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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the matter of the arbitration between:

KEWAUNEE SCHOOL DISTRICT

and

Decision No. 21233-A

KEWAUNEE EDUCATION ASSOCIATION

Appearances: Dennis W. Muehl, Uniserv Director for the Association
James A. Mast, Attorney at Law for the Employer

Kewaunee Education Association, hereinafter referred to as the Association, and the Kewaunee School District, hereinafter referred to as the Employer, were unable to reach agreement on a collective bargaining agreement for the 1983-84 school year. They filed a stipulation with the Wisconsin Employment Relations Commission, hereinafter referred as the Commission, alleging that an impasse existed between them in their collective bargaining. They requested the Commission to initiate Mediation/Arbitration pursuant to Sec. 111.70(4)(cm) 6 of the Municipal Employment Relations Act.

The Association has been and is the exclusive collective bargaining representative of certain employees of the Employer in a collective bargaining unit consisting of certain certified teaching personnel. The Association and the Employer have been parties to a collective bargaining agreement covering wages, hours and conditions of employment which expires on June 30, 1984 and which provides for a wage reopener to cover the 1983-1984 school year.

On March 7, 1983 the parties exchanged proposals under the reopener provision of the collective bargaining agreement and they met on six occasions in an effort to reach an accord. On October 25, 1983 a mediation session was conducted by a member of the Commission staff and on November 1, 1983 the parties filed a stipulation requesting the Commission to initiate mediation/arbitration. The parties submitted their final offers to the Commission.

The Commission concluded that an impasse within the meaning of Sec. 111.70(4)(cm) 6 existed between the parties with respect to the negotiations over a wage reopener in their collective bargaining agreement and it ordered that Mediation/Arbitration be initiated for the purpose of issuing a final and binding award to resolve the impasse existing between the parties. At the

request of the parties the Commission appointed Zel S. Rice II as the Mediator/Arbitrator to endeavor to mediate the issues in dispute; and should such endeavor should not result in a resolution of the impasse between the parties, he was directed to issue a final and binding award to resolve the impasse by selecting either the total final offer of the Association or the total final offer of the Employer.

The final offer of the Association, attached hereto and marked Exhibit A, consisted of the same salary index agreed upon by the parties in the past with a base salary of \$13,675.00. The Employer's final offer, attached hereto and marked Exhibit B, was based on the same salary index used by the Association but had a base salary of \$13,520.00. A mediation session was conducted at Kewaunee, Wisconsin on February 21. After a joint meeting with the parties and private sessions with each of them, the Employer made it clear that it would not move from its final offer and it would not agree to the modified proposal of the Association. The Mediator/Arbitrator then declared the mediation phase of the proceedings at an end and conducted the arbitration hearing.

Both the Employer and the Association relied upon the same comparable group. It consisted of the Packerland Conference Schools, sometimes referred to as the Peninsula Schools. They are Algoma, Denmark, Gibraltar, Kewaunee, Luxenbourg-Casco, Mishicot, Sevastopol, Southern Door and Sturgeon Bay. Those schools had a cost per pupil during the 1982-83 school year ranging from a low of \$1,793.60 to a high of \$3,458.04. The Employer had the fourth highest cost per pupil with \$2,775.74. The school districts in the comparable group received aids per pupil that year ranging from a low of \$0.00 to a high of \$1,211.15. The Employer's aid per pupil was \$1,168.16 and that was the third highest in the comparable group. The levy rate in the comparable group ranged from a low of \$5.25 to a high of \$12.12. The Employer's levy rate was \$11.59 which was the third highest in the comparable group. The equalized valuation per pupil in the comparable group ranged from a low of \$109,512.00 to a high of \$643,802.00. The Employer has an equalized valuation per pupil of \$138,707.00 which is the fifth highest in the comparable group. Enrollments range from a low of 543 to a high of 1,586. The Employer has an enrollment of 1,116 which is the fifth highest in the comparable group. The enrollment has declined by 124 pupils since the

1979-80 school year but all of the school districts in the comparable group have had declining enrollments. The faculty in the comparable group ranges from a low of 44.46 full time equivalents to a high of 91.14. The Employer has a full time equivalent faculty of 77.57 which is fifth largest in the comparable group. Its faculty has declined by nine teachers since the 1979-80 school year, but some school districts in the comparable group have had increases in the full time equivalent faculty.

During the 1979-80 school year the BA base in the comparable group ranged from a low of \$10,050.00 to a high of \$10,600.00. The Employer had a BA base of \$10,550.00 which was second highest in the comparable group. In the 1980-81 school year the BA base in the comparable group ranged from a low of \$11,000.00 to a high of \$11,400.00 and the Employer was tied with three other schools for the top rank. In the 1981-82 school year the BA base ranged from a low of \$11,975.00 to a high of \$12,475.00. The Employer had a BA base of \$12,300.00 which was third highest in the comparable group. In the 1982-83 school year the BA base in the comparable group ranged from a low of \$12,700.00 to a high of \$13,350.00. The Employer had a BA base that year of \$12,900.00 which was sixth from the top in the comparable group. In the 1979-80 school year the BA seventh year step in the comparable group ranged from a low of \$12,462.00 to a high of \$13,800.00. The Employer's BA seventh year step was \$13,715.00 which was third highest in the comparable group. In the 1980-81 school year the BA seventh year step in the comparable group ranged from a low of \$13,640.00 to a high of \$16,000.00. The Employer's BA seventh year step was \$14,820.00 and it was second highest in the comparable group. In the 1981-82 school year the BA seventh year step ranged from a low of \$15,029.00 to a high of \$16,380.00. The Employer's BA seventh year step was \$15,990.00 and it was third highest in the comparable group. In the 1982-83 school year the BA seventh year step in the comparable group ranged from a low of \$16,064.00 to a high of \$17,432.00. The Employer had a BA seventh year step that year of \$16,770.00 which was sixth highest in the comparable group. The BA maximum in the comparable group in the 1979-80 school year ranged from a low \$14,875.00 to a high of \$17,600.00. The Employer's BA maximum was \$17,302.00 which was third highest in the comparable group. In the 1980-81 school year the BA maximum in the comparable group ranged from a low of \$16,280.00 to a high of \$19,200.00. The Employer had a BA maximum

of \$18,796.00 which was second highest in the comparable group. In the 1981-82 school year the BA maximum in the comparable group ranged from a low of \$18,082.00 to a high of \$21,210.00. The Employer's BA maximum was \$20,672.00 and was third highest in the comparable group. In the 1982-83 school year the BA maximum in the comparable group ranged from a low of \$19,328.00 to a high of \$22,440.00. The Employer had a BA maximum of \$21,856.00 and it was fourth highest in the comparable group. During the 1979-80 school year the MA minimum in the comparable group ranged from a low of \$11,055.00 to a high of \$11,450.00. The Employer's MA minimum was \$11,150.00 and it was fourth highest in the comparable group. During the 1980-81 school year the MA minimum in the comparable group ranged from a low of \$11,775.00 to a high of \$12,310.00. The Employer's MA minimum was \$12,000.00 and it was sixth highest in the comparable group. In the 1981-82 school year the comparable group had MA minimum salaries ranging from a low of \$12,900.00 to a high of \$13,475.00. The Employer's MA minimum was \$13,050.00 and it was sixth highest in the comparable group. During the 1982-83 school year the MA minimum salary in the comparable group ranged from a low of \$13,500.00 to a high of \$14,260.00. The Employer had an MA minimum of \$14,061.00 and it was fourth highest in the comparable group. The MA tenth year step in the comparable group during the 1979-80 school year ranged from a low of \$14,673.00 to the Employer's high of \$16,279.00. During the 1980-81 school year the MA tenth year step salary in the comparable group ranged from a low of \$16,060.00 to a high of \$17,690.00. The Employer had an MA tenth year step salary of \$17,520.00 and it was the second highest in the comparable group. In the 1981-82 school year the MA tenth year step salary in the comparable group ranged from a low of \$17,753.00 to a high of \$19,345.00. The Employer had an MA tenth year step salary of \$19,053.00 and it was the fourth highest in the comparable group. During the 1982-83 school year the MA tenth year step salaries ranged from a low of \$17,753.00 to the Employer's high of \$20,529.00. The 1979-80 MA maximum salary in the comparable group ranged from a low of \$16,281.00 to a high of \$19,290.00. The Employer had a MA maximum of \$18,286.00 and it ranked second in the comparable group. The 1980-81 MA maximum in the comparable group ranged from a low of \$17,820.00 to a high of \$20,985.00. The Employer's MA maximum salary was \$19,780.00 and it ranked sixth in the comparable group. The 1981-82 MA maximum in the comparable group ranged from a low

of \$19,759.00 to a high of \$23,130.00. The Employer had an MA maximum of \$22,002.00 and it ranked fourth in the comparable group. The 1982-83 MA maximum in the comparable group ranged from a low of \$21,120.00 to a high of \$24,460.00. The Employer's MA maximum was \$23,560.00 and it ranked fourth in the comparable group. The 1979-80 schedule maximum in the comparable group ranged from a low of \$16,281.00 to a high of \$19,940.00. The Employer had a schedule maximum of \$18,614.00 and it ranked second in the comparable group. The 1980-81 schedule maximum in the comparable group ranged from a low of \$17,820.00 to a high of \$21,635.00. The Employer's schedule maximum was \$20,108.00 and it ranked fourth in the comparable group. The 1981-82 schedule maximum in the comparable group ranged from a low of \$19,759.00 to a high of \$23,880.00. The Employer had a schedule maximum of \$22,412.00 and it ranked third in the comparable group. The 1982-83 schedule maximum in the comparable group ranged from a low of \$21,120.00 to a high of \$25,210.00. The Employer's schedule maximum was \$24,195.00 and it ranked second in the comparable group.

At the time of the hearing five schools in the comparable group had reached agreement on a salary schedule for the 1983-84 school year. The base salaries agreed to in those school districts range from a low of \$13,250.00 to a high of \$13,650.00. The percentage increases range from a low of 3.4% to a high of 6.3%. The 1983-84 BA seventh year step among those schools ranges from a low of \$16,629.00 to a high of \$17,745.00. The percentage increases for that step range from a low of 3.4% to a high of 6.3%. The BA maximum ranges from a low of \$19,328.00 to a high of \$24,110.00. The percentage increases for that step range from a low of 5.6% to a high of 7.4%. The 1983-84 MA base for those schools in the comparable group that reached agreement for 1983-84 range from a low of \$14,300.00 to a high of \$14,840.00 and the percentage increase at that step range from a low of 3.4% to a high of 5.9%. The 1983-84 MA ten year step salaries range from a low of \$19,908.00 to a high of \$21,025.00 and the percentage increases range from a low of 3.4% to a high of 6.0%. MA maximum salaries range from a low of \$22,724.00 to a high of \$26,508.00 and the percentage increases at that step range from a low of 5.8% to a high of 8.4%. The 1983-84 schedule maximums of the school districts in the comparable group that have reached agreement range from a low of \$23,519.00 to a high of \$27,258.00 and the percentage increases range from a low of 5.8% to a high of 11.4%. Tentative

agreements on 1983-84 salaries have been reached by two other school districts. They agreed on BA bases of \$13,725.00 and \$13,950.00 and percentage increases at that step of 5.2% and 5.3%. The BA seventh year step salaries were \$17,843.00 and \$18,353.00 and the percentage increases were 5.2% and 5.3%. The BA maximum salaries were \$23,333.00 and \$23,489.00 and the percentage increases were 5.2% and 5.3%. The MA base salaries were \$14,925.00 and \$14,996.00 and the percentage increases were 7.0% and 5.3%. The MA tenth year step salaries were \$21,111.00 and \$21,600.00 and the percentage increases were 6.5% and 5.3%. The MA maximum salaries were \$24,533.00 and \$24,850.00 and the percentage increases were 6.3% and 5.3%. The 1983-84 schedule maximum for the two school districts that have reached tentative agreement were \$24,733.00 and \$24,850.00 and the percentage increases were 6.3% and 5.3%. The teachers and the board in one other school district have submitted final offers for 1983-84. Both offers had a BA base of \$14,000.00 which was a 4.9% increase and a BA seventh year step of \$18,200.00 which was a 4.9% increase and a BA maximum of \$22,750.00 which was a 4.8% increase. The teachers offered MA bases of \$15,000.00 which was a 7.5% increase and the school district offered \$14,900.00 which is a 6.8% increase. The teachers' proposal had a MA tenth year step of \$21,300.00 which is a 6.8% increase and the school district proposed the \$21,200.00 salary which was a 6.3% increase. The teachers proposed a \$25,150.00 MA maximum which was a 6.4% increase and the school district proposed \$25,050.00 MA maximum which was a 6.0% increase. The teachers proposed a schedule maximum of \$26,350.00 which was an 11.5% increase and the school district proposed a schedule maximum of \$26,200.00 which was a 10.8% increase.

The 1983-84 monthly premiums for health insurance in the comparable group ranged from a low of \$49.58 for a single premium to a high of \$71.26. The employers contribution towards the premium ranges from a low of \$49.58 to a high of \$71.26. The teacher contribution toward the single premium ranges from \$0.00 to as much as \$6.68 a month. The 1983-84 family premium in the comparable group ranges from \$130.11 a month to \$185.50 a month. The employer contribution toward those premiums ranges from a low of \$123.60 to a high of \$166.95 and the teacher contribution ranges from a low of \$6.51 to a high of \$18.55. The monthly premium for a single person for dental insurance during 1983-84 ranges from a low of \$8.26 to a high of \$18.42. The school district contribution

ranges from a low of \$7.66 a month to a high of \$18.42 and the teacher contribution towards the single premium ranges from \$0.00 to as high as \$2.19 per month. The family premium for dental insurance in the comparable group range from a low of \$26.40 to a high of \$48.50 and the school district contribution ranges from a low of \$24.95 to a high of \$40.42. The Employer contributes \$28.64 per month towards the family premium but that will decline by \$8.66 a month when the 1983-84 agreement is retroactively applied. The teacher contribution toward the family premium in the comparable group during 1983-84 ranges from \$0.00 to as high as \$6.87 per month.

The total package increases for 1983-84 in the comparable group range from a low of 8.2% to a high of 8.7% and they average 8.5%. The Association's proposal would have a total package increase of 8.4% while the Employer's proposal would have an increase of 7.3%. At the time of the hearing 71 school districts in the State of Wisconsin with full time equivalent faculties between 60 and 95 had reached agreement on wages for the 1983-84 school year. The average BA minimum is \$13,580.00. That represents an average increase of \$717.00 or 5.6%. The state average for the BA seventh year step is \$16,939.00. That represents an average increase of \$907.00 or 5.7%. The state wide BA maximum averages \$25,044.00. The average increase is \$1,078.00 or 5.7%. The state wide MA minimum average salary for school districts of this size is \$14,895.00. That represents an average increase of \$822.00 or 5.8%. The state wide average for the MA tenth year step was \$20,361.00. This represents an average increase of \$1,143.00 or 5.9%. The state wide MA maximum average salary for school districts of this size is \$23,343.00. The average increase at the step is \$1,350.00 or 6.1%. The state wide average schedule maximum salary for school district's of this size is \$24,387.00. This represents an average increase of \$1,442.00 or 6.3%.

In the 1979-80 school year the Employer's BA base salary ranked 116th in the state. By the 1982-83 school year the Employer had slipped to the 205th position. The 1979-80 BA maximum salary of the Employer ranked 43rd. By the 1982-83 school year the BA maximum salary had slipped to the rank of 67. During the 1979-80 school year the Employer's MA maximum salary ranked 116th in the state. By the 1982-83 school year the Employer's MA maximum salary ranked

138th. In the 1979-80 school year the Employer's schedule maximum ranked 159th in the state. By the 1982-83 school year the Employer's schedule maximum had slipped to the rank of 167th. The cost of living increased 53.3% from May of 1978 to May of 1983. Including the proposal of the Association, the base salary would have increased 38.1%. If the proposal of the Employer is included, the base salary would have increased 36.6% during that same period. If the Association's proposal is included the maximum salary for a BA has increased 44.2% from May of 1978 to May of 1983 and the Employer's proposal would provide an increase of 42.06%. The Association's proposal would increase the BA plus 12 wage rate 45.5% from May of 1978 to May of 1983 while the Employer's proposal would increase it 43.9%. The BA plus 24 wage rate would increase 46.7% from May of 1978 to May of 1983 if the Association's proposal is considered and 45.1% if the Employer's proposal is considered. The Association's proposal would increase the Masters Degree wage rate 47.9% between May of 1978 and May of 1983 while the Employer's proposal would increase it by 46.3%. The Association's Master Degree plus 12 wage rate would increase 49.1% between May of 1978 and May of 1983 if the Association proposal is considered and 47.4% if the Employer's proposal is considered. The Employer's BA base and MA maximum have increased at a rate substantially lower than the increase in the amount of inflation between the period from 1969 to 1983.

During the 1982-83 school year the Employer had a total payroll of \$1,601,810.00 including longevity payments. The average salary was \$20,900.40. The Employer's proposal would increase the total payroll to \$1,704,400.00 and the average salary would be \$22,239.10, not including lane movements. The average increase per employee would be \$1,338.63 or 6.4%. The total cost of the Employer's proposal, including salary, extracurricular pay, Wisconsin Retirement System, FICA and insurance would be \$2,209,991.00 as opposed to a 1982-83 cost of \$2,059,467.00. The dollar increase from 1982-83 to 1983-84 would be \$150,524.00 or 7.3%. The Association's proposal would result in a total payroll cost of \$1,723,500.00, not including any lane movements, and the average salary would be \$22,488.30. The average increase per employee would be \$1,587.86 or 7.6%. The total cost of salary, extracurricular pay, Wisconsin Retirement System, FICA and insurance would be \$2,232,887.00. That would be \$173,420.00 greater than the total cost during the 1982-83 school year and that is an

increase of 8.42%. The Employer had a tax levy for the 1983-84 school year of \$2,000,019.00 and that is \$80,000.00 less than the preceeding year. The tax rate based on the equalized valuation would be \$11.93 as opposed to \$12.64 the preceeding year.

51.5 full time equivalent facility members or 67.2% are at the top of the salary schedule. The total number of dollars included in the Employer's salary proposal is \$1,707,396.25 and 72.26% or \$1,233,841.50 would go to the employees at the top of the salary schedule. The Employer gave its district administrator an increase of 3.99% and the high school principal received 3.9% while the elementary principal received an increase of 3.86%. The superintendent's 1983-84 salary is \$39,100.00; the high school principal receives \$34,700.00; and the elementary principal receives \$32,300.00.

The consumer price index for the period from July of 1982 to July of 1983 increased 2.4% for urban wage earners in all cities in the country while for Milwaukee it increased 4.6%. The Employer costed out its final offer, including estimated lane movement, and total salary cost would be \$1,742,230.68 resulting in an increase of 6.67%. The total cost of salaries and fringes, including lane movement would be \$2,214,289.89, which would be an increase of 7.49%. The Association's proposal, including lane movement, was \$1,761,378.48 which was \$19,000.00 more than the cost of the Employer's final offer. The percentage increase of the salary cost would be 7.84%. The total cost of the Association's proposal, including salary and fringes and lane movements, was \$2,237,241.74 which was \$23,000.00 more than the cost of the Employer's proposal. The total increase in cost of the package would be 8.61%.

Leyse Aluminum Company gave its employees a 4.1% increase in its last negotiations. Kewaunee Engineering gave its employees an increase of 3.04% plus a contribution of \$.06 per hour to the pension plan. The Wisconsin Public Service Company gave its employees a 4.0% increase this year and will give them another 4.0% increase next year. These increases were primarily for blue collar and clerical employees and not for professional or management employees. The Employer is constituted primarily of farmers and farm related businesses. During the last few years there has been a steady decline in milk prices in the area and the net income of farmers has declined substantially. 65.0% of the

Employer's tax dollars come from rural areas and most of those dollars come from farmers.

DISCUSSION:

In reaching a decision pursuant to Sec. 111.70(4)(cm) 7, Wis. Stats., the arbitrator is required to consider the lawful authority of the municipal employer, stipulations of the parties the interest and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement, comparison of wages, hours and conditions of employment of the municipal employees involved with the wages, hours and conditions of employment of other employees, the cost of living, the overall compensation presently received by the employees, any changes occurring during the pendency of the arbitration proceedings and such other factors as are normally taken into consideration in determining wages, hours and conditions of employment.

Neither party presented any evidence on the lawful authority of the Employer or its financial ability to meet the costs of any proposed settlement. In view of this the arbitrator makes the determination that the Employer has the lawful authority to agree to its proposal or that of the Association and the financial ability to meet the cost of either proposal. The stipulations of the parties were standard and involved the normal increases in the cost of health insurance and dental insurance and the contributions made by the Employer and the employees. No evidence was presented that would indicate that the cost of the stipulations was such that they would have significant impact upon the salaries that the Employer should pay to its teachers during the 1983-84 school year and the arbitrator makes a finding to that effect. There have been no changes during the pendency of the arbitration proceedings that would have any significant impact upon the results of the decision before the arbitrator.

The primary factors to be considered by the arbitrator are the comparison of the wages proposed for teachers with those of other teachers performing similar services, the average consumer price for goods and services and the overall compensation presently received by the employees.

The Association proposes that the base salary in the schedule be increased by \$775.00 which would result in a 6% increase in each step of the salary sche-

dule for work done during the 1983-84 school year. The Employer proposes that the base be increased by \$620.00 which would result in a 4.8% increase in each step of the salary schedule. The parties agree to continue using the existing salary schedule that they have agreed upon in the past. The only real issue is the amount of the increase to be paid to the teachers at each step of the salary schedule. The Association and the Employer both rely on a comparable group consisting of the school district in the Packerland Conference. The Employer is part of that conference and the arbitrator agrees with both parties that it is a proper comparable group to use as a basis for measuring the appropriateness of the Employer's salary proposal.

Arbitrators have traditionally used a benchmark analysis in assessing and comparing the offers of parties to a dispute over a salary schedule. In the 1979-80 school year the Employer's BA base ranked second in the comparable group and by the 1982-83 school year it had dropped to sixth place. The Employer's proposal would continue its BA base at the number six rank in the comparable group while the Association's proposal would improve its rank to number four. In the 1979-80 school year the Employer's BA step seven salary ranked third in the comparable group and by the 1982-83 school year it had fallen to sixth place. The Employer's proposal would keep its BA step seven salary in the number six position while the Association's proposal would improve it to number four. In the 1979-80 school year the Employer's BA maximum ranked third in the comparable group. By the 1982-83 school year it had dropped to fourth place. The Employer's 1983-84 proposal would drop the BA maximum to fifth place while the Association's proposal would continue it in fourth place. The 1979-80 MA base ranked number four in the comparable group and it remained at that position during the 1982-83 school year. The Employer's 1983-84 proposal would drop the MA base to number six in the comparable group while the Association's proposal would improve it to number three. The Employer's MA step ten salary ranked first in the comparable group during the 1979-80 school year and it was in that same position during the 1982-83 school year. The Association's proposal would continue the MA base as number one in the comparable group while the Employer's proposal would drop it to second place. The Employer's MA maximum salary during the 1979-80 school year ranked second in the comparable group and by the 1982-83 school year it ranked fourth. The Employer's proposal for the 1983-84 would

improve the MA maximum to third place in the comparable group while the Association would improve it so it was second highest in the comparable group which was the position it occupied in the 1979-80 school year. The Employer's schedule maximum was second highest in the comparable during the 1979-80 school year and it remained at that rank during the 1982-83 school year. Both the Employer and the Union proposals would drop the rank to third place in the comparable group. The Association offer increases the pay levels on a relative ranking basis at several positions but they are primarily at the hiring levels and reflect an attempt to restore the salaries of those positions to the rank they had in the comparable group during the 1979-80 school year. In terms of the three MA benchmarks the Association's offer improves relative position in two cases while maintaining the same position at the MA ten step. The Employer lowers the relative position of two of the three MA benchmarks and raises the ranking by one position at the MA maximum. A benchmark analysis of the two proposals does not tip the scales very much in favor of either proposal. The Union presented no significant rationale justifying the improvements in the benchmark positions and the Employer makes no case for lowering certain of the benchmark positions. All other things being equal, the arbitrator is inclined to not disturb benchmark relationships that have been arrived at through bargaining by the parties.

The Employer's proposal would increase the BA base and the BA step seven salaries 4.8% which is the average increase of those steps in the comparable group. The Union's proposal would increase those benchmark positions by 6% which is 1.2% higher than the average. The BA maximum average increase in the comparable group for 1983-84 was 5.6%. The Employer proposes a 4.7% increase which is .9% less than the average while the Association proposes a 5.8% increase which is .2% higher than the average. The 1983-84 average increase for the MA base in the comparable group was 5.4%. The Employer's proposal of 4.8% is .6% less than the average while the Association's proposal of 6% increase for that step is .6% above the average. The 1983-84 MA step ten average increase in the comparable group was 5.3%. The Employer's proposal of 4.8% increase is .5% less than the average while the Union's proposal of a 6% increase is .7% above the average. The 1983-84 average increase for the MA maximum in the comparable group is 6.4%. The Employer's proposal of a 5.6% increase is .8% below the

average while the Association's proposal of a 6.7% increase is .3% above the average. The average increase for the schedule maximum in the comparable group for the 1983-84 school year was 6.9%. The Employer proposes a 5.5% increase at that step which is 1.4% below the average while the Association proposes a 6.7% increase which is .2% below the average. The Association is concerned about the slippage of the relative position at the BA step and the BA seven step benchmark positions while the Employer proposes to retain the existing relationships at those positions. The Employer's offer provides smaller increases for the remaining benchmarks position than the average in the comparable group, particularly in the lane maximums which is where the majority of the Employer's teachers fit on the salary schedule. There is little to choose between the positions of the parties on the basis of this comparison other than the fact that the Association's proposal is closer to the settlement pattern for most of its employees than is the offer of the Employer.

The average increase for the BA base in the comparable group is \$613.00. The Employer proposes an increase of \$620.00 which is \$7.00 above the average while the Association proposes a \$775.00 increase which is \$162.00 above the average. The average BA step seven increase in the comparable group is \$796.00. The Employer's proposal of \$806.00 is \$10.00 above the average while the Association's proposal of \$1,008.00 is \$212.00 above the average. The BA maximum increase in the comparable group is \$1,269.00 and the Employer's proposal of \$1,017.00 is \$252.00 below the average. The Association's proposal of \$1,271.00 is \$2.00 above the average. The MA base average increase is \$755.00 and the Employer's proposal of \$676.00 is \$79.00 below the average. The Association's proposal of an \$845.00 increase for the MA base is \$90.00 above the average. The MA step ten average for the comparable group is \$1,055.00. The Employer's proposal of a \$987.00 increase is \$68.00 below the average in the comparable group and the Association's proposal of a \$1,234.00 increase is \$179.00 above the average. The average MA maximum increase in the comparable group is \$1,490.00. The Employer's proposal of a \$1,309.00 increase is \$181.00 below the average while the Association's proposal of \$1,586.00 is \$96.00 above the average. The 1983-84 average schedule maximum in the comparable group is \$1,736.00. The Employer's proposal of a \$1,338.00 increase is \$398.00 below the average while the Association's proposal of a \$1,623.00 increase is \$113.00 below the average.

The Association's proposal is much closer to the pattern of the other settlements except for the BA base, the BA step seven and the MA step ten. The great majority of the Employer's teachers are in the BA maximum and the MA maximum and the Employer's proposal is below the average at those steps.

The average total package percentage increase in the comparable group was 8.5%. The final offer of the Association was 8.4% and the final offer of the Employer was 7.3%. The Association's proposal is much closer to the pattern of the comparable group than the Employer. The 1983-84 mill and levy rates of the Employer declined compared to the preceeding year despite of the fact that the Employer's 1983 values declined. As a result the contribution of the local taxpayers toward the school budget has declined rather than increased.

During the period from May of 1978 to May of 1983, the cost of living increased 53.3%. During that same period the Employer's base salary has increased 27.4%; its BA maximum salary has increased 41.6%; its BA plus 12 credits salary increased 32.68%; its BA plus 24 credits salary increased 33.14%; its MA maximum salary increased 34.04%; its MA plus 12 credits salary increased 34.92%. If salaries had increased at the same rate as the cost of living during that period the BA base would be over \$17,000.00 per year and the MA maximum would be almost \$30,000.00 per year. It is obvious that the Employer's teachers have lost ground to the consumer price index since 1978. However the year involved in this matter is the 1983-84 school year and the arbitrator is most concerned with the increase in the cost of living between July of 1982 and July of 1983. The increase in the all cities consumer price index for that period was 2.4%. The figures for Milwaukee show an increase of 4.5% for the same period. Both figures are lower than the increases proposed by both the Employer and the Association for each cell of the salary index. Even though teacher salary increases have not kept up with the cost of living during the period from 1978 to 1983, teacher salary increases compared well with the increase in the cost of living during 1980, 1981 and 1982. Measuring the Employer's proposed increase against the increase in the cost of living over the preceeding year or even the preceeding three years, it would appear to be adequate.

When the benchmark increases are measured against the statewide average for schools of comparable size, the Association's offer is closer to the average than

is the Employers. The statewide average increase for 1983-84 for the BA minimum is \$717.00. The Association's proposed increase of \$775.00 is closer to the average than the Employer's proposal of a \$620.00 increase. The statewide average percentage increase for the BA minimum is 5.6%. Again the Association's proposal of a 6% increase is closer to the average than the Employer's proposal of 4.8%. The statewide average increase for the BA seventh step is \$907.00 and the Association's proposal of \$1,008.00 increase is about as far off the average as the Employer's proposal of an \$806.00 increase. The statewide average percentage increase for the BA seventh step is 5.7%. The Association proposes a 6% increase and the Employer proposes a 4.8% increase. The state average increase for the BA maximum is \$1,078.00. The Association proposes an increase of \$1,278.00 which is almost \$200.00 above the average while the Employer proposes a \$1,017.00 increase which is only \$61.00 below the average. The statewide average percentage increase is 5.7 percent compared to the Association's proposed increase of 6% and the Employer's proposal of 4.8%. The statewide average MA minimum increased \$822.00. The Association is very close with a proposed increase of \$845.00 while the Employer is almost \$150.00 lower with a proposal of \$676.00 increase. The statewide average percentage increase for the MA minimum is 5.8% which is very close to the Association's proposal of 6% and 1% higher than the Employer's proposal of 4.8%. The statewide average MA tenth step increase for 1983-84 is \$1,143.00. The Association's proposed increase of \$1,231.00 is \$981.00 higher than the average while the Employer's proposal of a \$987.00 increase is \$156.00 below the average. The statewide average percentage increase for the MA tenth step is 5.9% which is very close to the Association's proposal of a 6% increase and 1.1% above the Employer's proposal of a 4.8% increase. The statewide average increase for the MA maximum for schools of the same size for 1983-84 is \$1,350.00. The Association's proposal of \$1,386.00 is just \$36.00 above the average while the Employer's proposal of \$1,109.00 is \$241.00 below the average. The statewide average percentage increase for the MA maximum is 6.1%. The Association's proposal of a 6% increase is very close to the statewide average while the Employer's proposal of 4.8% is 1.3% lower. The statewide average increase for the schedule maximum for schools of the same size in 1983-84 is \$1,442.00. The Association proposes a slightly lower increase of \$1,423.00 while the Employer's proposal is \$304.00 below the average. The

statewide average percentage increase for the schedule maximum is 6.3%. The Association's proposal of a 6% increase is lower but fairly close to the average while the Employer's proposal of a 4.8% increase is 1.5% lower than the average. At virtually every benchmark position the Association's offer is closer to the statewide average for school districts of the same size for 1983-84 than is the offer of the Employer.

The Employer points out that for the 1983-84 school year 67.2% of the teaching staff have achieved Masters or Bachelors Degrees and are at the highest step on the salary schedule. The Employer's final offer would give 72.6% of the teacher payroll to teachers at the top of the salary schedule. Because of this the Employer argues that the standard benchmarks are not applicable to the Employer. It argues that a fair comparison of its final offer and the salary schedules of other school districts in the comparable group must take into consideration the fact that almost 70% of the Employer's teaching staff are at the maximum vertical salary step. It argues that the arbitrator should not compare salary schedules alone without comparing the salaries that the vast majority of its teachers are earning with salaries paid to teachers in other districts. The arbitrator does not accept the Employer's argument. A salary schedule is created with the goal of paying teachers' salaries based on the length of their experience as teachers as well as the educational training they have received over and above the Bachelors Degree. Because a particular Employer has a large number of experienced teachers with a substantial amount of training beyond a Bachelors Degree does not mean that its teachers should receive less pay than teachers in comparable school districts with equal experience and training. The Employer argues that the arbitrator must take into account the fact that it has offered 72.6% of its total salary dollars to those teachers at the top of the salary schedule who have been teaching for at least 12 years. This is not a unique situation considering that 67.2% of the teaching staff are at the top of the salary schedule and therefore receive the highest salaries. As long as the Employer has teachers with a substantial amount of teaching experience and training beyond a Bachelors Degree it can expect to allocate the larger portion of its payroll to them. The Employer argues that only those school districts in the comparable group that have a higher enrollment and employ a greater number of educational staff meet or exceed the

Employer's proposal when comparing compensation for those teachers at the top of the schedule. An examination of the proposals reveals that the Employer's proposal would pay a BA maximum salary that ranks fifth out of the nine schools in the comparable school district which is one step lower than it was during the 1982-83 school year. The Association's proposal would retain the fourth place ranking that the Employer had during the 1982-83 school year. The Employer's proposed MA maximum for 1983-84 would rank third in the comparable group which is one step higher than it ranked during the 1982-83 school year while the Association's proposal would make the Employer's MA maximum second highest in the comparable group. Both the Employer's proposal and the Association's proposals would make the Employer's schedule maximum third highest in the comparable group which is one step lower than it was during the 1982-83 school year. While it is true that only those school districts in the comparable group which have higher enrollment and employ more teachers exceed the Employer's offer when comparing compensation for teachers at the MA maximum and schedule maximum, the Employer ranks well down the list for the BA maximum.

The Employer points out that 19% of the work force in the area it encompasses is engaged in agricultural pursuits and 30.6% of the work force is engaged in manufacturing. It points out that farmers in the area are facing a substantial decline in income along with an increase in expenses and the private sector settlements in the area are substantially lower than the Association's proposal and even somewhat lower than the Employer's proposal. It argues that the local and national status of the economy must be considered by the arbitrator in reaching its decision. The arbitrator concedes that farmers throughout the Employer's geographical area and the nation face substantial economic problems. It is also true that the proposals of both the Employer and the Association provide percentage increases that are larger than those offered by some private sector employers. However, one of the primary parts of the comparability guideline contained in the statutes directs the Employer to compare wages of the employees involved in the arbitration with the wages of employees performing similar services. It is not proper to base the salaries for teachers on only the economic problems of the farmers nor should they be measured by a private sector salary increases only. The Employer's teachers should be paid a salary comparable to other teachers in the area who have comparable experience

and training. That is the primary guideline on which the arbitrator relies and it is the primary factor he has considered in making his determination in this matter.

In the past the Employer and the Association have reached agreement through collective bargaining and have established wage relationships with other school districts in the area. In the absence of a showing of some substantial inequity the arbitrator should not disturb those relationships by awarding a salary schedule that departs substantially from the pattern created as a result of negotiations by the other school districts in the comparable group. In the context of the comparable school districts the Association's proposal is closer to the settlement pattern both in terms of benchmark adjustments (dollars and percentages) and total package adjustments when the 1982-83 salaries are compared to the 1983-84 salary settlements. The Association's proposal provides increases that are closer to the statewide average for schools of its size for the 1983-84 school year than the proposal of the Employer. The arbitrator would not be uncomfortable selecting either proposal as a basis for resolving the dispute. A position somewhere between the two proposals would be even more acceptable, but the arbitrator must select either the Employer's proposal or that of the Association. The percentage increases and the dollar increases proposed by the Union fit neatly into the pattern agreed upon by most of the other schools in the comparable group. The pattern constitutes the best measure of what a reasonable settlement should be and the arbitrator finds it to best meet the welfare and interest of the public.

FINDINGS AND AWARD:

After full consideration of the criteria listed in the statute and after careful and extensive examination of the exhibits and arguments of the parties the arbitrator finds that the Association's final offer is preferable to that of the Employer and directs that Exhibit A be incorporated into an agreement containing the other items to which the parties have agreed.

Dated at Sparta, Wisconsin this 30th day of April, 1984.

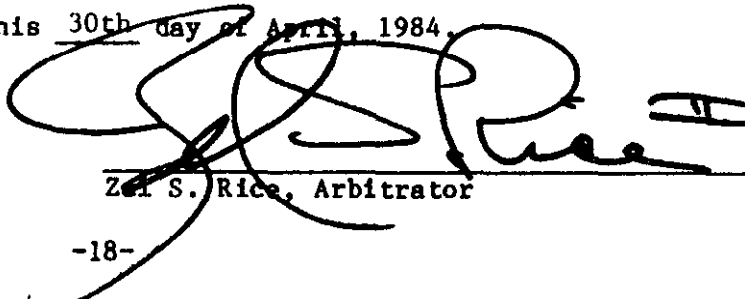

Zel S. Rice, Arbitrator

EXHIBIT A

RECEIVED

KEWAUNEE EDUCATION ASSOCIATION
Final offer - November 15, 1983

NOV 17 1983

Schedule A

| STEP | BA | BA+12 | BA+24 | MA BA+36 | WISCONSIN EMPLOYMENT RELATIONS COMMISSION | | INDEX |
|------|-------|-------|-------|-------------|--|--|-------|
| | | | | | MA+12 BA+48 | | |
| 0 | 13675 | 14085 | 14496 | 14906 | 15316 | | 1 |
| 1 | 14359 | 14789 | 15221 | 15651 | 16082 | | 1.05 |
| 2 | 15043 | 15494 | 15946 | 16397 | 16848 | | 1.1 |
| 3 | 15726 | 16198 | 16670 | 17142 | 17613 | | 1.15 |
| 4 | 16410 | 16902 | 17395 | 17887 | 18379 | | 1.2 |
| 5 | 17094 | 17606 | 18120 | 18633 | 19145 | | 1.25 |
| 6 | 17778 | 18311 | 18845 | 19378 | 19911 | | 1.3 |
| 7 | 18461 | 19015 | 19570 | 20123 | 20677 | | 1.35 |
| 8 | 19145 | 19719 | 20294 | 20868 | 21442 | | 1.4 |
| 9 | 19966 | 20564 | 21164 | 21763 | 22361 | | 1.46 |
| 10 | 20786 | 21409 | 22034 | 22657 | 23280 | | 1.52 |
| 11 | 21607 | 22254 | 22904 | 23551 | 24199 | | 1.58 |
| 12 | 22427 | 23099 | 23773 | 24446 | 25118 | | 1.64 |

Those teachers at step 12 during the 1982-83 school year shall receive a one-time payment of \$700.00 for the 1983-84 school year.

For the KEA: *Emilia*

KEWAUNEE SCHOOL DISTRICT
Kewaunee, WI 54216

EXHIBIT B
FINAL OFFER

November 1983

RECEIVED

1983-84 SALARY SCHEDULE

NOV 28 1983

SCHEDULE A

(\$13,520 Base With 1.64 Index)

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

| <u>INDEX</u> | <u>STEP</u> | <u>B.S.</u> | <u>B.S.+12</u> | <u>B.S.+24</u> | <u>M.S. B.S.+36</u> | <u>M.S.+12 B.S.+48</u> |
|--------------|-------------|-------------|----------------|----------------|-------------------------|----------------------------|
| | 0 | 13,520 | 13,926 | 14,331 | 14,737 | 15,142 |
| 1.05 | 1 | 14,196 | 14,622 | 15,048 | 15,474 | 15,899 |
| 1.10 | 2 | 14,872 | 15,319 | 15,764 | 16,211 | 16,656 |
| 1.15 | 3 | 15,548 | 16,015 | 16,481 | 16,948 | 17,413 |
| 1.20 | 4 | 16,224 | 16,711 | 17,197 | 17,684 | 18,170 |
| 1.25 | 5 | 16,900 | 17,408 | 17,914 | 18,421 | 18,928 |
| 1.30 | 6 | 17,576 | 18,104 | 18,630 | 19,158 | 19,685 |
| 1.35 | 7 | 18,252 | 18,800 | 19,347 | 19,895 | 20,442 |
| 1.40 | 8 | 18,928 | 19,496 | 20,063 | 20,632 | 21,199 |
| 1.46 | 9 | 19,739 | 20,332 | 20,923 | 21,516 | 22,107 |
| 1.52 | 10 | 20,550 | 21,168 | 21,783 | 22,400 | 23,016 |
| 1.58 | 11 | 21,362 | 22,003 | 22,643 | 23,284 | 23,924 |
| 1.64 | 12 | 22,173 | 22,839 | 23,503 | 24,169 | 24,833 |

Those teachers at step 12 during the 1982-83 school year shall receive a one-time payment of \$700.00 for the 1983-84 school year.

For the Board: R F Planteo
Supt
11/18/83