claims to maintain leadership position in the athletic conference and it might be suggested that under the Board's offer, they will lose ground or suffer an erosion of the positive, relative wage differential they have enjoyed compared to the other schools in the athletic conference at the benchmarks. There is some merit to the suggestion that a reasonable offer is one that maintains relative wage differentials. The data below assesses the historical differential relationships of the settlements in De Pere at the benchmarks and those in Seymour and Marinette for 1980-81 and 1981-82.~~ AZ



Comparison of the Marinette/Seymour Average Settlements  
in 1980-81, 1981-82, and 1982-83  
to De Pere Settlements and Final Offers for the Same Period

	1980-81	1981-82	1982-83
<u>BA Minimum</u>			
1. Marinette/Seymour Average	\$11,575	\$12,575	\$13,362
2. De Pere	11,950	13,025	13,690--Board 14,050--Association
3. Difference	375(3.2%)	450(3.5%)	688(5.1%)Association 328(2.4%)Board
<u>BA Maximum</u>			
1. (same as above)	\$17,484	\$19,080	\$20,367
2.	18,550	20,213	21,250--Board 21,802--Association
3.	1166(6.0%)	1133(5.9%)	1435(7.0%)Association 883(4.3%)Board
<u>MA Minimum</u>			
1. (same as above)	\$12,846	\$13,953	\$14,823
2.	13,145	14,329	15,058--Board 15,455--Association
3.	299(2.3%)	376(2.6%)	632(4.2%)Association 235(1.6%)Board
<u>MA Maximum</u>			
1. (same as above)	\$20,662	\$22,538	\$24,049
2.	21,605	23,545	24,754--Board 25,403--Association
3.	943(4.5%)	1007(4.4%)	1354(5.6%)Association 705(2.9%)Board
<u>Schedule Maximum</u>			
1. (same as above)	\$21,559	\$23,506	\$25,067
2.	23,797	25,939	27,256--Board 27,969--Association
3.	2238(10.3%)	2433(10.3%)	2902(11.5%)Association 2189(08.7%)Board

An analysis of the above chart does not support a conclusion that there would be a clearcut or significant erosion of the historically favorable wage differential enjoyed by the teachers in De Pere over the teachers in Seymour and Marinette. The Board's offer would represent less than the historical positive differential at all benchmarks. However, at the BA minimum and the MA minimum the Board's offer is closer to the differential pattern than is the Association's offer. The Association's offer at these benchmarks would result in an increase in the differential which is not necessarily justified. At the MA minimum and Schedule Maximum, the Association's offer is closer to the pattern but is only 4/10's of 1% closer than the Board's offer is shy of the pattern. While some erosion could be said to occur at these benchmarks it cannot be concluded that it is significant because erosion in a wage leaders position, as noted below, is inevitable.

The following chart analyzes the offers at the benchmarks in terms of a percentage increase over the 1981-82 contracts and compares this percentage increase against the percentage increase in the 1982-83 over 1981-82 settlements at the benchmarks in Seymour and Marinette.

Comparison of Percentage Increases in 1981-82  
Over 1982-83 in Marinette/Seymour at the  
Benchmarks to the Final Offers  
Expressed as a Percentage Increases Over 1981-82.

	<u>Marinette</u>	<u>Seymour</u>	<u>Average</u>	<u>Association</u>	<u>Board</u>
BA Base	5.2	7.2	6.2	7.9	5.1
BA 0 Max	6.2	7.2	6.7	7.9	5.1
MA Base	5.2	7.2	6.2	7.9	5.1
BA 0 Max	6.2	7.2	6.7	7.9	5.1
Schedule Max	6.2	7.2	6.7	7.9	5.1

An analysis of this data shows in general that the Board's offer in terms of percentage increase at the benchmarks is relatively more consistent with the average percentage increases at Seymour and Marinette at the BA Base and MA Base. At the other benchmarks, the Association is only 6/10's of 1 percent closer to the average benchmark increase. It is so close that the arbitrator does not believe that any significant erosion would occur and thus, is more consistent with the Board's offer. Even if one were to conclude that erosion would occur, it must also be recognized that some erosion is inevitable in a wage leadership position as lower-ranked schools strive to catch up. While there is some merit to a wage differential argument, wage differentials must be kept in perspective, particularly at the extremes. Arbitrators may be sanctioning perpetual leap frog wage races by awarding catch up in lower-ranked schools and by granting increases in higher ranked schools based on erosion of positive wage differentials in leader schools. If this would occur, no meaningful catch up would ever occur and only escalation would result.

The Association has also argued that the offer should be compared to state-wide averages. They also argue that under the Board's offer, the teachers would lose significantly against their historical position relative to the state-wide average. The following chart supports this conclusion.

Comparison of State Average Settlements (non-weighted)  
in 1980-81, 1981-82, and 1982-83  
to De Pere Settlements and Final Offers for the Same Period.

	1980-81	1981-82	1982-83
<u>BA Minimum</u>			
1. State-wide Average	\$11,190	\$12,154	\$13,168
2. De Pere	11,950	13,025	13,690--Board 14,050--Association
3. Difference	760(6.8%)	871(7.1%)	882(6.6%)Association 522(3.9%)Board
<u>BA 0 Maximum</u>			
1. (same as above)	\$16,422	\$17,905	\$19,490
2.	18,550	20,213	21,250--Board 21,802--Association
3.	2128(12.9%)	2308(12.8%)	2312(11.8%)Association 1760(9.0%)Board

<u>MA Minimum</u>			
1. State-wide Average	\$12,262	\$13,334	\$14,508
2. De Pere	13,145	14,329	15,058--Board 15,455--Association
3. Difference	883(7.2%)	995(7.4%)	947(6.5%)Association 550(3.8%)Board
<u>MA Maximum</u>			
1. (same as above)	\$19,051	\$20,812	\$23,106
2.	22,336	23,545	24,754--Board 25,403--Association
3.	3285(17.0%)	2733(13.0%)	2297(11.0%)Association 1648(07.1%)Board
<u>Schedule Maximum</u>			
1. (same as above)	\$19,938	\$21,836	\$24,330
2.	23,797	25,939	27,256--Board 27,937--Association
3.	3859(19.0%)	4103(18.7%)	3609(14.8%)Association 2926(12.0%)Board

The data above yields to the following conclusions:

1. The available total package settlement data in the athletic conference favors the Board.
2. The Board's offer exceeds the settlements in the athletic conference at the benchmarks in terms of dollars.
3. There is no clear cut pattern of erosion of the historical salary differentials under the Board's offer relative to Seymour/Marinette.
4. The percentage increase at the benchmarks in 1982-83 over 1981-82 under the Board's offer is more consistent with the percentage increases in Seymour and Marinette.
5. A state-wide average data indicates an erosion would occur in the historical differentials enjoyed by the De Pere teachers over the state-wide averages at the benchmarks.

The mediator/arbitrator must now reconcile the data. The Seymour/Marinette data favors the Board and the state-wide data favors the Association. A determination must be made of what set of data should be given more weight. It is the opinion of the arbitrator that the Seymour/Marinette data should be given more weight. This is for several reasons. While Seymour/Marinette are dissimilar in some respects to De Pere, there is undoubtedly more similarity between these two schools and De Pere than De Pere and the broad spectrum of schools which undoubtedly comprise the state-wide averages. If the Association desired to use the settlement data outside the athletic conference, more meaningful data would be schools throughout the state of similar size, etc. The mediator/arbitrator could give more weight to this kind of data than data which is completely broad-scope in orientation, especially when the data is so thin in the primary group of comparables. When parties are going to expand the geographic parameters of comparability, attempts should be made to establish comparability on the basis of other factors traditionally considered to form a basis for comparability. Less weight should be given to state-wide data as well because it includes a substantial number of 82-83 settlements which are in the second

year of a two year contract. The fact that these settlements were not negotiated in a contemporary setting diminishes their value as evidence. See School District of Cudahay, Med/Arb. 1587-decision no. 19635-A (Gundermann) and School District of Marion, Med/Arb. 1463 decision no. 19418-A (Vernon).

In general, the data in terms of this portion of criteria (d) favors the Board. It was mentioned before how much weight to be afforded to this factor as compared to other factors will be discussed below.

C. Comparisons to Other Employees Generally in Public Employment in the Same Community

The second portion of factor (d) as listed in the Statute indicates that the arbitrator should give weight to comparisons of wages, hours, etc. with the municipal employees involved in the arbitration proceedings with " . . . other employees generally in public employment in the same community and in comparable communities and in private employment in the same community and comparable communities."

Initially, both parties made claims that their final offers favorably compared with settlements with other private sector employee groups within the community. The Association directs particular attention to the settlements involving the De Pere police and firemen and to increases received by De Pere administrators over the last five years. The Board directed arguments toward the settlements involving firemen and other city of De Pere employees. Because of the conflicting assertions in the record as to what the settlements were for police and fire employees, the arbitrator requested additional data on increment and longevity payments so the police, fire, and city employee contracts could be costed on a similar basis as the final offers of the parties. The arbitrator notes that police and fire contracts usually do not cost in increments and that arbitral authority supports this notion. The mediator/arbitrator has no dispute with this authority, in fact he agrees with the costing methodology usually employed in non-teacher public sector contracts. However, both parties made conflicting arguments that the other city of De Pere public employee settlements supported their positions. These arguments were an integral part of the positions taken by the parties and the arbitrator's request for additional information only represents an attempt to resolve these conflicts and to place this particular evidence in a posture which best enhances its objective utility for the purpose of this case only. Such an interpolation is necessary because of the emphasis put on this criterion by both parties.

The police, fire, and city employee data yields the following percentage figures for wages only:

	<u>Without Increment</u>	<u>With Increment</u>	<u>With Increment and longevity</u>
Fire	8.8	8.86	9.07
Police	8.74	9.69	9.95
City Employees	8.0	9.66	9.82

This data tends to favor the Association's wage only demand of 10.4 percent because while the Association's demand exceeds the settlements above, it does so by a lessor degree than the Board's 7.6 percent wages only offer falls short of these settlements. How much weight can be afforded this factor relative to the other will be discussed below.

#### D. Cost of Living

Both parties argue that the cost of living data supports their respective positions. The Board argues that their final offer is more reasonable because it exceeds the current rate of inflation. The Association basically argues that their offer is more reasonable even though it is in excess of the current rate of inflation because their increases in the past have been less than the rate of inflation.

In the past, this arbitrator has not given much weight, if any, to cost of living arguments. He has subscribed to the Kerkman theory expressed in School District of Merrill that the best measure of the cost of living is the settlements in the comparable school districts. The arbitrator still finds this rationale valid; however, when there are so few schools settled in the comparable group, the weight given comparable settlements is greatly diminished. Therefore, more weight must be given to the raw cost of living data. How much weight relative to other will be discussed later.

The mediator/arbitrator will utilize for the purpose of considering these arguments, as a measure of the rate of inflation, the consumer price index (CPI) U. S. city average for all urban consumers. Arbitrator notes that both parties utilized this measure of inflation in developing their cost of living arguments. The data for 1982 is as follows:

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		<u>Index</u>	<u>Annual Increases</u>
January	1982	282.5	8.4%
February	1982	283.4	7.7%
March	1982	283.1	6.8%
April	1982	284.3	6.6%
May	1982	287.1	6.7%
June	1982	290.6	7.1%
July	1982	292.2	6.5%
August	1982	292.8	5.9%

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The final offers as compared to the most recent cost of living data at a glance clearly favors the Board's offer. The current annual rate of inflation at the time of the hearing is 5.9 percent compared to the Board's total package offer of 8.2 percent and the Association's 10.8 percent total package offer.

The Association, however, argues that it must be considered that teachers have fallen behind compared to inflation over the past years. They present data which compares base increases since 1974 on the base salary and at the MA step and conclude that since 1974, there has been a 96.9 percent increase in the cost of living and only a 72.39 percent increase in base wages would result under the Association's final offer and under the Board's offer only a 67.98 percent increase held to the cost of living would result. At the MA tenth step base increases under their proposal would yield a 75.35 percent increase over the same period compared to the Board's 70.88 percent increase.

It might be reasonable to hold that teachers deserve an increase in access of the current cost of living data due to having fallen behind relative to the historical increases in the cost of living. However, the Association in this case

has failed to persuasively demonstrate that this is the case. The arbitrator agrees with the Board that the Association's arguments in this respect is misleading primarily because they fail to include in their earnings analysis a year-to-year experience increment or applicable longevity payments received by teachers. This is a substantial portion of their year-to-year increases and must be considered in any historical analysis of teachers earnings against inflation.

Inasmuch as the Board's offer exceeds the cost of living and the Association has not convinced the arbitrator that their offer, which exceeds the cost of living by a greater degree, is justified in terms of a historical erosion against the cost of living, it must be concluded that the evidence on this criterial factor favors the Board.

#### E. Public Interest and Welfare

The District,, as previously noted, draws attention to the general deterioration in economic conditions and argues that their lower final offer is in the public interest because it is more consistent with the general economic state of affairs. The Association argues, on the other hand, that there is no argument regarding the ability to pay and that the economic down turn does not seem to have had any effect on the De Pere community.

The arbitrator has considered the arguments generally relating to the state of the economy, and considered how this should influence the reasonableness of the final offers. The arbitrator is not sure that arguments of this nature should be considered under the factor (d) or factor (h). However, the arbitrator is convinced that wherever categorized, the general economic data must be considered and must be given weight particularly where there are so few settlements. If there were more settlements, perhaps less weight would be given to the general economic conditions. It must be recognized, though, that the general economic conditions have influenced the collective bargaining settlements of most unionized employees. Wage settlements have been declining over previous years. In the most tragic of circumstances concessionary bargaining has occurred or wages increases have been non-existent. The Association characterizes these arguments as "gloom and doom" and note that where concessionary bargaining has occurred, wage and benefit levels and job security provisions far surpass those received by the teacher.

The arbitrator does believe that the general economic conditions do and should influence the wage rates of the public sector employees and should be given weight. However, probably not as much weight as suggested by the Board, but definitely more weight than suggested by the Association. This is not a "gloom and doom" proclamation. It would, however, be sticking ones head in the sand not to recognize that the general economy had a downward influence on the wage demands of other employees and that in this respect, the employers final offer of 8.2 percent is more reasonable than a double-digit offer of 10.8 percent. The public sector employees do not live in a vacuum. The arbitrator will give weight to these considerations, however, not much weight is suggested by the Board for a variety of reasons. One, the evidence on how the general economic down turn specifically affects the De Pere community is thin. Secondly, some weight will have already been given to these conditions as a result of the consideration of the cost of living data. The cost of living data undoubtedly already reflects to some degree the general economic down turn.

## VII. THE EVIDENCE WEIGHED AS A WHOLE AND CONCLUSION

Up to this point, the arbitrator has examined the evidence along the applicable factors and come to conclusions based on each factors singularly as to which final offer is most reasonable. The arbitrator has arrived at the following conclusions:

1. That when compared to the settlements received by employees performing similar work, the Board's offer is more reasonable.
2. That when compared to other public employees in the same community, the Association's offer is more reasonable.
3. The cost of living data yields a conclusion that the Board's offer is more reasonable.
4. That the general economic data favors the Board's offer.

The arbitrator must now assess the relative weight to be given to each of these factorial conclusions. He must weigh them as a whole to arrive at a final conclusion as to which final offer is most reasonable.

The only factor that favors the Association's position is the comparison to other public employees. The arbitrator notes that this is only a portion of the factors spelled out under factor (d). Even if the arbitrator were, for the sake of argument, to give this subfactor equal weight with other factors, the evidence in respect to comparisons to other public employees could not be said to outweigh the combination of the other factors which favor the Board. More weight must be given to the combination of specific comparisons to similar employees and cost of living data. There are too many problems inherent in comparisons between dissimilar public sector employees to give it more weight than comparisons to, albeit only two, comparable groups of employees performing the same work and the cost of living data, which while imprecise, clearly favors the Board. The arbitrator also notes that the general economic data gives additive weight to the Board's preferred position on the other two factors. Thus, it the conclusion of the arbitrator that the Board's offer is closer to what he would consider a reasonable offer than is the Association's.

## VIII. AWARD

The 1982-83 agreement between the School District of De Pere and the De Pere Education Association shall include the final offer of the School District and the stipulations of agreement between the parties as submitted to the Wisconsin Employment Relations Commission.

Dated this 24<sup>th</sup> date of December, 1982, at Eau Claire, Wisconsin.



Gil Vernon, Mediator-Arbitrator

DE PERE BOARD OF EDUCATION - FINAL OFFER  
 Salary Schedule - 1982-83 Contract

	B	B +8	B +15	B +24	B +30	M	M +8	M +15	M +24
0	13,690	14,032	14,374	14,716	15,008	15,058	15,400	15,742	16,084
1	14,320	14,689	15,072	15,469	15,816	15,866	16,249	16,632	17,015
2	14,950	15,346	15,770	16,222	16,624	16,674	17,098	17,522	17,946
3	15,580	16,003	16,468	16,975	17,432	17,482	17,947	18,412	18,877
4	16,210	16,660	17,166	17,728	18,240	18,290	18,796	19,302	19,808
5	16,840	17,317	17,864	18,481	19,048	19,098	19,645	20,192	20,739
6	17,470	17,974	18,562	19,234	19,856	19,906	20,494	21,082	21,670
7	18,100	18,631	19,260	19,987	20,664	20,714	21,343	21,972	22,601
8	18,730	19,288	19,958	20,740	21,472	21,522	22,192	22,862	23,532
9	19,360	19,945	20,656	21,493	22,280	22,330	23,041	23,752	24,463
10	19,990	20,602	21,354	22,246	23,088	23,138	23,890	24,642	25,394
11	20,620	21,259	22,052	22,999	23,896	23,946	24,739	25,532	26,325
12	21,250	21,916	22,750	23,752	24,704	24,754	25,588	26,422	27,256

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 6/14/82



	DE PERE EDUCATION ASSOCIATION - FINAL OFFER					Salary Schedule - 1982-B3 Contract				
	B	B+8	B+15	B+24	B+30	M	M+8	M+15	M+24	M+30
0	14050	14401	14753	15104	15405	15455	15806	16158	16509	16860
1	14696	15075	15470	15877	16234	16284	16677	17071	17464	17857
2	15342	15749	16187	16650	17063	17113	17548	17984	18419	
3	15988	16423	16904	17423	17892	17942	18419	18897	19374	
4	16634	17097	17621	18196	18721	18771	19290	19810	20329	
5	17280	17771	18338	18969	19550	19600	20161	20723	21284	
6	17926	18445	19055	19742	20379	20429	21032	21636	22239	
7	18572	19119	19772	20515	21208	21258	21903	22549	23194	
8	19218	19793	20489	21288	22037	22087	22774	23462	24149	
9	19864	20467	21206	22061	22866	22916	23645	24375	25104	
10	20510	21141	21923	22834	23695	23745	24516	25288	26059	
11	21156	21815	22640	23607	24524	24574	25387	26201	27014	
12	21802	22489	23357	24380	25353	25403	26258	27114	27969	
13										
VDEX	646	674	717	773	829	829	871	913	955	

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RELATIONS COMMISSION