

SEP 30 1985

STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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 In the Matter of the Petition of :  
 :  
 NORWALK-ONTARIO TEACHERS :  
 ASSOCIATION :  
 :  
 To Initiate Mediation-Arbitration : Case 2  
 Between Said Petitioner and : No. 34202  
 : MED/ARB-3064  
 : Decision No. 22354-A  
 NORWALK-ONTARIO SCHOOL DISTRICT :  
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APPEARANCES

Kenneth Cole on behalf of the District

Gerald Roethel on behalf of the Association

On March 25, 1985 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 Norwalk-Ontario School District, hereafter the District or the Board, and the Norwalk-Ontario Teachers Association, hereafter the Association. Pursuant to statutory responsibilities the undersigned conducted mediation proceedings between the parties on June 10, 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 June 24, 1985 for final and binding determination. Post hearing exhibits and briefs were filed by both parties which were exchanged by the undersigned by August 22, 1985. Based upon a review of the evidence and arguments, and utilizing the criteria set forth in Section 11.70(4)(cm), Wis. Stats, the undersigned renders the following arbitration award.

ISSUES

This dispute is over the salary and extra curricular schedules for the 1984-85 school year. The parties are also in disagreement as to what are the appropriate group of districts to utilize as comparables in this proceeding. Since the disposition of the latter issue may affect the disposition of the other issues, it will be addressed first, after which the undersigned will discuss the relative merit of the parties' positions on the salary and extra curricular schedule issues. Thereafter, the relative merit of the parties' total package final offers will be addressed.

COMPARABILITY

The Association proposes three comparable groups: the districts in the two Athletic Conferences in which the District participates; contiguous districts (Sparta and Tomah); and statewide averages.

In the first two groups, six of sixteen and eight of eighteen have settled for 1984-85.

The District proposes as comparables the three settled districts in the Scenic Bluffs Athletic Conference. It contends that these three settlements establish a sufficient settlement pattern to make comparability determinations in this proceeding.

The Association contends that since there are only three voluntary settlements in the Scenic Bluffs Athletic Conference,

and since the District participates in the Ridge and Valley Athletic Conference as well, the three districts in that Conference that have 1984-85 settlements should also be considered as comparables. Both Conferences are composed of small rural districts, and both are equally appropriate as comparables with the District. In addition, the Association argues that since the District is not a metropolitan area its teachers must shop for some goods and services elsewhere. It would therefore seem logical that these teachers would shop in Sparta and Tomah (contiguous districts), and thus these districts ought to be considered comparables as well, particularly since the District uses these districts to compare tax rates.

Discussion

The undersigned will utilize as comparables in this proceeding the six settled districts in the two athletic conferences in which the District participates since all of these districts are geographically proximate and are of relatively similar size. Because of the significant difference in size of the two contiguous districts proposed by the Association, they will not be utilized as comparables in this proceeding. State-wide averages will only be referred to if the local settlement pattern does not substantially support the reasonableness of either party's position herein.

SALARY SCHEDULE

The Association is proposing a base of \$14,335 with experience increments of \$490 and \$490 between salary schedule columns.

The District is proposing a base of \$14,000 with experience increments of \$483 and with \$475 between salary schedule columns.

District Proposal

<u>Step</u>	<u>BA</u>	<u>BA+9</u>	<u>BA+15</u>	<u>BA+21</u>	<u>MA</u>
0	14000	14475	14950	15425	15900
1	14483	14958	15433	15908	16383
2	14966	15441	15916	16391	16866
3	15449	15924	16399	16874	17349
4	15932	16407	16882	17357	17832
5	16415	16890	17365	17840	18315
6	16898	17373	17848	18323	18798
7	17381	17856	18331	18806	19281
8	17864	18339	18814	19289	19764
9	18347	18822	19297	19772	20247
10	18830	19305	19780	20255	20730
11	19313	19788	20263	20738	21213
12	19796	20271	20746	21221	21696

Association Proposal

<u>Step</u>	<u>BA</u>	<u>BA+9</u>	<u>BA+15</u>	<u>BA+21</u>	<u>MA</u>
0	14335	14825	15315	15805	16295
1	14825	15315	15805	16295	16785
2	15315	15805	16295	16785	17275
3	15805	16295	16785	17275	17765
4	16295	16785	17275	17765	18255
5	16785	17275	17765	18255	18745
6	17275	17765	18255	18745	19235
7	17765	18255	18745	19235	19725
8	18255	18745	19235	19725	20215
9	18745	19235	19725	20215	20705
10	19235	19725	20215	20705	21195
11	19725	20215	20705	21195	21685
12	20215	20705	21195	21685	22175

### Association Position

The Association's salary proposal more approximates increases and actual salaries in comparable districts than does the District's proposal.

The Association's proposal is also the most comparable when total package increases are compared as well.

A similar conclusion derives from a comparative analysis of benchmark increases plus insurance increases in comparable districts.

Relatedly, the District's relatively low health insurance costs should allow it to put more money into its salary schedule.

Furthermore, a majority of the District's teachers are at the top of the salary schedule, and when a comparison of actual salaries paid to these teachers is made (including longevity), the District ranks near the bottom of the Ridge and Valley and Scenic Bluffs Athletic Conferences. Some catch up is therefore necessary due to the District's relatively low ranking at the maximums.

In addition, well over 90% of statewide teacher agreements are settled for 1984-85 and the average benchmarks statewide are incredibly far ahead of the District's. The District's salaries have not kept pace with statewide salaries, either in terms of actual amounts or even in percentage terms. The Board's proposal would further exacerbate this relationship.

In two of the previous three years the increment and column differentials on the District's salary schedule have been equal. The Association proposal also continues this relationship.

Although the District's levy rate is slightly above the average of comparable districts, some of its comparable districts have higher rates.

Delinquent taxes in the District are also not out of line when a comparison of contiguous counties is made.

The District also ranks in the middle of its comparables in terms of median household income, median family income, and per capita income; which does not warrant its claim of uniqueness of local economic conditions.

Furthermore, Monroe and Vernon counties do not have unemployment rates which exceed the rates in surrounding counties; in fact, they are somewhat lower than most.

The area settlement pattern is of crucial importance unless it can be shown that the District's economic climate is less favorable than that of the District's comparables. That is not the case in this instance. In fact, the problems farmers are experiencing which have been cited by the District are not confined to the farmers who live in and support the District.

Lastly, arbitrators have recognized that the settlement pattern is the most appropriate measure of the impact of the cost of living both in times of double digit inflation as well as in times of relatively moderate increases. 1/ That pattern should also prevail herein.

### District Position

The District's existing salary schedule structure is as generous as the salary schedule structure in any of the District's comparables. This conclusion is validated by the relatively

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1/ Citations omitted.

high ranking that the District enjoys at most of the salary benchmarks.

The statutory criterion of comparability is directed at absolute salary levels, and not relative increases in those benchmark levels.

Beginning with the 1981-82 school year through the 1983-84 school year the District has maintained or improved its actual salary level at each of the benchmarks with the exception of the BA base.

For the 1984-85 school year the Board offer is clearly as generous as two of the settlements in the Athletic Conference, Cashton and Elroy, and its offer is also closer to the Necedah settlement.

Districts that have higher absolute levels of compensation, such as the District herein, should not be expected to adjust such levels at the same rate as lower paying districts. If they are required to do so the salary disparity between districts would widen rather than become smaller. In this regard it is noteworthy that the District has ranked in the upper half of its Athletic Conference at every benchmark except the Schedule maximum.

The increase in county delinquent taxes further demonstrates the problems the rural economy in the District is facing. It is noteworthy in this regard that delinquent taxes have increased in Vernon and Monroe counties at rates substantially ahead of such rates in other counties in the State.

Relatedly, the rates of unemployment in Vernon County have exceeded the State average by at least 1% in both 1984 and 1985.

The District also has the highest percentage of persons below the poverty level of any district in the Athletic Conference.

The District therefore has relatively high property rates with a disproportionate number of persons below the poverty level. These factors should not be ignored in the assessment of the reasonableness of the Board's offer.

Lastly, the Board's offer is also more reasonable when compared to the rate of increase in consumer prices.

#### Discussion

In order to facilitate an analysis of comparable salary schedule settlements the undersigned has constructed the following charts reflecting certain salary benchmark comparisons.

	<u>BA BASE</u>			
	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Cashton	12950	13650	700	5.4
Elroy-Kendall-Wilton	13675	14330	655	4.8
Ithaca	12750	13750	1000	7.8
LaFarge	12100	13200	1100	9.1
Necedah	13175	14135	960	7.3
Wauzeka	12600	13600	1000	7.9
Average	12875	13778	903	7.1
Norwalk-Ontario	13400	B 14000 A 14335	600 935	4.5 7.0
+/- Average	525	B 222 A 557	-303 32	-2.6 -.1
Rank Among 7	2	B 3 A 1		

<u>BA 7th</u>				
	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Cashton	15410	16200	790	5.1
Elroy-Kenall-Wilton	16135	17090	955	5.9
Ithaca	15810	17050	1240	7.8
LaFarge	14380	15780	1400	9.7
Necedah	15785	16835	1050	6.7
Wauzeka	15270	16480	1210	7.9
Average	15465	16573	1108	7.2
Norwalk-Ontario	16100	B 16898 A 17275	798 1175	5.0 7.3
+/- Average	635	B 325 A 702	-310 67	-2.2 .1
Rank Among 7	2	B 3 A 1		

<u>BA MAXIMUM</u>				
	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Cashton	18690	19600	910	4.9
Elroy-Kendall-Wilton	17885	18930	1045	5.8
Ithaca	18360	19800	1440	7.8
LaFarge	17420	19220	1800	10.3
Necedah	19265	20435	1170	6.1
Wauzeka	17050	18400	1350	7.9
Average	18112	19398	1286	7.1
Norwalk-Ontario	18800	B 19796 A 20215	996 1415	5.3 7.5
+/- Average	688	B 398 A 817	-290 129	-1.8 .4
Rank Among 7	2	B 3 A 2		

<u>MA MINIMUM</u>				
	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Cashton	14310	15030	710	5.0
Elroy-Kendall-Wilton	14425	15080	655	4.5
Ithaca	13775	14975	1200	8.7
LaFarge	13300	14775	1475	11.1
Necedah	14375	15415	1040	7.2
Wauzeka	13975	15145	1170	8.4
Average	14027	15070	1042	7.5
Norwalk-Ontario	15200	B 15900 A 16292	700 1092	4.6 7.2
+/- Average	1173	B 830 A 1222	-342 50	-2.9 - .3
Rank Among 7	1	B 1 A 1		

MA 10th

	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Cashton	18000	18855	855	4.8
Elroy-Kendall-Wilton	18175	19220	1045	5.7
Ithaca	18734	20366	1632	8.7
LaFarge	16720	18634	1925	11.5
Necedah	18290	19465	1175	6.4
Wauzeka	17980	19600	1620	9.0
Average	17983	19359	1375	7.7
Norwalk-Ontario	19250	B 20247 A 20705	997 1455	5.2 7.6
+/- Average	1267	B 888 A 1346	-378 80	-2.5 -.1
Rank Among 7	1	B 2 A 1		

MA MAXIMUM

	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Cashton	20050	20980	930	4.6
Elroy-Kendall-Wilton	20935	21980	1045	5.0
Ithaca	20938	22762	1824	8.7
LaFarge	18620	20795	2175	11.7
Necedah	20465	21715	1250	6.1
Wauzeka	19760	21580	1820	9.2
Average	20128	21636	1507	7.6
Norwalk-Ontario	20600	B 21696 A 22175	1096 1575	5.3 7.6
+/- Average	472	B 61 A 540	-411 68	-2.3 0
Rank Among 7	3	B 4 A 2		

SCHEDULE MAXIMUM

	<u>83-84</u>	<u>84-85</u>	<u>\$ Increase</u>	<u>% Increase</u>
Cashton	20730	21670	940	4.5
Elroy-Kendall-Wilton	21085	22130	1045	5.0
Ithaca	20938	22762	1824	8.7
LaFarge	18620	21320	2700	14.5
Necedah	20765	22035	1285	6.2
Wauzeka	20710	22760	2050	9.9
Average	20475	22113	1641	8.1

in comparable districts. Though a figure somewhere between the two at issue herein would appear to be called for at this benchmark, the undersigned deems the District's proposal to be slightly less comparable than the Association's based upon the size of the disparity that exists between its proposed increases and the increases which have been granted in comparable districts.

In this regard, although the undersigned agrees with the proposition that relatively high paying districts need not always grant increases which are equal in size to lower paying districts, particularly in terms of their percentage value, based upon the comparability criterion, no persuasive argument has been presented to justify increases which are essentially out of line with comparable settlements, particularly in terms of their dollar value. All of the teachers in a given labor market are similarly affected by changing economic circumstances which occur over time, and based upon such considerations, it seems to the undersigned that comparability dictates that all of the teachers in an identifiable labor market should be entitled to relatively similar improvements in the level of benefits, all other factors being relatively equal. This conclusion however should allow for variations in the level of increases based upon such considerations as the need for catch up and proven inability to pay. Absent the existence of such unique considerations however, the undersigned believes that comparability should apply to the level of increases in benefits as well as to the actual benefits themselves.

At the BA 7th benchmark the undersigned believes that the data supports the same conclusion that was reached at the BA base benchmark. Though the Association's proposal is slightly too large in light of the salaries paid at this benchmark in comparable districts, the District's proposed increase is significantly less justifiable, in terms of the comparability criterion, than is the Association's.

At the BA maximum, because the Association's proposed increases are more comparable than the District's, and because its proposed salary at this benchmark is slightly more in line with comparable salaries than was the case at the two foregoing benchmarks, the undersigned believes the Association's proposal is again the more comparable of the two.

At the MA minimum, although the Association's proposed increase is more comparable than the District's, because the District's proposal will retain the District's relative first place ranking among the District's comparables the undersigned deems the District's proposal to be the more comparable of the two. In this instance because the District is clearly a salary leader among its comparables, the undersigned is persuaded that a less comparable proposed increase is justifiable in order to allow the District to become somewhat more competitive at this benchmark on the salary schedule.

At the MA 10th step benchmark, in view of the District's ranking and actual salary in relationship to its comparables, the Asso-

All of the foregoing comparisons indicate that although the Association's proposed increases appear to be somewhat excessive at some points on the salary schedule, when the overall schedule is analyzed, the Association's proposal is clearly the more comparable of the two at issue herein.

Although the District has persuasively demonstrated that many of its residents are currently experiencing economic hard times and that its tax rate is relatively high when compared with the District's comparables, it has failed to demonstrate that there is a substantial difference between these circumstances and those which exist in several comparable districts. Instead, it would appear that the problems which the District's residents are experiencing are rather widespread among the rural districts in the area. Though the undersigned is sympathetic to the political problems the Board faces because of these circumstances, a sufficient basis does not exist to exempt the District from the settlement pattern which exists among its comparables.

Relatedly, the District has not demonstrated that it has had to take other austerity measures in response to the economic plight of its residents. In this regard there is no evidence that the District has had to cut programs, adjust tax rates to noncompetitive levels, or engage in long-term deficit financing to support its educational program.

Based upon all of the foregoing considerations, it is the undersigned's opinion that the settlement pattern in the area must be the primary determinant of the reasonableness of the parties' positions herein, and based upon said criterion, the Association's salary schedule proposal must prevail.

#### EXTRA CURRICULAR SCHEDULE

On the extra curricular schedule the Association has proposed an overall increase of \$1,717, which amounts to approximately a 9.5% increase. The District has proposed an increase of \$1,265, which represents about a 7% increase. The difference between the parties on this issue is around \$450.

The Association submits that comparable districts have agreed upon higher percentage and dollar increases on their extra curricular schedules than even the Association is proposing.

#### Discussion

Neither party has persuasively demonstrated that its proposal on this issue is sufficiently supported by comparable schedules to justify its selection in this proceeding. Nor is the dollar difference between the parties on this issue sufficient to mandate the selection of either party's proposal. Accordingly, the undersigned is persuaded that no determination need be made with respect to the relative merit of the parties' positions on this issue in this proceeding.

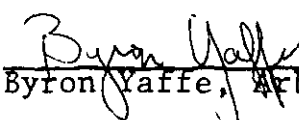
#### TOTAL PACKAGE FINAL OFFER

Based upon the foregoing conclusions it must be determined that the Association's proposal is the more comparable and therefore the more reasonable of the two at issue herein. Accordingly, the undersigned hereby renders the following:

#### ARBITRATION AWARD

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

Dated this 26<sup>th</sup> day of September, 1985 at Madison, Wisconsin.

  
Byron Yaffe, Arbitrator