

February

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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

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 In the Matter of the Petition of :
 :
 AMERICAN FEDERATION OF TEACHERS :
 LOCAL 212, WFT, AFL-CIO :
 :
 To initiate Mediation-Arbitration : Case CCIII
 Between Said Petitioner and : No. 31546
 : MED/ARB-2254
 MILWAUKEE AREA VOCATIONAL, : Decision No. 21059-A
 TECHNICAL & ADULT EDUCATION :
 DISTRICT :
 :
 :
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APPEARANCES

James Urdan, Quarles & Brady, on behalf of the District

Steve Kowalsky, on behalf of the Union

On October 31, 1984 the Wisconsin Employment Relations Commission (WERC) appointed the undersigned Mediator-Arbitrator pursuant to Section 111.70(4)(cm)6b. of the Municipal Employment Relations ACT (MERA) in the dispute existing between the Milwaukee Area Vocational, Technical and Adult Education District, hereafter the District or the Employer, and American Federation of Teachers Local 212, WFT, hereafter the Union. Pursuant to statutory responsibilities the undersigned conducted mediation proceedings between the parties on December 19 and 20, 1983. During said mediation the parties voluntarily resolved all issues contained in their final offers except for their dispute over the salary schedule. Thus, they agreed to remove all issues from their final offers except for their positions on salary schedule improvements.

The salary dispute was thereafter presented to the undersigned in an arbitration hearing conducted on December 20, 1984 for final and binding determination. Post hearing exhibits and briefs were filed by both parties and exchanged by March 1, 1984.

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 arbitration award.

SUMMARY OF ISSUE

This dispute covers the agreement between the parties covering the 1983-1984 and 1984-1985 school years. The only issue in dispute pertains to the teachers' salary schedule. In this regard the Union proposes 5.5% increases to each cell of the salary schedule each year, while the District proposes 3% increases to each cell each year.

The parties also are in disagreement as to what comparables the undersigned should consider in this proceeding. Because the comparability factor has such a significant impact on the outcome of this dispute, it will be discussed first. Thereafter, the relative merit of the parties' positions on the salary issue will be analyzed and discussed.

COMPARABILITY

Union Position

Three levels of comparables should be used in this case. The

Voc-Tech Districts of Madison, Waukesha, and Gateway are the most comparable based upon size, geographic proximity, community similarity, and similarity of work. Although Moraine Park and Lakeshore are contiguous districts, they are not included in the first level of comparables because of their size differences.

The second level of comparables should be all other Voc-Tech Districts, based upon the fact that the teachers in those schools essentially perform the same work as the teachers in this District.

The third level of comparables should be the Milwaukee Public Schools. While K-12 comparisons are seldom used in Voc-Tech teacher disputes, the District teachers and the Milwaukee Public School teachers do provide similar services for their respective employers; they work and live in the same community and are affected similarly by economic conditions in Milwaukee. Both school districts draw students from the same population, tax from the same equalized value base, and are similarly affected by the prevailing economic conditions in the Milwaukee area.

The District attempts to compare Voc-Tech teachers in Milwaukee with other employees in the area who do not perform similar services. The obvious difference between such groups of employees is that they have totally different duties and responsibilities, and have entirely different conditions of employment. Furthermore, arbitrators have consistently regarded groups of employees performing the same or similar work as the most valid comparables, and it has been traditional in arbitrations involving voc-tech teachers for the parties involved to compare teachers with other teachers in voc-tech institutions. A review of all the med/arb decisions involving teachers in voc-tech districts reveals that no arbitrator has ever used clerical or support staff units, as comparables. In fact, seldom have K-12 teacher units ever been used as a basis for comparison, although there have been a few exceptions.^{1/} In contrast however, it has not been unusual in cases involving support or clerical staff units for arbitrators to have used as a basis for comparison units of similar employees working for other employers, many of whom are not similar, but for the fact that they are located in close geographic proximity. This clearly has not been the case however in voc-tech teacher cases.

While the District asserts that considerable weight should be given to consistencies it alleges have existed between internal settlements, this argument is unfounded, particularly since arbitrators have never used such internal settlement patterns as a basis for determining the comparability of final offers in voc-tech teacher unit med/arb cases. Furthermore, even if such internal relationships were relevant, the record does not support the District's assertion that past internal relationships dictate that the teachers must adhere to the settlement pattern the District has established with other employee units.

The District also argues that a precedent has been established for internal comparability based upon the decision of Arbitrator Rice in American Federation of Teachers Local 212, WFT, AFL-CIO and Milwaukee Area Vocational Technical and Adult Education, District No. 9 (1982). The Union disagrees that a precedent has been established which affects the instant case since Arbitrator Rice's use of internal comparables was affected by the fact that a relatively small size unit was involved, and the dispute arose after two major bargaining units had settled. In the instant case, the unit is twice as large as any other unit in the District. There is also a substantial

^{1/}Citations omitted.

difference in the amount of money involved, because of the size of the unit and the greater salaries paid to teachers. Thus, internal settlements should not be a major factor in determining the outcome of the instant case, unless the Union has made unreasonable demands in comparison to other voc-tech schools.

Position of the District

Throughout the history of collective bargaining between these parties, the relevant comparisons which have consistently been utilized by the parties have been the settlements covering other employee groups within the District and the settlements among the other major public employers in the area such as the City of Milwaukee, Milwaukee County, and the Milwaukee Public Schools.

In the past, the Union has virtually ignored comparisons with other VTAE districts. Now for the first time the Union suddenly claims that the only relevant criterion to apply herein is the specific percentage increases which have been agreed upon in other voc-tech districts this particular year. The District submits that, since the sole issue here is what the across-the-board percentage increase in salaries in the unit should be, this is an issue which is germane to all public employee groups in the community. In the absence of any evidence that the District's present teacher salaries are out of line, the percentage increases granted to other groups of public employees by this Employer and by the other major public employers in the area becomes highly relevant.

Furthermore, all of the other VTAE districts in the State are not in fact comparable. Only Madison and Waukesha are in the same class as the District with respect to salary levels, and within that group, Madison is more nearly comparable to the District with respect to population, equalized valuation, and based upon other relevant factors. The other districts are generally so much smaller and so far behind in dollar salary levels that it is entirely appropriate and understandable that their annual percentage increases should be at a higher level than the District's in order to gradually narrow the very substantial salary gap which currently exists. While the Union argues that the Gateway District is a first level comparable, the District notes that the actual salary levels in that District are drastically below the District's, so much so that the comparability of percentage increases becomes meaningless.

Most importantly, the med/arb statute expressly directs arbitrators to make comparisons with public employees generally, and does not restrict the comparison to be made to similar employees and employers.

The Union also claims that traditionally the parties have made comparisons with other VTAE teachers. No such tradition exists in the District. For the obvious reason that it enjoyed higher salaries, the Union has never before invited comparisons with other VTAE districts. Past bargaining between these parties has always been affected by internal comparisons and by general wage settlements in the large Milwaukee public units.

The recent decision of Arbitrator Grenig in a med/arb case involving Madison Area Technical College offers no explanation why percentage increases in a particular year should be given controlling significance where the underlying dollar salaries among "comparable" VTAE districts are so widely different and where the percentage increases which have been granted in such districts in other years have been significantly different. Moreover, Madison lags behind the District in salaries, it has no history of internal comparisons and comparisons with other major local governmental units in the community as is the case herein, and Madison has the lowest local tax rate of any of

the VTAE districts. In contrast, the District herein is very near its statutory taxing limit. Thus, this recent med/arb decision should not contribute to the resolution of the issues here.

It is entirely natural and appropriate that the parties have given significant weight to collective bargaining settlements in the other governmental units in Milwaukee. The City of Milwaukee dominates the District with over 60% of its student population coming from the City, and when the rest of Milwaukee County is added, the vast majority of the District's population and taxable property is covered. This substantial overlap between these major municipalities and the VTAE District is not comparable with conditions which exist in any other VTAE District. Since the District is the smallest of these governmental units in terms of total employment, and since the District is on a fiscal year cycle rather than the calendar year cycle of the City and County, the District tends to follow the general settlement pattern established by these larger municipal employers.

Finally, since this proceeding deals with the question of a general annual wage increase rather than any factor peculiar to this particular employer or occupation, significant weight should be given to broad general trends in compensation, not only in the local area but more broadly throughout the State and the nation. Since the VTAE system is a statewide system and is partially funded by the state tax revenues, significant weight should be given to the pattern of salary adjustments which have been granted in the University of Wisconsin system as well as those which have been granted to State employees generally. Although no attempt has been made to equate VTAE faculty with the University of Wisconsin system faculty in terms of job duties and responsibilities, both systems are responsible for higher education, both are statewide in nature, and both are significantly funded by the State. Thus the salary adjustments granted by the State to the University of Wisconsin faculty constitute a significant barometer of the economic and fiscal conditions in the State which impact upon the VTAE districts. The same may be said about the increases which have been granted to other State employees, even though their particular job classifications are different, since they reflect the general economic and fiscal conditions which bear importantly upon the question of the relative propriety and reasonableness of the parties' proposals herein.

DISCUSSION

In determining what are the appropriate comparables to utilize in this proceeding, the undersigned believes that the statute dictates that at least to some extent, all of the comparables which have been proposed herein are relevant. In this regard Sec. 111.70(4)(cm)7d. makes reference to other employees performing similar services, as well as other employees generally in public employment in the same community and in comparable communities.

Several factors however affect the relative weight to be given such comparables in proceedings such as this, including the nature of the issues in dispute, e.g., whether they are unique to the profession involved in the dispute, the availability of relevant comparables, based for example on the similarity of services provided and similarity of size, relative ability to pay, and geographic proximity, and also the extent to which the conditions of employment in dispute are comparable to or dissimilar from the conditions of employment of the proposed comparable employee groups.

While this record demonstrates that arbitrators have utilized both internal and external comparables in proceedings such as this, the undersigned is of the opinion that where possible,

the most comparable employee groups to utilize in such proceedings are those who perform similar services, who have similar levels of training and responsibility, and who work for employers which are of relatively similar size, which are geographically proximate, and which have relatively similar abilities to provide their employees with comparable conditions of employment.

That is not to say that other public employee settlements in the District and in the Milwaukee area are irrelevant or that they should be accorded no weight or consideration in a proceeding such as this, but instead, relatively speaking, such settlements should be given consideration when more relevant comparables are not available, or when reference to such comparables proves not to be dispositive of the issue at hand.

In the instant matter, the District is significantly larger than any of the proposed VTAE comparables, which distinguishes it somewhat from this group of proposed comparables. On the other hand, at least two proposed VTAE comparables (Waukesha and Gateway) are geographically proximate to the District, and in both of said comparables the employees in question provide the same services, and they have similar levels of training and responsibility. In addition, the second largest VTAE district in the State (Madison) is also located in one of the State's few population centers, and in several other regards its employees work in a similar professional environment. Based upon these factors, it is the undersigned's opinion that the most comparable employer-employee relationships to consider herein are those in the Madison, Waukesha, and Gateway VTAE districts.

Also relevant however, through someless so, are the settlements which have occurred in the Milwaukee area involving other professional educators, including the teachers in the Milwaukee Public Schools and the faculty members at the University of Wisconsin-Milwaukee. While these employee groups perhaps have less in common with the employees involved herein than do the above noted comparable employee groups, because of the similarity of their duties, responsibilities, and training, they do constitute appropriate comparables to consider in this proceeding.

While other District and Milwaukee area settlements have some relevance to the relative equities of the parties' positions herein, in the undersigned's opinion they merit less consideration than the above described comparables, particularly since there are sufficient numbers of comparable employee groups involved in public education to utilize based upon this record to evaluate the relative merit of the parties' positions herein. In this regard, although the District has established a settlement pattern with other employee groups, because of the relative size of these employee groups in comparison to the size of the employee group involved herein, and because of the distinctions which exist between the conditions of employment of said groups and the teachers, the undersigned is not persuaded that the established settlement pattern in the District deserves serious consideration in determining what is an appropriate level of settlement in the instant dispute.

While the settlements among VTAE teachers in the other statewide districts also are somewhat relevant, because of the many differences in the economic conditions which affect these groups based upon relative size and location, the undersigned does not believe that significant weight can be given these proposed comparables in this proceeding.

SALARIES

Union Position

Based upon comparability, the Union's salary offer is far more reasonable than the District's. The Union's proposed 5.5% cell increase fits right in with the pattern established by other voc-tech schools and the Milwaukee Public Schools, in both the 1983-84 and 1984-85 school years. The Employer's offer on the other hand is about 2% below the pattern. While the Gateway settlement has to be discounted slightly since it reflects the second and third year of an agreement bargained in slightly different economic times, all other relevant VTAE settlements reflect the results of the current year's bargaining.

Particularly noteworthy is the fact that in the Madison VTAE District, Arbitrator Grenig recently selected the Union's salary proposal in a case involving the District's 1983-84 teacher salary increase. The Arbitrator found the Union's 5.5% offer to be more reasonable than the District's because it was substantially closer to the voluntary settlement pattern which existed among comparable VTAE districts. Since the Union's offer is identical in this case, and since it is undisputed that Madison is the most comparable VTAE district to this District, and since the decision continues the overwhelming pattern of settlements in the VTAE system, the Union believes that this award should weigh heavily in favor of its position in this case.

Moreover, all voc-tech districts have not only voluntarily accepted total salary and package settlements which are comparable, they have accepted for at least one bargaining period the principle of a uniform pattern of cell increases which retain their previous relative rank among comparable districts and actually slightly expand the salary differences which exist among said districts at the benchmarks. The District's offer would severely alter this established pattern.

On the basis of dollar increases, the District's offer is totally non-competitive with other districts. Over the two-year period, dollar increases are significantly less than Waukesha and Gateway. At all benchmarks the dollar increase from 1982-83 to 1983-84 in every settled district are greater than the District's offer. Thus, based upon salary schedule dollar increase, the Union's offer is the most reasonable of the two.

While the District argues that it and Morain Park granted the highest salary schedule, total package, and average salary/benefit increases among all the VTAE districts in 1982-83, these settlements occurred in the second year of two-year contracts which were bargained in 1981 when inflation was running in the double digits, and they were consistent with settlements being made in other districts at that time. When 1982-83 settlements were being negotiated, inflation had lessened considerably, which resulted in smaller salary settlements than the year before. In this regard arbitrators have consistently rejected second and third-year settlements from multi-year contracts as not being reflective of bargaining under current economic conditions. Thus, the Union's analysis of current settlements more reasonably reflects what settlements have been achieved in current rounds of negotiations.

If the District's 1982-83 settlements are utilized to justify the District's offer, then 1981-82 settlement figures should also be considered since that is when the two-year District contract was settled. The District's 1983-84 and 1984-85 offer compounded with the 1981-82 and 1982-83 settlement is significantly below the compounded figures of Waukesha and Gateway in the same period of time. Meanwhile, the Union's four-year compounded figure is much more comparable to the others. In fact, whether the District's one-year, two-year, three-year, or four-year settlement pattern is compared to other voc-tech district settlements, the District's offer places the District at the bottom of any such comparison.

The parties have agreed that the District has always been the wage leader among the State's other voc-tech schools. If the District's offer is implemented, the District will suffer a significant salary compression vis-a-vis the other VTAE districts. Moreover, and most importantly, for the first time in history, the District would lose its number one ranking at the high end of the salary schedule, where over 50% of the bargaining unit currently resides. There has been no corresponding tradeoff which would justify such a change in the District's relative ranking.

The District's comparison between the parties' final offers and the Milwaukee Public School teachers' settlements is not valid because they were bargained in different economic times. Moreover, this comparison does not reflect the fact that the Milwaukee Public School teachers not only received 4.75% for the 1982-83 school year, but they also received a 4.0% salary schedule increase in January of 1982. However, since the most recent Milwaukee Public School settlement occurred just one month before the submission of final offers by the parties in the instant case, the Union would agree that said settlement (5.8% and 5.0% for 1983-84 and 1984-85 respectively) is an extremely valid comparable in that it reflects a reasonable voluntary settlement under similar economic conditions within the same community. On this basis, the Union's final offer again must be deemed the more reasonable of the two.

The Union also argues that from July, 1982 to July, 1983 the CPI for Milwaukee area rose by 8.4%. While the national average CPI may have gone up only 2.2%, the teachers in this unit do not live nationally, but are in the Milwaukee area and are affected by the cost of living in that area. Since the contract goes into effect in July of 1983, the Milwaukee CPI increase from the previous July is most relevant in determining which parties' 1983-84 offer is the most reasonable in order to enable the faculty to maintain pace with the cost of living. In this regard, the Union's proposed salary and package increase is more in line with the previous year's cost of living increase.

Finally, ability to pay is not an issue and the interests and welfare of the public would not be harmed by selection of the Union's offer. In this regard, the District's had a \$1.1 million surplus in 1983-84 which is sufficient to fund the Union proposal. In addition, the District lowered the tax levy and mill rate in 1983-84; it had minimal operational tax levy increases of 2.1% and 2.0% in 1982-83 and 1983-84 respectively and it received \$24 million in state aids. In fact selection of the Union's proposal will have minimal impact on the District's total budget, particularly in light of the long-term cost savings other provisions of the parties' agreement will generate. In conclusion, there is no evidence in the record which indicates that selection of the Union's offer will in any way harm current or future educational programs.

Position of the District

An important factor to be considered under the Statute is the present level of compensation and benefits of the employees. An analysis of this factor establishes conclusively that no special or unusual salary improvements are necessary or appropriate in this unit. The composition of the bargaining unit reflects a high proportion of the teachers at the top steps of the salary schedule. In addition all faculty members have substantial opportunities for additional earnings. Furthermore, in addition to the basic salary, the collective bargaining agreement provides a very comprehensive and broad range of employment benefits. In addition to a wide variety of generous contractual benefits, the employees involved in this proceeding enjoy an extraordinary continuity and stability of employment. Thus, clearly this is not a situation where some special

"catch-up" factor is necessary to achieve appropriate compensation levels for the employees involved herein. As a result, annual improvements in compensation should properly reflect current economic conditions without any special additions.

Throughout recent history internal comparability among the various MATC employee groups has been a major factor in all of the District's collective bargaining units. Although the percentage increases granted to each group in each year have not always been exactly identical, there has been substantial comparability among the groups, and for the last three years the groups have enjoyed precisely identical percentage general increases. With reference to the school years involved in this proceeding, the unit consisting primarily of clerical, maintenance and food service workers has voluntarily negotiated a general percentage wage increase in each year of 3%, exactly the same as proposed by the District here. In addition, a unit of technical employees has voluntarily accepted a 3% increase for 1983-84 school year. This voluntary settlement with these employees is particularly significant herein because the Union represents relatively higher paid employees, including professional engineers, and also represents employees in the private sector in the Milwaukee area. Non-represented employees have likewise received a 3% general increase for the 1983-84 year. An agreement was also reached for a 3% general increase for the printing trades workers for both 1983-84 and 1984-85.

In addition, the prevailing pattern of wage settlements among the major Milwaukee municipal employers is comparable to and, in some cases much less than the proposal of MATC in this proceeding. The pattern for teachers employed by the Milwaukee Public Schools was at a somewhat higher level, but it is important to note that that agreement covered a three-year period and the three-year cumulative salary increase received by the Milwaukee Public School teachers is much closer to the amount received by the District's teachers under the District proposal than to the Union proposal here. It should be noted that the local municipal settlement pattern is not restricted to clerical-type positions, but covers other local municipal employees in a great variety of occupations at both high and low general salary levels. This consistent pattern of local municipal settlements is of critical importance here because the District substantially coincides with these governmental units in terms of the territory and population served, as well as in its tax base. There is nothing special or unique in the District's situation which would justify a significant departure from this established local pattern of general percentage wage increases.

While the parties have not previously attached any particular significance to comparisons with other VTAE districts, such comparisons demonstrate that the District salary levels far exceed those of most of the other VTAE districts, with only Madison and Waukesha approaching the District levels. Adoption of the District proposal here would not significantly alter those relationships, with the District salaries remaining substantially higher than most of the other districts at the various benchmarks. Conversely, if the Union proposal were accepted, the existing disparities would be compounded and the dollar differentials would be widened.

While it is true that the District proposal here is less in terms of percentage than the settlements in a number of the other districts for the current year, the settlement in the District for the prior year was significantly higher than most of these same districts. It is of great significance also that the average salary at the District is substantially higher than the average salary in each of the other VTAE districts. The same percentage increase applied to the higher District average salary thus would be worth far more dollars than the identical

percentage increase in those districts which have dramatically lower average salaries. It is therefore both natural and appropriate that the percentage increases in those other districts should be higher than in the District, in order to equalize the relative tax burden and, over a longer term, to bring all VTAE salaries more into line.

It is also relevant that the faculty in the University of Wisconsin system will receive no salary increase for the 1983-84 year and only a 3.84% increase for the 1984-85 year. Significantly, an identical settlement was negotiated by the WSEU affecting approximately 25,000 state employees. Again, although the particular job classifications are different, the general economic and fiscal conditions reflected by this agreement bear importantly upon the propriety of the much higher salary increases demanded by the Union here.

The same pattern is seen in wage settlements throughout the nation. Typical salary improvements are at or below the level proposed by the District here. There is no special reason or justification for local taxpayers to have to finance the much higher salary adjustments sought by the Union.

As of June, 1983 the percentage change in the CPI for the preceding year was only 2.4%, and there has been only a modest increase since that time. The index of wholesale prices has likewise been very stable, with even a lower rate of increase than retail prices. This trend is of particular significance here since this change foretells future prices at the retail level, and here we are dealing with a two-year package. It is also significant because wholesale price indices are not distorted by items such as health costs which are paid for here by the Employer, and therefore which should be properly excluded from a cost-of-living analysis in evaluating the relative reasonableness of the parties' proposals.

Among the broader factors which must be given consideration in evaluating the proposals are the general economic trends in the community. A general consensus exists that the Milwaukee area faces a grave economic crisis which will require extraordinary efforts to reverse. In this economic climate, it would not be surprising if the taxpayers who must finance the operations of the District were to expect prudence, realism, and restraint in the salary increases granted to this highly favored and protected group of public employees. During this period of economic instability, particularly in light of the drastic decline in the cost-of-living, the salary increase proposed by the District is both ample and appropriate.

The tax rate for the District's operations for the current fiscal year is very near the statutory maximum. The District thus has a very limited margin for raising additional local tax revenues. The relative capacity of the District to remain a significant leader in public employee salaries has declined and likewise the justification for any such leadership has declined. Clearly Milwaukee is already making a maximum local tax effort and it is certainly appropriate for other VTAE districts to increase their salary levels at a somewhat greater percentage rate than the District under these circumstances. Furthermore, the dollar increases proposed by the Union will divert funds from other important needs, in light of the relatively limited capacity of the District to raise additional tax revenues through rate increases.

The District does not claim that it lacks the capacity to pay the increases proposed by the Union. However, in the absence of new revenue sources, the District does not have the capacity to levy sufficient local taxes to fund the difference. Thus, it is fair to conclude that salary increases of the magnitude

proposed by the Union could only be accommodated by reductions in other expenditures which will necessarily have an adverse impact on some District programs.

Based upon all of the foregoing considerations, and applying all of the criteria set forth in the Statute for the disposition of such proceedings, the District's proposal is clearly the more reasonable of the two submitted herein.

DISCUSSION

Of the several statutory factors which must be considered in resolving this dispute, the undersigned continues to believe that the most objective criterion to utilize, absent evidence of an Employer's inability to provide comparable conditions of employment, is that of comparability. Comparability however, at least with respect to a wage dispute, consists of at least three elements: the comparability of actual wages, the comparability, in percentage terms, of proposed increases, and the comparability, in terms of dollars, of proposed increases.

In the instant matter the record clearly demonstrates that in terms of actual wages, the District has long been a wage leader in the statewide VTAE system, and that even among the most comparable VTAE districts, in the recent past it has strengthened its relative position in that regard. The following charts indicate that under the Union proposal the District's salaries would continue to exceed all other VTAE comparables, often by more than \$2,000 at any given salary benchmark. The District's proposal on the other hand would enable it to maintain its relative position as a wage leader, with a few exceptions, but the gap between it and its most comparable VTAE districts would be significantly reduced. Based upon this data alone, the District's proposal appears to be the more comparable of the two.

Salary Comparisons 1983-84

	<u>BA Min</u> \$	<u>BA 7</u> \$	<u>BA Max</u> \$	<u>MA Min</u> \$	<u>MA 10</u> \$	<u>MA Max</u> \$	<u>MS+30 (32)</u> <u>Max \$</u>
Madison	17,205	22,401	29,223	18,959	26,936	31,374	34,468
Waukesha	16,111	21,342	28,545	17,490	26,658	32,477	33,711
Gateway	16,987	20,803	22,711	18,471	24,195	27,587	29,813
Average	16,768	21,515	26,826	18,306	25,930	30,479	32,670
Milwaukee							
Union	18,891	25,087	31,135	20,661	27,742	33,053	34,823
District	18,443	24,492	30,542	20,172	27,085	32,270	33,998

Salary Comparisons 1984-85

	<u>BA Min</u> \$	<u>BA 7</u> \$	<u>BA Max</u> \$	<u>MA Min</u> \$	<u>MA 10</u> \$	<u>MA Max</u> \$	<u>MS+30 (32)</u> <u>Max \$</u>
Madison	N/S	N/S	N/S	N/S	N/S	N/S	N/S
Waukesha	16,956	22,462	30,043	18,408	28,058	34,182	35,481
Gateway	18,040	22,096	24,124	19,616	25,700	29,297	30,479
Milwaukee							
Union	19,930	26,467	33,004	21,797	29,268	34,871	36,738
District	18,996	25,227	31,458	20,777	27,898	33,238	35,018

*Not Settled

In terms of the percentage value of the proposed salary increases, it is clear that the Union's proposal is more in line with the

percentage increases which have been granted in the District's primary comparables, particularly for the 1983-4 school year.

% Increases

	<u>1983/84</u>		<u>1984/85</u>
Madison	5.5		N/S*
Waukesha	5.5	Union	5.5**
		District	5.25**
Gateway	6.0		6.2***
Milwaukee		Union	5.5
		District	3.0

*Not Settled

**Certified Final Offers

***Third Year of Three-year Contract

The undersigned is of the opinion however that a comparison of the percentage increases among the above comparables is of limited value because of the significant disparity which exists among them when actual salaries are compared. This disparity often results in much higher dollar increases in the District when similar percentage increases are granted, which in turn increases the disparity in salaries which exists among these comparables. Thus, although the Union's proposal appears to be the more comparable of the two in this regard, relatively less weight will be given to this set of comparisons than others which are discussed in this analysis.

Perhaps it should be noted that in this same regard the District's proposal is supported generally by other Milwaukee area public employment settlements, with the exception of the teachers' settlement with the Milwaukee Public schools, which generally supports the comparability of the Union's proposal. This mixed picture further supports the reasonableness of the conclusion that an analysis of percentage increases provides limited help in determining the relative merit of the parties' proposals herein.

The third basis for comparison involves a comparative analysis of the actual dollar increases proposed and granted in the District's comparable VTAE districts.

1983-84 Dollar Increases

	<u>BA Min</u>	<u>BA 7</u>	<u>BA Max</u>	<u>MA Min</u>	<u>MA 10</u>	<u>MA Max</u>	<u>MS+30 (32) Max</u>
Madison	897	1,168	1,527	988	1,404	1,636	1,797
Waukesha	840	1,113	1,488	912	1,390	1,693	1,757
Gateway	962	1,178	1,286	1,046	1,370	1,562	1,625
Milwaukee							
Union	985	1,308	1,631	1,077	1,446	1,723	1,815
District	537	713	890	588	789	940	990

1984-85 Dollar Increases

	<u>BA Min</u>	<u>BA 7</u>	<u>BA Max</u>	<u>MA Min</u>	<u>MA 10</u>	<u>MA Max</u>	<u>MS+30 (32) Max</u>
Madison	- - -	- - -	Not Settled	- - -	- - -	- - -	- - -
Waukesha	845	1,120	1,498	918	1,400	1,705	1,770
Gateway	1,053	1,293	1,413	1,145	1,505	1,710	1,779
Milwaukee							
Union	1,039	1,388	1,721	1,136	1,526	1,818	1,915
District	553	735	916	605	813	968	1,020

These comparisons indicate that the Union's proposal would result in salary increases, the dollar value of which is somewhat higher, but relatively close to the dollar value of increases which have been granted in the District's most comparable VTAE districts, while the District's proposal would result in dollar increases which are appreciably below the comparables. When this data is viewed in the context of the actual salaries received by teachers similarly situated in these districts, a persuasive argument could be made for salary increases in the District which, though not out of line with the increases granted in comparable districts, are at best, comparable to, and perhaps justifiably, somewhat less than those granted in comparable VTAE districts. Such increases would probably have had the effect of generally maintaining the District's relative salary position, without exaggerating the salary differences which exist between the District and its primary comparables. They also might have enabled the other comparable districts to begin to close the salary gap which currently exists.

In the undersigned's opinion, based upon the totality of the above comparability data, the Union's salary proposal is somewhat too high, while the District's proposal is appreciably too low to be considered comparable since it fails to give sufficient weight to the dollar value of the increases which have been granted in comparable VTAE districts over a similar period of time. While the undersigned might have been receptive to proposed increases which were somewhat below those granted in comparable districts, for the reasons discussed above, the gap between those proposed by the District and the settlement pattern is simply too great to be justified in these factual circumstances.

Relatedly, and in further support of this conclusion, the undersigned believes that it is relevant that the cost of living increase in Milwaukee during the year preceding the effective date of the agreement at issue herein was much more in accord with the value of the Union's proposal than the District's. In fact, if the District's proposal were adopted, a persuasive argument might be made that a good number of the District's teachers would experience a loss in real income. In any event, in the undersigned's opinion, the best measure of a fair response to cost of living increases is an established settlement pattern in comparable employer-employee relationships, and in that regard, the Union's proposal, though somewhat excessive, appears to be more in line with that pattern than the District's proposal.

While the undersigned concedes that adoption of the Union's proposal will probably exacerbate certain apparent inequities which exist when the District's salaries are compared with its primary comparables, under the circumstances present herein, it is the undersigned's belief that those inequities will have to be addressed more properly in the parties' next round of negotiations, since the District's attempt to address those problems herein fails to take sufficient notice of and fails to comport with the relevant comparability data discussed above.

Another issue which needs to be address in this proceeding is whether selection of the Union's offer will adversely affect the interest and welfare of the public. In this regard while the record indicates that the District's budgetary and spending priorities may have to be reordered if the Union's offer is selected, it has not been demonstrated that harmful program cuts will result therefrom. Nor is there any indication that long-term borrowing or tax cuts that are politically infeasible or statutorily prohibited will be necessary to fund such a package. Absent evidence that any of the foregoing consequences will result from adoption of the Union's proposal, it cannot be concluded that such a decision will have an adverse impact on the welfare and interests of the public which supports and

utilizes the District.

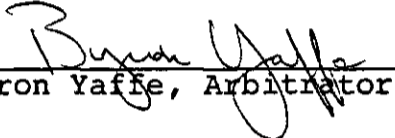
In view of the fact that the Union's offer, though somewhat excessive, is more in accord with the comparability data and cost of living increases discussed above than the District's proposal, and in view of the fact that it has not been demonstrated that adoption thereof will have an adverse effect on the welfare and interest of the public the District serves, the undersigned believes the Union's proposal merits selection herein.

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

ARBITRATION AWARD

The Union's final offer shall be incorporated into the parties' 1983-1984, 1984-1985 collective bargaining agreement.

Dated this 9th day of April, 1984 at Madison, Wisconsin.


Byron Yaffe, Arbitrator