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Before Frederick P. Kessler

ARBITRATOR

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

In the matter of the Final and Binding  
Offer Arbitration between:

THE COLEMAN EDUCATION ASSOCIATION

and

THE COLEMAN SCHOOL DISTRICT

Case No. XI

No. 33475

MED/ARB-2805

Decision No. 21900-A

DECISION

A. Hearing:

A hearing in the above-entitled matter was held on December 3, 1984, before the Mediator/Arbitrator, at the Coleman High School in Coleman, Wisconsin.

B. Appearances:

On behalf of the School District:

- James A. Morrison, Jabas & Morrison, S.C., Attorney for the Coleman School District
- Clifford Robbins, Superintendent, Coleman School District
- Richard Berth, School Board Member
- Mabel Annermann, School Board Member
- Ruth Sokol, School Board Member
- Les Lannour, Principal, Coleman High School
- Bill Borkowski, School Board Member
- Anton Rabas, School Board Member
- Boyd Rymer, School Board Member

For the Union:

- Ronald J. Bacon, Executive Director, United Northeast Educators
- Thomas Zoglman, President, Coleman Education Association
- David Wiltzius, Teacher
- William Zingler, Teacher
- Michael Lipinski, Teacher
- Debra Bousher, Teacher

C. Nature of Proceedings:

This is a final and binding arbitration proceeding between the above named parties under Section 111.70(4)(cm), Wis. Stats., the Municipal Employment Relations Act. On June 25, 1984, the Coleman Education Association filed a petition with the Wisconsin Employment Relations Commission alleging that an impasse existed between it and the Coleman School District in their collective bargaining. They requested that the Commission initiate Mediation-Arbitration proceedings pursuant to the Municipal Employment Relations Act. Edmond J. Bielarczyk, Jr., member of the staff of the W.E.R.C., investigated the matter and filed his findings of fact, conclusions of law, certification of results of investigation, and an order requiring mediation arbitration. He found that the District and the Coleman Education Association had entered into a collective bargaining agreement that included the subject of wages, the agreement not terminating until August 25, 1986. He further found that the parties exchanged their initial proposals regarding a wage reopener provision in the contract on February 2, 1984. He found that they were deadlocked on June 25, 1984, and that the parties remained at an impasse. On August 9, 1984, a list of arbitrators was sent to the

parties and they were advised that within 10 days after that date, they must strike the four of the five members of the panel. On September 6, 1984, this arbitrator was advised that he was selected to hear this mediation arbitration dispute. On October 1, 1984, the parties advised the arbitrator that the date of December 3, 1984, at 3:00 P.M. was to be the date of the hearing. Both parties acknowledged that this was a substantial period of time from the appointment of the arbitrator to the date of the hearing, but indicated that the delay was acceptable. On December 3, 1984, after further attempts were made to mediate the dispute, a hearing on the above-captioned matter was held. Most evidence was received by stipulation. Briefs were submitted by the Association dated January 22, 1985, and by the School District dated January 29, 1985. Reply briefs were received from the Association dated February 6, 1985, and from the School District dated February 18, 1985.

D. The Offers:

1. The Union Offer: The Union submitted a three-part offer in regard to the 1984-1985 wage reopener.

1. "Salary Schedule - 6.5% cell adjustment."
2. "All T.A.'s as of August 2, 1984, 9:30 P.M."
3. "All other contract provisions as is -- status quo."

2. The District Offer: The Coleman School District's final offer which states:

"No change in salary schedule structure. Base increased to \$15,000 with corresponding increases."

E. Stipulations:

The parties have stipulated that the following terms will be included in the labor agreement:

1. The parties agreed to W.P.S. Health Insurance Plan. District will pay \$126.30 family; \$45.02 single coverage per month.
2. Dental Plan. W.E.A. Trust Option II will be implemented. District will pay \$45.11 family; and \$15.33 single coverage per month.
3. This agreement effective September 1, 1984. Refund of September premiums to be refunded by August 31, 1984.
4. These designations do not alter the Board's existing rights with respect to designation of carriers.
5. School nurse to receive 8.3% increase for 1983 - 1984, and for 1984 - 1985 same percentage as base is increased in that year from prior year.

F. Statutory Criteria:

Section 111.70(4)(cm) Wisconsin Statutes provides that an arbitrator must consider the following:

111.70(4)(cm)7. FACTORS CONSIDERED. In making any decision under the mediation procedure authorized by this subsection, mediator arbitrator shall give weight to the following factors:

- a. The lawful authority of the municipal employer.
- b. The stipulations of the parties.
- c. Interest and welfare of the public and the financial ability of the unit of government to meet the cost of the proposed settlement.

- d. Comparison of wages, hours and conditions of employment of Municipal employees involved in arbitration proceedings with wages, hours and conditions of employment of other employees performing similar services and with other employees generally in public employment in the same community and in comparable communities.
- e. The average consumer price for goods and services, commonly known as the cost of living.
- f. The overall compensation presently received by municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment and all other benefits received.
- g. Changes in any of the foregoing circumstances during the pendency of arbitration proceedings.
- h. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

G. Issue:

The only issue in dispute between the parties is the question of the salary. The Association is proposing that all the units in the 1983-1984 Salary Schedule be increased by 6.5%. The Board's proposal is that the base salary be increased by \$1,100 with corresponding increases throughout the salary schedule. The arbitrator must decide which of the two final offers most closely meets the statutory criteria of Wis. Stats. 111.70(4)(cm)7.

H. District's Position:

The District argues that its salary offer is the more reasonable because it preserves the integrity of the the present salary schedule. They argue that the Coleman Education Association's proposal radically restructures the existing schedule and has an impact that is unfair to the less experienced teachers employed by the District. They contend that the Association's proposal would result in a much higher raise to the more "senior" teachers employed by the District at the expense of newer teachers.

The District points out that a teacher, regardless of the seniority, who is currently employed by the District, and who continues their employment under their proposal, would receive a salary increase of \$1,620 in the next year because they would receive both a flat rate increase of \$1,100.00 and the next year's "step" increase. They indicate in contrast under the Union proposal, a teacher completing his first year and entering into re-employment within the District would receive a salary increase of only \$1,457. At the same time, a teacher who is at the last step in the District's plan would receive an increase of \$1,897. The impact would be that the more senior teacher would receive \$440 more that year than the less senior teacher, yet both teachers bring in exactly the same increase in experience, i.e., one additional year on the faculty.

The District further contends that the disparity of the increase would be aggravated by taking into consideration the differences between the teachers completing their first year level, without extra educational credits, and the teachers who have both Master's Degrees and seniority. At that end of the spectrum, the disparity between the high increase and low increase of salary would be \$636. The Board argues that building in a "structure of disparity" as is proposed in the

Union's final offer will continue to increase the inequities and is not justified by the job or experience of the teachers.

The District further shows that only 10 teachers out of the 56 on the staff of the Coleman School District have advanced beyond the minimum educational requirements of either a Bachelor's Degree or Master's Degree status. They argue that 58.9% of the teaching staff is either in column one, or column two, of the nine-column salary schedule. They contend that the Union's proposal disproportionately rewards those teachers who have shown the least inclination to move across the salary schedule, to wit, those who have not sought to further their education.

The Board indicates that its total package would result in a cost increase to the District of 7.82%, while the Union's proposal represents an increase of 8.68%.

The District contends that the evidence shows that for both the B.A. and M.A. minimum salaries, Coleman has improved its position as to other school districts in its athletic conference, the normal source of comparisons. The District indicates that in regard to B.A. and M.A. maximum salaries, Coleman has slightly declined in ranking as compared to the other school districts within the athletic conference. They contend, however, that Coleman remains in the top half of the schools within that athletic conference in regard to the maximums.

The District urges that the Association's contention that progress being made only in benchmark salaries that are of no concern to the Association because of its lack of membership in the benchmark categories be disregarded. They concede that the Union is not receiving increases that are equal to inflation at all the benchmark salary levels in which the Association members would be situated. They further acknowledge that the teachers in the District lost 1.87% per year in purchasing power because of the higher rate of inflation, but contend that this small percentage is de minimus during a time of "terrible inflation." This fact does not justify the Union's seeking an 8.84% increase during a year in which inflation was merely projected to be between 3% and 4% per annum.

The District contends that an 8.84% increase is not realistic in view of the general pattern of wage settlements throughout the nation during the past two-year period. Employees in major industrial companies have taken wage cuts during that time. They point out that the Board's offer of a 7.92% salary increase is nearly double the increase in the cost of living during the same period.

Finally, the District argues that the teachers within the Coleman District who wish to improve their income could easily do so by completing post-degree courses. Their increased income would reflect their efforts to improve the quality of teaching.

The District indicates that although there is only a \$12,000.00 difference between the Association's proposal and the District's proposal, there would be radical changes made in the established salary structure which would wreck havoc on the less senior members of the District's teaching staff if the Union's plan is adopted.

#### I. The Association's Position:

The Coleman Education Association urges this arbitrator to consider both the Marinette-Oconto Athletic Conferences' salary averages and the statewide salary averages to determine the reasonableness of the offers of the parties. They contend that the Association's final offer is closer to the Marinette-Oconto average on four of the five regularly utilized salary benchmarks; those of B.A. base salary, B.A. maximum salary, M.A. base salary, M.A. maximum salary, and schedule maximum salary. They also contend that the Association's offer is closer to the non-weighted statewide averages on the same salary benchmarks.

The Association contends that the Coleman School District at present ranks very high on the B.A. base salary and on the M.A. base salary, with other schools in the conference, and that in those circumstances, to accept the District's offer would be only strengthening an area in which it is already strong. They contend, however, that at the salary maximum of B.A.'s, M.A.'s, and the schedule salary maximum, the District's final offer would cost the teachers in those categories a substantial loss of rank compared to other districts in the conference.

They indicate that the District's offer would result in experienced teachers receiving a significantly smaller percentage pay increase than those who lack experience. The effect of that, they believe, will be to severely erode Coleman's comparability to other districts in the higher salary levels.

The Association contends that the arbitrator should examine the pattern of settlements with other associations and districts in the area. They argue that the pattern of settlement is the most appropriate indicator of the cost of living within that region. The Association cites a number of decisions issued by other arbitrators that support that proposition. The Association also advances the propositions that benchmark settlements are the most valid analysis of settlement patterns, and that the total percentage of the salary increase in each side's offer should not be as significant as how those increases are distributed among the teachers in the District.

J. Determination of Comparables:

It is fairly well-settled that arbitrators should utilize other school districts within the same athletic conference to determine the comparisons specified in Section 111.70(4)(cm)7. The rationale is that such districts are grouped together to have relatively equal athletic competition and therefore it is assumed that such equality applies to the financial capability of the school districts. In this case, the schools of the Marinette-Oconto Athletic Conference will be considered by the arbitrator.

At the time of the hearings, five of the districts within the Marinette-Oconto Athletic Conference had reached agreement on their contracts. Those districts were: Crivitz, Gillett, Niagara, Peshtigo, and Suring.

K. Decision:

There are a number of acceptable ways in which the data from comparable school districts should be examined. The total cost of a salary increase should be compared with similar data from other districts. The total cost of the package, of wages, and fringe benefits should be likewise compared. In addition, those increases should be compared as to how they affect teachers at certain levels in their careers. The recognized "benchmarks" for such analysis are: (1) B.A. minimum salary, (2) B.A. maximum salary, (3) M.A. minimum salary, (4) M.A. maximum salary, and (5) the maximum salary allowed by the wage schedule.

When the total salary and total wage and fringe benefit packages are computed, the results are as follows:

	<u>Average \$ Increase Per Teacher</u>	<u>Average % Increase Per Teacher</u>	<u>Average \$ Total Package Increase Per Teacher</u>	<u>Average % Total Package Increase Per Teacher</u>
Crivitz	1,672	8.1	2,331	8.7
Gillett	1,479	8.1	1,774	7.2
Niagara	1,849	8.5	2,427	8.3
Peshtigo	1,870	8.5	2,496	8.4
Suring	<u>1,530</u>	8.3	<u>2,069</u>	8.4
Five-District Average	1,680	8.3	2,219.4	8.2
District Final Offer	1,513	7.92	N/A	7.82
Association Final Offer	1,675	8.84	N/A	8.68

The Association's dollar figure is closer to the average. The percentage figure, which is more significant, is closer to the District's offer.

When the District and Association percentages are applied to the benchmark salaries for the various districts, a different pattern emerges:

	<u>Dollar Values</u>				<u>Schedule Maximum</u>
	<u>B.A. Base</u>	<u>B.A. Maximum</u>	<u>M.A. Base</u>	<u>M.A. Maximum</u>	
Crivitz	15,521	25,286	15,684	27,140	28,434
Gillett	14,648	21,643	15,844	23,668	25,018
Niagara	14,495	22,314	16,002	25,620	28,287
Peshtigo	14,450	24,530	15,895	26,980	27,155
Suring	<u>14,300</u>	<u>21,164</u>	<u>15,300</u>	<u>24,480</u>	<u>25,120</u>
Five-District Average	14,683	22,987	15,745	25,576	26,803
District Final Offer	15,000	22,280	16,350	24,990	25,440
Association Final Offer	14,804	22,557	16,241	25,443	25,922

The Association's final offer is closer in actual dollars to the five-district average in the B.A. base salary, the B.A. maximum salary, the M.A. base salary, the M.A. maximum salary, and the maximum salary a teacher can earn under the schedule, than is the District's offer. On all the benchmark criteria, the Union offer is the closer to the comparables and thus, more reasonable.

When this same salary information is ranked with the comparable five other districts, the following is the result:

	<u>B.A. Base</u>	<u>B.A. Maximum</u>	<u>M.A. Base</u>	<u>M.A. Maximum</u>	<u>Schedule Maximum</u>
District Final Offer	2	4	1	4	4
Association Final Offer	2	3	1	3	3

The results of this school ranking gives a very slight preference to the Association's final offer, in the opinion of this Arbitrator.

No pattern is discernible as to the direction that the comparable districts are moving either in regard to flat dollar increases or to percentage increases.

The Association has offered evidence that indicates that the B.A. base salary, the M.A. base salary, and the scheduled maximum salary rose at a faster rate than inflation between 1980-1981 and 1983-1984. At the same time, the B.A. maximum salary and the M.A. maximum salary rose so that they lost ground to inflation during that same period.


No evidence was offered regarding the District's ability to pay, so I conclude that is not a factor which should effect this decision.

When weighing all the factors set forth above, this Arbitrator is satisfied that the final offer of the Coleman Education Association satisfies more of the statutory criteria.

L. Award:

The 1984 agreement between the Coleman School District and the Coleman Education Association should include the final offer of the Coleman Education Association as set forth and explained herein.

Dated this 16 of May, 1985.

  
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Frederick P. Kessler  
Arbitrator