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FEB 25 1986

WISCONSIN EMPLOYMENT RELATIONS COMMISSION

BEFORE THE MEDIATOR-ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Arbitration Between

PESHTIGO EDUCATION ASSOCIATION
and

PESHTIGO SCHOOL DISTRICT

- Case 9
- No. 3523
- MED/ARB-3415
- Decision No. 22877-A
- G. Haferbecker, Arbitrator

APPEARANCES:

For the Association: Ronald J. Bacon, Executive Director
United Northeast Educators, Green Bay

For the District: Attorney James A. Morrison
Marinette

BACKGROUND

The Peshtigo Education Association has been recognized as the exclusive bargaining representative of the "teaching employees" of the Peshtigo School District. The parties exchanged their initial proposals on February 18, 1985, concerning matters to be included in a new collective bargaining agreement to succeed the agreement due to expire on July 1, 1985. The parties met on four occasions in efforts to reach an agreement.

On July 30, 1985, the District filed a petition requesting the Wisconsin Employment Relations Commission to initiate Mediation-Arbitration pursuant to the statute. On August 20, 1985, Edmond J. Bielarczyk, Jr., a member of the Commission's staff, conducted an investigation which reflected that the parties were deadlocked in their negotiations, and, by August 23, 1985, the parties submitted to said Investigator their final offers, as well as a stipulation on matters agreed upon, and thereupon the Investigator notified the parties that the investigation was closed; and that said investigator had advised the Commission that the parties remained at deadlock. The parties selected Gordon Haferbecker of Stevens Point as mediator-arbitrator from the list submitted to them by the Commission. The Arbitrator was notified of his appointment on September 23, 1985.

On October 10, 1985, the mediator-arbitrator conducted a public hearing which gave the patrons of the School District an opportunity to offer their views with respect to the matter. The mediator-arbitrator met with the parties on that same date in an attempt to resolve the issues. The mediation was not successful. The parties agreed to submit exhibits to the Arbitrator on November 13 and briefs on December 17, and reply briefs on January 2, 1986. After the exchange of briefs, the Arbitrator was notified by the parties that they had elected not to file reply briefs.

As the Arbitrator began working on his decision (in late December), he found some discrepancies in the salary data submitted by the parties when such data was compared with the Union's final offer as given to the Arbitrator by the Commission in August of 1985. Apparently the Union and Employer during WERC mediation looked at various salary settlement possibilities and the final offer which the Union submitted to the WERC differed from the one which the Union used in its brief and exhibits. The Union's actual final offer as certified by the WERC provided for a BA base salary of \$15,550. However, the Union's brief gave this figure as \$15,450. The Union's comparisons at other levels (BA 7th, MA, etc.) were also incorrect as a result of the error in the base (see Assoc. Brief, p. 6).

The Employer also used the incorrect Union figure of \$15,450 as the BA base but the Employer's other wage comparisons (at BA Maximum, etc.) were in accord with the Union's certified final offer (see Board Brief, p. 4).

In late December, the Arbitrator telephoned Mr. Morrison and Mr. Bacon concerning the discrepancies. He also asked to arrange a telephone conference call concerning the arbitration. In that conference he asked whether the parties would be interested in negotiating further concerning a settlement of the 1985/86 contract with the possibility that the negotiations might include a 1986/87 settlement. He made some suggestions for resolving the 1985/86 differences in the final offers. The parties indicated that they would like to explore a settlement through direct negotiations and agreed that the Arbitrator should delay writing his decision until they had an opportunity to negotiate further. The delay of over five weeks from early January to mid-February was not anticipated. The Arbitrator delayed proceeding with his decision during this period anticipating that the Board would make a 1986-87 offer to the Union leading to negotiations to resolve the contract for both years.

On February 11, 1986, Mr. Morrison sent a letter to the Arbitrator and Mr. Bacon indicating that because of state budgeting uncertainties, the Board was not prepared to make a second year proposal to the teachers. He requested that the Arbitrator proceed to a decision on the 1985/86 contract. The Arbitrator called Mr. Bacon who also agreed that the Arbitrator should proceed. Since the Union's final offer was not changed, the Arbitrator is using the WERC certified final offers of both parties.

FINAL OFFERS

Each side proposed a salary schedule for 1985/86. These are attached as Appendix A and B.

The Union proposed three other changes for the 1985/86 contract. These were (1) adding an Orthodontia Rider to the dental insurance at a cost of \$1.84/month. (2) Article XVIII, Paragraph E (p. 30): add the word "estate" after "dependent minor children." (3) Increase all "Extra-Curricular"--Article XXIII--by eight percent.

SECONDARY ISSUES

The parties are in agreement that the primary matter in dispute is the 1985/86 salary schedule. However, the three other Union proposals will be reviewed briefly and the position of the parties stated.

Orthodontia Rider. The Union contends that Board Exhibit C-10-H shows the Peshtigo School District pays the lowest amount overall for dental insurance compared to the surrounding districts in CESA 8. The Union's final offer for another \$1.84 for orthodontia coverage will still keep the dental insurance below Peshtigo's neighboring districts (Assoc. Brief, p. 10).

The Employer responds that while Peshtigo's contribution to dental insurance is less than the CESA average, this is more than made up by the Employer's contribution to the health insurance plan. Board Exhibit C-10-K shows that Peshtigo pays \$73.42 for single coverage as against a conference average of only \$64 and \$189.26 for family coverage as against a conference average of only \$166. Peshtigo also pays 100% of life insurance and LTD whereas a number of CESA schools do not offer similar protection and of those that do some pay as little as 20% (Board Exhibit C-10-N). The orthodontia rider proposed by the Union should be considered in view of the total insurance package where Peshtigo rates better than the average of CESA 8 schools and better than virtually all the schools in the M&O Conference. While the orthodontia rider is relatively low in cost now, on the basis of historical experience, it will substantially increase in future years. It should be noted also that the trend is to reduce fringe benefit costs, both for teachers and in the private sector.

Increase in Extra-Curricular Pay. The Union argues that this increase of 8% is insignificant in computing the total cost of the package and that this more fair than the Employer's proposal of no increase.

The Employer points out that the parties have already agreed to add three academic extra-curricular positions to the schedule. These include the National Honor Society adviser who will receive \$500, the Scott High-Q coach who will receive \$500 and the Marinette County Academic Bowl adviser who will receive \$250. The Employer states that on a position-by-position basis, the Peshtigo extra-curricular salary schedule is more generous than that of many of the schools in the M&O Conference (Board Exhibit C-28).

Early Retirement Estate Benefit. The current contract provision provides that if a teacher dies before receiving the entire early retirement benefit, sick leave and lump sum payment, the District shall pay that benefit to the decedent's surviving spouse or dependent minor children, if any, otherwise the unpaid portion of that benefit shall be forfeited. The Union proposes that if there is no surviving spouse or dependent minor children, that the unpaid portion shall go to the decedent's estate.

The Union argues that the early retiree is not likely to have minor children. Under the Union proposal, the teacher's adult children could share in their parent's accrued benefits. It is part of the American way of life to leave an estate to your survivors and Peshtigo teachers should be allowed to do the same.

The Employer brief did not comment on this issue.

EMPLOYER POSITION ON SALARY

As indicated the Employer is using the Union's final salary offer except for the Union's beginning salary which should be stated as \$15,550, not \$15,450 as shown in Board Brief, p. 4. Since there are few or no teachers at the beginning step, this should leave most of the Employer's salary data substantially correct. I have made the correction in pertinent comparisons.

Major Schedule Changes. The District's offer eliminates the "zero" step on the former salary schedule so that the District's offer increases the beginning salary from \$14,450 to \$15,415. The Union proposes \$15,550. The index system which increases all salaries moving down the salary column by percentage factors drops down one level as a result of the elimination of the zero step. This has the effect of moving the top step in each lane, which formerly had a flat \$800 increase across the lanes to an indexed step providing for a greater than \$800 increase at every lane maximum.

The District offer increases the differences in per lane composition from \$100 to a more realistic \$300 and the difference of the MA base from that of the BA base from 10% to 15%. The Union proposes a \$200 lane differential and no change in the BA/MA difference.

The benchmarks under the Employer proposal will move as follows:

Benchmark	Board		Increase
	1984/85	1985/86	
BA	\$14,450	\$15,415	\$ 945
BA Max.	25,330	26,166	836
MA	15,895	17,727	1,832
MA Max.	27,780	30,092	2,312
Sched. Max.	27,955	31,619.75	3,664.75

The Union benchmarks would provide the following:

Benchmark	Board		Increase
	1984/85	1985/86	
BA	\$14,450	\$15,550*	\$1,100
BA Max.	25,330	27,299	1,969
MA	15,895	17,105	1,210
MA Max.	27,780	29,935	2,155
Sched. Max.	27,955	30,954	2,999

*Corrected by Arbitrator. Also the Union's final offer shows \$27,296 for the BA Maximum, \$29,936 for the MA Maximum. The above data are from Board Brief, pages 4 and 5.

Cost Increases. The Board computes that the increase per returning teacher under its offer will average \$1,377, an increase of 5.078% in salary only. Increases in all costs including social security and the District's full 6% employee contribution to the State Teachers' Retirement System will cause an average teacher cost increase of \$2,217, a percentage increase of 5.10%. The Union's proposal will increase the salary alone of each returning teacher an average of \$1,999, 8.34% while total cost per returning teacher, on the average, will be \$3,161, an 8.66 percentage increase.

Because of the addition of additional teachers and because at least two teachers have improved their educational accomplishments, the actual cost to the District of implementing its final offer, based on the actual personnel who are present in the District this school year, will cause an actual average salary increase of \$1,802, a 6.84% increase. The Union's final offer, using actual personnel would cause an average salary increase of \$2,354 or 10.16%.

Scattergram Analysis. The need of the District to improve post bachelor teacher education is apparent by a review of the scattergram included in Board Exhibit B4. The District employed 57,520 full teaching equivalents in the 1984/85 school year. Almost one-half of those, 24,85, were teachers in the BA column and eight of them were at the top of the BA column. In addition, seven other teachers were at step 13 or higher in the same lane. Almost, as alarmingly, seven teachers have not advanced beyond the BA 6 and five have the minimum MA degree qualifications only. Over 29 of the teaching staff have only minimum BA or MA qualifications and of those 12 have reached the scheduled maximum in their lane without having obtained additional education. Only 8.16 FTE have advanced beyond the minimum MA qualification. Only one of seven teachers have more than the minimum MA qualifications.

The Union argued at the public hearing that additional teacher education does not necessarily make better teachers and Mr. Bacon stated that his additional education did not make him a better teacher. The District finds it ludicrous and offensive for the Union to argue that its employees, who are in the business of education, would maintain that the education they receive themselves would not improve their classroom performances.

The salary structures in the District and in virtually every district in the State have long recognized the desirability of teachers obtaining additional credits and paying them for it. The Union's own final offer recognizes this by increasing the lane differential from \$100 to \$200.

How can the Union justify a scattergram which shows that over 29 of its teachers have minimum educational qualifications and of these 24 have the very minimum BA degree? How can a teaching staff in which 13 teachers have the minimum BA qualification with 13 or more years of experience justify "business as usual"?

The Board feels that its proposed raises for teachers in the BA lane are fair. All teachers below the 16th step will get regular step increases as well as the increases caused by the base increase. For example, the four teachers at step 9 under the 1984/85 contract who received \$20,498 last year will under the Board's proposal receive \$21,866, an increase of almost \$1,400. If they also moved to the BA + 6 lane through summer courses, they would earn an additional \$700 for a total increase of \$2,100.

A teacher in the MA lane at step 9 last year would have his/her salary increase from \$22,546 to \$25,146 at step 10 under the Board's proposal or \$25,571 if she/he has earned an additional 6 credits. This is the kind of incentive which will encourage teachers to remain in education (and to further improve their qualifications) as well as to make teaching a viable career option for talented young people.

The only teachers who are adversely effected by the Board's proposal are those teachers who have already reached the Scheduled Maximum in the BA lane. They were paid \$25,330 last year and would get \$26,166 under the Board's proposal. This is an increase of \$836 or 3.3%. These teachers are free to obtain additional credits and could increase that raise by \$510 by earning an additional 6 credits. This is not unreasonable since those teachers have had 16 years to earn the additional 6 credits.

Teacher groups urge that there should be "career ladders," "master teachers' salaries", and financial incentives for teachers to remain in education. Under the Board's proposal the maximum salary which a Peshtigo teacher could achieve would increase by almost \$4,000 to \$31,620. This is \$852 more than the Union proposal of \$30,768.

The Union may argue that it agrees with the Board's desire to increase incentives for additional education but that the Board goes too far, too fast, and finances its desires on the backs of the BA teachers. The flaw in that response is that the BA Maximum position has been unfairly and disproportionately advantaged over the balance of the salary schedule for many years and now is not the time to compound that unfairness.

Inflation Considerations. The CPI increase was 6% in 1982, 3% in 1983, and 3.4% in 1984. The Association exhibits show that teacher compensation exceeded those percentages in each of those years. There is no credible "catch-up" argument. Under the Board proposal, all teachers except the 8 at the BA Maximum will significantly exceed the rate of inflation and even those teachers will get increases virtually equal to the inflation rate.

Comparable Analysis. Based upon a review of Association exhibits, it would appear that the Union agrees with the Board that the most appropriate comparable group is the M&O Athletic Conference comprising of 8 schools in Marinette and Oconto counties, of similar size, similar in economic background and geographically contiguous. The Board agrees that the Conference is the most appropriate comparable. If other comparables are to be considered, the CESA 8 group of which Peshtigo and all of the M&O Schools are members is the next most appropriate. These two groups of comparables would be of more value than a review of the entire State.

The Union's own data clearly support that the area where the District must make an improvement is not at the BA Maximum step but rather almost everywhere else on the salary schedule.

At the public hearing the Union argued that some teachers can improve performance by attending seminars and/or receiving other continuing education that does not qualify for an improvement on the salary schedule. However, the Union has not proposed to change the way in which additional credits on the salary schedule can be obtained. The Board has sought to increase the number of inservice days in which Peshtigo teachers are obligated to participate. The Board's final offer sought to increase the number of inservice days from 2 to 4 and the Board has agreed to pay additional compensation for those days. Peshtigo's inservice requirement is the least in the M&O Conference.

The Union's own data clearly establishes that the BA Maximum has historically been over-compensated compared to other positions on the Peshtigo salary schedule. Peshtigo has ranked fifth among the comparable conference schools in percentage increases at the BA benchmark over the period 1981/82 to the 1984/85 schedule (Assoc. Exhibit A22). At the BA Maximum, Peshtigo ranked second highest in the conference in its dollar increase, \$1,000 more than the next highest (Assoc. Exhibit A23).

Association Exhibit A24 shows that Peshtigo's increase at the MA Minimum during that same period was \$2,935 which was fifth in the M&O Conference. At the MA Maximum it ranked second with an increase of \$5,578 (Assoc. Exhibit A25). Historically Peshtigo has ranked fourth or fifth on the MA Minimum and first or second on the MA Maximum (Assoc. Exhibits A38 and A39). On the scheduled maximum (Assoc. Exhibit A26) Peshtigo is the third highest district during that period (1981/82 to 1984/85).

Thus the Union data show that Peshtigo has made a far higher effort to increase the BA and MA Maximum positions while it has done far less well in increasing the BA Minimum and MA Minimum positions.

The Peshtigo teachers at the BA Maximum have achieved additional compensation on a far better basis than other teachers on the Peshtigo salary schedule as well as compared to other teachers in the M&O Conference. These increase have been disproportionately large for the last five years.

It is not unjust or unreasonable for the District for the first time to put a somewhat disproportionate part of the salary increases elsewhere on the salary schedule. The Board feels that a change in emphasis is justified.

Changes in Per Lane Compensation. The Board is proposing that the present lane differential be increased from \$100 to \$300. The Union is proposing \$200. The other schools in the M&O Conference have lane differentials as follows: \$239, \$294, \$200, \$275, \$290, \$150, and \$350 (Board Brief, p. 21-22). The Board's proposed \$300 is closer to the comparables than the Union's \$200.

The experience in Oconto, an adjacent school district, seems to show the incentive value of encouraging teachers to obtain additional credits. Oconto adopted a similar scheme for encouraging teachers to obtain additional credits by paying more money to those who would do so. Board Exhibits C11 and C12 show that many Oconto teachers moved sideways one or two lanes by obtaining additional educational credits within a year or two.

Statewide Comparisons. Average BA base compensation in the State in 1984/85 was \$14,656 (based upon 380 schools reporting their data). Peshtigo's base was \$14,450, almost \$200 less. The BA Maximum on a statewide average was only \$21,604 while the Peshtigo average was almost \$4,000 higher, \$25,330. This again shows that Peshtigo has put too much money into the BA Maximum at the expense of the rest of the schedule (Board Exhibit C-10B).

The Peshtigo MA base, \$15,895 was below the State average of \$16,195 by \$300 while the MA Maximum of \$27,780 was more than \$2,000 higher than the State average of \$25,278. Finally the scheduled maximum in Peshtigo last year was \$27,955, \$1,200 higher than the State average of \$26,708 (Board Exhibit C-10B).

Looking at contracts settled for 1985/86, the Peshtigo base under the Board offer would be only \$15,415, almost \$700 less than the State average of \$16,112 (Board Exhibit C-10E). The Peshtigo BA Maximum under the Board's offer would be \$26,166, over \$2,300 above the State average of settled schools.

The MA base in Peshtigo is lower by almost \$200 at \$17,727 than the State average MA base of \$17,943. However, the MA Maximum in Peshtigo would be more than \$2,000 higher than the State average of settled schools, \$30,092 as opposed to \$28,055.

The Union proposal is skewed to benefit the 8 teachers at the top of the BA lane (Board Exhibit C-10E). The Union base would be \$15,550 (\$135 higher than the Board's and less than the State average by \$452). The Union BA Maximum would be \$27,126, almost \$1,000 more than the Board's proposal and almost \$3,300 more than the average of the State schools that have settled for 1985/86. The Union's MA base would be only \$16,995 which is \$732 less than the Board's offer and \$948 less than the State average.

The Union's proposal would not reward the MA Maximum teachers as much as the Board proposal, offering only \$29,749, approximately midway between the Board's proposal and the State average of \$28,055. The Union's career maximum for Peshtigo teachers would be only \$30,768, \$851 less than the Board proposal.

Effort. The Board presents comparisons with other conference schools to show that Peshtigo teachers have a shorter work day than other schools and that they have fewer work days and fewer inservice days than the other schools (Board Brief, pp. 27-29).

UNION POSITION ON SALARY

Appropriate Comparables. The Union concurs with the Board that the M&O Conference provides the most appropriate comparables but because there has been only one Conference settlement for 1985/86, both the Union and the Board have looked to 1985/86 State school district settlements for comparison purposes.

Conference Comparisons. Association Exhibits A-6 through A-13 and A-36 through A-42 show that Peshtigo has "held its own" historically with respect to the seven benchmarks on the salary schedule.

The Arbitrator, looking at the Association Exhibits, notes that Peshtigo ranked as follows in total dollar increases over the 1981/82 to 1984/85 period, compared to the other conference schools:

BA Minimum - fourth
BA Maximum - second
MA Minimum - fifth
MA Maximum - second
Scheduled Maximum - third

The ranking of Peshtigo among the eight Conference schools over the 1981/82 to 1984/85 period was as follows:

BA Minimum - fourth or fifth
BA Maximum - first or second
MA Minimum - fourth or fifth
MA Maximum - first or second
Scheduled Maximum - second, third, fourth
(from Assoc. Exhibits A-36 through A-40)

In comparison to State averages at the various benchmarks in 1984/85, Peshtigo ranked above or below the State average as follows: BA Minimum, -\$753; BA Maximum, +\$1,151; MA Minimum, -\$829; MA Maximum, -\$191; Scheduled Maximum, -\$2,026 (from Assoc. Exhibits A-43 through A-47).

Statewide Increases 1985/86. The Union presented a table on page 6 of its brief. The Arbitrator has revised the table to give the correct figures for the Union final offer and the Arbitrator has also incorporated the Union's proposed \$900 increase for those who have over 15 years of experience.

	Assoc.	%	District	%	State Non-Weighted	
BA	\$15,550	7.6	\$15,415	6.7	\$15,957	7.5
BA - 7th	20,612	7.6	19,715	6.7	20,047	7.3
BA Max.	27,096	7.0	26,166	6.7	23,804	6.7
MA	17,105	7.6	17,727	11.5	17,798	7.7
MA - 10th	25,059	7.6	25,146	11.5	24,594	7.5
MA - Max.	29,936	7.8	30,092	11.5	27,907	6.8
Sch. Max.	30,954	10.9	31,619	16.4	29,657	7.0

The Union states that the above shows that its final offer is much more in line with other settlements in the State for 1985/86.

Salary Dollars for 1985/86. Association Exhibit A-73 demonstrates that the average dollars per returning teacher (salary only) are \$2,006 on a weighted basis and \$1,949 on a non-weighted basis (from 125 Wisconsin School Districts reporting as of 11/6/85).

Here, the District's offer is only \$1,377 per returning teacher (Board Exhibit B-7 and B-7A) while the Association's offer is \$1,999 according to the District's costing (Board Exhibit B-9) and \$2,153 according to the Association's costing (Assoc. Exhibit A-1a). The Association's final offer is thus more reasonable on a benchmark analysis and on a dollar per returning teacher analysis.

Inequitable Increases in the Board's Offer. The District's proposed salary schedule is weighted too heavily in favor of the lanes beyond the BA and penalizes too severely the experienced teacher in the BA lanes.

To illustrate the severity of the District's proposal, a teacher at the BA +10 level would receive a \$1,368 increase, or 6.7%, while a teacher at the MA +10 level would receive a \$2,600 increase, or 11.5%. A teacher at the top of the BA lane would receive an \$837 increase, or 3.3%, but a teacher at the top of the MA +18 lane would receive a \$3,665 increase, or a 13.1% increase. This is unfair and too inequitable for teachers in the same bargaining unit doing the same bargaining unit work.

Emphasis on Further Education. Both the Board and the Union have agreed to add M+12 and M+18 lanes to the schedule. Both the Union and the Association propose increases in the lane differential, the Union from \$100 to \$200, the Employer from \$100 to \$300.

Student Performance. Association Exhibits A-62 through A-72 (Iowa Tests of Basic Skills) show that the children of the Peshtigo District are doing well scholastically with the currently trained staff of the bargaining unit.

ARBITRATOR'S ANALYSIS AND DISCUSSION

Both parties seem to be in agreement that comparisons with other schools in the M&O Conference are most pertinent and each has provided data addressed to such comparisons. However, since only one conference school has settled for 1985/86, both sides have provided information on 1985/86 settlements in other State schools.

The Arbitrator will begin by comparing the conference schools at various benchmark positions for 1984/85. This is based on Board Exhibit C-10F.

District	BA BASE	BA MAX.	MA BASE	MA MAX.	SCHED. MAX.
Coleman	\$14,803	\$22,557	\$16,241	\$25,443	\$25,922
Crivitz	16,204	25,286	17,676	27,140	28,434
Gillett	14,648	21,643	15,844	23,688	25,018
Lena	14,025	20,900	15,125	24,085	24,910
Niagara	14,495	22,314	16,002	25,620	28,287
Peshtigo	14,450	24,530	15,895	26,980	27,155
Suring	14,300	21,164	15,300	24,480	25,120
Wausaukee	14,000	23,629	15,750	26,003	26,655
<u>Average</u>	14,615	22,753	15,979	25,427	26,438
<u>Peshtigo</u>	14,450	24,530	15,895	26,980	27,155

Peshtigo differs most from the average at the BA Maximum level; although there is also a large difference at the MA Maximum. If all 25 CESA schools are compared in their average to Peshtigo, Peshtigo is still most out of line at the BA Maximum level, although the differences are nearly as large at the MA Maximum (Board Exhibit C-10F).

We now turn to 1985/86 comparisons, comparing the Board and Union proposals to State schools that have settled for 1985/86.

	BA	BA MAX.	MA	MA MAX.	SCHED. MAX.
Board	\$15,415	\$26,166	\$17,727	\$30,092	\$31,619
Union	15,550	27,096	17,105	29,936	30,954
A-73	15,597	23,804	17,798	27,907	29,657
C-10E	16,112	23,833	17,943	28,055	30,037

A-73 is an Association Exhibit giving a non-weighted average of 125 Wisconsin schools reporting settlements. C-10E is a Board Exhibit from 70 to 80 CESA schools that had settled at the time the data was gathered.

Peshtigo is near the State settlements at the BA and MA Minimum levels but the differences with the State averages are greatest at the BA Maximum and the MA Maximum. At the BA Maximum, Peshtigo would be about \$3,300 above the other State schools under the Union offer for 1985/86. Under the Board offer, it would be about \$2,350 above the other State districts.

The Arbitrator feels that there are weaknesses in the final offers of both the Board and the Union. However, the Arbitrator must choose whichever of the two offers he considers more reasonable in total. I will comment first on some of the statutory criteria that the Arbitrator must consider. Ability to pay can be an issue but the parties did not make this an issue in this case. Cost of living is another criterion and here both proposals generally provide for increases at or above recent changes in the Consumer Price Index.

In this case, as in most teacher arbitrations, the parties concentrated primarily on wage and benefit comparisons with other conference schools and with other Wisconsin school districts.

The major difference between the parties as they propose salary schedule changes for 1985/86 is how much emphasis to give to the additional education that a teacher might secure beyond the BA degree. Both agree that there should be some increased emphasis. They are agreed that the lane differential should be larger than the low \$100 that existed in the past. The parties have already agreed to additional lanes beyond the MA lane to reward additional education (MA +6, MA +12, and MA +18).

The difference in the Union and Employer final offers is that the Employer wants to go considerably further than the Union in rewarding additional education on the part of the teachers. The Employer wants to have a \$300 lane differential instead of the Union's \$200 and the Employer wants a larger differential between the BA and MA levels, 15% instead of the current 10%. The Employer wants to put much less money into salary increases at the top of the BA lane but the Union feels that this would result in too great a differential between salary increases for such teachers in comparison with those who would get much bigger increases because of the Board's emphasis on additional educational credits.

The Arbitrator will review what he sees as the strengths and weaknesses of each side's case.

Union Proposal. The Union is supporting some improvement in the reward for additional credits but its \$200 per lane differential is below what most other Conference schools are doing. The 10% BA/MA differential is in line with other Conference schools. The Arbitrator has calculated that the Conference average differential is just under 10%. The Union's proposed total salary increase dollars of \$1,999 per teacher is a little above the report of settled schools of \$1,949 (non-weighted average, Association Exhibit A-73). It is of course much closer to that average than the Board's \$1,376. It should be noted, however, that the Board's proposed benchmark salary increases average more than the State non-weighted increases (see p. 6, Union Brief and Table, p. 5 above). Why then are the Board's total salary increase dollars so much below the State average? This may be due to that fact that Peshtigo has a high concentration of teachers in the BA lane and to the minimal increase that the Board proposes for those at the top of the BA lane.

A major weakness of the Union case is the Union's putting a disproportionate number of dollars into the BA Maximum where the schedule is already out of line with Conference and State schools as shown by data presented above. As Association Exhibit A-23 shows, Peshtigo put more increase dollars into this part of the schedule than any of the other schools except Crivitz. The salary increase dollars going into this place on the schedule exceeded other Conference schools (except Crivitz) by about \$1,000 to \$1,600. These were the total 1981/82 to 1984/85 increases.

For this year's proposal, the Union wants to give those at the top of the BA and other lanes an additional \$900 compared to \$800 last year. In view of the District's high ranking at the BA and MA Maximums, more dollars could have gone instead to a higher starting salary and higher lane differentials.

The Arbitrator feels that the Employer has made a better case than the Union concerning the three secondary issues. While the Employer is not proposing an across-the-board increase in extra-curricular pay at this time, the parties have agreed to add three new positions to the extra-curricular schedule. The Union did not prove that an 8% increase was needed on the basis of comparables. On the orthodontia issue, The Employer's arguments concerning Peshtigo's total insurance package were more persuasive than the Union's arguments. The Employer did not refute the Union's argument on the teacher estate matter. I feel that taking the three secondary issues together, the Employer has a stronger case. The secondary issues here might also have been deferred to future bargaining between the parties.

I agree with the Union that the wider disparity among salary increases for the teaching staff under the Board offer could create a morale problem. However, I can understand the Board's reluctance to further inflate that part of the schedule in view of the disproportionate dollars that have gone into the BA Maximum in the past and the failure of so many BA level teachers to earn additional credits.

Employer's Proposal. The Employer proposal does directly address the issue of providing more motivation for Peshtigo teachers to increase their educational preparation. It does slow down the growth of the BA Maximum and the MA Maximum where the District was already high and it puts more of the salary money into the other lanes of the schedule. The Board's proposed lane differential is more comparable to other Conference schools than the Union's.

The Board's proposed BA/MA differential of 15% is higher than Conference schools which are near 10% and seems to be above State schools where I find about a 12% differential (see State school data, p. 5 above). To be more in line with comparables, the Board might have put some dollars toward a higher BA Minimum.

In view of less need for the 15% BA/MA differential--on the basis of comparables--the Board could also have used some dollars to make some improvement in the salary offered to those at the top of the BA lane who will receive only \$836 under the Board offer. I agree that this group seems to have been overcompensated in the past, but perhaps the adjustment could have been spread over a few years.

The Board's salary increase dollar total is low compared to the State schools that have settled, \$1,347 versus \$1,949 (Assoc. Brief, p. 7). However, the actual cost to the District of implementing its final offer will be somewhat higher because of the hiring of additional teachers and because at least two teachers have improved their educational accomplishments. The Board states that the average teacher salary increase under its offer will be \$1,802, a 6.84% increase, whereas the Union's final offer, using actual personnel, would cause an average salary increase of \$2,354 or 10.16% (Board Brief, pp. 4-5).

While the Board's salary increase dollars are below the State average at this point, it should be noted that the Board has made a major future commitment to reward teachers for increasing their educational attainment. It has greatly increased the lane differential and the BA/MA differential. If the experience of Oconto, cited earlier, happens in Peshtigo, many teachers will be improving their educational preparation and achieving substantial salary increases based on that improved preparation.

CONCLUSION

As has been indicated above, each side's offer in this case has strengths and weaknesses. The Arbitrator would have preferred a settlement somewhere between the positions of the parties. But the Arbitrator must choose one of the final offers.

The Arbitrator finds the Employer offer in this case to be more reasonable than that of the Union. The big issue here concerns the proper salary schedule incentive to encourage teachers to get more education. It is apparent that the schedule that has prevailed in the recent past does not provide adequate incentive for teachers to advance their education. It is apparent that teachers who have not progressed beyond the BA lane have been overcompensated in comparison to similar teachers in other Conference schools and in other State schools.

The Union proposal does offer some improvement in the lane differential but does nothing to slow the dollars going into the already high BA Maximum. The Employer offer addresses the problem boldly and directly by tripling the lane differential and by offering a higher BA/MA differential than most Conference and State schools. The Employer offer also dramatically slows down the salary increases going to teachers at the top of the BA lane.

I find the Employer position more reasonable on this principal issue in the dispute. The Employer's salary offer also addresses some of the deficiencies in Peshtigo's rank compared to State averages in 1984/85, particularly the Scheduled Maximum where Peshtigo was below the State average by \$2,026 (see p. 5 above). The Board offer certainly offers substantial incentives to career teachers.

AWARD

Based on the above evidence and taking into account the statutory criteria, the Arbitrator selects the final offer of the Employer. Therefore, the Employer's offer, along with previously agreed stipulations, shall be incorporated into the 1985/86 agreement between the parties.

February 22, 1986



 Gordon Haferbecker, Arbitrator

1980-86 SALARY SCHEDULE e1 rate step 0, drop index one step, ad tep 16 with index

STEP	INDEX	BA	BA6	BA12	BA18	MA	MA6	MA12	MA18
1	1	15415	15715	16015	16315	17727.25	18027.25	18327.25	18627.25
2	1.0465	16131.798	16445.748	16759.698	17073.648	18551.567	18865.517	19179.467	19493.417
3	1.093	16848.595	17176.495	17504.395	17832.295	19375.884	19703.784	20031.684	20359.584
4	1.1395	17565.393	17907.243	18249.093	18590.943	20200.201	20542.051	20883.901	21225.751
5	1.186	18282.19	18637.99	18993.79	19349.59	21024.519	21380.319	21736.119	22091.919
6	1.2325	18998.988	19368.738	19738.488	20108.238	21848.836	22218.586	22588.336	22958.086
7	1.279	19715.785	20099.485	20483.185	20866.885	22673.153	23056.853	23440.553	23824.253
8	1.3255	20432.583	20830.233	21227.883	21625.533	23497.47	23895.12	24292.77	24690.42
9	1.372	21149.38	21560.98	21972.58	22384.18	24321.787	24733.387	25144.987	25556.587
10	1.4185	21866.178	22291.728	22717.278	23142.828	25146.104	25571.654	25997.204	26422.754
11	1.465	22582.975	23022.475	23461.975	23901.475	25970.421	26409.921	26849.421	27288.921
12	1.5115	23299.773	23753.223	24206.673	24660.123	26794.738	27248.188	27701.638	28155.088
13	1.558	24016.57	24483.97	24951.37	25418.77	27619.056	28086.456	28553.856	29021.256
14	1.6045	24733.368	25214.718	25696.068	26177.418	28443.373	28924.723	29406.073	29887.423
15	1.651	25450.165	25945.465	26440.765	26936.065	29267.69	29762.99	30258.29	30753.59
16	1.6975	26166.963	26676.213	27185.463	27694.713	30092.007	30601.257	31110.507	31619.757

PESH TIGO SCHOOL
DISTRICT

FINAL OFFER

APPENDIX B

STEP	2A	2A+2	2A+12	2A+3	4A	4A+2	4A+12	4A+18	Index
2.0	15552	15752	15952	16152	17135	17335	17505	17705	1.0000
3.0	16273	16482	16692	16901	17900	18110	18319	18528	1.0465
4.0	16996	17215	17433	17652	18696	18914	19133	19352	1.0930
5.0	17719	17947	18175	18403	19491	19719	19947	20175	1.1395
6.0	18441	18680	18917	19154	20257	20484	20761	20998	1.1860
7.0	19163	19412	19658	19905	21022	21228	21575	21821	1.2325
8.0	19886	20144	20400	20656	21777	21933	22389	22645	1.2790
9.0	20612	20877	21142	21407	22673	22738	23263	23468	1.3255
10.0	21335	21607	21883	22159	23468	23422	24017	24291	1.3720
11.0	22058	22341	22625	22909	24263	24147	24831	25178	1.4185
12.0	22781	23074	23367	23660	25059	24852	25645	25938	1.4650
13.0	23504	23806	24108	24411	25854	25556	26459	26761	1.5115
14.0	24227	24539	24850	25162	26650	26251	27273	27584	1.5580
15.0	24950	25271	25592	25913	27445	26946	28087	28408	1.6045
16.0	25673	26003	26333	26664	28240	27641	28901	29231	1.6510
17.0	26396	26735	27075	27415	29036	28337	29715	30054	1.6975
18.0	27119	27468	27817	28166	29831	29032	30615	30954	1.7440

1985-86 PROPOSED PRESIDENTIAL SALARY SCHEDULE (1980 COLA 10%)

STEP	2A	2A+2	2A+12	2A+18	4A	4A+2	TOTAL
2.0	0	0	0	0	0	0	0
3.0	0	0	0	0	0	0	0
4.0	9712	0	0	0	0	0	9712
5.0	17719	0	0	0	0	0	17719
6.0	0	0	0	0	0	0	0
7.0	0	0	10200	0	0	0	10200
8.0	41224	0	0	0	0	0	41224
9.0	0	0	0	22158	0	0	22158
10.0	22058	0	0	0	0	0	22058
11.0	0	23274	0	0	0	26701	49235
12.0	117520	0	0	0	0	0	117520
13.0	24227	73617	0	25162	0	26961	149967
14.0	0	0	23591	0	27445	30784	33321
15.0	77219	0	0	0	0	0	77219
16.0	26396	0	0	0	0	0	26396
17.0	300255	82908	167650	84945	119744	151375	907278
TOTAL	536131	179599	203642	102265	147139	235851	1534230

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AUG 23 1985

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

Peshigo
E.D. ASSN.
FINAL
OFFER

NUMBER OF EMPLOYEES (FTE) = 38.23
TOTAL PAYROLL = \$1,534,650.00
AVERAGE SALARY = \$39,884.40
AVERAGE INCREASE (PLANNED) = \$2,327.71 (5.76 %) 06/21/85 00:29:15
