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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

\* \* \* \* \*

\* In the Matter of the Petition of \*

\* REEDSBURG EDUCATION ASSOCIATION \*

\* and \*

\* SCHOOL DISTRICT OF REEDSBURG \*

\* \* \* \* \*

Case 15  
No. 33343  
MED/ARB-2749  
Decision No. 22022-A

APPEARANCES:

James M. Yoder, Executive Director - South Central  
United Educator

Ken Cole, Assistant Executive Director - Wisconsin  
Association of School Boards

I. BACKGROUND

On January 23, 1984, the parties exchanged their initial proposals on matters to be included in a new collective bargaining agreement to succeed the agreement which expired on June 30, 1984. Thereafter, the parties met on five occasions in efforts to reach an accord on a new collective bargaining agreement. On May 23, 1984, the Petitioner filed a petition requesting that the Wisconsin Employment Relations Commission initiate Mediation-Arbitration pursuant to Section 111.70(4)(cm)6 of the Municipal Employment Relations Act. On July 30, and August 29, 1984, a member of the Commission's staff, conducted an investigation which reflected that the parties were deadlocked in their negotiations, and, by August 29, 1984, the parties submitted to the Investigator their final offers, as well as a stipulation on matters agreed upon. The Investigator then notified the parties that the investigation was closed, and the Investigator also has advised the Commission that the parties remain at impasse. Thereafter, the Commission ordered the parties to select a Mediator/Arbitrator to assist them in resolving their dispute.

The undersigned was selected and appointed Mediator/Arbitrator on November 5, 1984. On March 7, 1985, mediation was conducted in an attempt to resolve the outstanding issues. However, a settlement did not occur. The Mediator/Arbitrator then served notice of his intent to resolve the dispute by final and binding arbitration. The parties waived their respective rights to written notice of such intent and their right to withdraw their final offers as extended by the relevant statute. The Mediator/Arbitrator then conducted an arbitration hearing and received evidence. The parties agreed to present arguments in the form of written briefs. The briefs were exchanged April 15, 1985. Based on the review of the evidence, the arguments, and the criteria set forth in Section 111.70(4)(cm)6 Wisconsin Statutes, the Mediator/Arbitrator renders the following award.

## II. FINAL OFFERS AND ISSUES

Both parties propose in their final offer, that the duration of the contract be changed to reflect a duration of July 1, 1984 to June 30, 1985.

The only disputed issue is the salary schedule. The salary schedule structure itself, in terms of lanes and steps, is not disputed. There is agreement on the number of lanes and steps. However, there is a disagreement on increments.

In terms of ancillary issues, there is no dispute concerning the school districts which are to be considered comparable to Reedsburg. These are the schools in the South Central Athletic Conference. The schools are, in addition to Reedsburg:

Adams/Friendship  
Baraboo\*  
Mauston  
Nekoosa\*  
Portage\*  
Sparta\*  
Tomah  
Wisconsin Dells\*

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\* settled for 1984-85

In terms of costing, the following represents a reasonable estimate of the cost of the final offers:

	<u>Salaries Only</u>	<u>Total Package</u>
Association	9.95	9.15
Board	5.15	6.12

## III. ARGUMENTS OF THE PARTIES

### A. The Association

The Association's arguments emphasize the criteria which relates to a "comparison of wages, hours, and conditions of employment of the municipal employees involved in the Arbitration proceedings with the wages, hours, and conditions of employment of other employees performing similar service..." They note that Reedsburg is near the midpoint in average daily membership, and near the average in FTE. They also note that the equalized valuation per member for the District in 1983-84 with Reedsburg ranking above the midpoint. Thus, they suggest that Reedsburg's ability, by this measure, to support education is not inferior, and, in fact, is better than most comparable districts.

The basis for the Association's case is, generally speaking, the pattern of settlements in the comparable schools. More specifically, they believe the appropriate statistic to be used in arriving at a comparison among those settled schools, is the benchmark salary at the Bachelors lane base, Step 7 and Maximum and the Masters lane base, Step 10, Maximum and the Schedule Maximum.

It is the position of the Association that the evidence shows that the final offer of the Association is more nearly comparable to the settlement pattern than that of the District. They make several arguments in support of their position.

First, they argue that Reedsburg should at least maintain its relative placement (rank) at the salary benchmarks, as compared to settled school districts for 1984-85 and compared to those same districts in 1983-84. More specifically, they note that the Reedsburg BA Base ranks last of the nine athletic conference schools in 1983-84. While the District's offer moves Reedsburg to second among the settled schools in 1984-85, the Association's offer results in some improvement. At the BA 7th Step both offers rank - as did Reedsburg in 1983-84. However, they also draw attention to the fact that the average salary is \$17,600 among South Central settled schools at this benchmark, and the median salary is \$17,911. The Association's offer of \$16,850 is nearer both of these than is the District's offer of \$16,800, thereby reflecting a more reasonable position. The same is essentially true with respect to the BA maximum. Here again, both proposals maintain rank as compared to 1983-84. However, the Associations' offer is nearer the average salary.

Both offers maintain the second place ranking that Reedsburg had in 1983-84 at the MA minimum. At the MA 10th Step, the Association asserts their offer falls at the midpoint of settled South Central school districts, while the District's offer places Reedsburg at the bottom. Thus, in their opinion, the Association's offer is clearly more reasonable because it also maintains rank as compared to 1983-84. With respect to the MA maximum, both offers, in this instance, drop Reedsburg below where they were the prior year. However, they believe it is significant to note, that the wide difference between the two offers, even though they are at the same rank. The Association's proposal is \$1,350 nearer the average of salaries in this group than is the District's. Further, the District's offer is \$1,466 less than the next settled school district, which is totally out of synchronization with other area schools. The same phenomena occurs at the schedule maximum benchmark where the District's offer of \$24,150 falls \$1,566 below the current lowest settled district. At this benchmark the Association's offer of \$26,000, while ranking five out of six, is still much nearer the average of \$26,980 in the conference. It is also true, that the Association's offer maintains rank at this benchmark as compared to 1983-84.

Next, the Association argues that Reedsburg should receive dollar increases for 1984-85 as compared to 1983-84, consistent with the pattern of settlement among comparable settled school districts. They submit the following summary of dollar increases at the benchmarks:

"BENCHMARK DOLLAR INCREASES

	AVERAGE	ASSOCIATION	DISTRICT
BA Base	\$ 750	\$ 950	\$1,050
BA 7th Step	1,005	1,100	1,050
BA Maximum	1,191	1,200	1,050
MA Base	1,041	1,300	1,050
MA 10th Step	1,824	1,900	1,050
MA Maximum	2,262	2,400	1,050
Schedule Maximum	2,502	2,900	1,050"

Based on this, and a detailed analysis of the offers relative to the settlements, they conclude that in five of seven benchmarks, the Association's offer is nearer the average dollar increase in the South Central Athletic Conference than is the District's offer. They contend this clearly demonstrates that the Association's offer is consistent with the settlement pattern and is thereby more reasonable.

The Association's third argument is, that the amended salary schedule structure proposed by the Association, is nearer the structure used by comparable districts than is the District's offer. Their analysis of the increment data shows that increment levels were raised for 1984-85. They assert that the Association's offer is consistent with this pattern, while the District's offer makes no change from the prior year. In fact, they point out that the District's offer ranks dead last in every lane in increment levels. The Association's offer, on the other hand, generally falls below the increment levels in other settled districts, but does improve Reedsburg's status more near the average at the MA and MA+12 lane. This modest improvement, in their opinion, is not only justified, but demonstrates that their offer is more reasonable.

In terms of rebuttal, they contend that the District's case lacks merit, because it results in a contract settlement inconsistent with the prevailing settlement pattern. They believe the thrust of the District's arguments are based on two factors: the agricultural economy and contract settlements among other local municipal workers. They present a detailed response to the District's economic evidence and argument. However, it is sufficient to say, that the Association does not believe much weight should be given to these arguments and that controlling weight should be given to the pattern of settlements. Of the five settled districts, which exist in a similar economic environment, they see no evidence that Reedsburg differs substantially.

With respect to city worker settlements, they believe these arguments are void of merit, because District Administrator Robert Allen testified that he did not know what the wage history was among any of the employee groups he mentioned, nor did he know their wage level or whether any group he mentioned were professionals requiring advanced education. There are simply too many gaps in his information to make his testimony credible. They also do not believe that county or city workers constitute an appropriate comparable, because there is no evidence that they perform services similar to teachers.

#### B. THE DISTRICT

The District believes that the central issue in this case is not necessarily the salaries, but the criteria to be used in judging the fairness of salaries, and particularly, whether consideration should be given in the salary expectations of public servants to the economic conditions affecting the governmental unit's ability to pay. It is the position of the Board, that economic conditions have substantially impaired its ability to increase funding for salaries from a property tax heavily dependent upon agriculture. Moreover, it is their position that its offer is reasonable and fair in the light of economic conditions, and that the Union's demands are excessive when considered against those same economic conditions.

One of the economic conditions which the Board believes is relevant, is the cost of living. This relates to Criteria "e" of the statute. In this instance, they draw attention to the fact that the offer of the Board exceeds the increase in the cost of living, as indicated by the CPI, by a substantial margin. This is true, regardless of whether one uses the National Index or the Index for Non-metropolitan Urban Areas, which most closely approximates the Reedsburg circumstances. The CPI shows a change in the cost of living over the last contract period of no more than three percent. The Board's offer more than doubles the effect of inflation. By contrast, the Union's demand for approximately a ten percent average increase in salary is not justified by any reference to economic need.

The Board also believes the fact that the Association's offer favors employees near the top of the schedule weighs against the Association's offer. This is in contrast to the Board, who has attempted to give the same increase in purchasing power to each of its teachers, while retaining the current structure to the salary schedule. They note the Union proposes a 7.1 percent increase in the beginning teacher's salary, actually less than the Board, but a 12.6 percent increase for teachers at the top of the schedule. This would increase the Schedule Maximum salary by 23.8 percent and the MA Maximum by 19.7 percent from the 1982-83 levels, while increasing the base salary by only 9.6 percent over the same period. The effect of such a policy is to widen the differential between beginning and senior teachers, increasing the differential from 69.2 percent to 82.5 percent of the schedule base. By contrast, the Board's final offer would maintain the differential at 68.2 percent of the base. The Union's heavy emphasis on increasing salaries at the top of the schedule, at the expense of the schedule base, would have the effect of weakening the District's ability to attract new, able teachers to its schools. In addition, they mention that the Union's effort to alter the salary structure through arbitration, to further the advantage of senior teachers, is one that was rejected by Arbitrator Stern (Dec. No. 17226-A).

With respect to the ability to pay criteria, the District notes the problems which have plagued the agricultural sector. They also note that the Reedsburg district is highly dependent on the farm economy. In their opinion, these conditions do not describe a setting in which wage increases at least three times the inflation rate are justified for workers enjoying the security of tenured public employment. They believe this is supported by the settlements reached by other municipal workers in Reedsburg and Sauk County during the last year. The settlements for both city and county workers, involved increases of less than three percent for 1984, and less than four percent for 1985, less than half the rate of increase contained in the Union's final offer and substantially less, even, than the Board's final offer.

In addition to relative salaries, the District believes other factors enter into the total picture of wages and working conditions. For instance, Reedsburg's teachers enjoy a relatively favorable pupil/teacher ratio in comparison to other school districts in the athletic conference. Moreover, the working day in the Reedsburg schools is considerably shorter, with a much longer duty-free lunch period, than are those in the comparable districts. Secondary teachers in Reedsburg have 250 minutes of teaching contact with students per day, compared with periods ranging from 255 minutes to 300 minutes per day in comparable districts. The lunch period in Reedsburg is 50 minutes, compared to a norm among the others of 30 minutes. Reedsburg's elementary teachers fare similarly well, having the shortest teaching day among the comparable districts from which data are available, and a duty free lunch period longer than the average for the conference.

In reconciling these positions, it is noted first, that the District is not claiming a strict inability to pay. They recognize that the Board has the legal authority to levy whatever taxes are necessary to pay the cost of either its own, or the Union's, final offer. However, their arguments go to the Board's political responsibility to its constituents, to constrain its fiscal actions in keeping with the economic conditions affecting those constituents' ability to bear the cost. It is in this connection that they detail the local economy, particularly the agricultural sector.

It cannot be denied that economic conditions do, and should be given, some weight in proceedings such as these. Assuming that the poor economic conditions exist, the question still must be asked what impact those conditions should have on teachers salaries, or in other words, in light of those conditions, what is a reasonable settlement.

In view of such economic conditions, the answer as to what is reasonable is more difficult than under normal circumstances. However, one of the best indicators of what is a reasonable teacher settlement in one school district under such conditions, is what other school districts, if they find themselves under similar conditions, have been able to pay their teachers. In this respect, the economic conditions in Reedsburg cannot be viewed in isolation and unto themselves.

In this connection, the Arbitrator is not convinced that Reedsburg, in terms of poor economic conditions, is materially different than any of the other school districts, which both parties agree are comparable. The difficulties in the farm economy, real as they are, affect other districts as much, or at least to a comparable degree, as they affect Reedsburg. Accordingly, in view of the fact that there are a significant number of settlements, and in view of the general comparability in the schools, including similarities in economic conditions, the Arbitrator believes that the settlements in other school districts deserve more weight than economic conditions.

This is true as well, for the cost of living data and the settlements in Sauk County and the City of Reedsburg. It is well established that settlements with similar employees in similar communities, are indicative of the appropriate weight to be given the cost of living. It is also well established that settlements with dissimilar public employment deserve less weight than those settlements involving employees performing similar duties under similar terms and conditions of employment.

Accordingly, the Arbitrator should focus attention on a comparison of the final offers to the settlements in comparable districts. Generally speaking, the offer which is most consistent with the other settlements will be considered most reasonable.

In determining which offer is most consistent with other settlements, Arbitrators quite often compare the benchmark figures which result under the offers with the benchmarks in the comparables. In this respect, the following table is relevant:

1983-84

BENCHMARK DIFFERENCES

	BA Min	BA 7th	BA Max	MA Min	MA 10th	MA Max	Sched. Max
Average	13,567	16,390	19,837	14,485	19,367	23,022	23,736
Reedsburg	13,300	15,750	17,550	14,700	19,500	22,500	23,100
Diff. \$	- 267	- 640	-2,287	- 215	+ 133	- 522	- 636
Diff. %	-1.97	-3.90	-11.52	-1.48	+0.69	-2.27	-2.68

1984-85

BENCHMARK DIFFERENCES

	BA Min	BA 7th	BA Max	MA Min	MA 10th	MA Max	Sched. Max
Average	14,373	17,600	20,963	15,618	21,622	25,932	26,980
Board	14,350	16,800	18,600	15,750	20,550	23,550	24,150
Diff. \$	- 23	- 800	-2,363	+ 132	-1,072	-2,382	-2,830
Diff. %	-0.16	-4.55	-11.27	+0.85	-4.96	-9.19	-10.49
Assoc.	14,250	16,850	18,750	16,000	21,400	24,900	26,000
Diff. \$	- 123	- 750	-2,213	+ 382	- 222	-1,032	- 980
Diff. %	-0.86	-4.26	-10.56	+2.44	-1.03	-3.98	-3.63

A careful review of this table, which summarizes the available benchmark data, shows that on a whole, the Association's offer is most consistent with the settlements in the comparable schools and more closely approximates the 1983-84 differentials. While the Association's offer is not entirely consistent with the comparables (they exceed the comparables by a fair margin at the MA Min step and are not as close to the average BA Base as the Board), the District's offer is much more inconsistent.

The inconsistencies of the District's offer are more dramatic at the benchmark maximums, especially the MA 10th, MA Max and the Schedule Max. At the MA 10th Step, a Reedsburg teacher would move from slightly above the average in 1983-84, to more than \$1,000 below the average in 1984-85. At the MA Max and Schedule Max, a Reedsburg teacher earned, in round figures, \$500 and \$600 less than the average in 1983. In 1984, they would earn approximately \$2,400 and \$2,800 less than the average. It is noted, that the offers are approximately the same relative to the comparables at the BA 7th Step and BA Max.

The District did argue that their offer was the most reasonable, because it had a more attractive BA Base, which was needed to attract new teachers, and that the lower Association offer at that base, may inhibit their ability to attract new teachers. While this is a legitimate concern, the difference in the offers is not greater than \$100. Moreover, this concern must be balanced against the rest of the salary schedule. An equally legitimate concern, is to have salaries competitive enough to retain experienced teachers. In this respect, as noted, the District's offer is greatly unbalanced compared to other districts. Thus, while the Board's offer is slightly more reasonable

at the BA Base and MA Base, the dramatic erosion under their offer at the MA Min, MA 10th and Schedule Max raises a negative preference, which deserves much greater weight.

In summary, it is the finding of the Arbitrator that of the various statutory criteria, the settlements in comparable districts, deserve controlling weight. When this data is analyzed, the Association's offer is more reasonable. This is primarily because of the unreasonable and unacceptable salaries which would occur under the District's offer at the MA 10th, MA Max and Schedule Max.

V. AWARD

The 1984-85 Agreement between the Reedsburg Education Association and the Reedsburg School District shall include the final offer of the Reedsburg Education Association and the stipulations of agreement as submitted to the Wisconsin Employment Relations Commission.

Dated this 18<sup>th</sup> day of August, 1985, at Eau Claire, Wisconsin.

  
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Gil Vernon, Mediator/Arbitrator