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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

 *
 Arbitration *
 of *
 MADISON TEACHERS INC. *
 *
 and *
 *
 MADISON METROPOLITAN *
 SCHOOL DISTRICT *
 *
 re *
 *
 1984-1985 Salary Schedule *
 WERC Case 151, No. 33865 *
 MED/ARB-2962 *
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ARBITRATION AWARD

Arbitrator James L. Stern

Decision No. 22007-A

ISSUE

The sole issue in dispute is the 1984-1985 Salary Schedule. Under the Board final offer, the salary schedule will be increased by approximately 4.83 percent from the 1983-1984 base of \$15,038 to a base of \$15,765. Under the Union final offer, the salary schedule will be increased by approximately 7.10 percent from the base of \$15,038 to a base of \$16,106.

INTRODUCTION

After unsuccessful negotiations in September, 1984 between the Madison Metropolitan School District, hereinafter called the Board, and the Madison Teachers Inc., hereinafter called the Union, the Union petitioned the WERC for mediation/arbitration. After an investigation by WERC Chairman Herman Torosian showed that the parties were deadlocked, final offers dated October 3, 1984 were exchanged. Thereafter, in accordance with the statute, the parties selected the undersigned mediator/arbitrator who was appointed by the WERC on November 12, 1984.

No public hearing was requested and mediation efforts by the mediator/arbitrator on December 13 and 17, 1984 were unsuccessful. The parties declined to withdraw their final offers and the arbitration hearing was held on December 20, 1984. Post-hearing briefs were exchanged through the arbitrator on January 21, 1985. The Board was represented throughout the mediation/arbitration process by Susan Hawley, Labor Contract Manager; the Union was represented by John Matthews, Executive Director. On February 21st, the arbitrator for personal reasons requested and was granted an extension of the date on which this award was due.

DISCUSSION

The basic argument advanced by the Union is that its historical differential should be maintained. It claims that Madison is a relatively wealthy community that can continue to strongly support an excellent school system which pays teachers slightly more than teachers are paid in other districts. The Union contends that the Madison BA Base has been about 2% above the base of the other ten to seventeen largest school districts in the State from 1977 to the present.

In support of its position, the Union cites the award of Arbitrator Joseph Kerkman for the '81-'82 school year in which he selected a Union proposal that was 1.018% above the average BA Base of the twelve settled districts that the parties had agreed were comparable in preference to the Board proposal of a BA Base that was .975% of the average BA Base of those comparables. (See '81 Un. Ex. 10a)

This arbitrator wishes to note, however, that Kerkman did not specifically endorse the two percent differential or say that it should be maintained. He said that the figure proposed by the Union was preferable to that proposed by the Board because it was closer to the salaries paid in comparable districts and to the salary increases granted in those districts (See Bd. Exhibit #135). Kerkman also stated in his summary that the Union proposal to maintain a Base of approximately 102% of the comparables was

slightly in excess of what the patterns would normally dictate, and the undersigned would have preferred to adopt an offer for the MTI which was somewhat lower than the final offer they proposed (Bd. Ex. 135, p. 21)

This arbitrator, like Kerkman, believes that in most teacher disputes the going salaries and going salary increases are the determining factors that arbitrators take into account in reaching a settlement. This is not to say that arbitrators do not take into account other statutory criteria such as internal comparables, cost of living and ability to pay but usually that in teacher disputes the parties and arbitrators stress salaries and increases of other teachers.

The Board does not dispute the importance of increases granted to other teachers and argues that the dollar increases it offers to teachers at the various benchmarks are closer to the average increases at other schools than the dollar increases proposed by the Union. The Board also calls the arbitrator's attention to the settlements it reached with other groups with which it bargains as well the wage cuts taken by Oscar Mayer employees and the low settlements of State employees and Dane County and City of Madison employees.

The arbitrator considered carefully all of the arguments set forth by the Union and Board in their briefs. The arbitrator does not believe, however, that it serves any useful purpose for him to include in this discussion his analysis of these many points. The arbitrator does wish to emphasize, that, on balance, these arguments were not sufficiently persuasive to change the decision he reached on the basis of the analysis of what he considered to be the going salary and the going salary increase for teachers in large Wisconsin school districts.

COMPARABLE SCHOOL DISTRICTS

In this dispute the parties did not stipulate which Districts were comparable. The Union compares Madison with 13 districts that have settled. The Board objects to the use of three of these districts - - - Wauwatosa, Elmbrook and Sheboygan. The Board objects to Wauwatosa and Elmbrook because their enrollments no longer place them in the fifteen largest districts in the State. It objects to the inclusion of Sheboygan because the format of the Sheboygan increase makes it difficult to compare the Sheboygan increase with the increases granted in other districts. All Sheboygan teachers received a flat across-the-board dollar increase of \$1950 in 1985 but were frozen at their 1983-1984 step, that is, no increments were given. The arbitrator agrees that Sheboygan should be excluded because of the difficulty of comparing its settlement with that of the other districts.

More importantly, however, the arbitrator believes that the comparables used by the Board and those used by the Union give too great weight to districts that have much smaller enrollments than Madison. Listed below in descending order of size are the twenty largest Wisconsin districts.

TABLE 1 - High To Low Enrollment of Twenty Largest Districts*

| RANK BY TOTAL ENROLLMENT | DISTRICT NAME | TOTAL ENROLLMENT |
|--------------------------|--------------------------------------|------------------|
| 1 | Milwaukee School District | 86,481 |
| 2 | Madison Metropolitan School District | 22,068 |
| 3 | Racine School District | 21,752 |
| 4 | Green Bay School District | 16,780 |
| 5 | Kenosha School District | 16,011 |
| 6 | Waukesha School District | 12,561 |
| 7 | Appleton Area School District | 10,681 |
| 8 | Janesville School District | 10,107 |
| 9 | Eau Claire Area School District | 9,841 |
| 10 | Sheboygan Area School District | 8,548 |
| 11 | Oshkosh Area School District | 8,276 |
| 12 | West Allis School District | 8,085 |
| 13 | Wausau School District | 7,478 |
| 14 | Stevens Point Area School District | 6,937 |
| 15 | LaCrosse School District | 6,934 |
| 16 | Beloit School District | 6,857 |
| 17 | Elmbrook School District | 6,775 |
| 18 | Fond du Lac School District | 6,605 |
| 19 | Wauwatosa School District | 6,216 |
| 20 | West Bend School District | 6,143 |

* Data based on 12/30/83 data from the Wisconsin Department of Public Instruction as shown in Board Exhibit 35.

The arbitrator believes that the use of averages based on the top fifteen or twenty school districts gives greater weight to the smaller districts than is proper. In a nutshell, it is a case of the tail wagging the dog. Surely Milwaukee, Madison, Racine, Green Bay and Kenosha with enrollments of 16,000 or more students are pattern setters, rather than pattern followers of a pattern set by districts with enrollments of 6,000 to 8,000 students. If the list of comparables includes these relatively smaller districts, the averages should be weighted by size of district to prevent them from having an undue effect on the average.

The arbitrator calculated a weighted average of the ten settled districts that the Board used throughout its calculations plus the average of the Racine Board and Racine Union final offers. The weighted average base salary in '83-'84 of these districts (Milwaukee, Racine, Kenosha, Waukesha, Appleton, Eau Claire, Oshkosh, West Allis, Wausau, Stevens Point and La Crosse) was \$15,062 compared to Madison's \$15,038. The weighted average base salary in '84-'85 of these same eleven districts is \$15,877, an increase of 5.41% and \$815.

In this weighted average calculation, Milwaukee enrollment is 45% of the total enrollment of the eleven districts considered. Although this is numerically correct, it could be argued that this overstates the importance of the Milwaukee salary schedule and salary increase. Therefore the arbitrator calculated a second average, this time an unweighted average of the six largest school districts in the state that had settled or for which final offers were known (Racine). These districts are Milwaukee, Racine, Kenosha, Waukesha, Appleton and Eau Claire. The arbitrator would have included Green Bay and Janesville if their settlements had been included in the data furnished the arbitrator at the hearing.

The average unweighted base salary of these six districts in '83-'84 was \$14,935 compared to Madison's base of \$15,038. In '84-'85 (averaging the Racine final offers as before) it is \$15,800, an increase of 5.79% or \$865.

For the purpose of comparing the Board and Union offers with what the arbitrator believes is the going base salary and the average increase, the arbitrator averaged the results of his two calculations. Table 2 shows that the Board offer, although lower than the arbitrator believes equitable, is closer to the standard calculated by the arbitrator than the Union offer.

TABLE 2 - BA MIN DATA

| | '83-'84 | '84-'85 | \$ Inc. | % Inc. |
|------------------------------------------------|----------|----------|---------|--------|
| "Weighted Eleven" | \$15,062 | \$15,877 | \$815 | 5.41% |
| "Settled Big Six" | 14,935 | 15,800 | 865 | 5.79 |
| Average of Both | 14,999 | 15,839 | 840 | 5.60 |
| Application of 5.60% standard to Madison | 15,038 | 15,880 | 842 | 5.60 |
| Board Offer of \$15,765 | | | -\$115 | -0.77% |
| Union Offer of \$16,106 | | | +\$226 | +1.50% |

On the basis of the comparisons at the BA Minimum step on the salary schedule the arbitrator believes that he should choose the Board offer in preference to the Union offer.

The arbitrator next assumed that the 5.60% standard calculated for the BA BASE was applied at the other benchmarks used by the Union and found that the Board offer was closer in dollars and percents than the Union offer at each of these benchmarks. Since the Board offer is based on a 4.83% schedule increase and the Union offer is based on a 7.10% increase, it follows mathematically that the relationship of the offers to the standard at the BA BASE will prevail at the other benchmarks. Therefore, as a further check on the fairness of both offers at the various benchmarks, the arbitrator determined the ranking of Madison in '83-'84 and in '84-'85 under both offers for the seven largest districts that had settled or for which the final offers were known, including Madison.

In '83-'84, Madison ranked fourth, second, fourth, fifth and first of these seven large districts including Madison that had settled in '84-'85 at the BA BASE, BA MAX, MA BASE, MA MAX and Schedule MAX respectively. Under the Board offer in '84-'85, Madison would rank fourth, second, fourth, sixth and first at these benchmarks. This means that the ranking would stay the same except at the MA MAX where it would drop one notch. Under the Union offer, Madison would rank second, second, third, fourth or fifth depending on which Racine final offer prevails, and first. This means that the ranking would stay the same except Madison would rise from fourth to second at the BA BASE, from fourth to third at the MA BASE, and possibly from fifth to fourth at the MA MAX if the Racine Board offer prevails.

The arbitrator's review of the rankings at these benchmarks shows that neither offer substantially affects the ranking with the Board offer dropping Madison by a small amount and the Union offer raising Madison by a greater margin. Therefore, this analysis does not alter the arbitrator's preference for the Board offer based

on the comparison at the BA BASE. The Union offered other evidence and argument in support of its offer, however, and therefore the arbitrator turns next to these other considerations.

The Union argues that even if the salary comparisons support the reasonableness of the Board offer, the arbitrator should select the Union offer on the basis of total compensation. The parties agreed that the overall compensation of Madison teachers would be increased by 8.5% under the Union offer and by approximately 6.4% under the Board offer. Union Exhibit 18 shows that the average increase in total compensation of the twelve districts for which it had information was 8.17%. If the 8.17% were supported by detailed data similar to that included in Union Exhibit 17 or Board Exhibits 6-10, the arbitrator believes that this would provide strong support for the selection of the Union offer. Unfortunately, such backup documentation was not supplied and the arbitrator therefore is somewhat skeptical of the 8.17% figure. The testimony and interchange between the Union and the Board concerning this Exhibit (Transcript, pp. 153-155) did not persuade the arbitrator that the figure is correct.

If backup data for each school district had been included, the arbitrator would have been able to calculate the average total compensation for the seven largest districts used in the salary comparisons in order to ascertain if the Union claim is correct. Given no detail, the arbitrator is not persuaded that the salary comparisons do not serve as reasonable proxies for total compensation comparisons. If other major school districts picked up a greater share of health insurance premiums or pensions in '84-'85 or allocated part of the compensation increase for new fringes, the Union should have provided information about these changes and explained why the gap between salary and total compensation is more for comparable districts than for Madison. Without that information, the arbitrator believes it reasonable to use salary changes as proxies for changes in total compensation. On that basis he finds no evidence to support the Union claim that the increase in total compensation under the Board offer is more out-of-line than the Union offer.

One internal comparison cited by the Union was the comparison of the raises given Madison administrators with those given to Madison teachers. At the arbitration hearing the Union stated it was under the impression that administrators received an increase of approximately 7.1%. Subsequent data received from the Union indicated that the average salary increase of administrators, including step increase where applicable, was 6.14%. According to Board Exhibits 6, 9 and 10, total salary in '84-'85 would increase by 6.87% under the Board offer and 9.18% under the Union offer. It does not seem, therefore, that this internal comparison negates the preference for the Board offer based on the comparison at the BA BASE.

It should be recalled that the arbitrator has excluded Sheboygan from his list of comparables in the analysis he made of salaries at the various benchmarks because of the format of the Sheboygan increase. The arbitrator therefore turned separately to a comparison of the Sheboygan increase of \$1950 across the board with the average Madison increase including increments under the Board and Union offers. Using Board Exhibits 6, 9 and 10 again and Board Exhibit 12, the arbitrator calculated the average dollar increase of the Madison teachers in '84-'85 under each offer. Under the Board offer $[(\$43,156,395-40,381,399)/1656]$, the average increase was \$1,676. Under the Union offer $[(\$44,089,876-40,381,399)/1656]$, the average increase was \$2,239. Although the Board offer is less than the Sheboygan offer it is still slightly closer to the Sheboygan offer than the Union offer. Given the relatively small size of the Sheboygan district compared to the others that the arbitrator included in his analyses and the fact that the average increase in Sheboygan was about half-way between the average increase in Madison under the Board and Union offers, the arbitrator does not believe that his consideration of Sheboygan changes the situation.

In conclusion, the arbitrator makes several observations. First of all, the arbitrator did not comment on many Board arguments and Union rebuttals thereto because they did not affect his decision. However, silence should not be construed

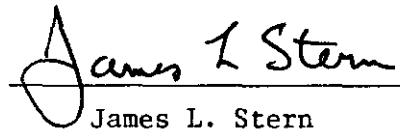
as agreement with some of the points raised. Second the arbitrator does agree with the Union that the wealth of Madison, its relatively stable employment patterns, its growing property values and the community's desire to maintain an excellent school system mean that Madison teachers should be well paid relative to other Wisconsin teachers. If Madison maintains a BA BASE equal to the base of the other very large school districts in the state, the incentive arrangements available to long service employees will provide such a result.

AWARD

In accordance with the criteria listed in Section 111.70 (4) (cm) (7) of the Wisconsin Statutes, the arbitrator, after full consideration of the exhibits, testimony and arguments of the Board and the Union selects the final offer of the Board.

2/28/85

February 28, 1985


James L. Stern

Mediator/Arbitrator