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STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

SEP 21 1983

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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In the Matter of the Petition of :
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SCHOOL DISTRICT OF CASSVILLE :
:
To Initiate Mediation-Arbitration : Case II
Between Said Petitioner and : No. 29589
: MEB/ARB-1624
CASSVILLE EDUCATION ASSOCIATION : Decision No. 20330-A
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APPEARANCES

Karl L. Monson, Consultant, Wisconsin Association of School Boards, on behalf of the District

Paul R. Bierbrauer, Executive Director, Southwest Teachers United, on behalf of the Association

On March 7, 1983, the Wisconsin Employment Relations Commission (WERC) appointed the undersigned mediator-arbitrator pursuant to Section 111.70(4)(cm) 6.b. of the Municipal Employment Relations Act (MERA) in the dispute existing between the School District of Cassville, hereafter the District or Board, and the Cassville Education Association, hereafter the Association. Pursuant to statutory responsibilities the undersigned conducted mediation proceedings between the parties on April 28, 1983, which failed to result in voluntary resolution of the dispute. The matter was thereafter presented to the undersigned in an arbitration hearing conducted on May 26, 1983 for final and binding determination. Post hearing exhibits and briefs were filed by both parties by July 15, 1983. Based upon a review of the evidence and arguments and utilizing the criteria set forth in Section 111.70(4)(cm), Wis. Stats, the undersigned renders the following award.

SUMMARY OF ISSUES

This dispute covers the agreement between the parties for the 1982-83 school year. In dispute are issues related to the salary schedule and health insurance premiums.

COMPARABILITY

Positions of the Parties

District Position

While the parties are in agreement that the schools in the Blackhawk Athletic Conference represent the most appropriate set of comparables, the District submits that the District is most similar to the Benton and Bloomington School Districts.

Association Position

The Association agrees with the District that the districts in the Blackhawk Athletic Conference constitutes the appropriate set of comparables to utilize herein. However, the Association submits that the School District of Shullsburg, which is in the Conference, should not be considered as a comparable since it does not have a 1982-83 Agreement in effect.

Discussion

Essentially there is no significant dispute concerning the comparables which should be utilized herein. In this regard neither party dispute the appropriateness of utilizing the districts in the Blackhawk Athletic Conference, and they shall therefore be

so utilized. Since however the Shullsburg District did not at the time of this proceeding have a 1982-83 agreement in effect, it will be deleted from the comparables utilized herein since meaningful comparisons cannot be made without data pertaining to that year.

SALARIES

Association Proposal

BASE SALARY 12,450 - \$450 Between Steps Vertical - \$400 Horizontal

EXPERIENCE INCREMENT	<u>A</u> B.S.	<u>B</u> B.S.+12	<u>C</u> B.S.+24	<u>D</u> M.S.	<u>E</u> M.S.+12
STEP 0	12,450	12,850	13,250	13,650	14,050
1	12,900	13,300	13,700	14,100	14,500
2	13,350	13,750	14,150	14,550	14,950
3	13,800	14,200	14,600	15,000	15,400
4	14,250	14,650	15,050	15,450	15,850
5	14,700	15,100	15,500	15,900	16,300
6	15,150	15,550	15,950	16,350	16,750
7	15,600	16,000	16,400	16,800	17,200
8	16,050	16,450	16,850	17,250	17,650
9	16,500	16,900	17,300	17,700	18,100
10	16,950	17,350	17,750	18,150	18,550
11				18,600	19,000
				19,050	19,450

There will be no negotiations for additional vertical steps for four (4) years.

District Proposal

BASE SALARY \$12,400 - \$425 Between Steps Vertical & Horizontal

STEP	<u>BA</u>	<u>BA + 15</u>	<u>MA</u>	<u>MA + 12</u>
0	12,400	12,825	13,250	13,675
1	12,825	13,250	13,675	14,100
2	13,250	13,675	14,100	14,525
3	13,675	14,100	14,525	14,950
4	14,100	14,525	14,950	15,375
5	14,525	14,950	15,375	15,800
6	14,950	15,375	15,800	16,225
7	15,375	15,800	16,225	16,650
8	15,800	16,225	16,650	17,075
9	16,225	16,650	17,075	17,500
10	16,650	17,075	17,500	17,925
11			17,925	18,350
12			18,350	18,775

The total value of the District's final salary offer, excluding the value of improvements for the extracurricular schedule, amounts to approximately a 4.9% increase, while the Association's salary proposal amounts to about 6.8 - 6.9% increase. The dollar difference between the parties' salary proposals is somewhere between \$8,000 and \$8,700. The minor differences in the parties' costing of the salary proposals are not of sufficient magnitude to be dispositive of this dispute, and therefore, the undersigned will not address the merits of the parties' respective positions on this issue.

Association Position

The Association's salary offer is more reasonable in that it is more consistent with the District's historical relationship in terms of salaries, with comparable school districts when salary comparisons over the last three years are made.

On the other hand, the District's proposal results in precipitous declines in the District's relative standing among comparables with respect to salaries at the top end of the salary schedule. Although the Association's proposal would improve the District's relative rank at several salary benchmarks at the top end of the schedule, the resulting improvement would be far less dramatic than the decline in ranking at this end of the schedule if the District's proposed schedule were adopted. Importantly, the Association's proposed schedule stops the decline in the District's ranking which has occurred since 1980-81, while the District's proposed schedule continues that decline.

The Association further argues that there has been a precipitous increase in the gap between the District's salaries and the average salaries among all Conference districts since 1980-81, which would be exacerbated by the District's proposed salary schedule. The continued loss of status under the District's proposal does not serve the interests of the public, it is not reasonable when viewed in comparison to the salaries received by others doing similar work for similar employers, nor is it supported by any other statutory criteria which are to be considered by the Arbitrator in this proceeding.

In further support of the Association's salary proposal is the fact that the CPI for Nonmetro Urban Areas, North Central Region, from August, 1981 to August, 1982 increased 10%. This inflationary increase is higher than the increase proposed by either party herein, and is significantly higher than the District's proposed increase.

Finally, although the District argues that it has had to resort to deficit financing, it is important to note that the District received a greater increase in state aids in one year than the value of the collective bargaining increases over a three-year period. The District has allowed deficits to grow without using any measures to control this problem. In this regard, there is no evidence of cost control problems or of other problems which has necessitated this state of affairs.

Lastly, and quite importantly, the record indicates that the District's salary schedule has an inadequate educational credits lane structure. The deficiency is in the number of horizontal lanes between the BA degree level and the MA degree level. The District's position on this issue (i.e., one lane between the BA and MA lanes) stands sharply apart from the norm in the Athletic Conference. The Association's proposal of two lanes on the other hand is consistent with the salary schedule structures in all other Conference schools, save one, which has three lanes.

Related to the structure of the salary schedule is the relationship between the salary schedule minimum and maximum salary rates. Both offers are below the Conference average in this regard, but the District's offer is unreasonably far below that average. Under the District's offer, the District will continue to lose ground among its comparables in this regard. The addition of a second lane between the BA and MA levels is therefore absolutely necessary if a comparable salary structure is to be established, a reasonable minimum/maximum ratio is to be maintained, and if the District is to maintain its relative rank among the Athletic Conference schools.

#### District Position

The pattern of settlements, among comparable districts, is clearly more similar to the District's offer than that proposed by the Association.

In addition, the CPI index as of April 22, 1983 reflects only a 3.7% change in the cost of living during a period covering the majority of the 1982-83 school year. Thus, the District's proposed increase is clearly more reasonable when considered in light of this factor.

The record also indicates a very high unemployment rate in Grant

County, where the District is located, as compared with the State as a whole. Accordingly, in order to ease the burden on taxpayers, the District has implemented layoffs in staff other than teachers at the same time it has attempted to give teachers a fair raise. In this regard, the effects of a down-turned economy must be fairly shared by all District employees. Teachers should not be excluded from sharing that burden.

The record also indicates that no local public or private sector employee group has received the percentage increase demanded by the Association, and only one local employer has granted more than the District is offering. These local conditions surely do not support the reasonableness of the final offer of the Association.

It would be incongruous to award the Association's final offer when the District already has nearly the highest cost per pupil and tax levy rate among the comparable districts, while, at the same time, it receives less State aid than do most of the comparable districts. Since the budget is already committed and State aids realized from this arbitration award will not be granted until 1984-85, the options open to the District if the Association prevails herein would be to increase the property tax levy and/or increasing borrowing. In the District's opinion such consequences are clearly not in the public's interest.

In this regard, the Association should not gain in arbitration a settlement which so tests the will of the citizenry.

The District further does not believe that the Association's proposed substantial change in the structure of the salary schedule is justified as it affects only two teachers. If the Association prevails on this issue, instability in the structure of the salary schedule can be expected to become the norm.

Furthermore, no other school district in the Blackhawk Athletic Conference has changed the number of lanes in its salary schedule since the 1980-81 school year. Thus, the comparables also do not support the Association's final offer in this regard.

#### Discussion

Utilizing the aforementioned comparable school districts and seven salary benchmarks which are frequently utilized as a basis for comparisons in proceedings such as this, the undersigned has constructed the following tables to assist in the analysis of the parties' salary proposals:

	BA Base		Increase	
	81-82	82-83	%	\$
	\$	\$		
Belmont	12,000	12,437	3.6	437
Benton	11,850	12,400	4.6	550
Bloomington	12,000	12,425	3.5	425
Highland	11,750	11,800	.43	50
Potosi	11,800	12,100	2.5	300
Southwestern	11,650	12,000	3.0	350
West Grant	12,000	12,540	4.5	540
Average	11,864	12,243	3.2	379
Cassville	12,000	B 12,400 A 12,450	3.3 3.8	400 450
+/- Average	+ 136	B + 157 A + 207	+ .1 + .6	+ 21 + 71
Ranking Among 8	1	B 4 A 2		

B - Board  
A - Association

	BA 7th		Increase	
	81-82	82-83	%	\$
	\$	\$		
Belmont	14,300	14,835	3.9	557
Benton	14,958	15,655	4.7	697
Bloomington	14,460	14,885	2.9	425
Highland	14,322	14,632	2.2	310
Potosi	14,260	14,740	3.4	480
Southwestern	14,446	14,880	3.0	434
West Grant	14,400	14,940	3.8	540
Average	14,449	14,941	3.4	492
Cassville	14,550	B 14,950 A 15,150	2.7 4.1	400 600
+/- Average	+ 101	B + 9 A + 209	- .7 + .7	- 92 +108
Ranking Among 8	2	B 2 A 2		

	BA Max		Increase	
	81-82	82-83	%	\$
	\$	\$		
Belmont	15,500	16,117	4.0	617
Benton	16,023	16,771	4.7	748
Bloomington	16,920	17,775	5.1	855
Highland	16,632	16,992	2.2	360
Potosi	15,900	16,500	3.8	600
Southwestern	16,776	17,280	3.0	504
West Grant	16,000	16,540	3.4	540
Average	16,250	16,854	3.4	540
Cassville	16,250	B 16,650 A 16,950	2.5 4.3	400 700
+/- Average	0	B - 204 A + 96	-1.2 + .6	-203 + 97
Ranking Among 8	4	B 5 A 4		

	MA Base		Increase	
	81-82	82-83	%	\$
	\$	\$		
Belmont	13,500	13,937	3.2	437
Benton	12,450	13,000	4.4	550
Bloomington	12,820	13,245	3.3	425
Highland	12,150	12,400	2.1	250
Potosi	13,030	13,420	3.0	390
Southwestern	12,400	12,750	2.8	350
West Grant	13,200	13,740	4.1	540
Average	12,793	13,213	3.3	420
Cassville	12,850	B 13,250 A 13,650	3.1 6.2	400 800
+/- Average	+ 57	B + 37 A + 437	- .2 +2.9	- 20 +380
Ranking Among 8	4	B 4 A 3		

	MA 10th		Increase	
	81-82	82-83	%	\$
	\$	\$		
Belmont	17,000	17,617	3.6	617
Benton	16,623	17,371	4.5	748
Bloomington	16,510	16,935	2.6	425
Highland	16,524	16,864	2.1	340
Potosi	16,720	17,380	3.9	660
Southwestern	16,864	17,340	2.8	476
West Grant	16,800	17,340	3.2	540
Average	16,720	17,264	3.2	544
Cassville	16,675	B 17,075 A 17,700	2.4 6.1	400 1,025
+/- Average	- 45	B - 189 A + 436	- .8 2.9	-144 +481
Ranking Among 8	5	B 6 A 1		

	MA Max		Increase	
	81-82	82-83	%	\$
	\$	\$		
Belmont	17,800	18,457	3.7	657
Benton	17,688	18,487	4.5	799
Bloomington	17,740	18,575	4.7	835
Highland	17,496	17,850	2.0	354
Potosi	18,360	19,140	4.2	780
Southwestern	19,344	19,890	2.8	546
West Grant	18,000	18,540	3.0	540
Average	18,061	18,706	3.6	644
Cassville	17,950	B 18,350 A 19,050	2.2 6.1	400 1,100
+/- Average	- 111	B - 356 A + 344	-1.4 +2.5	-244 +456
Ranking Among 8	4	B 7 A 3		

	Sched. Max		Increase	
	81-82	82-83	%	\$
	\$	\$		
Belmont	18,300	18,957	3.4	657
Benton	18,793	19,631	4.5	838
Bloomington	18,150	18,985	4.6	835
Highland	17,496	17,850	2.0	354
Potosi	18,770	19,580	4.3	810
Southwestern	20,240	20,800	2.8	560
West Grant	18,000	18,540	3.0	540
Average	18,566	19,192	3.5	656
Cassville	18,375	B 18,775 A 19,450	2.2 5.9	400 1,075
+/- Average	- 161	B - 417 A + 258	-1.3 +2.4	-256 +419
Ranking Among 8	5	B 6 A 4		

The foregoing charts indicate that the District's salary proposal is the more comparable of the two at the BA base in terms of the size of the increase, both in actual dollars and percentages, as well as in terms of the actual proposed salary at said benchmark.

At the BA 7th step, the District's salary proposal is also slightly

more comparable, particularly in terms of the actual proposed salary.

At the BA Max, the Association's proposal is the more comparable of the two in all of the foregoing respects.

At the MA Base and MA 10th step, the District's salary proposal is more comparable than the Association's in all of the above respects.

At the MA Max, the District's proposal is the more comparable of the two in terms of the size of the proposed increase, while in terms of actual salaries, the parties' proposals are approximately equidistant from the comparable average. At this step there is merit to the Association's contention that a larger than average increase is justified in order to bring the District's salary into line with the comparables, and therefore, in the undersigned's opinion, the Association's proposal is slightly more reasonable than the District's, although quite candidly, a more equitable proposal at this step would have fallen somewhere between the parties' two positions herein.

At the Schedule Max, again the District's proposal is more comparable than the Association's when the relative size of the proposed increases is analyzed, while the Association's proposal is the more comparable of the two when actual salaries are compared. However, at this step, the District's proposal is not sufficiently out of line to justify the magnitude of the increase proposed by the Association, and therefore, in the undersigned's opinion, the District's proposal at this step is the more comparable of the two.

A review of all of the foregoing indicates that the District's proposal is more comparable than the Association's at five of the seven benchmarks compared, and therefore, when viewed in its totality, the District's salary proposal is the more comparable of the two.

In addition to the foregoing, in the undersigned's opinion, this record does not contain persuasive evidence or argument justifying the selection of the least comparable salary proposal, in that with the exception of one salary benchmark, the District's salaries are and will remain comparable, and there is nothing sufficiently unique about the District to justify salary increases which are in many instances significantly larger than those which have been granted in comparable districts.

While the Association contends that a change to a five-lane salary schedule is necessary, an analysis of comparable schedules indicates that the pattern is mixed in this regard, with three districts having four lanes, three having five, and one having six. Thus, based upon the above, a strong case justifying the need for such a change, based upon comparability, has not been made, particularly since the Association's proposed increases and salaries, which would result in part therefrom, are, in their entirety, less comparable than the District's.

Based upon all of the foregoing, it is the undersigned's opinion that the District's salary proposal is the more comparable, and therefore, the more reasonable of the two submitted herein.

#### HEALTH INSURANCE PREMIUMS

##### Association Position

The District's extraordinary insurance costs in the first part of 1982-83 were clearly caused by an error that was made with respect to the 1981-82 health insurance premiums and thus they should be calculated as part of the District's 1981-82 costs, and not as 1982-83 costs. The record clearly indicates that the District's actual premium costs for 1981-82 were mistakenly not charged by the carrier for seven months. The District and the Association knew the actual health insurance premium costs when they costed the 1981-82 contract during the collective bargaining

process and those costs were not implemented, due to the carrier's error. It is only logical to conclude that the extraordinary increase in rates for the 1982-83 premium year included deferred payments from the 1981-82 premium year. It follows, then, that the District's 1982-83 costs should be calculated so as to include only the premium rates covering 1982-83, excluding the portion of said rates that made up for the 1981-82 error.

It is appropriate and reasonable for the District to pay the full cost of the health insurance premiums in the 1982-83 school year. Historically, the District has always paid the full cost of the health insurance premiums. In addition, the Association has been very flexible as to carrier changes and reductions in benefits in order to maintain such full payment by the District. The efforts by the Association have resulted in health insurance costs in the District which are at the low end of the scale among comparable districts. Finally, all comparable districts except one pay the full cost of the family and single health insurance premium. The District proposal to pay less than full benefits thus is not supported by the comparables and is, therefore, unreasonable.

#### District Position

The District recognizes the relative inexpensiveness of its health insurance premium. It also acknowledges that, in the past, the District paid for all health insurance premiums. However, the District is now trying to better control its contribution toward this important and expensive fringe benefit.

This is necessary since severe fluctuations in the District's premium rate occurred in the 1982-82 school year. Staggering increases in the rates were in effect for five months while the parties attempted to negotiate this issue. Even the Association recognized that the enormous increases were overwhelming the District and, as a result, the parties agreed upon different insurance coverage, thereby reducing the premium rates.

The District, however, because of these dramatic increases in premiums, decided to discontinue its practice of paying for full coverage, and instead wishes to obligate itself to pay specific dollar amounts toward health insurance premiums. This approach will make the Association and its members more aware of the value of this benefit and will better control the District's obligations in this regard. The District believes that the premium fluctuations it recently experienced were so unique that its action is justified, regardless of what the comparables are doing on this issue.

#### Discussion

On the basis of the totality of this record, it is the undersigned's opinion that the Association's proposal on this issue is clearly the more reasonable of the two. This conclusion is based upon the fact that the District's health insurance premium payments are substantially less than the premiums paid by most of the comparable districts, the clear pattern in comparable districts to pay the equivalent of the full single and family health insurance premium, and the fact that the District's position on this issue will result in a harsh inequity that is unjustified under the circumstances present herein. It is clear from the record that the District experienced a windfall due to an insurance carrier's error in 1981-82. It also seems evident that the health insurance premium increase the District experienced in the first part of the 1982-83 school year was the result of an effort by the carrier to correct that error. Under such circumstances the undersigned believes it is extremely unreasonable to require the teachers to pay such a significant portion of that premium increase, particularly since the District enjoyed such significant premium savings the prior year. Based upon all of the foregoing circumstances, the Association's proposal in this regard clearly merits adoption herein.



TOTAL FINAL OFFER

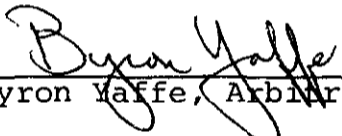
The foregoing discussion indicates that of the two issues in dispute, the District's proposal is the more reasonable of the two with respect to the salary schedule, while the Association's proposal is more reasonable with respect to health insurance. In spite of the significant inequity with respect to health insurance which will result from adoption of the District's total final offer, it is clear from the record that the salary schedule dispute is the most significant issue herein in terms of its economic consequences, and accordingly, the undersigned has no choice, based upon the foregoing discussion and the statutory constraints on the undersigned's authority, but to select the District's total final offer as the more reasonable of the two submitted herein.

Based upon all of the foregoing considerations the undersigned hereby renders the following

ARBITRATION AWARD

The final offer submitted by the District herein, as modified by the mutual agreement of the parties during the mediation session which was conducted by the undersigned on April 28, 1983, shall be incorporated into the parties' 1982-1983 Agreement.

Dated this 16<sup>th</sup> day of September, 1983, at Madison, Wisconsin.

  
Byron Yaffe, Arbitrator