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 * In the matter of the dispute * ARBITRATION *
 * * * * * * AWARD *
 * * * * * * between * WERC Case IX No. 29872 *
 * * * * * * REEDSVILLE BOARD OF EDUCATION * MED/ARB-1726 *
 * * * * * * REEDSVILLE, WISCONSIN * Decision No. 19926-A *
 * * * * * * and * Richard Pegnetter *
 * * * * * * REEDSVILLE EDUCATION ASSOCIATION * Arbitrator *
 * * * * * * * June 27, 1983 *
 * * * * *

APPEARANCES

For the District

Kenneth Cole, Director of Employee Relations Services,
 Wisconsin Association of School Boards

For the Association

Dennis W. Muehl, Director, Bayland Teachers United
 Nancy Skadden, Research Consultant, Bayland Teachers United

Having reached an impasse in their efforts to negotiate terms for their 1982-83 contract, the District, Reedsville Board of Education, and the Association, Reedsville 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 mediation effort on December 15, 1982 in Reedsville, Wisconsin. Settlement was not reached in mediation and an arbitration hearing was commenced immediately after mediation. During the hearing, the parties were given full opportunity to present evidence and argument. Both parties filed briefs after the conclusion of the hearing. The parties listed the following Issues at Impasse for final determination by the Arbitrator: HEALTH and DENTAL INSURANCE, LEAVE, PAY DAY, and SALARY.

COMPARABILITY

The parties both stressed comparisons with other school districts in substantial parts of their evidence presentations. Since their comparison groups were not identical, the issue of comparability must be examined in preface to evaluating the parties' positions on the issues in dispute.

Positions of the Parties. The parties proposed comparison groups which both drew heavily on the Olympian Athletic Conference, but with different limitations and inclusions. The District comparison group included: Brillion, Chilton, Denmark, Freedom, Hilbert, Kiel, Mishicot, Stockbridge, Valdars, Wrightstown, and Reedsville. This grouping eliminated Gibraltar and Sevastopol, which are conference schools, and added Chilton, Kiel, and Stockbridge, which are not in the conference. The District based its selection of comparable schools on geographic proximity. The districts used were all close to Reedsville and most are in the same athletic conference. The two conference schools eliminated were in Door County and not contiguous or even nearby.

The Association used two comparison groups, a primary group and a secondary group. The primary group, so designated as the most significant, included all schools in the athletic conference and three non-conference schools which were nearby. The final list was Brillion, Denmark, Freedom, Gibraltar, Hilbert, Mishicot, Sevastopol, Reedsville, Valdars, and Wrightstown, plus the non-conference schools of Chilton, New Holstein, and Kiel. The Association contended that this group was the most appropriate because the schools

included were all in the athletic conference or close to Reedsville and similar. The Association also noted that several arbitrators in disputes involving Olympian Conference schools had added non-conference schools as comparables. In particular, Arbitrator Miller had used Chilton, Kiel, and Stockbridge in an arbitration involving the parties to the instant dispute in 1981 (WERC Case VI, No. 26305, MED/ARB-739).

The Association presented evidence from a secondary group of comparison schools as a supplement to the data from the primary group. These schools could best be described as being located in a circle surrounding most of the primary comparison group. The group included: De Pere, Elkhart Lake, Howards Grove, Kaukauna, Kewaunee, Kimberly, Kohler, Little Chute, Plymouth, Seymour, Two Rivers, and West De Pere. The Association submitted that the lack of settlement evidence from the primary group of schools made the use of such a secondary group valuable and necessary.

Discussion. Section 111.70 (4) (cm) 7 of the Act provides that wage comparisons with "comparable communities" are to be made by the arbitrator. There is no doubt that, in school disputes, the use of the athletic conference schools in which a given district participates is given significant weight by arbitrators. The athletic conference is a common identity bond for the member schools and their faculties. They are usually somewhat similar in size and located in generally close proximity to each other. As the Association notes in brief, the use of athletic conference schools is commonly adopted by arbitrators (Association Brief, pp. 8-10). I find such logic persuasive here. The athletic conference is a meaningful grouping for purposes of comparison. And while the districts of Gibraltar and Sevastopol are not contiguous with the main body of the group, they are nearby and similar in size to Reedsville and, therefore, considered appropriate comparison districts.

As for the inclusion of non-conference schools, both parties agree that Chilton and Kiel should be added to the comparison group. Further, both of these schools were used as additions to the conference group in the past arbitration involving the parties. However, I find differences with the additional non-conference schools proposed. Stockbridge, suggested by the District, is much smaller than Reedsville (District Exhibit 3) and has no salary schedule, making wage comparisons less meaningful. New Holstein, proposed by the Association, is larger in enrollment than any school in the conference (Association Exhibit 5). Further, when New Holstein was added as a comparable school in an arbitration involving another Olympian Conference school, both the union and the employer apparently agreed on its addition (Association Brief, p. 9). Consequently, the undersigned will use the athletic conference, plus two additional non-conference schools, as the comparison group. These schools all share common interests and/or are similar in size and geographically close to Reedsville. This group consists of the following schools: Brillion, Chilton, Denmark, Freedom, Gibraltar, Hilbert, Kiel, Mishicot, Reedsville, Sevastopol, Valdars, and Wrightstown.

Regarding the Association proposal that a secondary group of comparison schools be used, I do not find this data valuable. While I note the small amount of settlement data for the primary group, the same appears true for the secondary group, where evidence on 1982-83 salaries is available for only 3 of the 12 schools. Further, most of the schools in the secondary group are considerably larger than Reedsville (Association Exhibit 30). Thus, reliance on data will be limited to the comparison group identified above by the Arbitrator.

HEALTH and DENTAL INSURANCE*U views*

The current agreement provides both health insurance and dental insurance with shared payment of premiums. The District pays a maximum of \$92.02 a month for health insurance, with an initial employee contribution of \$2.50. The District pays up to \$28.64 per month for dental insurance and the employee is initially responsible for \$2.00 of the monthly premium. Further premium costs above the specified limits are paid by the employee.

Positions of the Parties. The District proposed that the employer contribution for health insurance be increased to \$125.85 and the dental insurance payment be increased to \$34.27 per month. The Association final offer was for an employer payment of \$131.82 a month for health insurance and \$37.26 for dental insurance.

The District provided evidence to show that, when the total value of health and dental insurance paid by the employer for Reedsville teachers is considered, the District compares favorably with other comparable schools (District Exhibit 15). The District contended that its offer represented a reasonable effort to absorb most of the increased cost of health and dental insurance.

The Association argued that its final offer would maintain the employee contributions at \$2.50 for health and \$2.00 for dental insurance. Under the District proposal, the Association calculated that the employee contribution would increase to \$8.47 per month for health insurance and \$4.99 for dental coverage (Association Exhibit 47). The Association submitted that the vast majority of most comparable schools paid 100% of the premium cost for both health and dental insurance (Association Exhibits 45 and 46). The Association noted that its offer on health and dental insurance still provided less than 100% employer payment of premiums, 97% for health and 88% for dental. The Association maintained that its proposal was reasonable and more comparable than the District's offer.

Discussion. The cost differences between the parties' final offers are not substantial and ability to pay has not been raised regarding any of the economic issues in dispute. Data from the comparison group show that Reedsville provides a lower level of employer paid health and dental insurance than the majority of schools. Only Denmark, and possibly on balance Mishicot and Gibraltar, provides less employer contribution than Reedsville for health insurance (District Exhibit 15 and Association Exhibit 45). Reedsville compares better in the area of dental insurance in terms of the cash value of employer contribution, however it is one of only 5 districts in the comparison group which does not pay 100% of either single or family coverage (Association Exhibit 46). The Association offer would improve the current level of health and dental insurance paid by the employer, but still leave coverage at less than fully paid by the District. At current rate estimates, 98% family and 95% single coverage for health and 95% family and 83% single employer paid share of dental insurance would result under the Association proposal (Association Exhibit 48). Consequently, I find that the Association offer on health and dental insurance is best supported by evidence from the comparison group. It represents a reasonable increase in employer contribution to premium payments which is consistent with the pattern of this fringe benefit area among comparable schools.

LEAVE

The current agreement has a provision which grants and permits the accumulation of sick leave. The contract also provides five days of emergency leave per year for illness or death in the immediate family.

Positions of the Parties. Both parties proposed that one day of emergency leave could be used as personal leave. Both the District and the Association proposals provided that, when employees used emergency leave as a day of personal leave, the employee would pay the cost of a substitute teacher. However, the District proposal also provided that emergency leave would be deducted from accumulated sick leave.

The District submitted no comparative evidence in support of its leave proposal. The Association introduced evidence to show that, with the addition of personal leave, Reedsville would compare favorably with schools in the comparison group (Association Exhibit 50). The Association argued that it was common in the comparison group to deduct personal leave from sick leave, but none deducted personal leave from both emergency leave and sick leave. The Association claimed that deducting personal leave from emergency leave and deducting emergency leave from sick leave, plus paying the cost of personal leave substitutes represented a punitive attitude toward personal leave.

Discussion. There is no evidence which endorses the multiple deduction system of the District proposal. While three districts in the comparison group deduct personal leave from sick leave, Brillion, Denmark, and Kiel, none deduct personal leave from more than one leave bank. The Association final offer provides for the teacher to pay the cost of a substitute teacher when the personal leave day is taken. Consequently, no financial cost to the District will occur when personal leave is used. Most schools in the comparison group impose only one leave deduction or cost on the employee's use of a personal day. Thus, the Association proposal is selected as the more reasonable of the two offers in terms of cost to the District and data from the comparison group.

PAY DAY

The contract now provides for pay day to be on Tuesday following the first and third Monday of each month.

Positions of the Parties. The District proposed that pay day would occur on Friday following the first and third Monday of each month. The Association offer also provided Fridays after the first and third Mondays of the month as pay days. However, the Association clause added that when a Friday pay day was not a working day, teachers would be paid on the last working day which preceded the specified Friday pay day. Neither party presented any comparative evidence regarding the pay day issue.

Discussion. There is little to distinguish the parties' two proposals. The Association argued in brief that problems in receiving checks might arise when a pay day Friday occurs within a holiday or vacation period (Association Brief, pp. 25-26). Without demonstrated evidence that actual hardships have or would occur without a specified back-up system of pay check distribution, the Arbitrator finds the past contract to be the most reasonable basis for selecting a final offer. The 1981-82 agreement did not provide an alternative pay distribution day when a Tuesday pay day was a non-work day. There was no evidence to show any undue burden on employees under the current contract. Therefore, the offer of the District, which is identical in form to the 1981-82 clause, is found to be most appropriate.

SALARY

The 1981-82 agreement establishes a salary schedule base of \$12,000 and has 4 education lanes, BA, BA + 15, BA + 30, and MA. The annual experience increment or step increase for each education lane is \$470, ranging from 12 steps in the BA lane to 15 steps in the MA education lane.

Positions of the Parties. The District final offer provided for a new salary base of \$12,715 and no change in the current experience increment of \$470. The Association proposed a 1982-83 base salary of \$12,800 and step increases of \$540 in each education lane.

The District stressed several points in justifying its salary offer. First, the District noted that the recent rate of inflation was less than 6% (District Exhibit 19). The District estimated the increase represented in its total wage and fringe offer at 8.25% (District Exhibit 16). The Association wage offer would result in an average increase of 12.2% under the District's calculations, more than double recent increases in the cost of living (District Exhibit 17).

Second, the District emphasized that recent settlements with the Association had exceeded 12.5%; 12.62% for the 1980-81 contract and 12.64% in 1981-82 (District Exhibit 24). The District contended that, given the magnitude of recent increases, an 8.25% increase was reasonable in current economic conditions.

Third, the District submitted that Reedsville salaries and increases in 1981-82 had compared favorably with comparable districts (District Exhibits 5 through 9). The District noted that one school in the comparison group, Chilton, had settled at 9% (District Exhibit 18) and that arbitration awards for 1982-83 salaries were generally under 10%. Consequently, the District argued that its 8.25% offer would keep Reedsville salaries competitive and was more appropriate to the available settlement evidence.

The Association placed most emphasis on comparisons and used several bench marks in presenting its salary data. The bench mark salaries were: Ba-base, BA-step 7, BA-maximum, MA-base, MA-step 10, MA-maximum, and schedule maximum. The Association submitted that its proposal to increase the experience increments from \$470 to \$540 was essential in keeping salaries for more experienced teachers in Reedsville competitive. The Association introduced evidence to show that most schools in the comparison group had higher increments in parts of their salary schedule than Reedsville's largest and unchanging experience increment of \$470 (Association Exhibits 19 and 20). The Association also noted that many comparable districts had a larger horizontal dollar gain between the BA and MA lane than Reedsville's \$900 total horizontal increment (Association Exhibit 25).

The Association submitted that the average gain across the bench mark salary positions for the two comparison group schools which had settled 1982-83 salaries was much higher than the bench mark gains in the District offer. The Association calculated the average bench mark growth for the two comparable schools, Brillion and Chilton, to range from 5.4% at BA-minimum to 7.5% at the schedule-maximum. Under the District offer, the range would be 6% to 3.6% for the same bench marks, while the Association salary offer would produce a range of 6.7% to 9.3% (Association Brief, p. 39). The Association argued that acceptance of the District offer would further reduce the poor comparison position shown by Reedsville salaries in 1981-82 (Association Exhibits 10 through 16).

The Association contended that past inflation had eroded much of the gain of past salary increases and that the District could afford to put more financial effort into its wage program (Association Exhibits 39, 40, and 9). The Association posited that its wage offer would result in a more appropriate wage position for Reedsville salaries and was more reasonable.

Discussion. While both parties emphasized comparisons in their respective presentations, the normal usefulness of such data was constrained because of the small number of 1982-83 settlements available during the course of the hearing and post-hearing briefs. Only two settlements were so reported, Chilton and Brillion.* No total package percentage increase was calculated for Brillion and the reported increase for Chilton was 9%.

In evaluating the salary offers of the parties, it is clear that the major differences between them are generated by the nature and size of the experience increment. The two offers start out at the level of base salaries being only \$85 apart. Yet, when the highest salaries earnable at MA-step 15 are compared, the two respective figures on the salary schedules are \$1,135 apart. The reason for the increased difference in the two final offers is the use of a \$70 per step increase in the Association proposal, while the District schedule retains a \$470 increment from the current 1981-82 schedule.

While most districts in the comparison group use some form of varying increments which change as movement on the salary schedule occurs, Reedsville is one of only 4 districts in the comparison group which uses a single, fixed increment for all steps on the salary schedule (Association Exhibit 19). As of 1981-82, this form of salary structure has not worked too harshly against the comparative position of Reedsville in terms of bench mark salaries.** Table 1 reveals that, while below the average at various salary positions, Reedsville salaries are several levels above the lowest rank in all categories.

TABLE 1
1981-82 Salary Rankings

| <u>BA-base</u> | | <u>BA-step 7</u> | |
|-------------------|----------|--------------------|----------|
| Gibraltar | \$12,450 | Gibraltar | \$16,380 |
| Sevastopol | 12,300 | Freedom | 16,038 |
| Denmark | 12,150 | Sevastopol | 15,990 |
| Freedom | 12,150 | Denmark | 15,795 |
| Hilbert | 12,150 | Chilton | 15,300 |
| Chilton | 12,000 | Kiel | 15,240 |
| Kiel | 12,000 | Mishicot | 15,029 |
| Wrightstown | 12,000 | <u>Reedsville</u> | 14,820 |
| <u>Reedsville</u> | 12,000 | <u>Wrightstown</u> | 14,790 |
| Mishicot | 11,975 | Hilbert | 14,760 |
| Valders | 11,925 | Valders | 14,730 |
| Brillion | 11,750 | Brillion | 14,379 |

*Brillion was noted to have a tentative agreement at the time of the hearing. This agreement was verified by the Association without contest by the District after the hearing. A settlement through arbitration for Valders was submitted after the receipt of briefs and, as such, was not tested as evidence or identified as complete comparative data.

**The Arbitrator has used the 7 bench marks proposed by the Association and commonly used in interest arbitration in Wisconsin.

TABLE 1 (Cont.)

1981-82 Salary Rankings

| <u>BA-maximum</u> | | <u>MA-base</u> | |
|-------------------|----------|-------------------|----------|
| Gibraltar | \$20,965 | Freedom | \$14,337 |
| Sevastopol | 20,664 | Gibraltar | 13,450 |
| Denmark | 20,090 | Hilbert | 13,350 |
| Freedom | 19,683 | Sevastopol | 13,200 |
| Valders | 18,670 | Kiel | 13,200 |
| Kiel | 18,480 | Mishicot | 13,173 |
| Mishicot | 18,082 | Denmark | 13,050 |
| Chilton | 17,700 | Wrightstown | 13,000 |
| Reedsville | 17,640 | Reedsville | 12,900 |
| Brillion | 17,620 | Valders | 12,725 |
| Wrightstown | 17,580 | Chilton | 12,700 |
| Hilbert | 16,065 | Brillion | 12,650 |
| <u>MA-step 10</u> | | <u>MA-maximum</u> | |
| Freedom | \$19,683 | Freedom | \$23,814 |
| Gibraltar | 19,345 | Gibraltar | 22,265 |
| Denmark | 18,792 | Sevastopol | 21,564 |
| Sevastopol | 18,735 | Chilton | 21,563 |
| Chilton | 18,098 | Denmark | 21,530 |
| Kiel | 18,060 | Kiel | 21,300 |
| Hilbert | 17,805 | Hilbert | 20,775 |
| Mishicot | 17,753 | Valders | 20,075 |
| Wrightstown | 17,545 | Reedsville | 19,950 |
| Reedsville | 17,130 | Mishicot | 19,759 |
| Valders | 16,970 | Brillion | 19,470 |
| Brillion | 16,916 | Wrightstown | 19,060 |

Schedule-Maximum

| | |
|-------------|----------|
| Freedom | \$24,907 |
| Gibraltar | 22,265 |
| Chilton | 21,901 |
| Sevastopol | 21,744 |
| Kiel. | 21,540 |
| Denmark | 21,530 |
| Hilbert. | 21,375 |
| Valders - | 20,475 |
| Reedsville | 19,950 |
| Wrightstown | 19,800 |
| Mishicot | 19,759 |
| Brillion | 19,470 |

However, the long term difficulty with the approach of using equal, flat dollar increases for all education lanes is that it usually fails to encourage teachers to secure additional education and, thereby, move to higher education lanes. This potential shows some evidence in Reedsville. Only 9 teachers have secured additional education credits beyond a BA degree (Association Exhibit 54). This means that 78% of the staff is in the BA lane. The shortcoming of the District proposal is that it would tend to diminish the competitive position of salaries for experienced, MA degreed teachers at Reedsville. The Association proposal results in better MA salaries at higher steps, but at the expense of substantial and unjustified raises for teachers on the BA education lane. For example a teacher moving from 1981-82 BA-step 6 to BA-step 7 under the Association proposal would receive an 11.9% raise. Further, the level of wage and fringe gain provided in the Association final offer would exceed any settlement which could be cited by the Association.

Alternatively, the District offer measures more reasonably against the small settlement data available. The 8.25% total increase compares favorably with the reported 9% settlement at Chilton. Further, the District offer generally tests acceptably in terms of bench mark comparisons as shown in Table 2.

TABLE 2
1982-83 Salary Comparisons

| | | | |
|-----------------------|----------|-----------------------|----------|
| <u>BA-base</u> | | <u>BA-step 7</u> | |
| Reedsville | \$12,715 | Chilton | \$16,046 |
| Chilton | 12,585 | Reedsville | 15,535 |
| Brillion | 12,475 | Brillion | 15,376 |
| <u>BA-maximum</u> | | <u>MA-base</u> | |
| Brillion | \$19,244 | Reedsville | \$13,615 |
| Chilton | 18,563 | Brillion | 13,598 |
| Reedsville | 18,355 | Chilton | 13,285 |
| <u>MA-step 10</u> | | <u>MA-maximum</u> | |
| Chilton | \$18,931 | Chilton | \$21,920 |
| Brillion | 18,341 | Brillion | 21,503 |
| Reedsville | 17,845 | Reedsville | 20,665 |

Schedule-Maximum

| | |
|------------|----------|
| Chilton | \$22,250 |
| Brillion | 21,503 |
| Reedsville | 20,665 |

However, Table 2 also substantiates the point being urged here by the Arbitrator as dicta. Namely, the parties should focus attention in their next negotiations on moving to some form of variable increment which would increase as experience in higher education lanes occurred. Otherwise, Reedsville salaries which compare adequately at base levels in various education lanes will slip to last in rank at higher experience levels.

But for now, the District offer provides a more reasonable wage increase than does the offer of the Association. It substantially exceeds increases in the cost of living, provides meaningful raises in the BA lane where most teachers are located, and compares well with the levels of total increase reported for the comparison group. Hence, the District salary offer is selected.


In summary, the selection of a final offer package is required under the Act. In making such a choice, the findings on each issue and the weight accorded to the significance of each issue must be balanced. Here, the Association offers were selected for health and dental insurance and for leaves. The District offers for pay day and salary were selected. The Association urges (Association Brief, p. 6), and the Arbitrator concurs, that the salary issue is the most important. Consequently, the Arbitrator selects the District final offer as, on balance, the most appropriate. However, as a final dicta note, I would strongly recommend that the parties re-examine the leave policy put in place under this final offer package award when they negotiate their 1983-84 agreement.

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

AWARD

The Final Offer of the District is selected by the Arbitrator to be included in the terms of the 1982-1983 agreement between the parties.

Iowa City, Iowa
June 27, 1983



Richard Pagnetter
Arbitrator