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In the matter of the dispute		ARBITRATION
		AWARD
between		Case XVII
ORFORDVILLE EDUCATION ASSOCIATION		No. 30056
		MED/ARB-1808
and		Decision No. 19857-A
PARKVIEW SCHOOL DISTRICT		Richard Pegnetter
		Arbitrator

* * * * *

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APPEARANCES

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

For the District

James K. Ruhly, Attorney, MELLI, SHIELS, WALKER and PEASE, S.C.

For the Association

Mallory K. Keener, Executive Director, Capital Area
UniServ South

Having reached an impasse in their efforts to negotiate terms for their 1982-83 contract, the District, Parkview School District, and the Association, Orfordville Education Association, selected the undersigned as Mediator-Arbitrator through the procedures of the Wisconsin Employment Relations Commission. Pursuant to Section 111.70 (4) (cm) 6.b of the Municipal Employment Relations Act, the undersigned conducted a public meeting and then engaged in a mediation effort on October 26, 1982. Settlement was not reached in mediation and an arbitration hearing was held on November 30, 1982 in Orfordville, Wisconsin. During the hearing, the parties were given full opportunity to present evidence and argument. Both parties filed briefs and reply briefs following the hearing. The 1982-83 salary schedule was submitted as the sole Issue at Impasse for final determination by the Arbitrator.

Final Offers

Teachers employed by the District are currently paid on a salary schedule with a base salary of \$12,175 a year. The schedule provides steps or increments for experience and education gained beyond a BA degree. The Association's final offer would increase the 1982-83 base to \$12,600, while the District's final offer would establish the salary schedule base at \$12,450.

Position of the Association

The Association contended that salaries for Parkview teachers had fallen to near the lowest relative position among comparable schools in the area. The Association argued that an above normal catch-up salary increase was necessary to provide competitive salaries at Parkview. A new base of \$12,600 would represent needed improvement at several positions on the salary schedule.

In substantiating its salary position, the Association used schools in the Rock Valley Athletic Conference as the group of comparable school districts. The conference schools used by the Association included 1981-82 and 1982-83 changes in the composition of the conference. The resulting conference comparison group for 1982-83 was: Brodhead, Big Foot, Clinton, Edgerton, Evansville, Jefferson, Milton, Parkview, and Beloit-Turner. The Association

submitted that these schools were the most appropriate comparison group because they were similar in size, measured by both the number of teachers and pupil enrollment, and tax rate. Further, the districts in the Rock Valley Conference were all in close geographic proximity to Parkview.

The Association presented its salary comparisons for the above group by using certain bench mark salary positions generally common to the various schedules. These bench mark schedule positions were: BA base salary, BA-step 7, BA-maximum, MA base, MA-step 10, MA-maximum, and schedule maximum. The Association maintained that these were representative salary positions and commonly used by arbitrators in assessing relative wages across salary schedules. The Association comparisons showed that Parkview salaries ranked 7th among 8 schools in the conference at most schedule positions (Association Exhibit 17). Only at the BA base and BA-step 7 did Parkview rank above 7th. The Association stressed that its salary offer was intended to improve the relative position of Parkview salaries, particularly for more experienced teachers with higher educational attainment. The Association proposal would raise the rank of Parkview's MA-maximum and schedule maximum to 4th in the comparison group.

The Association contended that the District final offer was only marginally above the percentage increases granted in other conference schools and, as a result, insufficient to provide the needed catch-up demonstrated by the comparison data. The Association emphasized that the District made no argument that there was an inability to fund the Association salary offer. The Association urged that, when the dollar increases in the Association final offer were weighed against the poor salary position of Parkview, the Association salary offer was both fair and reasonable.

Position of the District

The District submitted that its final offer for a \$12,450 base salary represented a substantial effort to re-establish the competitive position of Parkview salaries. The District maintained that its offer would result in a higher relative increase than provided by any other school in the comparison group for 1982-83.

The District focused on a different comparison group than that advanced by the Association. The District's comparables included the schools associated with the Rock Valley Athletic Conference, plus three near-by districts. The District's group was: Brodhead, Big Foot, Clinton, Edgerton, Evansville, Jefferson, Milton, Parkview, Beloit-Turner, Albany, Belleville, and Stoughton. The District argued that these schools were all similar in size and geographically close to Parkview.

The District contended that its offer resulted in an 8.79% total compensation gain for Parkview teachers, a greater percentage increase than any school in the comparison group. The District noted that Parkview salaries were in the lower ranking among comparable schools in 1981-82. The District argued that this position was consistent with Parkview's lower ranking in taxable wealth, 6th out of 8 schools (District Exhibit 28). The District claimed that a catch-up was reflected in its salary offer since the ranking of Parkview salaries would improve in 3 of the 7 bench mark schedule positions under the District's offer (District Brief pp. 12-13).

The District stressed that the Association's final offer would generate a total package increase of 9.98%, higher than any reported settlement in the comparison group by about 1.5%. The District argued that the Association position was unreasonable, being much higher than the 1982 rate of inflation. The District submitted

that the poor state of the local economy, with high unemployment among District tax payers, must be considered in evaluating the parties final offers. The District further noted that its salary offer to the Association exceeded the settlement with non-certified District employees, cited as 8.01% for 1982-83 (District Exhibit 36).

Finally, the District contended that its offer would provide substantial salary gains for many Parkview teachers. The Parkview schedule index, or minimum-maximum ratio, is third highest in the athletic conference (District Exhibit 29). The result of the District salary offer and a strong schedule would be raises for more educated, more experienced teachers which ranged from 7.4% to over 11% (District Brief p. 8). Thus, the District offer would reflect a reasonable amount of catch-up, establish meaningful increases for more senior staff, and represent the interest and concerns of local taxpayers.

Discussion

In rendering a decision and selecting between the final offers of the parties, the Arbitrator is directed by Section 111.70 (4) (cm) of the Act to consider certain factors. These factors are as follows:

- a. The lawful authority of the municipal employer.
- b. Stipulations of the parties.
- c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.
- d. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally in public employment in the same community and in comparable communities and in private employment in the same community and in comparable communities
- e. The average consumer prices for goods and services, commonly known as the cost-of-living.
- f. The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- g. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- h. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

Here, the parties have raised no issue with lawful authority (a), stipulations of the parties (b), or ability to pay (c). Neither party directly submitted evidence pertaining to (f) above, although overall compensation is reflected in the exhibits of both parties. The Association position was rested primarily on (d), wage comparisons, with additional reference to the cost of living (e) and (h), other factors. The District placed primary emphasis on wage comparisons (d), the interests of the public (c), and the appropriateness of the Association offer, which the District maintained was cognizable under (h). The District also submitted that consideration should be given to both (g) and (h) above as factors which could be related to the negative impact on future negotiations and voluntary settlement if the Association offer was selected.

Regarding the specific comparison schools proposed by the parties, only modest differences exist. Both parties use the 1981-82 Rock Valley Athletic Conference as the core of their respective comparison groups. The Association additionally proposes the use of Big Foot, a school joining the conference in 1982-83. The District does not include Big Foot, but urges that 3 non-conference schools in the area, Belleville, Albany, and Stoughton, should be included. I find that the combined schools of the 1981-82/1982-83 athletic conference, excluding Big Foot. Big Foot is excluded only because of the limited data presented for the District. Beyond the BA base and MA base, no salary data for Big Foot could be provided. Thus, the usefulness of Big Foot for a full analysis of various salary positions is minimal here. Albany, Belleville, and Stoughton are not included as appropriate comparables for two reasons. First, and primary, these districts are not only out of the common athletic conference mutually shared by the other schools, but these 3 schools are not even contiguous with Parkview. Since no special need to go beyond the athletic conference for appropriate data was shown, these 3 schools are not included. Second, the District itself gave more emphasis to the schools in the athletic conference (excluding Big Foot) than the total group of the conference schools, plus the 3 non-conference districts (see for example District Exhibits 28, 29, 31, and 32). Consequently, the schools in the Rock Valley Athletic Conference are found by the undersigned to be the most appropriate comparison group in this dispute. They are similar in size, share the interchange and interest of athletic competition, are geographically close to each other, and reflect the negotiation focus of the parties. The group used for comparison is: Brodhead, Clinton, Edgerton, Evansville, Jefferson, Milton, Parkview, and Beloit-Turner.

As a beginning point in evaluating the final offers of the parties, some comments regarding the form of data presented and used by the Arbitrator are in order. The Association relied heavily on "bench mark" salary positions in its presentation, rather than detail comparisons with each position on every salary schedule in the comparison group of schools. The Arbitrator recognizes that bench mark salary positions represent only selected comparisons. However, all but one of the schedule positions selected as bench marks appear to be meaningfully representative of the teaching force (and hence their salary schedule positions) in Parkview. District Exhibits 2 and 3 show that the majority of teachers have significant years of experience, nearly half have near a masters degree or such a degree. Thus, the bench marks used capture useful, albeit not all, salary measures for purposes of comparison. Nor can the percentage increases submitted as the settlements in other districts be discounted as improper evidence because of their source (administrators in the comparison group schools). The Association was unable to provide more reasonable measures of the settlements in other comparable districts and, consequently, the data provided by the District for costs and settlements is deemed useful and appropriate.

What the available data show is a relatively poor salary position for 1981-82 salaries at Parkview. Among the bench mark salary positions, the District ranked 7 of 8 at 5 of the 7 bench mark salaries (Association Amended Exhibit 17). Salaries were also several hundred dollars below average for all bench mark salary positions but BA base salary. Obviously, the focus both parties placed on negotiating relative salary improvement, particularly for better educated, more experienced teachers, was well warranted. The question which remains is, therefore, which final offer produces a more appropriate improvement in 1982-83 salaries?

The strength of the District final offer is two-fold. First, it would represent a total package increase which would exceed all the reported settlements in the comparison group as reflected in Table 1.

Table 1

TOTAL PACKAGE INCREASES

Parkview	8.79%
Beloit-Turner	8.54%
Milton	8.42%
Clinton	7.74%
Edgerton	7.1 %

Thus, a measure of catch-up effort is reflected in the District offer as measured against other settlements. Second, the District offer would improve the rank of bench mark salaries for MA-maximum and schedule maximum positions by one ranking step.

The disadvantages of the District offer are, one, that a loss in relative rank would occur at the BA-step 7 bench mark and, two, slippage measured in total dollars would impact the relative salary status of Parkview salaries. Specifically, at 5 of the 7 bench mark salaries, the distance of Parkview salaries below the average in the group would increase as follows under the District offer:

Table 2

BENCH MARK AVERAGES

	<u>1981-82</u>	<u>1982-83</u>
BA-base	\$12,150 (Parkview \$25 above ave.)	\$12,899 (*Parkview \$449 below ave.)
BA-Step 7	\$15,321 (Parkview \$224 below ave.)	\$16,225 (Parkview \$662 below ave.)
BA-Maximum	\$16,954 (Parkview \$883 below ave.)	\$18,147 (Parkview \$1464 below ave.)
MA-base	\$13,378 (Parkview \$304 below ave.)	\$14,253 (Parkview \$723 below ave.)
MA-Step 10	\$18,692 (Parkview \$325 below ave.)	\$19,924 (Parkview \$576 below ave.)
MA-Maximum	\$21,403 (Parkview \$684 below ave.)	\$22,815 (Parkview \$490 below ave.)
Schedule Maximum	\$22,616 (Parkview \$764 below ave.)	\$23,921 (Parkview \$223 below ave.)

*Indicates position with District final offer.

The Association final offer finds strength in its provision of less overall slippage for Parkview salaries. The Association offer would preserve or improve the relative ranking for all bench mark salaries except BA-base, where salaries would lose a rank under both the Association and District proposals. Under the Association offer, rank would remain unchanged for BA-step 7, BA-maximum, and MA-minimum. Ranking for Parkview salaries would improve at MA-step 10, MA-maximum, and Schedule maximums. Further, the Association offer would generate less total dollar loss from bench mark averages than the District offer.

The negative aspects of the Association offer relate primarily to the concerns of the taxpayers who constitute the public interest in the Parkview School District. Economic conditions are poor and unemployment is above the national average. The farm economy which is so critical to the area is particularly beset by product market difficulties. In the face of these circumstances, the Association final offer is at least 1.5% higher than the total package increase of any school in the comparison group (District Exhibit 16) and produces a salary increase of 9.98% (District Brief p. 6). This would represent a substantial wage increase when many of the District's taxpayers are unemployed or in diminished economic circumstances.

In applying the statutory factors to be considered and balancing the advantages and disadvantages of both parties' final offers, I find the offer of the Association results in a more appropriate salary increase. This determination is based on the following evaluation of the evidence presented:

1. The final offer of the Association makes needed improvement in the relative salary position of Parkview teachers.

The Association offer will result in the following relative status for Parkview salaries for 1982-83:

Table 3

1982-83 SALARY COMPARISONS

BA-base

<u>RANK</u>	<u>SCHOOL NAME</u>	<u>AMOUNT</u>	
1	Clinton	13,240	Average = \$12,899
2	Beloit-Turner	13,125	
3	Evansville	12,925	\$299 below ave.
4	Edgerton	12,875	
5	Brodhead	12,675	
6	Parkview	12,600	
7	Milton	12,400	

BA-Step 7

<u>RANK</u>	<u>SCHOOL NAME</u>	<u>AMOUNT</u>	
1	Milton	16,600	\$475 below ave.
2	Evansville	16,413	
3	Edgerton	16,351	
4	Clinton	16,285	
5	Beloit-Turner	15,981	
6	Parkview	15,750	
7	Brodhead	15,717	

Table 3 (Cont.)

1982-83 SALARY COMPARISONS

BA-maximum

<u>RANK</u>	<u>SCHOOL NAME</u>	<u>AMOUNT</u>	
1	Beloit-Turner	18,869	Average = \$18,147
2	Clinton	18,668	
3	Milton	18,000	
4	Edgerton	17,896	
5	Brodhead	17,745	\$1,263 below ave.
6	Evansville	17,705	
7	Parkview	16,884	

MA-base

<u>RANK</u>	<u>SCHOOL NAME</u>	<u>AMOUNT</u>	
1	Beloit-Turner	14,537	Average = \$14,253
2	Edgerton	14,420	
3	Brodhead	14,375	
4	Clinton	14,290	
5	Milton	14,100	\$573 below ave.
6	Evansville	13,750	
7	Parkview	13,680	

MA-step 10

<u>RANK</u>	<u>SCHOOL NAME</u>	<u>AMOUNT</u>	
1	Milton	20,850	Average = \$19,924
2	Beloit-Turner	20,050	
3	Edgerton	20,004	
4	Evansville	19,836	\$360 below ave.
5	Clinton	19,577	
6	Parkview	19,564	
7	Brodhead	19,226	

MA-maximum

<u>RANK</u>	<u>SCHOOL NAME</u>	<u>AMOUNT</u>	
1	Evansville .	23,616	Average = \$22,815
2	Milton	23,100	
3	Beloit Turner	23,069	
4	Parkview	22,572	\$243 below ave.
5	Brodhead	22,460	
6	Edgerton	22,351	
7	Clinton	22,292	

Schedule maximum

<u>RANK</u>	<u>SCHOOL NAME</u>	<u>AMOUNT</u>	
1	Evansville	25,034	Average = \$23,021
2	Beloit-Turner	24,775	
3	Milton	24,300	
4	Parkview	23,942	\$21 above ave.
5	Edgerton	23,788	
6	Clinton	22,869	
7	Brodhead	22,760	

This means that, while Parkview salaries will still rank in the lower half of the comparison group, they will remain closer to the average for each bench mark salary in the comparison group. Further,

consistent with the bargaining emphasis of the parties on better educated, more experienced staff, salaries for the Schedule maximum will be \$21 above the group average; salary for the MA-maximum will be closer to the average; salary for the MA-step 10 will be preserved at about the same dollar distance from the average.

2. The implementation of a \$12,600 base salary schedule will not disrupt the normal pattern of negotiated settlement evident in the past bargaining relationship between the parties. As clear when Table 2 and Table 3 are compared, the Association offer results in only modest improvement in the relative salaries of Parkview faculty. Even though the percentage increase involved is marginally the highest for total package in the conference, the catch-up involved will still see the total dollars paid at various salary positions generally below the average among conference schools. There is no windfall or great leap forward in a \$12,600 base which would discourage the voluntary settlements which have characterized the parties' very successful bargaining relationship.

3. The new base of \$12,600 is awarded with due consideration for both the public interest and the ability of the District to fund the salary increase. There was no contention that the District had an inability to pay the cost of either final offer. The District estimated the cost of the Association offer at \$22,300 more than the cost of the District final offer. Even in a period of some economic stress in the local area, this cost difference will cause no actual hardship on local taxpayers in the form of higher taxes. Further, even though the teacher wage increase will exceed the settlement with the District's non-certified employees, the teacher salaries will still rank in the lower half of the comparison group with a \$12,600 base.

In summary, the final offers of both parties showed recognition of a need for some catch-up adjustment in Parkview teacher salaries. While the final offer of the District was reasonable in that it reflected one of the highest percentage increases in the comparison group, it would cause only slight improvement in the relative dollar position of Parkview teacher salaries because of their substantially lower than average 1981-82 salaries. The Association offer is selected as more reasonable because it represents a gradual and needed adjustment in the relative dollars earned by Parkview teachers in comparison with other schools in the Rock Valley Athletic Conference.

Therefore, in accordance with the above discussion I hereby make the following

AWARD

The final offer of the Association is selected by the Arbitrator as the 1982-83 salary provision of the agreement between the parties.

June 15, 1983
Iowa City, Iowa

Richard Pemetter
Richard Pemetter
Arbitrator