

APR 01 1985

STATE OF WISCONSIN

BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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 In the Matter of the Stipulation of :  
 :  
 SCHOOL DISTRICT OF FALL CREEK :  
 :  
 and : Case IV  
 : No. 33329  
 FALL CREEK EDUCATION ASSOCIATION : MED/ARB-2742  
 : Decision No. 21997-A  
 To Initiate Mediation-Arbitration :  
 Between Said Parties :  
 :  
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APPEARANCES

James H. Begalke, West Central Education Association,  
on behalf of the Association

John O. Ward, Attorney, on behalf of the District

On October 24, 1984 the Wisconsin Employment Relations Commission appointed the undersigned Mediator-Arbitrator pursuant to Section 111.70(4)(cm)6b. of the Municipal Employment Relations Act in the dispute existing between the School District of Fall Creek, hereafter the District, and the Fall Creek Education Association, hereafter the Association. Pursuant to statutory responsibilities the undersigned conducted mediation proceedings between the parties on December 6, 1984 which failed to result in voluntary resolution of the dispute. The matter was thereafter presented to the undersigned in an arbitration hearing conducted on January 9, 1985 for final and binding determination. Post hearing exhibits and briefs were filed by both parties and exchanged by March 1, 1985. 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 ISSUES

This dispute covers the agreement between the parties for the 1984-1985 school year and involves issues related to the salary schedule and health insurance.

The parties have agreed that the following districts are comparable for purposes of this proceeding:

- Osseo-Fairchild
- Augusta
- Eleva-Strum
- Altoona

The undersigned will first address the relative merit of the parties' positions on each of the issues in dispute, after which the relative merit of the total final offers will be addressed.

SALARY SCHEDULE

The Association proposes a \$14,650 base salary with a 4% vertical increment index in all columns based upon each column base in the schedule.

The District proposes a BA base salary of \$14,600 with vertical increments of 4% based upon the BA base.

Association Position

The Association and District salary schedule offers differ most

significantly when the MA 10th step, MA maximum, and Schedule maximums are compared.

The District's salaries lag behind comparable districts, particularly at the top end of the schedule.

The District's proposal does not address this problem. In fact, the District's offer will increase the problems which currently exist at the top end of the schedule.

The Association's salary schedule proposal attempts to achieve some catchup at those sectors of the salary schedule which are significantly behind comparable districts.

The Association's salary proposal will not result in a ranking change for the District, which will essentially remain a follower, not a wage leader. What would change under the Association's proposal would be improvement in the dollar discrepancy between salaries at the top end of the schedule and similar salaries in comparable districts.

On the other hand, the District's proposal would increase the dollar difference at the MA 10th, MA maximum, and Schedule maximum between the District's schedule and comparable district schedules.

The District has the resources to finance the Association's proposals and to compensate its teachers in a manner which is competitive with comparable districts. In this regard there is nothing in the record indicating that adoption of the Association's proposal would have a harmful impact on the District's budget, educational program, or upon the taxpayers. Nor is there anything in the record to indicate that the District is less able to pay competitive salaries than comparable districts based upon ability to pay or other unique local economic circumstances.

One reason comparable districts pay higher salaries to senior teachers is that their vertical increments are approximately 4% of the column base, whereas the vertical increments in Fall Creek are 4% of the BA column base. This the Association proposes to bring into line with comparable districts.

In further support of the Association's proposal, it is noteworthy that the District has determined that it is in the interest and welfare of the public to compensate its administrative staff in a competitive manner, so that discrepancies in salaries with comparable districts do not exist, as is the case with teachers.

In response to the District's contentions herein, there is no dispute between the parties on the horizontal increments in the salary schedule - both propose 2% increments based upon the BA base. The only salary structure dispute is on the vertical increment.

Furthermore, contrary to the District's assertions, the record evidence indicates that the District does not have the lowest equalized valuation per pupil of the comparable districts - Altoonadoes.

Relatedly, though the District's equalized valuation is relatively low among the comparables, the percentage of the District's per pupil costs funded by state aid is relatively high among the comparables.

Also contrary to the District's assertions, the record evidence indicates that the District had a positive balance in its budget for 1983-84, and that the projections for 1984-85 are also for a positive balance.

The record also indicates that the District's levy rate is slightly below the average of the four other comparable districts.

In further response to the District's assertions herein, there is no evidence in the record indicating that the District is more adversely affected by the troubled farm economy than comparable districts.

The District has also failed to provide any proof that the number of teaching days in the District exceeds those in comparable districts.

The Association's proposed salary schedules does not treat all teachers equally because it is attempting to provide some catchup for teachers in the District who are not receiving comparable salaries.

All the Association's salary does is prevent further deterioration at the salary benchmarks needing improvement.

There is no evidence in the record which justifies these disparities in salaries. The District clearly has the financial resources to pay comparable salaries.

Based upon the District's 1983-84 financial statement, as well as the totality of the record evidence, the District does not have an ability to pay problem in meeting benefits in comparable districts. Thus, the Association's salary proposal, which is the more comparable of the two, should be adopted.

#### District Position

The historical structure of the salary schedule in the District supports the District's offer on this issue. The structure of the Association's proposed schedule has never been utilized in the District. Furthermore, it does not treat all teachers equitably.

Furthermore, no other comparable district has settled for more than an 8% agreement, whereas the Association is requesting 8.82%.

Seventy-seven percent of the equalized value of the District is rural where the state of the farm economy is in serious trouble. These farmers cannot afford an increase in taxes and still stay in business, and this fact cannot be ignored by the Board.

It is also noteworthy that the Association's proposed increase is significantly larger than the rate of inflation in 1984.

In evaluating the salary proposals, it must be remembered that the District had a higher year end deficit than existed in any comparable district; that all of the comparable districts except Altoona have more teacher days than Fall Creek; and that among the comparable districts, Fall Creek has the lowest value per student.

If a catchup problem exists at the MA 10th, MA maximum, and Schedule maximum, this problem should be addressed in the next round of negotiations, utilizing a salary schedule structure more in accord with the structure of salary schedules in comparable districts.

#### Discussion

The initial issue which must be addressed by the undersigned in this proceeding is whether the record supports the District's contention that unique circumstances in the District justify a salary schedule which may not be totally comparable with salary schedules in existence in agreed upon comparable districts.

As the undersigned has indicated on numerous occasions in the past, inability to meet comparable working conditions because of an alleged inability to pay problem may be proven by an employer if it can demonstrate that in order to meet the competition, it would have to either: reduce programs and/or

services in a harmful and/or unacceptable manner, engage in detrimental long-term deficit financing, or require levels of taxation which, based upon comparable experience, are unfair and/or politically unacceptable. The instant record contains no evidence which would support any of these conclusions. In fact, it would appear from the record that the District, at least at the end of the 1983-84 school year, was in relatively sound financial condition.

Relatedly, there is no evidence in the record distinguishing the District from its comparables based upon the length of its school calendar, the impact the troubled farm economy is having on the District's residents, or based upon the levels of taxation which are necessary in the District to support its educational program.

Based upon all of the foregoing considerations, it must be concluded that the District should be able to pay comparable salaries, which, in the undersigned's opinion, are the fairest and most objective basis for determining the relative reasonableness of the parties' respective offers.

In order to analyze the comparability issue the undersigned has constructed the following charts utilizing seven well established salary benchmarks for purposes of comparison:

	BA Min		<u>\$ Increase</u>	<u>% Increase</u>
	83-84	84-85		
Altoona	14,025	15,800	775	5.5
Augusta	13,561	14,375	814	6.0
Eleva-Strum	13,280	14,363	1,083	8.2
Osseo-Fairchild	14,500	15,050	550	3.8
Average	13,841	14,647	806	5.9
Fall Creek	13,900	B 14,600	B 700	B 5.0
		A 14,650	A 750	A 5.4
+/- Average	59	B - 47	B-106	B - .9
		A 3	A- 56	A - .5
Rank Among 5	3	B 3		
		A 3		

	BA 7th		<u>\$ Increase</u>	<u>% Increase</u>
	83-84	84-85		
Altoona	18,145	19,148	1,103	5.5
Augusta	16,816	17,825	1,009	6.0
Eleva-Strum	16,467	17,675	1,208	7.3
Osseo Fairchild	17,980	18,662	682	3.8
Average	17,352	18,328	975	5.7
Fall Creek	17,236	B 18,104	B 868	B 5.0
		A 18,166	A 930	A 5.4
+/- Average	- 116	B - 224	B - 107	B - .7
		A - 162	A - 45	A - .3
Rank Among 5	3	B 3		
		A 3		

	BA Max		<u>\$ Increase</u>	<u>% Increase</u>
	83-84	84-85		
Altoona	21,676	22,874	1,198	5.5
Augusta	17,901	18,975	1,074	6.0
Eleva-Strum	20,186	21,539	1,353	6.7
Osseo-Fairchild	18,560	19,264	704	3.8
Average	19,580	20,663	1,082	5.5
Fall Creek	19,460	B 20,440 A 20,510	B 980 A 1,050	B 5.0 A 5.4
+/- Average	- 120	B - 223 A - 153	B - 102 A - 32	B - .5 A - .1
Rank Among 5	3	B 3 A 3		

	MA Min		<u>\$ Increase</u>	<u>% Increase</u>
	83-84	84-85		
Altoona	15,165	16,003	838	5.5
Augusta	15,188	16,099	911	6.0
Eleva-Strum	14,380	15,507	1,127	7.8
Osseo-Fairchild	15,050	15,825	775	5.1
Average	14,945	15,859	913	6.1
Fall Creek	15,012	B 15,768 A 15,822	B 756 A 810	B 5.0 A 5.4
+/- Average	67	B - 91 A - 36	B -157 A -113	B -1.1 A - .7
Rank Among 5	4	B 4 A 4		

	MA 10th		<u>\$ Increase</u>	<u>% Increase</u>
	83-84	84-85		
Altoona	21,539	22,729	1,190	5.5
Augusta	20,660	21,900	1,240	6.0
Eleva-Strum	19,557	20,871	1,314	6.7
Osseo-Fairchild	20,468	21,522	1,054	5.1
Average	20,556	21,756	1,196	5.8
Fall Creek	20,016	B 21,024 A 21,518	B 1,008 A 1,502	B 5.0 A 7.5
+/- Average	- 540	B - 732 A - 238	B - 188 A 306	B- .8 A 1.7
Rank Among 5	4	B 4 A 4		

	MA Max		<u>\$ Increase</u>	<u>% Increase</u>
	83-84	84-85		
Altoona	24,725	26,091	1,366	5.5
Augusta	23,093	24,479	1,386	6.0
Eleva-Strum	22,433	23,851	1,418	6.3
Osseo-Fairchild	23,473	24,687	1,214	5.2
Average	23,431	24,777	1,346	5.75
Fall Creek	21,684	B 22,776 A 23,417	B 1,092 A 1,733	B 5.0 A 8.0
+/- Average	-1.747	B -2,001 A -1,360	B - 254 A 387	B- .75 A 2.25
Rank Among 5	5	B 5 A 5		

	Schedule Max		\$ Increase	% Increase
	83-84	84-85		
Altoona	28,682	30,267	1,585	5.5
Augusta	23,914	25,349	1,435	6.0
Eleva-Strum*	23,993	25,451	1,458	6.1
Osseo-Fairchild	24,344	25,686	1,342	5.5
Average	25,233	26,688	1,455	5.8
Fall Creek	22,518	B 23,652 A 24,717	B 1,134 A 2,199	B 5.0 A 9.8
+/- Average	-2,715	B -3,036 A -1,971	B - 321 A 744	B -.8 4.
Rank Among 5	5	B 5 A 5		

\* Salary schedule agreed upon, dispute remains over longevity bonus

The data contained in the foregoing charts indicates that at four salary benchmarks - BA, BA 7th, BA Maximum, and MA Minimum - the Association's proposal is the more comparable of the two, both in terms of actual salaries, as well as in the dollar and percentage value of the increases granted. At the MA 10th step benchmark, the Association has proposed a more comparable salary, while the District has proposed more comparable increases. In view of the fact that the District's proposed salary at this benchmark falls within the range of comparable district salaries at this benchmark, the undersigned deems the District's salary proposal at this benchmark to be the more reasonable of the two. At the MA and Schedule maximums, the Association has again proposed more comparable salaries, while the District has proposed more comparable increases. At these benchmarks however, because the District's salaries are significantly out of line when viewed in the context of the comparables, the Association's proposal must be deemed the more reasonable of the two. The reasonableness of this conclusion is reinforced by the fact that when the Association's proposed salaries at these benchmarks are compared with the salaries in comparable districts, the District continues to pay the lowest salary at each benchmark among the comparable districts.

Thus, based upon all of the foregoing comparisons, it must be concluded that the Association has made a more comparable proposal at six of the seven salary benchmarks compared.

It is also significant that the structure of the Association's proposed salary schedule is more comparable than the District's proposed schedule in that at least 4% vertical increments based upon column bases are in existence in all of the District's comparables.

Based upon all of the foregoing considerations, it is the undersigned's opinion that the Association's salary proposal is clearly the more comparable, and thus the more reasonable of the two at issue herein.

#### HEALTH INSURANCE

The Association proposes that the District continue paying the full amount of single and family health insurance premiums:

\$60.61/month for a single plan  
\$171.39/month for a family plan

The District proposes that the 1983-84 amount of the District's contribution toward health insurance premiums be continued in 1984-85:

\$53.54/month for a single plan  
\$151.28/month for a family plan

Association Position

The Association's health insurance proposal would require the District to contribute less dollars per month for health insurance than other comparable districts.

The Association's health insurance proposal is also supported by the need to maintain the status quo of full Board payment.

In two comparable districts the Board paid 100% of the single and family health insurance in 1983-84 and 1984-85. In the two other comparable districts the districts contribute 100% of the previous year's premium. In all cases the District's contribution to health insurance plans has increased each year.

Under the Association's proposal, the District's contribution to a health insurance plan would be less than the average district contribution in comparable districts.

Clearly, the District does not provide overall compensation in excess of other comparable districts. In fact, three of the four comparable districts provide much larger monthly family dental insurance contributions than the District.

Lastly, during bargaining the Association unsuccessfully urged the District to attempt to control insurance costs by utilizing alternative carriers. The District's unwillingness to change carriers should not impact adversely on the District's employees who attempted to facilitate cost control in this regard.

District Position

Teachers should start participating in the payment of their health insurance premiums, which is the case in two comparable districts and in the private sector.

To accomplish this end the District proposes a similar health insurance program to those in existence at Osseo-Fairchild and Eleva-Strum.

Discussion

With respect to the health insurance issue, again, using comparability of benefits as a primary criterion, the record evidence indicates the following:

1984-85 Employer Payments  
For  
Health & Dental Insurances

	Family Health/Dental (per month payment)	Total Per Month	Total Per Year
Altoona	189.53*/34.02	223.55	2,682.60
Augusta	168.22*/24.14	192.36	2,308.32
Osseo-Fairchild	158/38**	158.38	1,900.56
Eleva-Strum	182.30**/37.22	219.52	2,634.24
Average	174.61/23/85	198.45	2,381.43
Fall Creek	B 151.28/10.42	161.70	1,940.40
	A 171.39/10.42	181.81	2,181.72

\* 100%

\*\* 100% of previous year's premium - Osseo-Fairchild's 84-85 total premium 162.25; Eleva-Strum's 84-85 total premium 199.50

Based upon the foregoing, it must be concluded that in terms of the percentage of total health insurance premiums that comparable districts contribute, there is no clear pattern and/or practice among the comparables. When actual dollar contributions are

examined however, it would appear that the Association's proposal is the more comparable of the two, both when one examines health insurance contributions as well as health and dental insurance contributions considered together. Based upon this evidence, it again appears that the Association's proposal on this issue is the more comparable of the two.

#### TOTAL PACKAGE FINAL OFFER

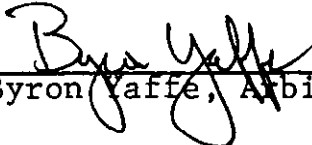
In view of the fact that the Association's final offers on both of the issues in dispute have been deemed to be the more comparable, and therefore, the more reasonable of the two submitted herein, the undersigned also concludes that the Association's total final offer is also the more reasonable of the two at issue herein.

Based upon the foregoing considerations the undersigned therefore hereby renders the following

#### ARBITRATION AWARD

The Association's final offer in this proceeding shall be incorporated into the parties' 1984-85 collective bargaining agreement.

Dated this 29<sup>th</sup> day of March, 1985 at Madison, Wisconsin.

  
Byron Yaffe, Arbitrator