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In the Matter of Final and Binding Arbitration Between :  
: AWARD WISCONSIN EMPLOYMENT  
UNITED LAKEWOOD EDUCATORS : RELATIONS COMMISSION  
: Case XX No. 30307  
and :  
: MED/ARB-1892  
WATERTOWN UNIFIED SCHOOL DISTRICT : Decision No. 20212-A

I. HEARING. A hearing in the above entitled matter was held on March 2, 1983, beginning at 10 a.m. at the District offices of the Watertown Unified School District, 111 Dodge Street, Watertown, WI 53094.

II. APPEARANCES.

LARRY L. KELLEY, UniServ Director, United Lakewood Educators, appeared on behalf of the Union.

CLIFFORD B. BUELOW, Attorney, DAVIS, KUELTHAU, VERGERONT, STOVER, WERNER & GOODLAND, S.C., appeared on behalf of the District.

III. NATURE OF THE PROCEEDINGS. This is a proceeding in final and binding final offer arbitration pursuant to Section 111.70 (4) (cm) 6 of the Municipal Employment Relations Act of Wisconsin. The United Lakewood Educators petitioned the Wisconsin Employment Relations Commission to initiate final and binding final offer arbitration after a labor agreement between it and the Watertown Unified School District had expired on August 28, 1982. The petition was initiated on August 31, 1982. The Commission conducted an investigation through Stephen Schoenfeld, a staff member. After the investigation the staff person reported that the parties were still at an impasse. The Commission thereafter concluded that the parties had substantially complied with procedures required prior to mediation-arbitration and that an impasse existed within the meaning of the statutes, certified that the conditions precedent to the initiation of final and binding arbitration existed and ordered mediation-arbitration on January 3, 1983. Thereafter the parties selected Frank P. Zeidler, Milwaukee, Wisconsin, as mediator-arbitrator, and the Commission appointed him on January 24, 1983. Mediation occurred on February 7, 1983, but the impasse remained. The hearing then occurred as above, and the final reply briefs were exchanged on May 9, 1983.

IV. THE OFFERS.

A. The United Lakewood Educator's Offer.

"The final offer of the United Lakewood Educators is to;

"1. Continue in the 1982-83 Collective Bargaining Agreement (CBA) all provisions of the previous CBA not amended by bargaining and not in dispute.

"2. Include all stipulated tentative agreements in the 1982-1983 CBA.

"3. Proceed to MED/ARB those issues in dispute as follow.

"1. Article IV. F.5.f.: amend as follows:

"f. Full payment schedule for substitute pay based on \$6.75 per hour shall be as follows:

- "1/ 41+60 minute periods + \$6.75 per period
- 2/ 21+40 minute periods + \$4.50 per period
- 3/ Up to 20 minute periods + \$2.25 per period

"On comp. time those teachers who are assigned to substitute shall be granted equivalent comp. time off at a mutually agreeable time."

"Article XX - Duration

"This Agreement shall be effective from August 23, 1982 through August 23, 1983."

5. WATERTOWN 1982-83 SALARY SCHEDULE

<u>STEP</u>	<u>BA</u>	<u>BA+10</u>	<u>BA+20</u>	<u>BA+30</u>	<u>MA</u>	<u>MA+10</u>	<u>MA+20</u>	<u>MA+30</u>
1	14,000	14,526	15,051	15,577	16,102	16,628	17,153	17,679
2.	14,596	15,143	15,691	16,239	16,787	17,335	17,883	18,430
3.	15,191	15,761	16,331	16,901	17,471	18,041	18,612	19,182
4.	15,786	16,378	16,971	17,563	18,156	18,748	19,341	19,933
5.	16,381	16,995	17,610	18,225	18,840	19,455	20,070	20,684
6.	16,976	17,613	18,250	18,887	19,524	20,161	20,799	21,436
7.	17,571	18,230	18,890	19,549	20,209	20,868	21,528	22,187
8.	18,166	18,847	19,529	20,211	20,893	21,575	22,257	22,938
9.	18,761	19,465	20,169	20,873	21,577	22,281	22,986	22,690
10.	19,356	20,082	20,809	21,535	22,262	22,988	23,715	24,441
11	19,951	20,699	21,448	22,197	22,946	23,695	24,444	25,192
12.	20,546	21,317	22,088	22,859	23,630	24,401	25,173	25,944
13.	21,141	21,934	22,728	23,521	24,315	25,108	25,902	26,695
14.	21,736	22,551	23,367	24,183	24,999	25,815	26,631	27,446

B. The District's Offer.

"FINAL OFFER  
WATERTOWN UNIFIED SCHOOL DISTRICT

- "1. Duration: two years (change all dates accordingly).
- "2. Salary: increase base for 1982-83 to \$13,735 (sample salary schedule attached).
- "3. Amend Article XX, DURATION, to read:

"This Agreement shall be effective from August 23, 1982 through August 23, 1984, except that either party may reopen Articles VI, XI and the calendar by serving notice of intent to reopen at least sixty (60) days prior to August 31, 1983."

	BA	BA + 10	BA + 20	BA + 30	MA	MA + 10	MA + 20	MA + 30
0	13735	14250	14765	15280	15795	16310	16825	17340
1	14319	14856	15393	15930	16467	17004	17541	18078
2	14902	15461	16021	16579	17139	17698	18257	18816
3	15486	16067	16648	17226	17810	18391	18972	19553
4	16070	16673	17276	17877	18482	19085	19688	20291
5	16654	17279	17904	18527	19153	19778	20403	21028
6	17237	17884	18531	19174	19825	20472	21117	21764
7	17821	18490	19159	19825	20497	21166	21835	22503
8	18405	19094	19787	20476	21163	21859	22550	23241
9	18989	19700	20414	21124	21840	22553	23266	23979
0	19572	20306	21042	21778	22512	23246	23981	24716
1	20156	20912	21670	22424	23183	23940	24697	25454
2	20740	21517	22297	23073	23855	24634	25412	26191
3	21324	22123	22925	23723	24527	25327	26128	26929

V. FACTORS TO BE WEIGHED. The following factors are to be considered by the arbitrator in this matter according to Section 111.70 (4) (cm) 7 of the statutes:

- 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.

VI. LAWFUL AUTHORITY. There is no issue here as to the lawful authority of the Employer to meet either offer.

VII. STIPULATIONS. The parties have stipulated to all issues other than those treated herein.

VIII. THE FINANCIAL ABILITY OF THE DISTRICT TO MEET THE COSTS. There is no contention here on the part of the District that it cannot meet the costs of either offer. It is contending that it is not in the interests and welfare of the public to meet the Union's offer. This matter will be treated after the aspects of the offers have been considered.

X. COSTS OF THE OFFERS. There is a major difference between the parties on how the costs of the offers should be calculated. The difference arises from interpretation of what happened when a Master Agreement 1978-1981 was modified by an addendum for 1981-82. Also the matter of percentage changes in costs is in dispute because of a contention by the Union that the present value of the offers must be considered as decreased and because of 20 hours a year of after school work per teacher which may be required by the District, 17 of which hours are new and uncompensated.

The addendum to the earlier agreement permitted two reopeners. If personal leave use in 1980-81 was at the same level or above that in 1979-80, the Employer could reopen the clause. If health insurance premiums increased over 8%, the Employer could reopen the health insurance clause. Both conditions occurred (CBA-2).

In settling the reopeners, the parties allowed the District to self-insure or change carriers, but identical benefits were to be maintained. The 191 day calendar was reduced by one pupil contact day, and teacher salaries were proportionately reduced over a twelve month period. Also teachers could take a second day of personal leave by paying the District for a substitute at the current rate (CBA-3).

In analyzing what happened in the reopener, the Union says that the salary schedule was not changed, and that any percentage increase between 1981-82 and 1982-83 in salaries must not reflect the reduction of the one pupil contact day. This percentage change should rather be attributed to the cost of insurance (ULE Br.21). The insurance cost rise triggered the whole sequence of events.

The Board is basing its cost on the salary reduction in the schedule and says that this is the actual cost, and the reduction made the previous schedule obsolete (Bd. Br. 4). The following tables reveal some of the essential information on how the parties arrive at costs.

Table I

UNION ESTIMATE OF REAL COSTS AND PERCENTAGE INCREASES OF OFFERS, 1982-83 (ULE XV, B)

Item	1981-82	Board	1982-83		
			% Inc.	ULE	% Inc.
Salary	4,054,819.00	4,281,740.00	5.60	4,364,800.00	7.64
All Wage Items	4,239,899.00	4,473,175.00	5.50	4,558,435.00	7.51
Package Total	5,381,105.00	5,678,040.00	5.51	5,779,178.00	7.40
Ave. Teacher					
Salary	20,593.90	21,958.80	6.63	22,384.70	8.70
Ave. Teacher					
Total Package	27,322.42	29,119.63	6.58	29,638.33	8.48

Table II

UNION ESTIMATE OF SCHEDULE TO SCHEDULE COSTS (ULE XV, C)

Salary	4,076,160.00	4,386,000.00	7.60	4,470,630.00	9.68
All Wage Items	4,261,240.00	4,577,435.00	7.42	4,664,265.00	9.46
Package Total	5,407,927.00	5,822,345.00	7.66	5,925,294.00	9.57
Ave. Teacher					
Salary	20,594.00	22,159.00	7.60	22,587.00	9.67
Ave. Teacher					
Total Package	27,322.00	29,416.00	7.66	22,936.00	9.57

The following tables show the Board's cost analysis (Bd. Ex. 2-1). This is a schedule to schedule approach.

Table III

BOARD ESTIMATE OF COSTS AND PERCENTAGE INCREASES OF OFFERS, 1982-83

Item	1981-82	Board	1982-83		
			% Inc.	ULE	% Inc.
Salary	4,045,118.00	4,375,293.00	8.16	4,459,709.00	10.25
All Wage Items	4,241,967.00	4,580,080.00	7.97	4,666,646.00	10.01
Package Total	5,377,564.00	5,812,563.00	8.09	5,915,337.00	10.00

It should be observed that in the schedule to schedule approach the salary totals for 1981-82 show a ULE total of \$4,076,160 and a Board total of \$4,045,118, or \$31,042, a difference of 0.77% above the lower figure of \$4,045,118. The Board in its position on the wage schedule in 1981-82 holds that the actual wages paid teachers was equal to the wages in their printed schedule minus 1/191 or minus 0.52%. Thus about 0.52% of the percentage differences shown above in Tables II and III is accounted for by the difference in what was considered as the salary schedule of 1981-82 from which to advance the cohort of teachers one step into 1982-83.

The ULE reports 197.93 FTE for 1981-82 (ULE XV, C, 3) and 194.99 FTE for 1982-83 (ULE XV, B, 3). Using the former figure, one can derive this information from Table III:

Table IV

AVERAGE TEACHER SALARIES AND PACKAGE BENEFITS  
UNDER BOARD ESTIMATE OF COSTS, SCHEDULE TO SCHEDULE

Item	1981-82	Board	% Inc.	1982-83	
				ULE	% Inc.
Ave. Teacher Salary	20,437	22,105	8.16	22,532	10.25
Ave. Teacher Total Package	27,169	29,381	8.14	29,886	10.00

ULE in Appendix 2 of its Brief reports the 1982-83 FTE as 185.99 (also ULE Ex. VIII).

ULE in its Exhibit 11 shows a cost of 3.60% for the Board offer and a 5.90% for the ULE offer for 1982-83 which it says is the real cost of the Board's offer because it has paid no increments pending the outcome of the issue (ULE Brief 17).

ULE Positions on Costing. The ULE advances certain arguments on its position on costing which are related to what it says is the present value to the Union and to factors included in cost. The ULE holds in effect that the Employer's method of costing by not recognizing the salary schedule in the contract but discounting it by 1/191 produces a percentage increase of 0.52356% which should really be attributed to an insurance cost increase.

Further the Union gave the Employer 17 extra hours of work in 1982-83, which hours have a value. In 1981-82 teachers worked 190 days plus three hours of in-service per year. Teachers on the average worked 1372.75 hours in 190 days plus three hours. Now the District can assign 17 hours more, which is a 1.23568% increase in worktime assigned. Thus, assuming arguendo that the Board's percentage increases are correct, the net increases for salary and total package are these (ULE Br. 22):

	Board	ULE
Net Salary Increase	6.92%	9.00%
Total Package Increase	6.85%	8.76%

ULE converted its schedule to an index system constructed in relation to the BA base salary and having found the average of the indices of all teachers salaries, multiplied this average by the base to obtain an average salary for the offers. The effort yielded this information among other data:

Table V

ULE COSTING OF AVERAGE SALARIES USING AN INDEX SYSTEM, AND PERCENTAGE INCREASE, SCHEDULE TO SCHEDULE (ULE Br. Ap. 21-23)

<u>FTE</u>	<u>1981-82</u>	<u>1982-83</u>					
		<u>Board</u>	<u>\$ Inc.</u>	<u>% Inc.</u>	<u>ULE</u>	<u>\$ Inc.</u>	<u>% Inc.</u>
197.93 <sup>(1)</sup>	20,592	22,156	1,563	7.60	22,583	1,991	9.67
194.99 <sup>(2)</sup>	-	21,955	1,362	6.62	22,379	1,786	8.67

(1) 1981-82 staff advanced one step to 1982-83

(2) 1982-83 staff returned one step to 1981-82

ULE says that while the 7.60% and 9.67% increases shown in Table V are the schedule to schedule costs, the actual costs and percentage increases are represented by the 6.62% and 8.67% increases shown in Table V. It believes that the real cost is that which should be applied here as it gives a true picture.

ULE also argues that the value of its wage increase and resulting increase should be discounted by a percentage of 1.23568%, which represents the 17 additional hours per year which the employees must work.

ULE also says that the Board gained the use of the money that would have been paid out as an increase in salary. The money would have been used for 10 months, at a 10% interest rate. This being the case, the present value of the increase expressed in percentage terms is only 92.036%. The following information is derived from ULE Brief (p. 24, 25):

Table VI

PERCENTAGE INCREASES OF OFFERS TO REFLECT REAL PRESENT VALUE AND ADJUSTMENT FOR INCREASED TIME WORKED

<u>Item</u>	<u>1981-82</u>	<u>Board</u>	<u>1982-83</u>			
			<u>% Inc.</u>	<u>ULE</u>	<u>% Inc.</u>	
Salary	4,241,967	4,580,080		4,666,646		
Real Present Value		4,553,153	7.34	4,632,825	9.21	
Time Worked Adj.			-1.24		-1.24	
Value of Settlement as of 6/30/83			6.10		7.97	

By a similar calculation the percentages of the total package under the Board offer would represent a 6.21% increase, and under the ULE offer a 7.97% increase.

ULE further contends that the salary schedule of 1981-82 continued to be in existence, and the Union did not give it up but merely made a concession in answer to the Employer's expressed economic problems arising from an inordinate increase in health insurance. There was no change in the pay scale itself. But if this argument of the Board is pressed, then by the same logic the issue of the additional assignable work time of 17 hours should be used in comparison with other districts. ULE further disagrees with the Board's argument that costs other than salary are not relevant, and says the Board is illogical since it is insisting that the concessions made by the Union on the salary schedule because of insurance increases support its position. Ignoring other costs is not supported by the opinions of other arbitrators.



ULE contends that the work time changes between 1981-82 and 1982-83 must be taken into consideration when schedule to schedule increases in Watertown are compared to any set of comparables.

The Board Position on Costing. The Board says that the disagreement between the parties on costing is a serious one. In the 1981-82 reopener ULE refused to agree to any changes in health insurance but was willing to reduce the calendar and teacher salaries in lieu of a reduction in insurance benefits. This resulted, among other things, in teacher's salaries being reduced by one day's pay, and an amendment to Article VII, A, 9 achieved this. The teachers were paid pursuant to the reduced salary schedule, but ULE in its schedule-to-schedule calculations ignores this and uses the schedule before the calendar was reduced. The Board's costing schedule is the correct method and ULE's costing is fiction. The language of the agreement is unambiguous, and the teachers were paid on the reduced schedule.

The Board also rejects the methods of costing which ULE says are actual costing. The Board rejects them on the grounds that they are not relevant since the Board has not raised the issue of ability to pay. However in its "actual cost", the ULE takes into consideration the 1/19th salary reduction. The Board says that if the 1981-82 salary cost found in ULE Ex. II A is used and the estimate costs for salary for 1982-83 under the offers in ULE Ex. II B are used, the percentage increases are close to the Board's as shown in the following:

Table VII

BOARD ESTIMATE OF SALARY AND PACKAGE PERCENTAGE INCREASE FROM BOARD EX. 2-1 AND ULE EX. II, A FOR 1981-82 AND ULE EX. II, B FOR 1982-83

	<u>Board Estimates</u>		<u>ULE Estimates</u>	
	<u>Salary</u>	<u>Package</u>	<u>Salary</u>	<u>Package</u>
Board Offer	8.16	8.09	8.17	7.84
ULE Offer	10.25	10.00	10.25	9.75

The Board says that this shows that the parties are in complete agreement as to the cost of salary proposals, and that they are only 0.25% apart on package costs, which is immaterial, because the salary is the main issue.

Discussion. The determination of costs and percentages therefrom presents some difficulties here which are not usually encountered. This is because of the previous year's agreement to shorten the school year and reduce the pay by 1/191, by the increase claimed in assignable hours, and by the use of the concept of present value by ULE.

First as to the determination of the costs and percentage rise, the information presented by ULE as to actual cost increases to the Board is useful information, but actual-to-actual costs do not reflect the percentage increases to returning teachers or new hires. If there are substantial layoffs, the cost to the Employer might show a drop even if the salaries of returning teachers rises in a high percentage gain. Therefore the schedule-to-schedule approach in one of its variations, either that of moving the previous year's cohort of teachers forward one year or moving the current staff back one year, gives the fairest estimate of percentage changes in cost.

None of the cost schedules presented by the parties show this precisely. However, a set of salary figures obtained from two different ULE exhibits does show it. ULE in its Exhibit XIV, C presents a schedule-to-schedule approach in which it states the 1981-82 salary totals, based on what it claims was then the schedule, to be \$4,076,160. However the

arbitrator, based on the evidence presented in Board Exhibit CBA-3, believes that the pay schedule found in 1981-82 was that previous schedule minus 1/191. \$4,076,160 minus 1/191 amounts to \$4,054,819. This figure is the amount shown in ULE Exhibit XIV, B, in the cost-to-cost approach. Therefore the actual percentage increases on a schedule-to-schedule basis for salaries on an annualized basis is the increase from \$4,054,819 to \$4,386,000 (ULE estimate) for the Board offer and \$4,470,630 (ULE estimate) for the ULE offer. These are rises of 8.16% and 10.25% for salaries alone respectively. As shown in Table VII here, the Board's projection is slightly at variance from this. However, the arbitrator believes that the figures of 8.16% for the Board offer and 10.25% for the ULE offer represents the best estimate of what the percentage rise in costs will be on a schedule-to-schedule approach.

It should be noted that this arbitrator believes that the method of reducing salaries to indexes and developing an average salary therefrom, as pioneered by the administration of the Brown County Handicapped Children's Education Board is also a valuable method of determining percentage changes in salaries received by employees. This method is not widely used as yet, and a presumption is made here that in comparing percentage increases in salary costs the percentages to which the Watertown percentages are compared will mostly be derived from the schedule-to-schedule approach. The use of average salaries as shown in Table V and following produces a set of percentage figures substantially below those of the schedule-to-schedule approach.

A question also arises as to whether the arbitrator should discount the percentage increases in salary and cost by two factors, by present value of the dollars withheld until the case is settled and by additional hours worked. The introduction of the idea of "present value" presents difficulties. It would tend to penalize the Employer for the delay in settlement. However, not to apply the idea of present value is to reward the Employer for stalling. The arbitrator does not know if the delay in settlement is entirely attributable to one party or the other. He also doubts that even if it were, that the idea of applying the principle of "present value" should be introduced in arbitration short of an agreement beforehand. This is something akin to the idea of applying interest costs which are not customarily applied in arbitrated settlements.

As to the hours worked proposition, the Union contends that there are really seventeen additional hours which can be assigned by the Board whether the Board assigned them or not in 1982-83. The Board contends that it previously had an open-end authority in assigning and that it agreed to a cap on this. A review of the former agreement of 1978-81 reveals that Article VIII, A, 1, was open-ended in the amount of time that the administration could require of teachers in professional expenditure of time beyond the normal day (CBA-1), so that modified agreement (Bd. 1-12) is in the form of a cap. Further, even if the seventeen hours required of teachers for after-school work is the case, there is no comparison of the hours worked or of a similar provision in other agreements in comparable districts, so that this arbitrator hesitates to include the cap in additional hours required in calculations on costs, because there is nothing with which to compare this cap.

In summary, as to differences of salary and overall costs using the pattern of the schedule-to-schedule approach, and using the 1981-82 actual annualized contractual salaries, the following table provides pertinent information:

Table VIII

ESTIMATE OF SALARY AND OVERALL COSTS OF THE OFFERS  
USING THE SCHEDULE-TO-SCHEDULE APPROACH  
AND 1981-82 ACTUAL ANNUALIZED SALARIES

Item	1981-82	1982-83					
		Board			ULE		
		Amount	\$ Inc.	% Inc.	Amount	\$ Inc.	% Inc.
Salary	\$4,054,819	\$4,386,000	331,181	8.16	\$4,470,630	415,811	10.25
Package							
Total	\$5,381,105	\$5,822,345	441,240	8.19	\$5,925,294	554,189	10.11

Differences in Offers

Salary	\$ 84,630
Package	102,949

XI. COMPARABLE DISTRICTS. The experience within the Watertown school district appears to have been that in the past there has not been an extensive use of comparable districts to which to refer in final offer disputes. Accordingly the parties have presented the arbitrator with a wide range of districts for comparison. ULE in its presentations at the hearings originally offered information on 42 different districts. ULE subsequently cited the following districts as comparable: Marshfield, Hamilton, Kettle Moraine, Mukwonago, Muskego, Watertown, Ashwaubenon, Beaver Dam, Menasha, Oak Creek, Oconomowoc, West Bend (ULE Br. 2). The Board used several districts for reference. One set of districts came from the "Little Ten Conference". These included Oconomowoc, Waupun, Hartford UHS, West Bend, Beaver Dam, and Watertown (Bd. Ex. 3-1). Another list included school districts in the nearby Jefferson County area: Jefferson, Fort Atkinson, Lake Mills, Whitewater and Palmyra. These were districts within 25 miles and which had more than an FTE of 75. The Board also made reference in rebuttal exhibits to ULE districts of Mukwonago, Muskego-Norway, Hamilton-Sussex, Kettle Moraine (Bd. Ex. 3-5).

The comparables cited by the parties included four districts which were in common in the lists: Beaver Dam, Oconomowoc, Watertown and West Bend. Nineteen districts in all were frequently cited.

Table IX

SELECTED CHARACTERISTICS OF DISTRICTS USED BY THE PARTIES  
AS COMPARABLES

Union List	1982-83		1981-82	1981-82	1981-82
	Adm. (2)	FTE (3)	Per Pupil Costs (4)	Primary Equ. Val. (5) (000)	School Tax Levy (6)
School Districts in ULE					
Hamilton	2,932	196.39	2,253	\$383,751	9.76
Kettle Moraine	3,262	211.05	2,253	444,485	9.76
Mukwonago	4,324	259.80	2,144	500,354	9.28
Muskego-Norway	3,598	223.23	2,143	428,553	9.27
Watertown (1)	3,159	185.99	2,167	509,346	9.38
Other					
Ashwaubenon	3,138	180.5	2,184	407,741	9.45
Beaver Dam (1)	3,005	181.58	2,203	444,216	9.53
Marshfield	3,598	213.74	2,021	528,469	8.75
Menasha	3,051	182.25	2,052	424,782	8.88
Oak Creek (1)	3,661	215.20	2,159	607,409	9.35
Oconomowoc (1)	4,397	272.47	2,253	755,507	9.76
West Bend (1)	5,969	382.11	2,253	850,967	9.76

Table IX - continued

Board List	1982-83	1982-83	1981-82	1981-82	1981-82
	Adm. (2)	FTE (3)	Per Pupil Costs (4)	Primary Equ. Val. (5) (000)	School Tax Levy (6)
Not duplicating any above					
Fort Atkinson	2,559	148.50	2,253	\$332,571	9.76
Hartford	1,684	94.11	2,060	609,092	7.98
Jefferson	1,853	133.64	2,167	261,958	9.38
Lake Mills	1,067	78.90	2,234	195,395	9.67
Palmyra	1,212	83.37	2,151	146,762	9.32
Waupun	2,386	136.10	2,075	338,571	8.99
Whitewater	1,804	119.73	2,253	317,345	9.75

- (1) In both lists
- (2) ULE Br. 1
- (3) ULE Br. 2
- (4) ULE Br. 5
- (5) ULE Br. 6
- (6) ULE Br. 7

ULE listed 24 school districts within 25 miles of Watertown. These districts range from a district with FTE 50.85 (Johnson Creek) to a district with an FTE 272.47 (Oconomowoc) (ULE Br. A. 9, ULE XVIII). The significance of this will be considered in the discussion.

ULE Exhibit 5 listed 17 districts used by the Board in comparing administrative salaries. The districts were Antigo, Ashwaubenon, Beaver Dam, Burlington, Howard-Suamico, Kaukauna, Marshfield, Menasha, Merrill, Middleton, Muskego, Oak Creek, Oconomowoc, Pulaski, Rhinelander, Stoughton and Waupun.

Position of ULE on Comparables. ULE rejects the use of the Little Ten Athletic Conference as a major base of comparables, because the conference includes districts 35-40 miles of Watertown, and includes a Union high school and a private school. ULE says the conference has too wide a range of FTE's (94.11 to 382.11), a corresponding wide difference in pupil enrollment, and a large variation in Primary Equalized Valuation. Using the characteristics of the conference would admit of also including many other school districts. If the conference is used, then the arbitrator should allow other schools in the ranges represented by the conference to be included or else not use the conference as a major criterion.

ULE also says that if schools within a 25 mile radius of Watertown are used, schools only in Dodge and Jefferson Counties, then other school districts within a 25 mile radius in other counties should be included. The ULE contends that the Board has been selective in an attempt to skew the results in its direction.

ULE says that its districts are comparable using a number of different criteria, and the schools include area schools, ULE schools and school districts used by the Watertown school district to compare administration salaries. ULE says that on the basis of comparison by city government, government services, media, industry, square miles covered, and educational facilities contained in the District's major community, the most comparable of the communities to Watertown are Ashwaubenon, West Bend, Marshfield and Oak Creek. To a lesser extent Beaver Dam and Fort Atkinson might be included. From this ULE proposes that the list of most comparable districts include Marshfield because its community composition is so closely comparable to Watertown and the ULE districts. The ULE districts are considered comparable because of the single governance structure of the teachers' union related to them, and because of the joint bargaining team which provides a common denominator for each of the districts served by ULE. They are to be used then as first line comparables.

ULE also reviewed factors relating to the other potential comparable school districts. The factors included population of the major community in the school district, FTE, student enrollment, primary state aids per student, primary equalized valuation, state aid increases for 1982, primary school budget costs per pupil, school tax levy rates, and 1983-84 projected state aid increases. ULE says that all the other districts except Oconomowoc fall within the ranges of 10% and 20% used by ULE to determine comparability. Using the factors of population, FTE, enrollment, state aids, equalized valuation, and aid increases, ULE found that Marshfield, Ashwaubenon, Beaver Dam, Hamilton, Menasha, and Oak Creek were within a 10% range. If a 20% range is used, the most comparable districts in rank would be Marshfield, Menasha, Beaver Dam, Ashwaubenon, Muskego, Oak Creek, and West Bend (ULE Br. 13-15).

ULE contends also that ULE schools are in a same general labor market area which includes also Oak Creek.

ULE says as a result of its study, it holds these districts as most comparable:

Hamilton/ULE, Kettle Moraine/ULE, Mukwonago/ULE, Muskego/ULE, Oak Creek and Marshfield. The second range of comparables would be Ashwaubenon, Menasha, West Bend, and Beaver Dam.

ULE is critical of the Board comparables saying that though the equalization school aid law argues against restricted economic areas, the Board is favoring this. ULE also notes that although it and the Board did not include the Hartford District in the comparables, yet there was an award in that district which favored the Union. ULE further contends that the Board's selection in its brief of four ULE schools, three athletic conference schools and three smaller Jefferson County schools is an effort to skew results favorable to the Board. Thus also the Little Ten Conference is also too restrictive.

ULE says that it would be comfortable with almost any set of comparables if the differences in the schools are realistically adjusted for a fair work load comparison.

Position of the Board on Comparables. The Board notes that the ULE at the outset of the hearing did not know what its list of comparables would be, but developed one only after it knew the Board's list. Thus it chose only three of the Board's comparables. The Board rejects the ULE school districts and Marshfield as comparables. The Board says that the law does not compel comparables to be determined on the basis of union affiliation; and also Marshfield is too far away. It also holds that Hamilton, Mukwonago, Muskego and Kettle Moraine are too heavily influenced by the Milwaukee area.

The Board also rejects Ashwaubenon, Menasha and Oak Creek as being too remote and under other economic influences. The Board states that its primary list is the Little Ten Conference Schools but it would include Beaver Dam, Oconomowoc and West Bend. The conference group is the logical straight method for determining comparable districts, which contrasts with the ULE districts which are self-serving.

The Board holds that schools in Jefferson and Dodge counties with more than 75 FTE comprise a second list. The counties used are counties into which the Watertown Unified District extends.

The Board says that if the arbitrator picks a fair mixture of the parties' comparables, the Board position must prevail. The Board provided such a mixture in the appendix to its exhibits. This mixture includes two ULE affiliated districts, two districts mutually selected by the parties, and four other nearby districts. The districts are Beaver Dam, Fort Atkinson, Hamilton, Jefferson, Kettle Moraine, Lake Mills, Mukwonago, Muskego, Oconomowoc and Waupun.

The Board contends that ULE, after it reviewed the Board supplemental exhibits, produced three new lists of comparable districts.

The Board objects to the elimination of Oconomowoc from ULE's lists. The Board states that ULE in designating Ashwaubenon, West Bend, Marshfield and Oak Creek as most comparable communities, shows that ULE considers that not one ULE-affiliated district is comparable under its own analysis. The Board also objects to the consideration of the districts which the ULE says are within a 10% to 20% range of ULE. The Board states that arriving at such figures was the result of comparing "apples and oranges". Again ULE districts are not included, with the exception of Hamilton. Oak Creek was added and Oconomowoc deleted.

The Board states that ULE has completely ignored geographic proximity. If ULE's methods are adopted, all districts in the state should be included. Further the factors used by ULE are not those commonly used in determining comparability. The factors commonly used are FTE, cost per member, equalized value, and levy rate. The Board states that on the whole ULE avoided factor analysis in arriving at most comparable districts, and then when later it engaged in extended factor analysis, it did so to eliminate Oconomowoc. The ULE picked and chose what factors it would use. The Board also has specific challenges to ULE's method of determining comparables such as being inconsistent in applying the distance factor when it protested against conference schools as comparables, but included districts farther out. The Board also objected to ULE in its determining of school districts which are comparable to consider only an average of the two West Bend schools. The Board also says that if, as the ULE argues, all districts in Jefferson and Dodge were included, the Board offer would be all the more comparable.

Discussion. The situation of the Watertown District as observed from the map (ULE XVIII B) shows that Watertown District is at the end of and perhaps just beyond any residual of the Milwaukee metropolitan area influence. To the west and north there is a farming area, and to the east and south a developing small industry and recreation area. A cluster of districts of comparable size to Watertown except for one city, Oconomowoc, is not present.

The parties have presented numerous kinds of comparable lists which have been described before. This arbitrator can see some usefulness in each type of comparison presented by each of the parties. However on inspection of the exhibits and map, and with the use of FTE, student population, relative proximity, tax levy and equalized valuation, the arbitrator has developed the following list of comparables:

I. Primary Comparison: Watertown, Oconomowoc, Beaver Dam, West Bend, Hamilton, Kettle Moraine and Hartford. This list includes districts that the parties agreed are comparable, and districts with a similar FTE and pupil enrollment in the proximity or same economic area as Watertown except for Hartford. The district of West Bend is outside a twenty-five mile radius of Watertown, but since the parties included it, the arbitrator accepts their estimate of what they think is comparable. The West Bend district is also a much larger district. Hartford is a special case. It is a Union High School, not a K-12 system, but it has been used as a system with a salary schedule comparable to Watertown.

II. The districts of Muskego, Mukwonago, and Waupun are put in a secondary list of comparables because of distance which subjects them to other economic influences. They are considered comparable because of their size. A tertiary grouping consists of Jefferson, Fort Atkinson and Whitewater. These are in close proximity to Watertown and have some of the same economic influences, but they are smaller school systems.

III. The arbitrator believes that the districts of Marshfield, Ashwaubenon, Oak Creek and Menasha are too remotely situated to be considered comparable, although the districts have similar characteristics in size and FTE when compared to Watertown. Three of the districts are in metropolitan areas, and one is in central Wisconsin where a different type of economic condition undoubtedly exists.

XII. WAGES - COMPARISON WITH COMPARABLE DISTRICTS. The following two tables are derived from appendices 12, 13, 14, 15, 16, and 19 in the ULE brief:

Table X

COMPARISON OF 1982-83 SALARIES AND OFFERS AT SELECTED STEPS IN COMPARABLE DISTRICTS

	<u>BA-0</u> <u>0</u>	<u>BA-0</u> <u>7</u>	<u>MA-0</u> <u>0</u>	<u>MA-0</u> <u>10</u>	<u>MA-0</u> <u>Max.</u>	<u>Sched.</u> <u>Max.</u>
Primary						
Comparables						
Watertown-Bd.	13,735 <sup>(5)*</sup>	17,237 <sup>(5)</sup>	15,795 <sup>(2)</sup>	21,840 <sup>(2)</sup>	24,527 <sup>(5)</sup>	26,929 <sup>(2)</sup>
ULE	14,000 <sup>(2)</sup>	17,571 <sup>(4)</sup>	16,102 <sup>(1)</sup>	22,262 <sup>(1)</sup>	24,999 <sup>(5)</sup>	27,446 <sup>(2)</sup>
Oconomowoc	14,000	18,030	15,600	21,460	25,315	26,145
Beaver Dam	13,300	16,690	15,296	21,146	23,746	25,290
West Bend						
Bd.	13,425	17,049	14,902	20,941	24,433	27,927
Union	13,701	17,399	15,209	21,374	24,664	28,229
Hamilton	13,786	17,260	15,586	21,312	27,060	28,950
Kettle Moraine	14,093	17,740	15,801	21,715	25,854	26,839
Hartford	13,985	18,103	15,665	21,931	25,413	26,457
Secondary						
Comparables						
Muskego	14,020	18,220	15,605	23,030	27,980	30,592
Mukwonago	14,224	17,205	15,861	21,485	27,163	28,929
Waupun	13,200	16,632	14,652	19,932	23,100	24,420
Tertiary						
Comparables						
Jefferson	12,600	15,624	13,900	18,625	21,649	23,909
Ft. Atkinson	12,780	15,847	14,314	19,681	21,726	24,538
Whitewater						
Bd.	13,100	16,130	14,410	19,490	22,390	24,280
Union	13,650	16,610	14,675	19,890	22,865	25,060

\* ( ) Rank among Primary Settled Comparables.

Table XI

COMPARISON OF 1981-82 SALARIES AT SELECTED STEPS  
IN COMPARABLE DISTRICTS

	<u>BA-0</u> <u>0</u>	<u>BA-0</u> <u>7</u>	<u>MA-0</u> <u>0</u>	<u>MA-0</u> <u>10</u>	<u>MA-0</u> <u>Max.</u>	<u>Sched.</u> <u>Max.</u>
Primary						
Comparables						
Watertown						
Bd. Claim	12,882 <sup>(3)</sup>	16,167 <sup>(3)</sup>	14,815 <sup>(2)</sup>	19,854 <sup>(5)</sup>	23,004 <sup>(5)</sup>	25,257 <sup>(3)</sup>
ULE Claim	12,950 <sup>(2)</sup>	16,252 <sup>(3)</sup>	14,893 <sup>(1)</sup>	19,959 <sup>(3)</sup>	23,125 <sup>(5)</sup>	25,390 <sup>(3)</sup>
Oconomowoc	13,200	17,430	14,860	20,300	23,705	26,635
Beaver Dam	12,550	15,748	14,434	19,951	22,403	23,865
West Bend	12,760	16,204	14,164	19,906	22,790	26,290
Hamilton	12,848	16,086	14,526	19,862	25,219	26,980
Kettle Moraine	12,742	15,509	14,287	19,083	24,460	25,392
Hartford	12,921	16,798	14,537	20,352	23,583	24,551
Secondary						
Comparables						
Muskego	13,040	15,785	13,965	19,580	26,285	28,740
Mukwonago	12,996	15,756	14,432	19,580	25,157	26,786
Waupun	12,525	15,781	13,903	18,913	21,919	23,171
Tertiary						
Comparables						
Jefferson	12,000	14,880	13,100	17,600	20,480	22,680
Ft. Atkinson	12,050	14,942	13,496	18,557	20,485	23,136
Whitewater	12,350	15,380	13,585	18,395	21,145	23,165

( ) Rank among Primary Comparables which have settled in 1982-83

The following table is derived from Board supplemental exhibits in its "3" series. The groupings are those of the arbitrator.

Table XII

BOARD COMPARISONS OF AVERAGE TEACHER SALARIES, 1982-83

<u>District</u>	<u>82-83</u> <u>Aver.</u>	<u>\$ Inc.</u>	<u>Salary</u> <u>% Inc.</u>	<u>Package</u> <u>% Inc.</u>
Primary				
Comparables				
Watertown				
Bd.	22,199	1,675	8.16	8.09
Union	22,628	2,104	10.25	10.00
Oconomowoc	22,232	1,555	7.5	8.69
Beaver Dam	18,825	1,407	8.08	8.86
West Bend				
Bd.	20,066	1,508	8.1	9.2
Union	20,374	1,816	9.8	10.7
Hamilton	22,475	1,863	9.04	9.62
Kettle Moraine	19,914	1,676	9.19	9.53
Hartford (EA)	22,241	2,015	9.96	9.72
Secondary				
Comparables				
Muskego	22,049	1,753	8.64	8.9
Mukwonago	20,504	1,513	7.97	8.34
Waupun	19,374	1,283	7.1	8.68
Tertiary				
Comparables				
Jefferson	17,456	1,144	7.0	9.53
Ft. Atkinson	19,693	1,303	7.09	8.52
Whitewater				
Bd.	22,199	1,675	8.16	8.09
Union	22,628	2,104	10.25	10.00



ULE presented data in its Exhibits XVI A and B from which the following is abstracted. The divisions are those of the arbitrator.

Table XIII

ULE COMPARISONS OF AVERAGE SALARIES DOLLAR AND PERCENT INCREASES,  
1982-83 SCHEDULE TO SCHEDULE,  
WITH PERCENT PACKAGE INCREASE

<u>District</u>	<u>82-83 Aver.</u>	<u>\$ Inc.</u>	<u>Salary % Inc.</u>	<u>Package % Inc.</u>
<b>Primary Comparables</b>				
Watertown				
Bd.	22,159	1,566	7.60	7.66
Union	22,586	1,993	9.67	9.57
Oconomowoc	22,232	1,556	7.52	8.69
Beaver Dam	20,314	1,519	8.07	8.86
West Bend				
Bd.	20,711	1,553	8.1	9.2
Union	21,032	1,875	9.8	10.7
Hamilton	22,556	1,950	9.46	9.82
Kettle Moraine	19,680	1,718	9.56	10.72
Hartford (EA)	22,241	2,013	9.95	9.95
<b>Secondary Comparables</b>				
Muskego	22,367	1,905	9.31	9.30
Mukwonago	19,502	1,619	9.05	9.27
Waupun	19,379	1,285	7.10	N.A.
<b>Tertiary Comparables</b>				
Jefferson				
Ft. Atkinson				
Whitewater				
Bd.				
Union	20,399	1,633	8.70	9.56

It should be noted that the data in Table XII reflect the Board's judgment that the real salaries in 1981-82 were the salaries on the printed schedule diminished by 1/191st, a judgment to which the Union objects. Thus the percentage increases in average salary and package reflect this situation. In addition there are significant variations between the parties on percentage increases for Hamilton, Kettle Moraine, Muskego, Mukwonago, Hartford (package increase), and Whitewater.

The Board developed a series of exhibits in which it compared dollar increases between 1981-82 and 1982-83 for certain groupings of districts which were mentioned by the parties. It found an average for the group, compared the dollar variation of the Watertown offers and also found a rank for the offers. Seven different groupings were referred to, and data for BA base, BA 7th step, BA Maximum (no longevity), MA base, MA 10th, MA Maximum (no longevity) and the Schedule Maximum (no longevity) were developed. Of the seven groupings of comparables referred to by the parties, the arbitrator found four of them to have greater significance. These were:

- Group I - ULE: Most Comparable Districts, excluding Marshfield.  
i.e. Hamilton, Kettle Moraine, Mukwonago, Muskego.
- Group II - ULE: Comparable Districts (voluntary settlements only).  
Districts of Oconomowoc and Beaver Dam.
- Group III - Little Ten Conference: Beaver Dam, Oconomowoc, Waupun,  
(Hartford UHS and West Bend not included).
- Group IV - Bd. Districts in two counties: Fort Atkinson, Jefferson,  
Lake Mills.

From these data found in Board Exhibits 3-12a to 3-12cc the following is abstracted:

Table XIV

DOLLAR DIFFERENCES OF OFFERS AND RANK OF WATERTOWN OFFERS  
WHEN COMPARED TO AVERAGE IN CERTAIN GROUPINGS OF DISTRICTS  
DEEMED BY ONE OR THE OTHER OF THE PARTIES AS COMPARABLE

Step	Group	1982-83 \$ Differences		81-82 Diff.	Rank, 81-82	Rank, 82-83	
		Bd.	ULE			Bd.	ULE
BA	I	- 296	- 31	- 25	3/5	5/5	4/5
	II	+ 85	+ 350	+ 7	2/3	2/3	1/3 tie
	III	+ 235	+ 500	+ 124	2/4	2/4	1/4 tie
	IV	+ 892	+1,157	+ 749	1/4	1/4	1/4
BA, 7th	I	- 369	- 35	+ 383	1/5	4/5	3/5
	II	- 603	- 269	- 642	2/3	2/3	2/3
	III	- 200	+ 134	- 300	2/4	2/4	2/4
	IV	+1,179	+1,513	+ 998	1/4	1/4	1/4
MA Base	I	+ 82	+ 389	+ 512	1/5	3/5	1/5
	II	+ 317	+ 624	+ 168	2/3	1/3	1/3
	III	+ 504	+ 811	+ 333	2/4	1/4	1/4
	IV	+1,437	+1,744	+1,298	1/4	1/4	1/4
MA, 10th	I	- 46	+ 376	+ 958	1/5	2/5	2/5
	II	+ 324	+ 746	+ 131	2/3	2/3	1/3
	III	+ 852	+1,274	+ 611	2/4	2/4	1/4
	IV	+2,186	+2,608	+1,965	1/4	1/4	1/4
MA Max.	I	-1,663	-1,191	-1,349	5/5	5/5	5/5
	II	-1,456	- 984	-1,519	2/3	2/3	2/3
	III	- 495	- 23	- 652	2/4	2/4	2/4
	IV	+2,391	+2,863	-2,134	1/4	1/4	1/4
Sched. Max.	I	-1,071	- 554	- 793	4/5	4/5	2/5
	II	+ 174	+ 691	+ 7	2/3	2/3	2/3
	III	+ 952	+1,469	+ 700	2/4	2/4	2/4
	IV	+2,573	+3,090	+2,277	1/4	1/4	1/4

ULE in this matter is arguing a method of comparison based on pupil/teacher ratio and advances the contention that if such ratios are taken into consideration the ULE offer is the more reasonable one. ULE Exhibit VIII was a document from the Wisconsin Education Association Council reporting information from the Wisconsin Department of Public Instruction under date of January 1983. State-wide pupil/teacher ratios for K-8 schools came to an average of 15.9; for 9-12 systems, 15.6; for "PreK-12" systems, 15.8; and for all pupils/teachers on a state-wide basis to 14.3. In this report the Watertown system was reported to have an overall ratio of 17.00. In 1981-82 the K-12 state-wide pupil/teacher ratio was 15.8 and pupil/staff ratio was 14.2. In that year Watertown had a 16.9 pupil/teacher ratio.

On the basis of these data and data from exhibits introduced in the hearing and as rebuttal exhibits later, ULE in its brief prepared data relating to the 1981-82 and 1982-83 pupil/teacher ratios for each of the 19 school districts referred to as a type of comparable. It then developed percentages of the ratios with respect to the Watertown ratio in each of the respective years, the Watertown ratio being considered as one hundred percent or "1.0000" for 1981-82 and 1982-83 for comparison purposes. However, ULE considered in effect that the load of Watertown teachers in its pupil/teacher ratio was respectively 1.0696 for 1981-82 and 1.0759 for 1982-83, the state overall average being 15.8 pupil/teacher as compared to the Watertown pupil/teacher's at 16.9 and 17.0.

Following this method of analysis ULE reported among other things relationships to the most comparable districts (as selected by the arbitrator) and Watertown as follows for 1982-83:

Watertown	1.000	Kettle Moraine	.9118
Oconomowoc	.8471	Hartford	.8906
Beaver Dam	.9882	Muskego	.9471
West Bend	.9176	Mukwonago	.9765
Hamilton	.8765	Waupun	1.0294

ULE, developing this approach, listed all settlements and salary offers for 1982-83. It found these to total \$300,812, and it divided this sum by 22, which is the sum of all settlements and offers. The salary average came to \$13,673. It also totalled all P.T. ratios, which came to the sum of 301.34 such units; and then it divided this figure by 19 which represents all districts being considered. The average came to a P.T. ratio of 15.86. ULE then developed a formula which is stated in words by the arbitrator:

"The 1982-83 P.T. ratio of Watertown is to be divided by the average P.T. ratio of all districts and is to be multiplied by the average base salary in all districts." This came to the following numerical stated formula: (Bd. Br. Ap. 12)

$$\frac{17.0}{15.86} \times \$13,673 = 1.0718789 \times \$13,673 + \$14,656.00$$

This figure is to be compared to the Board's BA base offer of \$13,735 and the Union offer of \$14,000.

The following table shows the result of this exercise for other steps:

Table XV

AVERAGE OF ALL SETTLEMENTS AND OFFERS ADJUSTED TO THE WATERTOWN  
1982-83 P/T RATIO FOR SELECTED STEPS

<u>Step</u>	<u>Watertown Offers</u>		<u>Adjusted Average of All Settlements and Offers</u>
	<u>Bd.</u>	<u>ULE</u>	
BA Base	\$13,735	\$14,000	\$14,656
BA, 7th	17,237	17,571	18,549
MA Base	15,795	16,102	16,337
MA, 10th	21,840	22,262	22,889
MA Max.	24,527	24,999	26,723
Sch. Max.	26,929	27,446	29,089

ULE developed information in its brief (Appendix 20) on what would have happened in the cumulative earnings of the 19 districts considered to be comparable in one way or another of teachers who were in the district salary schedules for ten years in the BA Lane and 15 years in the MA Lane thereafter. The following table is derived from this chart:

Table XVI

CUMULATIVE EARNINGS, TEN YEARS, BA LANE, FIFTEEN YEARS, MA LANE

<u>District</u>	<u>W/O Longevity</u>		<u>W/ Longevity</u>	
	<u>1977-78</u> <u>Rank</u>	<u>1981-82</u> <u>Rank</u>	<u>1978-79</u> <u>Rank</u>	<u>1982-83</u> <u>Rank</u>
Watertown (ULE)	11	10	9	9
Watertown (BD)	11	10	9	13
Oconomowoc	6	7	6	10
Beaver Dam	13	13	13	16
Hamilton	4	4	4	5
Kettle Moraine	9	9	11	6
Hartford				
West Bend (N)	10	12	5	12
West Bend (BD)	10	12	5	14
Mukwonago	5	5	7	4
Muskego	3	3	3	2
Waupun	14	14	14	17

The Board in various exhibits presented percentage increases in salary and package costs for respective districts. The following table is abstracted from Board Exhibits 3-1, 3-2, 3-5, 3-6, 3-9, and 3-10:

Table XVII

PERCENTAGE INCREASES IN SALARY AND PACKAGE COSTS  
FOR SELECTED DISTRICTS CONSIDERED COMPARABLE

<u>Primary Districts</u>	<u>% Salary Increase</u>	<u>% Package Increase</u>
<u>Watertown</u>		
Board	8.16	8.09
ULE	10.25	10.00
Oconomowoc	7.5	8.69
Beaver Dam	-	-
Hamilton	9.04	9.62
<u>West Bend</u>		
Union	8.1	9.2
Board	9.8	10.7
Kettle Moraine	9.19	9.53
Hartford	9.96	9.72
<u>Secondary Districts</u>		
Muskego	8.64	8.9
Mukwonago	7.99	8.34
Waupun	7.1	8.68
<u>Tertiary Districts</u>		
Jefferson	7.0	9.53
Fort Atkinson	7.09	8.02
<u>Whitewater</u>		
Board	7.6	8.4
Union	8.0	10.9

ULE Position on Comparables. ULE in its brief developed Brief Table 9 on average salaries plus family health insurance cost increases for 1981-82 and 1983 in 14 comparable districts and included the Watertown Fire Fighters in this table. The following is abstracted from this table:

Table XVIII

AVERAGE SALARY PLUS FAMILY HEALTH INSURANCE COST INCREASES  
FOR 1982-83 IN SELECTED DISTRICTS,  
DOLLAR AND PERCENT INCREASES

District	1982-83 Total		
	Average Salary & Family Health Ins. Increase	\$ Inc.	% Inc.
Watertown			
Board	24,070	1,725	7.72
ULE	24,497	2,152	9.63
Oconomowoc	23,932	1,874	8.49
Beaver Dam	22,167	1,902	9.38
West Bend			
Board	22,495	2,075	10.16
Union	22,816	2,396	11.73
Hamilton	24,084	2,236	10.23
Kettle Moraine	21,327	2,150	11.11
Hartford	-		
Muskego	24,012	1,992	9.05
Mukwonago	21,080	1,885	9.8
Waupun	-		

ULE notes that when percentage increases are considered among 16 comparable districts shown in its Brief Table 9 the Board's offer is second from the bottom and the ULE offer is only 8th in terms of a percent increase.

ULE says when it took the salaries at MA step 9 for 1981-82 plus family insurance, Watertown ranked second among the 17 districts for which it had data. Taking the advance to MA step 10 in 1982-83, the Watertown Union offer dropped to third and the Board to 4th (ULE Br. Table 10). In this matter ULE says that the settlement for 1982-83 at Oconomowoc was so low that it dropped from fifth place to seventh. When the dollar increases between these two steps in these years were ranked among 20 settlements or offers, the Watertown Union offer ranked tenth, and the Board offer 17th. ULE also notes when career earnings are taken for the 25 years as shown in ULE Brief Appendix 20 (see Table XVI), that among 14 districts the prospect of cumulative earnings after 25 years was 9th in Watertown both in 1978-79 and 1981-82, but under the Board offer it has declined to 12th, and under the ULE offer it will rise to eighth. Other districts like Hartford, Kettle Moraine and Muskego have moved up in rank, while Oconomowoc with its low offer went down. The drop in Watertown from 9th to 12th under the Board's offer is too drastic.

ULE notes that Watertown also has a higher workload than the state average and one higher than the combined sets of comparables. ULE Brief Table 13 is similar to Table XV here.

ULE in its brief developed additional information on settlements and offers adjusted to the Watertown 1982-83 P/T ratio. Districts used in this case were Ashwaubenon, Beaver Dam, Hamilton, Kettle Moraine, Marshfield, Menasha, Mukwonago, Muskego, Oak Creek, Oconomowoc, West Bend, and Watertown. Board comparables were Beaver Dam, Fort Atkinson, Hartford, Jefferson, Lake Mills, Oconomowoc, Waupun, Whitewater, West Bend and Watertown. The following table is again an abstraction from this ULE Brief Table 14:

Table XIX

AVERAGE OF ALL SETTLEMENTS AND OFFERS OF BOARD AND ULE COMPARABLE DISTRICTS FOR SELECTED STEPS ADJUSTED FOR WATERTOWN 1982-83 P/T RATIO

Step	Watertown Offers		Adjusted Average of all Settlements	
	Bd.	ULE	Bd. Comp.	ULE Comp.
BA Base	13,735	14,000	14,574	14,530
BA, 7th	17,237	17,571	18,430	17,599
MA Base	15,795	16,102	16,350	16,286
MA, 10th	21,840	22,262	22,473	22,716
MA Max.	24,527	24,999	25,815	27,419
Sch. Mac.	26,929	27,446	27,804	29,557

ULE says that on the basis of the various data it has presented, ULE's offer is justified.

ULE objects to looking at benchmark dollar differences, because it is simplistic in view of comparables, completely ignoring any variables in workload or the impact of longevity. Longevity plays an important role in salary schedules like that of Mukwonago. It notes that there is a high percentage of employees at the top step in the lanes, and they cannot receive increments because of no longevity.

Also there is a great variation in salary steps, placements as well as the application of longevity, and longevity must be considered. Longevity tends to hold down the amount of money available for increasing salary steps and dilute benchmark amounts. Also short schedules may tend to generate more income. Of 18 schools named by the parties as comparable, excluding Palmyra, nine have longevity. Because of the great divergence in steps, lanes and types of longevity, the fairest comparison is found in cumulative earnings.

The Board's Position on Comparables. The Board, while urging the arbitrator to give determinative weight to the depressed economy, nevertheless believes that its offer is supported when compared with comparable districts. In making such comparison, dollar increases rather than percentage increases should be considered. However, even in percentage increases, the Board's offer is more reasonable.

The Board stresses that the Board and ULE identified three districts as being comparable: Beaver Dam, Oconomowoc and West Bend. The first two entered into agreements. The Board's offer in terms of average salary increase and percentage offer is more comparable than the ULE offer and is closer to the average of ULE comparables at every benchmark (Bd. Ex. 3-0 and 3-12). When the same test is applied to the three voluntary settlements in the Little Ten Conference (Beaver Dam, Oconomowoc and Waupun), the Board position is even more favorable, and the same holds true in the Dodge and Jefferson County schools used as comparables. The Board also holds that its percentage increase is more comparable to the ULE districts which settled, these being Beaver Dam, Menasha, Oak Creek, and Oconomowoc. The Board's offer is closer to the average salary increase at each and every WEAC benchmark for these schools. Also in this case the Board's offer exceeds the average at every benchmark.

As for ULE comparable districts of Hamilton, Kettle Moraine, Mukwonago and Muskego, the Board acknowledges that ULE's offer is not as unreasonable, yet the Board offer in salary is closer to the average percentage increase and the average dollar increase. The parties do not agree on the costs, but using ULE cost figures for average salary increases, the Board's offer is closer at \$1,675 to the average of \$1,800 than is the ULE offer. As to average salary increases, the Board's percentage increase of 8.16% is closer to the average of 8.71% than the ULE offer at 10.25%.

The Board in its brief developed a "mixture of districts" identified by the parties as comparable and made some comparisons with the average derived from this mix. The districts were Beaver Dam, Fort Atkinson, Hamilton, Jefferson, Kettle Moraine, Lake Mills, Mukwonago, Muskego, Oconomowoc and Waupun. The following two tables are derived from the Board Brief, Appendices 1 and 2:

Table XX

WATERTOWN OFFERS COMPARED WITH THE AVERAGE OF TEN SELECTED COMPARABLE DISTRICTS FOR PERCENTAGE OF SALARY COST INCREASE

Item	Watertown % Inc.		Average of Districts % Inc.
	Board Offer	ULE Offer	
Bd. Estimates	8.16	10.25	8.02
ULE Estimates	7.60	9.68	8.27

Table XXI

AVERAGE TEACHER SALARY INCREASES FROM BOARD AND ULE EXHIBITS, 82-83

	From Board Exhibits 82-83		From Union Exhibits 82-83	
		\$ Inc.		\$ Inc.
Average	19,753	1,468	19,825	1,519
Watertown	22,199	1,675	22,159	1,565
Union	22,628	2,104	22,587	1,993

The following is from Board Brief Appendices 3, 4, 6, 7, 8 and 9:

Table XXII

COMPARISON OF INCREASES AT SELECTED STEPS, 82-83 FOR AN AVERAGE OF TEN SELECTED DISTRICTS WITH WATERTOWN OFFERS, AND RANK

Step	District 82-83 Aver.	Watertown		Diff. \$ Inc.		81-2 Rank	82-83 Rank	
		Bd.	ULE	Bd.	ULE		Bd.	ULE
BA Base	\$13,515	\$13,735	\$14,000	220	485	4/11	6/11	4/11 Tie
BA, 7th	16,956	17,237	17,571	281	615	2/11	4/11	3/11
MA Base	15,180	15,795	16,102	615	922	2/11	3/11	1/11
MA, 10th	20,792	21,840	22,262	1,048	1,470	2/11	3/11	2/11
MA Max. (w/o Long.)	24,624	24,527	24,999	-97	375	6/11	6/11	6/11
Sch. Mac.	26,300	26,929	27,446	629	1,046	5/11	5/11	3/11

The Board notes that ULE has argued that its salary offer is to be preferred on the basis of salary and family health insurance premium increases at the WEAC benchmarks and on the basis of the offers when variance in P/T ratios is considered. The Board notes however that ULE did not analyze the average dollar increases or overall percentage salary increases. Further ULE, despite its finding benchmark analysis fallible, yet it used these for analyzing total salary and family health insurance premium increases. This latter method should be rejected, because it is not generally accepted as a method of analysis. Secondly salary alone is the main issue in the dispute and to combine salary and insurance premiums is to mix apples and oranges. Also the fact that the Board has experienced a lesser increase in insurance cost should not be used to discredit the salary offer. ULE is not complaining of loss of coverage. Further in its analysis, ULE failed to take into consideration the single person rate insurance increases. In its tables on salary and insurance, ULE did not reduce the 1981-82 insurance costs, so its tables are flawed.

The Board also rejects the factoring of P/T ratios. It is not commonly accepted for analyzing salary offers. Also if there were a direct relationship between salary and P/T ratios, the Board could reduce class size and teachers' salaries proportionately. Also WEAC itself cautioned against the use of such ratios for comparative purposes.

The Board states further that there is a fatal discrepancy in ULE's use of P/T ratios. The parties agreed that the FTE in 1981-82 for Watertown was 197.09. However, ULE states that the FTE is 188.09 in ULE Exhibit VIII. It has also prepared costs for 1982-83 showing that the FTE is 194.99 in ULE Exhibit XV, but in ULE Exhibit VIII it uses 185.99. If the FTE figure for 1982-83 of 194.99 is used, the P/T ratio would drop to 16.2. This changes the resulting statistics.

The Board contends that ULE has engaged in a series of statistical manipulations to create the illusion that the ULE proposed salary increase is not a double digit increase. A fair mixture of comparable settlements indicates the Board's offer is more acceptable given the economy and other aspects of the offers.

Discussion. As shown in the previous presentation, this matter presents complexities as to what is to be compared. All the types of comparisons presented by the parties have some usefulness, but to arrive at a judgment the arbitrator has found it necessary to select certain comparisons as being more valid than others. Thus, for example, while the use of P/T ratios for comparisons opens a new kind of comparison that might be made, it will not be used here, first because it is a kind of comparison which would lead to the question of whether a dollar value should be applied to the work of teachers per average pupil and from this a comparison constructed, which is a novel approach; and secondly because there is a question as to what full-time equivalencies (FTE's) actually are. Both of these questions need further exploration before they should be fully relied on.

Also the method of adding teachers' salaries at benchmarks with insurance costs could be useful in some respects, except that the method does not disclose total package costs, and does not reflect all insurance costs on the average, since the cost of single-person insurance is not considered.

As to the use of benchmarks, this is a common method employed, although it does not reflect the effect of longevity in a system on the salaries of individual cells, since a longevity system would tend to depress the level of salaries if the percentage increase in salaries paid is to be kept comparable. Nevertheless despite this fact, the use of benchmarks is helpful. Also the use of percentage increases is helpful, though again percentage increases do not reflect accurately what happens to people at the top of schedules.

With these conditions in mind one looks at Table X, in the primary comparable group which includes only the settled agreements. The Board offer and ULE offers show up as follows:



Table XXIII

RANKING OF WATERTOWN WITH RESPECT TO THE PRIMARY COMPARABLE DISTRICTS WHICH HAVE SETTLED FOR 1982-83, RANK OF SIX

	<u>1982-83</u>					
	<u>BA Base</u>	<u>BA, 7th</u>	<u>MA Base</u>	<u>MA, 10th</u>	<u>MA Max.</u>	<u>Sched. Max.</u>
Bd. Offer	5	5	2	2	5	2
ULE Offer	2	4	1	1	5	2
<u>1981-82</u>						
Bd. Claimed Sched.	3	3	2	5	5	5
ULE Claimed Sched.	2	3	1	3	5	5

The arbitrator states that he agrees with the Board on what it claimed the actual schedule was. From the above it is apparent then that the Board's offer for 1982-83 shows a decline in rank for two lanes and a gain in rank for two lanes. The ULE offer shows a gain in rank in four lanes, and a decline in one.

Table XXIV indicates how the Watertown 1982-83 offers compare with the average of the settlements in six lanes.

Table XXIV

AVERAGE SETTLEMENTS IN SELECTED LANES FOR PRIMARY COMPARABLE DISTRICTS

	<u>BA Base</u>	<u>BA, 7th</u>	<u>MA Base</u>	<u>MA, 10th</u>	<u>MA Max.</u>	<u>Sched. Max.</u>
Averages of five settled districts	\$13,833	\$17,565	\$15,590	\$21,512	\$25,478	\$26,736
Bd. Offer	13,735	17,237	15,795	21,840	24,527	26,929
Difference	-98	-328	+205	+328	-951	+193
ULE Offer	14,000	17,571	16,102	22,262	24,999	27,446
Difference	+167	+6	+512	+748	-479	+710

From Table XXIII one gathers that the ULE offer gains slightly on the five most comparable districts which have settled. From Table XXIV one observes that the Board more closely in its offer approaches the average of settlements in four of six lanes shown.

The above figures would be somewhat altered if the schedule maximum listed Oconomowoc of \$28,220 in Board Exhibit 3-14 were used, but the same conclusion would be drawn. Using this figure would show the Board under the average at minus \$222 and the ULE above the average at plus \$295.

Looking at percentage increases reported for the five most comparable districts which settled gives the information shown in the next table.

Table XXV

PERCENTAGE INCREASES IN WATERTOWN SALARY AND PACKAGE OFFERS  
 COMPARED TO AVERAGE OF FIVE PRIMARY COMPARISON DISTRICT SETTLEMENTS

	Board Data		ULE Data	
	<u>Salary</u>	<u>Package</u>	<u>Salary</u>	<u>Package</u>
Average % Inc.	8.76	9.28	8.94	9.75
Bd. % Inc.	8.16	8.09	8.16	8.09
Difference	-0.50	-1.19	-0.78	-1.64
ULE % Inc.	10.25	10.00	10.25	10.00
Difference	+1.49	+0.72	+1.31	+0.25

From the foregoing one observes that the Board offer is lower than the average, but tends to more nearly approximate the average than does the ULE offer, which is higher than the average. However in the package, the ULE offer which is higher than the average nevertheless differs from the average less than the Board offer. The Board argues here that the salary issue is more important than the package issue. All other matters about the package have been tentatively agreed to. On the basis of the evidence on salaries related to the most comparable districts which have settled, the arbitrator believes that the Board offer on salary percentage increases, though falling behind, more nearly meets the statutory criterion of comparison. As to dollar increase, the average of the settled districts is \$1,703. The Board offered increase on the average is \$1,576 and the ULE average is \$2,104. Again the same conclusion is reached: although the Board offer expressed in dollars is falling behind, yet it is more comparable to the average of the settled primary districts.

As to the secondary comparables, the following table shows averages of salaries in three districts compared with the Watertown offers in 1982-83.

Table XXVI

COMPARISON OF WATERTOWN SALARIES AT SELECTED STEPS AND AVERAGES  
 OF DISTRICTS OF SECONDARY COMPARISON

	<u>BA Base</u>	<u>BA, 7th</u>	<u>MA Base</u>	<u>MA, 10th</u>	<u>MA Max.</u>	<u>Sched. Max.</u>
Average	\$13,821	\$17,352	\$15,383	\$21,482	\$26,081	\$27,980
Bd. Offer	13,735	17,237	15,795	21,840	24,572	26,929
ULE Offer	14,000	17,571	16,102	22,262	24,999	27,446

An inspection of the above table shows that the Board offer is nearer the average of the secondary districts in four lanes and the ULE offer is nearer it in the two maximum lanes. The arbitrator concludes that the Board's offer is reasonable though it tends to fall behind.

The average salary increase at the secondary comparable districts from Table XII is \$1,516 compared to the Board average of \$1,675 and the ULE average of \$2,104. Whether the Board or the ULE costing of average salary increased is used, the Board average salary more nearly approaches the average of the three districts. In the matter of average salary increase, the parties do not arrive at the same average for these districts. The Board average is 7.90% and the ULE average is 8.49%. However in either event, the increased salary cost to the Board of 8.16% lies closer to these percent increases of the average salary increase than does the ULE increase of 10.25%.

The arbitrator must note that the percentage increases of average salary are more significant than the average salary itself, since the average salary of each district is composed of a different mix of teachers in different steps and lanes.

Table XIV shows a Board tendency to fall behind with respect to the two groups that contained the most comparable districts.

On the basis of the foregoing discussion the arbitrator reaches the conclusion that the Board offer on salary, although it is showing a tendency to fall behind the averages of the most comparable districts for benchmarks and overall salary percentage increases, is nevertheless closer in its offer to those average salaries and percentages, and therefore more nearly meets the statutory criterion of comparability between districts.

The ULE offer more nearly meets the statutory criterion of comparison for package costs, also an important factor to be weighed against the Board's position on salary.

XIII. COMPARISONS WITHIN WATERTOWN PUBLIC SERVICE. As to internal comparisons in Watertown, a 6.1% average compensation increase was reported for members of the administrative staff of the District for 1982-83 (ULE Ex. IV). The salary increases for most of the administrators reported were however set at a 7.5% level (ULE Ex. IV). The average of the pay increases for salary also was reported at 6.8%. However when performance increases plus a general increase were given, the overall compensation averaged 8.3%, while the individual increases ranged from 0% to 16.2% (ULE Ex. IV).

The Board developed a formula for determining the total rate of increase to be given administrators, which included among other things an averaging of seventeen school districts throughout Wisconsin (ULE Ex. VIII).

The following information is derived from ULE Exhibit XVII:

Table XXVII

WATERTOWN FIRE FIGHTER PAY FOR SELECTED CLASSIFICATIONS, 1982 AND 1983

Classification	1982		1983		Annualized		% Lift 7/1-7/1
	1/15	7/1	1/1/83	7/1/83	\$	% Inc.	
Lieutenant	19,226	19,585	19,781	20,564	20,172	3.0	5.00
Inspector	18,879	19,232	19,424	20,194	19,809	3.0	5.00
Top FF	18,156	18,495	18,680	19,420	19,050	3.0	5.00

Board Exhibit 10 showed an 8.0% increase on the average for food service workers, and an 8.2% package cost for instructional aides. It was reported that Exceptional Education Needs Aides (EEN) received a 7% increase (TR. 99).

Board Exhibit 7-1 reported the settlement of a Fire Fighter agreement on February 3, 1983. The overall cost of the agreement was said to be 5.5% which included a 3.0% settlement for wages and a 2.5% increase in insurance.

Board Exhibit CBA 4 gave information on settlements within Jefferson County. Settlements for 1983 and 1984 reported were as follows:

Highway Department

1983: 31¢ across the Board  
1984: 32¢ across the Board

Nursing Home  
 1983: 25¢  
 1984: 25¢

Sheriff's Department  
 1983: 41¢ across the Board  
 1984: 4% across the Board.

The arbitrator, reviewing the documents, developed some percentage increases for 1983 for certain employees in each section based on their top 1982 rate. These are as follows:

Sheriff's Department		
Deputy II	$\$9.69 + 0.41 = 10.10$	4.2%
Deputy III	$\$10.05 + 0.41 = 10.46$	4.07%
Sergeant	$\$10.45 + 0.41 = 10.86$	3.92%
Nursing Home		
Food Service Worker	$\$5.46 + 0.25 = 5.71$	4.58%
Nurses' Aide	$\$5.78 + 0.25 = 6.03$	4.32%
Building Maintenance Worker I	$\$6.50 + 0.25 = 6.75$	3.8%
Highway Department		
Truck Driver	$\$7.86 + 0.31 = 8.17$	3.94%
Equipment Operator I	$\$8.04 + 0.31 = 8.35$	3.85%
Equipment Mechanic	$\$8.23 + 0.31 = 8.54$	3.76%

The ULE's Position. ULE contends that the average increase for administrators is not 7.5% but really a 9.1% increase. It obtained this figure by finding an average of \$27,956 for 12 administrators in 1981-82; and after adding a general increase in 1983 and an increase for one principal which received special action, and merit pay, the average came to \$30,483.83, or an increase of 9.16%.

ULE says that in reviewing the agreements of 1982 and 1983 for Fire Fighters, it ascertained that the insurance rates increased by 38%, and this would skew the settlement. ULE contends that a Fire Fighter not moving through the schedule would receive an increase of 5.00%; but in developing some samples, it contends that Fire Fighters moving through the schedule could obtain an increment of 14.36%. It says that the average of samples developed by ULE in the Fire Fighters agreements was 9.44% (ULE Br. Table 3).

ULE also averaged increments and schedule adjustments, and it contends from a table it developed that Fire Fighters would have received on a true schedule average a 9.23% increase while Fire Inspectors would have received 9.18% (ULE Br. Table 4).

ULE also totalled cumulative earnings over a twenty-five year period assuming the 1982-83 salary schedule remained the same, and also totalled the cumulative Fire Fighter and Fire Inspector earnings over twenty-five years. It came up with this information (ULE Br. Tables 5 and 6):

Table XXVIII

CUMULATIVE EARNINGS OF TEACHERS, FIRE FIGHTERS AND FIRE INSPECTORS  
 BASED ON 1982-83 SCHEDULES

<u>Classification</u>	<u>Cumulative Earnings</u>	<u>Average</u>
Teachers		
Board Offer	\$479,974	\$19,199
ULE Offer	489,254	19,570
Fire Fighters	480,403	19,216
Fire Inspectors	496,657	19,866

ULE notes that Fire Fighters could also have been working the four years teachers were in school to obtain a BA degree. Thus with this four year further capacity to earn, Fire Fighters would earn \$76,865 more than teachers in a 25 year period and Fire Inspectors would earn \$79,465. Further the cost of obtaining an education which teachers get when added to this shows that the Fire Fighters are highly advantaged over teachers in economic status.

As to the percentage increases in Jefferson County, ULE finds it difficult to compare hourly employees with annual salary employees. However, it notes that on 1/1/82 a Radio and Jail Sergeant received \$10.45 per hour, which comes to an annual wage of \$21,736 achieved after 3-1/2 years. This produces a significantly higher earning capacity in those years over what a teacher could get.

In effect, the teachers with four to seven years of college training are struggling to keep up with those who have not had to invest in higher education in order to earn similar pay.

ULE further argues that in reality the Board has not provided enough factual evidence to show what the other public employees actually received, or to draw relevant conclusions therefrom. Nor has the Employer provided data on what other economic benefits are enjoyed by those public employees. Further it relies on the opinion of other arbitrators that such comparisons are poor comparisons, because they do not compare the same working conditions.

The Board's Position. The Board states its salary offer is further supported by internal wage comparisons. It notes that the percentages of food service workers, instructional and EEN aides were 8%, 8.2% and 7% respectively, and the Board's administrators received a 6.1% average salary increase. It also notes the split schedule of Fire Fighters resulting in a 1% increase in January and a 4% increase in July. It also points to the 3% increase of Jefferson County non-union employees following a 1982 increase of 8%.

As to the ULE contention that the administrators received a 9.1% increase, the Board says that no administrator has received merit pay, and further the salary increase this year is derived from a formula which measures increases for the prior year, so the administrator's salary is one year behind the economy.

As to the ULE position on Fire Fighters, the Board says that there is nothing in evidence to show that insurance premiums in the City of Watertown went up 38%, and further the method of analyzing the Fire Fighters' salaries used by ULE in attempting to take step increases in account is not appropriate and results in skewing, because it considers all Fire Fighters at the entry level. The fact is that the Fire Fighters have an increase at an annualized rate of 3%.

Discussion. Concerning the arguments advanced by the parties here, the arbitrator has come to the following conclusions:

1. The rate of increase of administrator's pay has a potential increase of a 9.1% level; although it does not appear as of this writing that the administrators have received a merit pay increase, yet it is possible they will have. Otherwise their increase would be around 6.1%. The argument that this is for last year's changes also applies to the teachers' proposed raises.

2. The increase of Fire Fighters as a whole and as generally calculated is on an annualized average of 3% for top Fire Fighters although Fire Fighters not yet at the top would enjoy larger increases. The Fire Fighters package increase according to the evidence when insurance is included is about 5.5%.

3. Other schools' settlements of employees who are relatively minor in number and who are not organized come to 7% and about 8%. Jefferson County employees are receiving increases for 1983 of about 4%.

For the foregoing reason the weight to the statutory factor on internal comparisons and comparison with other units of government locally falls to the Board.

XIV. COMPARISONS WITH PRIVATE SECTOR EMPLOYEES. ULE Exhibit XII was a document of the National Education Association on PRICES, BUDGETS, SALARIES AND INCOME, (April, 1982). From this document certain data has been abstracted by the arbitrator which would tend to illustrate the ULE positions.

- The average teacher salary in 1981-82 in the Great Lakes Region was \$20,044 (Table 10)

- The Intermediate Budget for a four person family in the fall of 1980 in the urban non-metropolitan areas was \$21,070. In the same period the figure for Milwaukee was \$24,028 (Table 7).

- In the fall of 1980 when the U.S average teacher received \$17,602, this was only 76.1% of the cost of living for an intermediate standard of living at \$23,174 (Table 9).

- In 1980, the average earnings of a teacher in local schools was \$16,368, whereas that of fire fighters was \$18,948 and of police, \$17,796.

- The average salary of full-time state and local government employees in Wisconsin in 1980 was \$17,364 while that of Wisconsin teachers in the 1979-80 year was \$16,002 and in the following year \$17,607 (Table 15).

- Using an index system to represent starting salary, the index for a teacher with a bachelor's degree in 1980 was 152.3 as compared to the figure 100.00 in 1972-73, where one starting in engineering, sales, business administration, chemistry, mathematics, would exceed this index figure, where those in accounting, liberals and economics would not (Table 20). The same relationship held true for a teacher starting with an MA (Table 21).

- However, in actual salary the minimum mean starting salary for a teacher in 1980-81 was \$11,758, and this amount was exceeded by those starting in every other profession listed (Table 22).

ULE Exhibit XIII was a part of U.S. News and World Report, November 8, 1982. It reported the average income of a Milwaukee factory worker to be \$21,647 per year.

ULE Exhibit XI, a document of the Wisconsin Education Association Council published in July 1982 and containing data on teachers in 1981, confirmed in general the data reported from ULE Exhibit XII. However, it also reported that "Employees in fourteen Wisconsin urban industrial regions have an average work year that is 5.4% longer than the average work year of Wisconsin's classroom teachers (based on the total number of hours per year.) This percentage differential is far less than the generally accepted belief that a teacher works three less months than workers in industry."

ULE Exhibit XXV is the same kind of report of the NEA dated February 1983, and it confirms the same general conclusions and relationships described in ULE Exhibit XII. Among other things the report noted was that teachers' salaries as a percent of the intermediate standard budget

continue to fall further behind from 88.5% in 1971 to 75.3% in 1981; that other public employees obtained slightly greater increases from 1974 to 1981; that beginning salaries for teachers were lower than starting salaries in other professional occupations, and that from 1976 to 1981, per capita income has increased by 63.9% while teachers' salaries have increased by only 43.5%, which figure is below that of the increase of production workers' salaries at 45.5%.

Board Exhibit 6 was a report of the BNA Labor Relations Reporter for February 7, 1983. The opening paragraphs of an article on "Major Settlements Negotiated in 1982" give the essence of this document:

"Wage increases negotiated in major collective bargaining agreements in 1982 were the smallest ever recorded, as nearly half the workers covered by these pacts received no first year increase and about one-third received no increase over the life of the contract, according to the Bureau of Labor Statistics.

"First year wage adjustments averaged 3.8 percent in 1982 settlements, down from a revised 9.8 percent for 1981 and the smallest amounts since BLS started the series in 1968. Over the life of contracts negotiated, last year, wage adjustments will average 3.6 percent a year, down from 7.0 percent in 1981."

ULE Position on Private Sector Employment. ULE notes the comparability of the work year of teachers and private sector employees (within 5.4%) and also notes in that connection that BA graduates in teaching trail other occupational groups at the beginning salary level. It also notes that there is a shortage of mathematics and science teachers which is a public issue. ULE notes that one might assume at the worst case that private sector workers work 11.2% more time in the year. If either of the offers in Watertown are adjusted by this figure upward, they will come to the figure of \$15,262 for the starting salary under the Board offer and \$15,568 under the ULE offer. But in either case these adjusted offers will compare poorly with the starting salaries in other fields. In mathematics and science the Watertown offers are about \$6,000 too low. The public interest would require that the ULE offer be accepted in this matter.

ULE says that median household income in Jefferson County was at \$19,811 in 1980, and in Dodge County it was \$21,531. If state, local and federal taxes were subtracted, the teachers would be significantly behind. This also is true of the relationship to the cost of an intermediate family budget in the Milwaukee area.

ULE says that the loss of \$6,000 a year for 25 years equals a \$150,000 loss. Teachers therefore have a great deal of ground to catch up.

The Board's Position. The Board submits that it is inappropriate for ULE to make comparisons between teachers and other professionals in terms of duties, hours and other factors. The pattern of teacher salaries was long ago agreed to by the ULE, and it is totally inappropriate to break this pattern by the mediation-arbitration process when there is no overwhelming justification for a change.

Discussion. The evidence here shows that over a period of time teachers' compensation in dollars has not risen as fast as the compensation of other professionals; nor do teachers reach the heights that other professionals reach, unless teachers become school administrators. The relationship of the total compensation of teachers to other professionals, however, is not in evidence here. The arbitrator here believes that ULE has made a case for showing the non-comparability of teachers' dollar income as compared to other professionals, and this argues in favor of accepting the ULE offer.

It should be noted, however, that this factor must be weighed against other kinds of comparability. The arbitrator does not in this matter find the case compelling enough to have the award turn on it. It is merely a condition to be weighed in ULE's favor.

XV. COST OF LIVING. The current agreement was supposed to be in effect in August 1982. In July 1982 the CPI-W stood at 291.8. This was a 0.6% increase above the previous month and a 6.3% increase above the previous year. For Milwaukee the CPI-W for July 1982 was 299.6 or a 2.9% increase over the previous year (ULE Ex. XIV). ULE prepared some tables showing how the rate of the increase of the CPI-U and CPI-W caused a deterioration in the spendable earnings of teachers at various levels. The following table is an abstraction of data from the tables using the CPI-W of Milwaukee to show examples. CPI-U data is quite comparable.

Table XXIX

COMPARISON OF ACTUAL SALARY, 1981-82 AND 1982-83 WITH SALARY OF 1978-79 ADJUSTED TO THE CHANGE IN CPI-W-MILWAUKEE IN THOSE YEARS

Step	Year	CPI-W	Actual Salary	Salary Adjusted to CPI-W Change	Difference
BA Base	78-79	193.8	\$10,150	\$10,150	
	81-82	285.6	12,950	14,958	\$-2,008
	82-83	296.5		15,529	
Bd.			13,735		-1,794
ULE			14,000		-1,529

A similar pattern was shown for the MA Base, BA-7th, MA-10th also using the CPI-W-Wisconsin and CPI-U-US.

Board Exhibit 4-1 reported the CPI-W-US to be at 292.8 in September 1982 and 292.1 in January 1983. The Milwaukee index was at 306.3 and 303.5 respectively for those months.

ULE Position on the Cost of Living. The basic argument of ULE is that over the years Watertown 'teachers' salaries purchasing power has declined under the changes in the cost of living, and this is shown by the CPI changes. Both parties' offers exceed the 1982 CPI increase, but ULE's offer is justified in view of past losses. ULE in support of this contention developed Table 15 in its brief from ULE Exhibits. III and XIV and Board Exhibit 4. This table took the 1967-68 CPI as a base; adjusted the Milwaukee CPI-W for July 1982 to this base, multiplied the resulting adjusted figure times the 1967-68 salary schedule of Watertown to obtain an adjusted salary schedule for July 1982. The resulting sums would then reflect what the Watertown teacher's salary would have been if it kept up with CPI changes. ULE then compared these results with the parties' offers for 1982-83 at certain lanes, some of which are artificial, having been constructed to get an average. The following is an abstraction of differences obtained through comparison.

Table XXX

DIFFERENCES IN SALARIES OF OFFERS AT SELECTED STEPS AS COMPARED TO SALARIES LEVELS OF 1967-68 ADJUSTED TO JULY 1982 ON THE BASIS OF CPI CHANGES

	BA Base	BA, 7th	MA Base	MA, 10th	MA+15 Max.
Board	-2743	-3447	-2780	-3860	-4226
ULE	-2478	-3113	-2479	-3438	-3731



ULE noting the figures in the MA+15 Maximum column states that if one assumes that a teacher moved through the schedule in fifteen years, it thus took fifteen years of service to be that far behind in this year alone. However, the loss in this year does not represent the cumulative loss over the years, because teachers did not have the benefit of COLA protection. ULE argues that the teachers should be allowed some dignity in this settlement when there is no inability to pay and no adverse effect on taxes.

ULE further contends that conclusive judgments cannot be made from the Board's reports on what other workers have been getting. Bureau of Labor Statistics reports do not include COLA pay in rate increases. As for the Milwaukee CPI-W for January 1983, it was adjusted from November 1982 downward by 3.5 points on a change in the housing factor from purchase to rented. The teacher losses in effect are worse than indicated by this new CPI-W for Milwaukee. In a three year period ending 1981-82, teachers lost from \$1,200 to \$1,937, as shown in ULE Exhibit XIV.

ULE also argues that the CPI is not falling in any sense. The March CPI-W for Milwaukee shows a 6.3% increase, even after the January index. ULE cites arbitrators' opinions to the effect that teachers' salaries should keep pace with the cost of living increases, and where the salaries have not, it is reasonable to grant something in excess of CPI changes.

Board Position on Cost of Living Changes. The Board notes that in August 1982 the change in the Milwaukee CPI-W from the previous year was 2.89%. In January 1983, a month after the parties submitted final offers, the annual change was 2.78%. Using the National CPI in August 1982, the change was 5.75%; in February 1983 the CPI was 3.3% and falling rapidly. Whatever index is used, the ULE offer for salary of 10.25% is excessive. Further ULE has not demonstrated that it needs to catch-up. It had agreed in the previous years to the salary rates knowing what the current CPI increases were at that time. Now it is, in essence, renegeing on prior voluntary agreements.

Discussion. From the evidence it is clear that the Board offer more nearly meets the changes in the cost of living as registered in July and August 1982, than does the ULE offer. The arbitrator, however, does not give significant weight to changes subsequent to that since the agreement, if it had been obtained through voluntary settlement before August of 1982, would have reflected the changes of the prior year only. Subsequent changes undoubtedly will be reflected in subsequent agreements.

ULE, however, is arguing that there is a long-term catch-up in evidence here, owing to the decline of the real spendable earnings of teachers since 1967. In effect it says that the catch-up should be recognized and accelerated by accepting its offer rather than the Board's offer.

Concerning this argument, the arbitrator cannot fail to recognize the decline in real spendable earnings of Watertown teachers, but also recognizes that the Board offer which exceeds the CPI changes for July 1981 to July 1982 is a kind of catch-up also. The question then is on what grounds to accept the lower rate as reasonable.

The arbitrator accepts the Board's rate as reasonable and meeting the criterion of changes in the cost of living first, because it more nearly conforms to the previous year's changes; secondly, because it does give some recognition to the need for a long-term catch-up situation; and third, because it is more comparable in percentage increase to the increases in comparable districts.

XVI. OVERALL COMPENSATION. The parties did not extensively address matters dealing with overall compensation other than package costing. In this matter, as was shown in Table XXV here, the package percentage increases under the ULE offer more nearly meets the average of the primary comparable districts than does the Board offer. The arbitrator has concluded that the ULE offer more nearly conforms to the statutory criterion on overall costs.

XVII. COMPENSATORY TIME PROPOSAL. ULE is proposing that compensatory time off be given to teachers who are assigned to substitute for another teacher. Board Exhibits 4, 8 and 12 showed that the following school districts do not have this provision in their contracts in 1982-83: Oconomowoc, Waupun, Hartford UHS, West Bend, Beaver Dam, Jefferson, Fort Atkinson, Lake Mills, Whitewater, Palmyra, Mukwonago, Muskego, Hamilton, and Kettle Moraine.

ULE says that its proposal should prevail, because the Employer has already agreed to the compensatory time concept. The \$6.75 per period pay rate for the substitution rate has not been increased since 1978. The Watertown Per Diem Substitute rate is \$38.50 per day, or the equivalent of \$6.42 per hour if a per diem substitute does the teaching. Thus the economic value of emergency substituting service is low, and if there is mutually agreed to compensatory time for later arrival or early departure, the ULE offer will save the district money since per diem substitutes will not be used.

ULE says that it does not have to show any comparables, because its proposal has a monetary good effect, and it is the burden of the Board to show any negative effects.

The Board states that it is a principle in arbitration that the party proposing a change in an agreement must bear the burden of justifying it. The Board holds that the proposal is not justified for the sole reason that no other district has it.

Discussion. On the basis of comparison with the primary districts in this matter, the Board's position on not introducing the principle of compensatory time for time spent in substituting for teachers meets the statutory standard of comparisons. Although the ULE proposal could conceivably save the District money, yet it is introducing a new practice not found elsewhere. Unless it is voluntarily agreed to by the parties, it should not be introduced through arbitration, if it is to stand on the merits of its comparability.

XVIII. DURATION OF THE AGREEMENT. ULE is proposing a one year agreement and the Board a two year agreement with a reopening permitted for Article VI - SALARIES, Article XI - INSURANCE, and the Calendar.

Of this proposal, ULE says the requirement for a 60 day notice of a reopener is pure private sector language where the economic strike is the employee's lever against the profit motivated private sector employer. There are no such motives or unfettered rights for teachers in Wisconsin's public sector. The Wisconsin law is time dependent on a number of variable factors such as voluntary settlement patterns, the Calendar of the system, and the workload of the arbitrator and the respective parties. The proposal is therefore completely out of keeping with the Wisconsin dispute resolution mechanism in the public sector.

The Board states that its two year proposal is justified whereas ULE's one year proposal is a substantial and unjustified departure from the past history of multi-year agreements. The parties recently had a three year agreement which was extended for the fourth year with minor language changes. This history supports the Board's proposal. The Board further says that it is not in the public interest to start bargaining all over again.

Discussion. The arbitrator is of the opinion that the public interest will be best served by the two year duration of the agreement. Given the length of time taken in the current negotiations, it does not serve the public interest for the parties to have to begin negotiating a whole new agreement as soon as the terms of this agreement are settled. The arbitrator would not take this position if it were the case that ULE's position would be seriously hindered in some basic ways. The provision in the two year agreement for wage and insurance re-openers and calendar negotiation seem to deal with major teacher concerns. Therefore the arbitrator believes that the Board proposal is to be preferred, although the 60 day notice of re-opening does not seem supported.

XIX. INTERESTS AND WELFARE OF THE PUBLIC. The Board here is making a major point that the interests and the welfare of the public are not served by ULE's offer, but rather by its own. Board Exhibit 6-4 was a report on unemployment from the Wisconsin Department of Industry, Labor and Human Relations for July 26, 1982. It showed an estimate of an average of 2,400 persons unemployed, or 7.1%, of the work force in Jefferson County in 1980. In Dodge County there were 2,600 unemployed or 6.9% of the work force (Bd. Ex. 6-2). For 1982, the Jefferson County total was 4,100 unemployed or 11.6%, and for Dodge County it was 4,000 unemployed, or 10.7% of the work force (Bd. Exs. 6-22, 6-20). In January 1983 the totals were for Jefferson County, 14.4% unemployed, and for Dodge County 14.6% unemployed (Bd. Exs. 6-28, 6-29).

In January 1982 there were 205 adult recipients of public assistance in Jefferson County, and in January 1983 the figure was 349 (Bd. Exs. 7-3, 7-4). On February 28, 1983, a supervisor in the Dodge County Department of Social Services reported 141 Unemployed Parent AFDC cases as compared to 104 such cases in February 1982. Board Exhibit 7-6 was a report from the Seventh Farm Credit District reporting increased delinquency in farm loans.

Board Exhibit 6-33 reported 4,800 persons unemployed in Jefferson County in February 1983, or 13.7% of the work force. 5,000 persons were reported unemployed in Dodge County in the same period, or 13.8% of the work force.

ULE Exhibit XXIII-A showed that the County mill rate in Dodge County went from 3.533 in 1981 to 3.094 in 1983. In the same period the rate in Jefferson County went from 3.3952 to 3.4108. ULE Exhibit XXIII-B was a report from US NEWS & WORLD REPORT, April 4, 1983, that the new federal policies for idling farmland will cause farm income to be boosted significantly.

ULE Exhibit VI related to a problem of unaccounted for school districts' funds in the amount of \$50,000, which it was reported would amount to only a few cents on the tax roll. It also supplied data on the property taxes which would accrue to a home of \$70,000 market value and compared this sum with that of other districts in Dodge and Jefferson Counties where the school system is. The taxes would range from \$808 in the Town of Clyman in Dodge County and \$904 in the Town of Concord in Jefferson County to \$1,450 or \$1,472 in the City of Watertown which lies in both counties (ULE Ex. 7). ULE also provided data from the Milwaukee Sentinel about tax rates on a home assessed at \$70,000 in the areas to the east of it. Generally those districts closer to Milwaukee had rates higher than those in the rural areas of the Watertown district.

ULE Exhibit XXI was a newspaper article of March 23, 1982, reporting that the Waukesha Foundry Division was to open a new 40,000 square foot casting foundry in Watertown in June 1982 and would use advanced technology.

The Board's Position. The Board says that its offer should be accepted regardless of settlements entered into by comparable districts, because its offer is more responsive to the falling CPI, and local high unemployment rates and welfare claims. It notes that the unemployment rate for Dodge County is up 180% since the last period of negotiation, and in Jefferson County it is up 88%. Teachers on the other hand have been virtually immune from unemployment. Further welfare claims are also up, having risen 75% in Jefferson County since January 1982 and 40% in Dodge County in the same period. The Board cites arbitrators to the effect that primary weight must be given to the state of the economy. The severely depressed economy must be given determinative weight in this case.

ULE's Position. ULE is arguing that substantial aid will be forthcoming from the state government (ULE Ex. XXVI). ULE notes that on the basis of its data all taxing districts that pay into the Watertown school district have been able to decrease taxes from 1982 to 1983, with the exception of Watertown where the increase in taxes cannot be attributed to the school costs in view of what has happened in other districts. Further on the basis of the other statistical information provided, the Watertown district does not experience an unduly high tax burden.

ULE says that although the Board has provided data on unemployment and welfare in Dodge and Jefferson Counties, it has not proven that the counties are experiencing a difficult burden. Both counties have maintained a fairly stable tax rate for 1982 and 1983 and are looking for a rate reduction in 1983.

It is also noted by ULE that the loss of \$50,000 in the school funds is characterized as amounting to only a few pennies. This is to be considered in light of the about \$100,000 difference in the offers here. It also notes that the General School Aids for the District increased up to \$447,327 or 16.34% for the 1982-83 year (ULE Ex. IX). The Board's proposal comes to a \$296,935 for its total package, and this is but 66.38% of the increased state aids. ULE's proposal comes to a package increase of \$398,073 which is 88.99% of the increased state aids. Neither offer burdens the local taxpayer as shown by the rates on this data.

As to the problems of the farm population, no data furnished by the Board makes any specific reference to the status of Jefferson and Dodge Counties farmers, who may be the most advantaged of any in the state. The farmers may have a dilemma, but federal support is forthcoming.

Similarly for the problem of unemployment in the two counties, the Board did not show an inability to pay. It also did not show an adverse impact on taxes with respect to the ULE offer. It could not paint a bleak employment picture for the area, and it did not show an adverse impact on the farmers. However, it might be said alternatively that the ULE offer, if selected, would benefit the economy in the area by providing more spendable income, and creating more tax dollars for the state and federal economy.

Discussion. From the foregoing presentations and arguments, the arbitrator concludes that there has been a downturn in the economy of Jefferson and Dodge Counties for a substantial number of people, although the problem of the rural economy has not been shown specifically to apply to the area. The argument is not conclusive here on the basis of paucity of specific data to indicate that it would not be in the interests of the public generally to meet the ULE offer. The arbitrator concludes that the public interest would be served about equally well with either offer, especially in view of the fact that the over-all package costs of ULE more nearly meets the average of the districts of primary comparison.

XX. CHANGES DURING THE PENDENCY OF THE PROCEEDINGS. One matter needs to be reported in changes during the pendency of this proceedings. The National CPI-W for April 1983 was at 294.9, or a change of 3.9% above the previous year. The Milwaukee change for March of the CPI-W was 6.3% above a year ago. Thus the CPI-W continues to rise, but such matters will apply to future contracts between the parties, since in this case the arbitrator is applying the data from July and August 1982.

XXI. SUMMARY OF THE ARBITRATOR'S FINDINGS AND CONCLUSIONS.

The following is a summary of the arbitrator's findings and conclusions on the offers of the parties with respect to the statutory factors to be applied:

1. There is no issue here as to the lawful authority of the Employer to meet either offer.

2. The parties stipulated to all issues other than those treated herein.

3. There is no contention here on the part of the District that it cannot meet the costs of either offer.

4. The arbitrator concludes that on a schedule-to-schedule approach using actual annualized salaries in the District in 1981-82 as a base, the Board offer on salary represents an 8.16% increase, and the ULE offer represents a 10.25% increase. The Board package offer represents an 8.19% increase and the ULE offer represents a 10.11% increase.

5. From a wide list of districts submitted by both parties as comparables, the arbitrator concludes that districts of primary comparison value are those of Watertown, Oconomowoc, Beaver Dam, West Bend, Hamilton, Kettle Moraine and Hartford. Districts of secondary value are those of Muskego, Mukwonago and Waupun. Those with a tertiary value are Jefferson, Fort Atkinson and Whitewater.

6. With respect to the primary comparable districts which have settled, the Board offer for salary alone is lower than the average, but tends to more nearly approximate the average than the ULE offer which is higher than the average. With respect to districts of secondary comparison value, the Board offer is nearer the average of secondary districts in four selected lanes, and the ULE offer is nearer in two maximum lanes. The arbitrator's conclusion is that the Board's offer more nearly meets the statutory factor of comparison although it tends to fall behind. The Board's offer also lies closer to the average percentage increase of the secondary district than does the ULE offer.

7. In package costs, or total compensation, the ULE offer more nearly meets the average of the primary districts.

8. Though the teachers in the Jefferson district are not enjoying the prospect of a 9.1% increase which may yet accrue to administrators, yet the proposed percentage rate of increase for them under either offer is higher than that found in other reported Jefferson County public services. The weight of this factor on comparison with other employees in the public service falls to the Board's offer.

9. The evidence is that in the private sector wage settlements in the nation have been less than the wage settlement offered ULE by the Board. However, ULE has demonstrated a long-term decline in real spendable earnings of the teachers in the District. This is a factor in favor of the ULE offer. Both offers represent a kind of catch-up on the past erosion.

10. With respect to changes in the cost of living, the Board's offer more nearly represents the increase as reflected in the CPI-W of July and August of 1982, and it gives some recognition to a need to catch-up.

11. As to the compensatory time proposal, the Board's proposal to keep the status quo meets the standard of comparability, since no other district has such a feature as ULE is proposing, even though its proposal may have a monetary benefit to the Board.

12. On the matter of a two year agreement proposed by the Board, the arbitrator has concluded that the public interest will be best served by this proposal, especially since it allows re-openers for wages, insurance and the school calendar, although its 60 day advance notice requirement is not desirable.

13. As to the interests and welfare of the public as a whole, the arbitrator believes that the evidence here about a downturn in the economy has not been made specific enough to the district so that he concludes that the public interest would be served about equally well with either offer, especially in view of the fact that the overall package cost of ULE more nearly meets the average of the districts of primary comparison than does the Board offer which is much lower.

14. Of the matters listed above, the matters of salary costs in comparison to other comparable districts, comparison with other percentage increases in salary in the public service in the area, and private sector wage settlements, changes in the cost of living index, the compensatory time proposal and the duration proposal favor the Board's offer, while the total package cost favors the ULE offer. The evidence then is that the Board's offer preponderantly meets the statutory factors to be weighed, and hence the following award is made:

XXII. AWARD. The agreement between the United Lakewood Educators and the Watertown Unified School District for 1982-83 should include the final offer of the District.

*Frank P. Zeidler*

FRANK P. ZEIDLER  
MEDIATOR/ARBITRATOR

DATE June 24, 1983