

APR 11 1985

STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

----- x  
:
In the Matter of the Petition of :
:
PEPIN EDUCATION ASSOCIATION :
WEST CENTRAL EDUCATION ASSOCIATION :
: Case 3
To Initiate Mediation-Arbitration : No. 33827
Between Said Petitioner and : MED/ARB-2950
: Decision No. 22119-A
PEPIN SCHOOL DISTRICT :
:
----- x

APPEARANCES

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

Stephen L. Weld, Mulcahy & Wherry, S.C., on behalf  
of the District

On December 5, 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 Pepin School District, hereafter the District, and the Pepin Education Association, hereafter the Association. Pursuant to statutory responsibilities the undersigned conducted mediation proceedings between the parties on February 5, 1985 which failed to result in voluntary resolution of the dispute. The matter was thereafter presented to the undersigned in an arbitration hearing conducted on the same date for final and binding determination. Post-hearing exhibits and briefs were filed by both parties and exchanged by March 5, 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. In addition, the parties disagree as to which school districts should be considered appropriate comparables in this proceeding. Because the disposition of the latter issue may have an impact on the resolution of the salary schedule issues, it will be addressed first. Thereafter, the relative merit of the parties' positions on the salary schedule dispute will be discussed.

COMPARABILITY

Association Position

The appropriate comparables should be the Dunn-St. Croix Athletic Conference, plus the Somerset School District. All of these districts are part of CESA 11 and were part of the old CESA 5. In addition, all are in the counties of Pierce, St. Croix, Dunn, and Pepin. In addition, these comparables were utilized by Arbitrator Rice in his decision in the Colfax School District in March 1983. <sup>1/</sup> In fact, in the Colfax case the Employer representative herein proposed that Pein be utilized as a comparable in that proceeding.

---

<sup>1/</sup>Citation omitted.

Somerset should be included as a comparable since it was an Athletic Conference member in 1976-77, since it may again be a Conference member, and since it has approximately the same number of pupils, full-time equivalent staff, levy rate, per pupil operating costs, and equalized valuation per pupil as other Conference schools. In addition Somerset was a member of the old CESA 5, and is in St. Croix County, in which two Conference schools are located.

In determining a settlement pattern, the Association urges the arbitrator to rely on a comparison of the 1984-85 salary schedule agreements at Boyceville, Colfax, Elmwood, Glenwood City, Prescott, Somerset, Spring Valley, and St. Croix Central.

Approximately one-third of the District is in Pierce County, where the comparable districts of Prescott, Spring Valley, Elmwood, and Plum City are located.

Historically, all of the Association's comparables have been members of the same CESA, which has resulted in many common concerns and programs.

The District's attempts to add to the traditional comparability group is almost totally self-serving, with the exception of Alma, which is a CESA 11 school and a contiguous school of similar size. However, there has never been any historical relationship between the District and the districts of Blair, Independence, or Gilmanton.

To argue that the District is different than other Conference schools is to ignore the rural agricultural nature of the locale of all of the Conference schools. The District is located in Pepin and Pierce Counties where the Spring Valley, Prescott, Elmwood, and Plum City districts are also located. In fact, all of the Conference school districts and Somerset are in a four-county agricultural area.

Since it has not been demonstrated that the District has experienced different economic conditions than its comparables, the reasonableness of the parties' offers must be considered in light of settlements reached in comparable districts which are experiencing similar economic conditions.

Because of the unique economic circumstances which exist in the Arkansaw district, it should not be considered a comparable district for purposes of this proceeding. In this regard it is significant that the levy rate and cost per pupil in Arkansaw is substantially higher than any of the comparable districts proposed by the Association.

In Arkansaw there has been a built-in threat to restrain costs or the District might be forced to close. Due to the unique financial condition of the District, the teachers' greatest concern in bargaining in 1984-85 was to insure job security, and to regain jobs that were lost by virtue of partial layoffs. In order to accomplish these aims, the Arkansaw 1984-85 agreement resulted in the reinstatement of four full-time positions, and assured the teachers in that District that there would be no layoffs during 1984-85 and 1985-86. In order to accomplish these ends, the teachers in Arkansaw agreed to very low salaries which were essentially not in line with teacher salaries in comparable districts. Where there is such pronounced variance between an agreement and a settlement pattern, such an agreement should not be compared with the agreements in those districts which make up that settlement pattern. 2/

---

2/ Citations omitted.

### District Position

Only three Conference districts, Elmwood, Plum City, and Arkansaw are close in size to Pepin. These districts are also the most geographically proximate to Pepin. As a result the District suggests using other geographically proximate districts of similar size to obtain a balanced view of the appropriate wage and benefit package. In this regard, the districts of Alma, Gilmanton, Independence, and Blair are appropriate comparables to utilize in this proceeding. In support of this suggestion is the fact that these districts have been used as comparables in two successive arbitration cases in the Alma District. <sup>3/</sup>

The District therefore offers the districts of Alma, Blair, Elmwood, Independence, Gilmanton, Arkansaw and Plum City as primary comparables. All of these districts are geographically proximate and share many common indicia, including size, cost per pupil, state aid, tax rate, and equalized value per pupil. Furthermore, all of these districts lie within the primarily agricultural counties of Pepin, Trempealeau, Buffalo, and the western half of Pierce County.

Buffalo, Trempealeau and Pepin Counties also have the lowest average family income among the counties within which the primary and secondary comparables lie. These counties have among the highest percentage of families below the poverty level and the lowest percentage of families earning over \$25,000.

According to the 1980 census, Buffalo, Pepin and Trempealeau Counties also have the highest percentage of persons employed in farming, fishing, forestry, as well as self-employed persons.

The annual unemployment levels in Buffalo, Pepin and Trempealeau Counties are also the highest in west central Wisconsin. In December, Pepin County had the second highest rate of unemployment in the region.

On the other hand, those districts which lie in Chippewa, Eau Claire, Dunn and St. Croix Counties are larger, more affluent, and too geographically distant to provide a fair basis of comparison.

Since Somerset is not a member of the Dunn-St. Croix Conference and does not share any other indicia of comparability, it should not be considered a comparable for purposes of this proceeding. In further support of this position is the fact that the Somerset District is nearly twice the size of Pepin, and in addition, it is located in the northwest corner of St. Croix County, close to the Minneapolis-St. Paul area, quite distant from Pepin which is located in the northwest corner of Pepin County.

### Discussion

Since both parties have suggested that the Elmwood and Alma School Districts be utilized as comparables in this proceeding, the undersigned will utilize those two districts as comparables.

Though both parties have also suggested that the Plum City District also be utilized as a comparable, since said District has not reached an agreement for the 1984-85 school year, the undersigned will not utilize it as a comparable in this proceeding. Similarly, all other proposed comparables which have not entered into 1984-85 agreements have been excluded from the list of comparables that will be considered herein.

Of the remaining Athletic Conference districts, the undersigned has excluded Prescott, St. Croix Central, and Elk Mound because they are more than double the size of the District. The remaining districts in the Athletic Conference are however sufficiently similar to the District in size and are sufficiently proximate to

---

<sup>3/</sup>Citations omitted.

the District geographically to be considered appropriate comparables for purposes of this proceeding.

In addition, the undersigned believes that the Somerset, Gilmanton, Independence, and Blair Districts are also sufficiently similar in size and are sufficiently geographically proximate to be considered appropriate comparables for purposes of this proceeding.

On the other hand, the record indicates that the Arkansaw District experienced sufficiently distinguishable financial circumstances at the time its 1984-85 agreement was negotiated to justify its exclusion from the list of comparables which will be utilized in this proceeding.

Perhaps it should be noted that in the selection of the foregoing group of comparable districts, the undersigned has concluded that the record does not support a finding that the economic circumstances of the District's residents are sufficiently distinguishable from the residents in the comparable districts selected herein to justify a salary settlement which is not comparable with settlements in these comparable districts. In this regard, it is noteworthy that the District's 1983-84 equalized valuation per pupil was not as large as was the case in several comparable districts, that its tax rate was not as high as that which existed in several other districts, and that the 1984 unemployment rate in Pepin County was comparable to that in Buffalo and Chippewa Counties, and was not as high as that which existed in Trempealeau County.

Unfortunately, what the record demonstrates is that many of the citizens in all of these districts are experiencing the harmful impact of a troubled farm economy, and this clearly makes spending decisions by elected officials in these areas difficult and controversial. However, the instant record does not indicate that the citizenry in the Pepin District are sufficiently distinguishable in this regard to justify salaries for the teachers who are employed in said District which are significantly different from the salaries received by similarly situated teachers in nearby districts wherein the citizens are facing the same types of economic problems.

In fact, the record indicates that the District has done a commendable job of supporting an educational program at a relatively high per pupil cost, when viewed in the context of comparable districts, with relatively low state aid, and with a comparable, and in fact decreasing levy rate. All of this has been accomplished without apparent long-term deficit financing and/or harmful program cuts.

While the undersigned recognizes the difficulty the District has experienced in achieving the foregoing, its success in that endeavor does not enable the undersigned to conclude that the District is operating under sufficiently unique economic circumstances to justify a settlement which is substantially distinguishable from any settlement pattern that may exist among the comparable districts which have been selected for use herein.

While settlements in public education may be difficult for the citizenry in farming communities to understand and accept, absent evidence that the economic circumstances and hardships that the citizens in such communities are experiencing are relatively unique, the undersigned must continue to utilize the pattern of settlements which have occurred in similar communities as the fairest and most objective criterion to utilize in determining what constitutes a fair and reasonable settlement in a given comparable community.

Thus, where as here, tax rates in the District are comparable and in fact are declining, and where the District has been able to provide a comparable educational program for its students, it is only reasonable to conclude that the teachers in the District are also entitled to comparable compensation for their services. With that objective in mind, the undersigned will now turn to the compensation question at issue herein.

SALARIES

The Association salary schedule final offer maintains a 3.5% vertical step increment based upon the prior step. It also proposes to increase all salary rates between 6.1 and 6.7%. The horizontal increments are the same under both final offers.

The District proposes vertical increments equivalent to the dollar amounts which were in existence in the 1983-84 schedule. It also proposes to increase all salary rates from between 4.1% to 7%.

The District proposes that every cell of the salary schedule be increased by \$940.

1984-85 ASSOCIATION SALARY PROPOSAL

<u>Step</u>	<u>BS</u>	<u>BS+12</u>	<u>BS+24</u>	<u>BS+36</u>	<u>MS</u>	<u>MS+12</u>
0	14,300	14,550	14,800	15,050	15,400	15,700
1	14,801	15,059	15,318	15,577	15,939	16,250
2	15,319	15,586	15,854	16,122	16,497	16,818
3	15,855	16,132	16,409	16,686	17,074	17,407
4	16,410	16,696	16,983	17,270	17,672	18,016
5	16,984	17,281	17,578	17,875	18,290	18,647
6	17,578	17,886	18,193	18,500	18,931	19,299
7	18,194	18,512	18,830	19,148	19,593	19,975
8	18,830	19,160	19,489	19,818	20,279	20,674
9	19,489	19,830	20,171	20,512	20,989	21,397
10	20,172	20,524	20,877	21,230	21,723	22,146
11	20,878	21,243	21,608	21,973	22,484	22,922
12		21,986	22,364	22,742	23,270	23,724
13			23,147	23,538	24,085	24,554
14						
15		1% increment based on top of salary schedule lane				
16		" " " " " "				
17		2% increment based on top of salary schedule lane				
18		" " " " " "				
19		3% increment based on top of salary schedule lane				
20		" " " " " "				

Experience after the 20th year will be continuous at 3% increment based on the top of the salary schedule lane.

Credits other than in their teaching field must be approved by the Board and Administration in advance to apply for lane change.

1984-85 BOARD SALARY PROPOSAL

<u>Step</u>	<u>BS</u>	<u>BS+12</u>	<u>BS+24</u>	<u>BS+36</u>	<u>MS</u>	<u>MS+12</u>
0	14,340	14,590	14,840	15,090	15,440	15,740
1	14,809	15,068	15,327	15,585	15,948	16,258
2	15,294	15,562	15,830	16,098	16,473	16,794
3	15,797	16,074	16,351	16,628	17,016	17,349
4	16,317	16,604	16,891	17,177	17,579	17,923
5	16,855	17,152	17,499	17,746	18,161	18,518
6	17,412	17,719	18,027	18,334	18,764	19,133
7	17,989	18,307	18,625	18,942	19,388	19,770
8	18,585	18,914	19,244	19,573	20,034	20,429
9	19,203	19,544	19,884	20,225	20,702	21,111
10	19,842	20,195	20,547	20,900	21,394	21,817
11	20,504	20,869	21,234	21,599	22,110	22,548
12		21,566	21,944	22,322	22,850	23,304
13			22,679	23,070	23,617	24,087
14						
15		1% increment based	on top of salary	schedule lane		
16		"	"	"	"	"
17		2% increment based	on top of salary	schedule lane		
18		"	"	"	"	"
19		3% increment based	on top of salary	schedule lane		
20		"	"	"	"	"

Experience after the 20th year will be continuous at 3% increment based on the top of the salary schedule lane.

Credits other than in their teaching field must be approved by the Board and Administration in advance to apply for lane change.

Utilizing the 1983-84 staff as a basis for comparison, the parties are approximately \$8,644 apart on their salary proposals.

	<u>Salaries Only</u>	<u>District</u>	<u>Association</u>
Average Increase		\$1,350	\$1,654
% Average Increase		7.19	8.8
<u>Total Compensation</u>			
Average Increase		\$1,785	\$2,146
% Average Increase		7.24	8.7

Association Position

The Association's proposal would result in very limited catch up at certain salary schedule wage levels, and it would also be well within the range of the settlement pattern of the Dunn-St. Croix Athletic Conference and the Somerset School District.

The Association's final offer presents a further dollar spread deterioration between the District and comparable school districts at seven commonly used salary benchmarks. The District's offer, on the other hand, is especially harmful to experienced teachers as it continues a decline in actual salaries with respect to comparable districts.

The salary schedule increases proposed by the Association are very equitable compared to the Conference and Somerset increases in the traditional benchmark positions.

The District has not produced any evidence that it lacks the financial resources to fund the Association offer. In fact, the District has the financial resources to remain competitive on its 1984-85 salary schedule, especially when real salary costs are considered.

In this regard it is significant that when comparing tax levy rates, four Conference districts have had less of a decrease in levy rates than Pepin since 1974-75.

Furthermore, four other Conference districts have lost at least the same percentage of students as Pepin since 1974-75.

Relatedly, the District's evidence on bankruptcy and farm problems prove that these issues are not isolated to Pepin, but exist for all northwestern Wisconsin, as well as the entire nation.

In fact, the record does not demonstrate that the District's residents are greatly concerned with the school budget or teacher salary increases.

Concededly, Pepin has a relatively high equalized valuation per pupil which results in a lower amount of state aid under the State equalization aid formula. However, even with the loss of state aid the District has experienced, the District is above the State average of 39.02%. In this regard it must also be noted that state aids are being reduced due to the increased valuation of property. Relatedly, it is noteworthy that for 1984-85 the Pepin levy rate is 11.06 compared to 11.38 in 1982-83. Furthermore, in 1984-85, Pepin's levy rate was fifth lowest of the comparable districts.

The District also did not present any evidence that it faces a greater problem with delinquent or deferred taxes than other comparable districts, assuming arguendo that such evidence is relevant.

In fact, the record is void of any problems regarding the District's budget. In this regard no evidence has been introduced indicating that the District, in order to be competitive with comparable district salaries, would have to reduce educational programs or facilities, raise the levy rate, increase per pupil expenditures, or engage in deficit financing.

No compelling need has been demonstrated by the District to support a change in the structure of the salary schedule.

In fact, the District never attempted to change the salary structure in the 1984-85 negotiations until final offers were exchanged.

Furthermore, radical structure changes in the salary schedule, such as the one proposed by the District, should be agreed to voluntarily by the parties and should not be the result of arbitration awards. 4/

It is also significant that the District's offer would result in the District being the only district among the comparables without an increase in vertical increments for 1984-85.

In this regard it is noteworthy that among the Association's proposed comparables, two districts have better increment structures than Pepin.

In addition, any advantage Pepin teachers may have in their vertical increment structure is negated by a less than average horizontal increment structure and inferior insurance benefits.

In this regard, all of Pepin's Bachelor degree lane horizontal increments are far below the comparables.

Also, Pepin is one of only two comparable districts without dental insurance.

In response to the District's cost of living arguments, there is abundant arbitral authority indicating that the best indicator of reasonable cost of living adjustments is the pattern of settlements at the salary benchmarks. 5/

---

4/ Citations omitted.

5/ Citations omitted.

Lastly, there is growing consensus that if the quality of education is to be improved, then teacher salaries must be increased at a rate more rapid than the rate of inflation and average wage increases in the broader community.

### District Position

The District is a very small district, struggling to maintain educational programs through increasing reliance on the property tax rather than with the assistance of state aid funding.

Since 1975-75 the District's per pupil costs have increased at a rate nearly 20% greater than the average for Conference districts.

The vast majority of property tax base utilized to support Pepin programs is land devoted to agriculture. In fact the only arguably urban area within the District is the Village of Pepin, which provides only 23% of the District's property tax base.

The District's population has not increased in real numbers in order to support the increasing tax burden imposed upon the District's taxpayers. Furthermore, the surge in agricultural/recreational land prices in the late 1970's is the sole reason for the relatively high equalized value of land in the District.

It is undisputable that the farm economy has experienced a decline in revenue over the prior two years which has evolved into a state of crises, particularly in the midwestern states.

Numerous arbitrators in Wisconsin have considered the economic resources of taxpayers when determining the appropriate level of wages to be awarded in mediation-arbitration proceedings. <sup>6/</sup> Arbitration case law amply illustrates that consideration has been given to the economic circumstances of taxpayers in such proceedings, short of an inability to pay argument.

The District's offer, in the face of the financial crisis facing a large majority of the District's taxpayers, is in the best interest and welfare of the public.

The District suggests that its offer of a total compensation settlement of 7.24%, which generally maintains or improves the rank order position of Pepin teachers, would be a fair and equitable resolution of this dispute. Teachers would certainly fare better than area farmers who have experienced a loss of farm income in 1984 with no relief in sight.

The District's teachers' current compensation is average in relation to other comparable teachers. The current economic situation certainly does not dictate or support the level of increase proposed by the Association.

The District's offer maintains the District's relative rank order salary position within the primary comparable grouping at six of the seven benchmark positions. Furthermore, the position of Pepin teacher salaries remains above average at six of the seven benchmark positions.

The District offer allocates the highest percentage increases to those levels of the salary schedule which rank lowest in rank order, specifically the BA minimum, BA step 7, and MA minimum salaries. Notably, 83.8% of the teaching staff are on the BA lanes of the salary schedule where the percentage increases proposed by the District are greatest.

The distribution of monies on an across the board basis is necessary to realign the minimum salaries which have fallen precipitously in rank order in contrast to the BA and MA maximum salaries when viewed in relationship to comparable districts.

---

<sup>6/</sup>Citations omitted.



The dramatic loss of rank at the minimums has been caused exclusively by the cumulative percentage index structure of the District's salary schedule. Thus, there is a need to change the structure of the District's salary schedule.

The size of the increments in the District are significantly above the average of comparable districts, which also militates strongly in favor of the District's across the board dollar increase.

Furthermore, the District's proposed salary schedule structure will move the ratio of the BA minimum salary to the BA maximum and MA maximum salaries closer to the average ratio of the District's comparables.

The continued application of the rolling index will exacerbate the low minimum salary in the District. The District offer begins to correct this deficiency at the minimums without jeopardizing the rank order position of other teaching personnel in the District.

Due to the low rate of inflation, this year is most opportune to begin accomplishing necessary and justified salary realignments.

The District's offer also exceeds relevant increases in the cost of living. The Association offer significantly exceeds and is double the rate of inflation for the relevant period of time. The District offer thus provides the District's teachers significant improvement in their economic well being over the term of the new agreement. Relatedly, the District's teachers enjoy fully paid health, life and disability benefits which insulate them against other inflationary pressures and loss of income.

Since the negotiated base salary increase under either offer so far exceeds the negotiated salary settlements in the County bargaining units, including professional workers in the Courthouse and Human Services bargaining units, the additional salary monies and salary structure improvements required by the Association offer are unwarranted and excessive.

Furthermore, arbitrators have recognized the importance of maintaining internal consistency among bargaining units of the same employer. 7/ Thus, the modest level of increases both for the County units as well as noncertified employees within the District militates strongly in favor of acceptance of the District offer.

Lastly, in response to the Association's contentions regarding the need to improve the general level of teachers' salaries, until the parties have engaged in meaningful discussions which result in a mutually agreeable plan relative to merit pay and concomitant accountability, the argument for a higher BA base is clearly premature.

Furthermore, the pressure for higher starting salaries cited by the Association clearly favors the District offer which places greater financial emphasis on the beginning salaries which have fallen in rank vis a vis comparable districts.

### Discussion

The undersigned has indicated above that in his opinion the salaries of teachers in comparable school districts will provide, in this instance, the fairest and most objective criterion to utilize in determining the relative reasonableness of the parties final offers. In order to facilitate an analysis of comparable salary schedule settlements, the undersigned has constructed the following charts:

---

7/Citations omitted.

BA BASE

<u>District</u>	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Elmwood	13,998	14,836	838	6.0
Alma	13,300	14,780	1,480	11.1
Spring Valley	14,250	15,105	855	6.0
Glenwood City	13,110	13,897	787	6.0
Boyceville	13,270	14,067	797	6.0
Colfax	14,000	14,840	840	6.0
Gilmanton	13,000	13,725	725	5.6
Independence	13,703	14,525	822	6.0
Blair	13,450	14,200	750	5.6
Somerset	13,655	14,575	920	6.7
Average	13,574	14,455	881	6.5
Pepin	13,400	B 14,340 A 14,300	940 900	7.0 6.7
Rank Among 11	7	B 7 A 7		
+/- Average	- 174	B - 115 A - 155	59 19	.5 .2

BA 7th STEP

<u>District</u>	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Elmwood	17,357	18,396	1,039	6.0
Alma	16,180	17,660	1,480	9.1
Spring Valley	17,490	18,537	1,047	6.0
Glenwood City	16,352	17,333	981	6.0
Boyceville	16,445	17,443	998	6.1
Colfax	17,210	18,243	1,033	6.0
Gilmanton	15,130	16,185	1,055	7.0
Independence	16,853	17,864	1,011	6.0
Blair	16,180	17,122	942	5.8
Somerset	16,932	18,073	1,141	6.7
Average	16,613	17,686	1,073	6.5
Pepin	16,472	B 17,412 A 17,578	940 1,106	5.7 6.7
Rank Among 11	6	B 8 A 7		
+/- Average	- 141	B - 274 A - 106	- 133 33	- .8 .2

BA MAXIMUM\*

<u>District</u>	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Elmwood	19,597	20,770	1,173	6.0
Alma	18,375	19,855	1,480	8.1
Spring Valley	19,260	20,403	1,143	6.0
Glenwood City	20,395	21,617	1,222	6.0
Boyceville	18,578	19,693	1,115	6.0
Colfax	19,350	20,511	1,161	6.0
Gilmanton	17,615	19,055	1,440	8.2
Independence	18,585	19,700	1,115	6.0
Blair	18,875	19,997	1,122	5.9
Somerset**	19,950	21,294	1,344	6.7
Average	19,058	20,295	1,232	6.5
Pepin	20,151	B 21,119 A 21,504	968 1,353	4.8 6.7
Rank Among 11	2	B 3 A 2		
+/- Average	1,093	B 824 A 1,209	- 264 121	- 1.7 .2

\* Includes longevity

\*\* Longevity, if any, not reported

MA MINIMUM

<u>District</u>	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Elmwood	15,677	16,616	939	6.0
Alma	14,790	16,305	1,515	10.2
Spring Valley	15,510	16,441	931	6.0
Glenwood City	14,505	15,339	868	6.0
Boyceville	15,791	16,739	948	6.0
Colfax	16,180	17,151	971	6.0
Gilmanton	14,000	14,725	725	5.2
Independence	15,120	16,027	907	6.0
Blair	14,650	15,440	790	5.4
Somerset	14,898	15,901	1,003	6.7
Average	15,112	16,068	960	6.4
Pepin	14,500	B 15,440 A 15,400	940 900	6.5 6.2
Rank Among 11	10	B 8/9 A 9		
+/- Average	- 612	B - 628 A - 662	- 20 - 70	.1 - .2

MA 10th STEP

<u>District</u>	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Elmwood	21,976	23,292	1,316	6.0
Alma	19,425	20,940	1,515	7.8
Spring Valley	20,550	21,787	1,237	6.0
Glenwood City	20,646	21,832	1,236	6.0
Boyceville	21,476	22,765	1,289	6.0
Colfax	20,995	22,265	1,260	6.0
Gilmanton	17,195	18,415	1,220	7.1
Independence	20,370	21,592	1,222	6.0
Blair	18,955	20,043	1,088	5.7
Somerset	20,182	21,542	1,360	6.7
Average	20,177	21,447	1,274	6.3
Pepin	19,762	B 20,702 A 20,989	940 1,227	4.8 6.2
Rank Among 11	8	B 9 A 8		
+/- Average	- 415	B - 745 A - 458	- 334 - 47	-1.5 - .1

MA MAXIMUM

<u>District</u>	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Elmwood	25,476	27,001	1,525	6.0
Alma	22,325	23,840	1,515	6.8
Spring Valley	23,500	24,907	1,407	6.0
Glenwood City	24,153	25,541	1,446	6.0
Boyceville	24,634	26,112	1,478	6.0
Colfax	23,135	24,523	1,388	6.0
Gilmanton	18,615	20,055	1,440	7.7
Independence	22,260	23,596	1,336	6.0
Blair	22,315	23,625	1,310	5.9
Somerset**	23,528	25,113	1,585	6.7
Average	22,994	24,431	1,443	6.3
Pepin	23,357	B 24,326 A 24,808	969 1,451	4.1 6.2
Rank Among 11	6	B 7 A 6		
+/- Average	63	B - 105 A 377	- 474 8	-2.2 - .1

\* Includes longevity

\*\* Longevity, if any, not reported.

SCHEDULE MAXIMUM

<u>District</u>	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Elmwood	26,386	28,930	2,544	9.6
Alma	22,835	24,360	1,525	6.7
Spring Valley	25,410	26,923	1,513	6.0
Glenwood City	24,153	25,541	1,446	6.0
Boyceville	26,291	27,429	1,138	4.3
Colfax	24,215	25,668	1,453	6.0
Gilmanton	18,865	20,305	1,440	7.6
Independence	22,733	24,097	1,364	6.0
Blair	22,615	23,935	1,320	5.8
Somerset**	24,743	26,410	1,667	6.7
Average	23,825	25,360	1,541	6.5
Pepin	23,841	B 24,810 A 25,291	969 1,450	4.1 6.1
Rank Among 11	7	B 7 A 7		
+/- Average	16	B - 550 A - 69	- 572 - 91	-2.4 - .4

\* Includes longevity

\*\* Longevity, if any, not reported

The foregoing data indicates that among the District's comparables, actual salaries vary significantly. However, in spite of these rather significant variations, certain settlement patterns seem to have emerged for the 1984-85 school year, recognizing of course that some exceptions to those patterns exist, particularly where catch up agreements seem to be taking place. More specifically, the data seems to indicate the following:

At the BA base, both parties' proposals are consistent with the settlement pattern, both in terms of size of their proposed increases as well as in terms of actual salaries. At this benchmark the undersigned deems neither party's proposal to be significantly more meritorious than the other in that the Association's proposed increases are slightly closer to the comparable average, while the District's proposed actual salary is slightly closer to the comparable average. Since both parties' proposals are so close to the pattern of settlements among the comparables, neither can be deemed significantly more comparable than the other. Perhaps, it should be noted that at this benchmark the District does not appear to have a significant problem in remaining competitive with comparable districts. In fact when compared with its comparables, the District's relative ranking would remain the same under both parties' final offers, and in neither case is the District among the lowest paying districts at this benchmark.

At the BA 7th step, the Association's proposal is closer to the settlement pattern in all respects. The District's proposal at this benchmark on the other hand would significantly reduce the District's ranking among comparable districts, and more importantly, it would significantly increase the difference between the District's actual salary at this benchmark and the comparable average.

At the BA maximum, while the Association's proposed increase is clearly the more comparable of the two at issue herein, because of the District's relatively high ranking at this benchmark, some moderation in the Association's position at this salary benchmark is justified. However, there appears to be even less justification for the disparity that exists between the District's proposed increases and the settlement pattern that exists at this benchmark. Therefore, the undersigned concludes that although both of the parties' positions at this benchmark are somewhat unreasonable, the District's is more unreasonable than the Association's.

At the MA minimum, the District's position seems to be slightly more justifiable than the Association's, based upon comparable increases and actual salaries, particularly since the District's ranking at this benchmark is relatively low among the comparables.

At the MA 10th step, MA maximum, and Schedule maximum benchmarks, the Association's proposal is clearly the more comparable of the two, particularly in terms of the value of the proposed increases. At the MA 10th step and Schedule maximum benchmarks, the Association's proposal is also the more comparable of the two in terms of actual salaries. At the MA maximum benchmark, although the District's proposal would result in a salary which is closer to the comparable average, in view of the relative ranking of the District at this benchmark (six out of eleven) and the fact that the Association's proposal would not disturb that ranking, there appears to be no persuasive justification for an increase at this benchmark which is significantly out of line with the settlement pattern in comparable districts, which is what the District has proposed herein.

Thus it would appear, based upon all of the foregoing, that the Association's salary proposal is clearly the more comparable of the two at five of the salary benchmarks, that the District's proposal is more comparable at one benchmark, and that neither party's proposal is significantly more comparable at the remaining benchmark.

Assuming that comparability is the most objective indicia of reasonableness available, it must be concluded that the Association's proposal is therefore not only the more comparable of the two at issue herein, but it is also the most reasonable of the two.

The reasonableness of this conclusion is further supported by the fact that the record indicates that among the comparable districts, the District's health/dental insurance costs are less costly than all but one, or at the most two other districts.

In addition, it is also relevant and noteworthy that the District's vertical index structure has not resulted in a situation where the District's salaries are significantly out of line when comparable district salary schedules are analyzed. In fact, under both parties' final offers, at most of the salary benchmarks the District would continue to rank somewhere in the bottom half of the comparables, while not being at the bottom, or even near the bottom of the list. Furthermore, in most instances, the District's salaries, under the Association's proposal, will be less than \$1,000 off of the comparable average. The exception to this will be at the BA maximum benchmark, where the undersigned has already concluded that the Association's proposal is somewhat excessive. Thus, though the range of salaries among the District's comparables is rather substantial, with few exceptions, the Association's salary proposal will keep the District in a competitive position among the comparables, without changing significantly its relatively "average" position among the District's comparables.

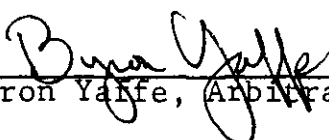
As the undersigned has indicated above, though the Association's proposal might not be fully understood by some of the citizens in the District who are experiencing difficult times, in proceedings such as this objective criteria such as the salaries earned by individuals with similar responsibilities and training who work in the same labor market must be relied upon in determining the relative reasonableness of the parties' proposals. Some would argue that such a labor market analysis may produce inequitable results; and in fact, parties on both sides of these disputes often do make that argument, particularly if they have not prevailed in a proceeding such as this. However, if the undersigned were to ignore such traditional market constraints, the results of these proceedings would become significantly less predictable, and perhaps more importantly, said results would become subject to the values of the decision-maker as to what constitutes a "fair" or "equitable" settlement, which would invite decisions based upon what many would label as the whim or caprice of the decision-maker.

For all of the foregoing reasons, the undersigned therefore concludes that the Association's final offer is the more comparable and reasonable of the two at issue herein, and accordingly, the undersigned hereby renders the following:

ARBITRATION AWARD

The final offer submitted by the Association herein shall be incorporated into the parties' 1984-1985 collective bargaining agreement.

Dated this 10<sup>th</sup> day of April, 1985 at Madison, Wisconsin.

  
Byron Yaffe, Arbitrator