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EDWARD B. KRINSKY, INC.  
Edward B. Krinsky, Arbitrator  
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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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In the Matter of Mediation-Arbitration :  
Between :

CHILTON EDUCATION ASSOCIATION :

and :

CHILTON SCHOOL DISTRICT :  
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Case 4  
No. 35155  
MED/ARB-3322  
Decision No. 22891-A

Appearances:

Mulcahy & Wherry, S.C., Attorneys at Law, by  
Mr. Jon E. Anderson, for the District.  
Mr. Richard Terry, Executive Director,  
Kettle Moraine UniServ Council, for the  
Association.

By its Order of October 2, 1985, the Wisconsin Employment Relations Commission appointed the undersigned as mediator-arbitrator in the above-captioned dispute. An unsuccessful attempt at mediation was made on December 18, 1985, at Chilton, Wisconsin. Thereafter, and on the same day, an arbitration hearing was held at which the parties had the opportunity to present testimony, evidence and arguments. No transcript of the proceedings was made. The record was completed with the receipt by the arbitrator of the parties' post-hearing briefs on February 10, 1986.

There was only one issue in dispute, the salary schedule for 1985-86. The parties' final offers are appended to this Award. The dispute concerns both the cost of the salary schedule and how it is structured. The District offers a wage increase of 8.31%, and a resulting total package increase of 8.40%. The Association offers a wage increase of 9.37% and a total package increase of 9.36%. The dollar difference between the two offers is less than \$20,000. There are 68.41 FTE teachers.

The parties agree on the number of steps and lanes of the salary structure. The District's offer freezes all teachers for 1985-86 at their 1984-85 step of the schedule and redistributes the step increases by increasing each cell of the schedule by an identical dollar amount. The Association's offer allows traditional movement along the salary

schedule, and changes the dollar amount of the base salary. The increases in the remainder of the schedule are then calculated in the same manner as has been the traditional way of changing the salary schedule.

### Discussion

The final offers of the parties must be weighed against the statutory factors enumerated for the arbitrator's consideration. There is no issue presented with regard to factors: (a) lawful authority of the employer; (b) stipulations of the parties; (g) changes in the circumstances during the pendency of arbitration. With regard to (c) there is no issue with respect to the "financial ability of the unit of government to meet the costs of any proposed settlement." Factor (c) also includes "the interests and welfare of the public." Chilton is in Calumet County, a largely rural, agricultural county. Given the difficulties being experienced in the farm community, the District's arguments are persuasive that the less expensive of the two offers is preferred, and this would favor the District's offer. The District argues that the public has an interest in seeing that the District can compete with other districts in hiring new teachers. To accomplish that, the District argues, the salary schedule should be raised relatively more at the minimum levels than at higher levels of experience. Since the District's salary offer accomplishes that to a greater degree than does the Association's, the District argues that the public's interest is better served by its offer than the Association's. However, the Association's offer certainly serves the interests and welfare of the public by providing higher salaries to experienced teachers which serves to retain them and also make the long-term salary schedule more attractive to teachers considering employment. Thus, the interests and welfare of the public factor may slightly favor the District's final offer, but not significantly, in the arbitrator's opinion.

Factor (e) is the consumer prices factor. Both final offers far exceed the change in the consumer price index which increased 3.0 to 3.4%, depending on the index used. The District's offer is less costly than the Association's, and thus is closer to the change in the consumer price index. This factor would favor the District's offer.

Factor (d) involves wage comparisons. Part of factor (d) is comparison with private employment in the same and comparable communities. No data is presented giving private sector comparisons. Part of factor (d) is a comparison with other public employees in the same community. Both offers far exceed the percentage increases given to the District's other employees as well as the one known settlement in the

City of Chilton. Since the District's offer is the lower of the two, the District's offer is favored with respect to these comparisons.

The remainder of factor (d) is a comparison with other employees performing similar services. The parties agree that an appropriate basis of comparisons is the Eastern Wisconsin Athletic Conference. The Association also offers secondary and tertiary comparisons with other districts, but the arbitrator is not persuaded that those comparisons are more meaningful or appropriate than the comparisons with the Athletic Conference schools.

A problem in making the comparisons is that in three of the conference districts the parties are in final offer arbitration. In making comparisons, therefore, the arbitrator has first compared the District's final offer with the other districts using the assumption that in each of the other unsettled districts, the school board offers will be implemented, and then using the assumption that in each of the other unsettled districts the association offers will be implemented. He has then done the same analysis making comparisons with the Association's final offer.

Doing this reveals the following information, at the typically-used benchmarks of the salary schedule:

At the BA-minimum salary, the District's offer would result in a ranking of 2 or 3 out of 7 conference schools, whereas the Association offer would produce a ranking of 5 or 6 out of 7. The District's offer is in excess of \$600 above the Association's at this benchmark. In 1984-85 the District ranked tied for 5th.

At the MA-minimum salary the District's offer would result in a ranking of 3 or 4 out of 7 conference schools, whereas the Association offer would produce a ranking of 6 out of 7. The District's offer is in excess of \$700 above the Association's at this benchmark. In 1984-85 the District ranked 6th.

At the BA-7 benchmark, both offers would result in a ranking of 5 or 6 out of 7, and very little dollar difference between the offers. In 1984-85 the District ranked 5th.

At the MA-10 benchmark the District's offer would result in a ranking of 4 or 6 out of 7 conference schools, whereas the Association's offer would produce a ranking of 5 or 6 out of 7. In dollar terms both offers are below the conference median salary at MA-10 but the District's offer would be some \$200 closer to the median. In 1984-85 the District ranked 7th.

At the BA-max benchmark, both offers would rank last among the 7 conference schools, and well below the median. The District's offer would be about \$200 closer to the dollar median than would the Association's. In 1984-85 the District ranked 7th.

At the MA-max benchmark, both offers would rank 3 or 4 out of 7 conference schools, with very little dollar difference between them. In 1984-85 the District ranked 7th.

At the schedule-max benchmark, both offers would rank 3 or 4 out of 7 conference schools, with very little dollar difference between them. In 1984-85 the District ranked 5th.

As can be seen, use of the traditional benchmark analysis reveals some differences between the parties' offers in terms of ranking. By improving the District's relative position in ranking at the BA-min and MA-min the District becomes more competitive for beginning teachers, and thus based on benchmarks its offer is more favorable, in the arbitrator's view. It is also more favorable because in dollar terms the District's offer is closer to the median dollar salaries paid by the other districts at these benchmarks.

Factor (f) deals with the overall compensation received by the employees. There is no evidence presented by either party to show that the non-wage aspects of this case are significant enough to be determinative, and thus the arbitrator does not view either party's total compensation offer as being preferable for the purpose of selecting a final offer.

The Association argues that the benchmark analysis does not tell the whole story because the District's offer has changed the salary structure. The district's offer freezes the experience increments for the year and redistributes the salary money by raising the minimum salaries. This produces a substantial difference (\$1,775 vs. \$2,001) in the average dollar increase given to returning teachers who were employed in 1984-85. The Association points to the fact that the conference settlements known at the present time, with the exception of Two Rivers, were settlements reached as part of multi-year agreements in prior years, and the only current settlement is the one in Two Rivers. The Association emphasizes that at Two Rivers the returning teachers averaged \$1,999 for 1985-86, which is much closer to its offer than that offered by the District.

The arbitrator is more persuaded by the relative dollar standings and rankings at the benchmarks of the schedule than he is by the average amount paid to returning teachers. This is because in the long-term it is the structure of the

schedule which enables more meaningful comparisons than does an analysis which must account for the particular distribution of teachers on the salary schedule.

The last factor which must be considered is (h) "Such other factors . . . which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining . . . arbitration or otherwise between the parties . . ."

The Association argues that the District's final offer should not be selected, based on this factor alone. It cites the fact that the District has offered to freeze teachers at the 1984-85 salary step, and to redistribute the increases in such a way that there is an across-the-board increase to each cell on the schedule, whereas normally and traditionally the cells at higher steps of the schedule would get greater dollar and/or percentage increases than those at the beginning steps of the schedule. The Association characterizes the District's offer as representing ". . . a far-reaching and substantial change in the status quo of the salary schedule and amount(ing) to a complete restructuring of the parties' relationship." It argues and cites decisions of arbitrators in other cases to support its position that such changes in the status quo should not be allowed in arbitration unless there are extremely persuasive reasons for so doing.

The Association argues that arbitration should reflect realistic bargaining outcomes and there would not be a reason to expect that the Association would voluntarily accept lower raises for senior employees in order to provide higher wages for new employees, which is what the District has proposed, without any other economic incentive for the Association to accept such an arrangement. The Association argues that any such changes should be bargained. It cites the fact that there is no bargaining history suggesting the parties' inability to reach agreement voluntarily, and it notes that the present case is the parties' first resort to interest arbitration.

The District argues that the salary restructuring is necessary as a means of improving its position and making it competitive in recruiting new teachers. It cites its need to fill six new positions, and the fact that in the past the District has had to hire above the minimum schedule and has also let teachers out of their signed contracts in order to let them take higher offers elsewhere. It cites an "immediate and critical need to raise salaries in order to recruit, retain and motivate the highest caliber of teachers available in the job market." It cites the fact that its offer accomplishes this while still providing teachers with very substantial increases well in excess of changes in the

cost of living index. The District argues further that the Association will be able to bargain in subsequent years to recoup losses that it feels have occurred through implementation of the District's offer.

This arbitrator has stated in many prior interest arbitration decisions that in his view major changes in the parties' contracts should be bargained rather than accomplished through arbitration, wherever possible. In this case the District has made a final offer which makes significant changes in the traditional salary schedule. It does not change the number of steps and lanes, but it freezes teachers on step. That is, assuming no further modification in the number of steps, it will take each teacher a year longer to get to the top of the schedule than it did before. Also, in the past it was traditional for experienced teachers to receive greater salary increases than inexperienced ones, presumably reflecting their additional experience. Here the District offers to give all teachers the same salary increase. There is no evidence to suggest that the District has offered the Association any economic or other incentive to agree to such changes. It has simply decided to make the changes unilaterally, even though some teachers will get lesser increases than they would have through the traditional approach, and most will have an extra year to reach the top step.

As stated above, the arbitrator views the District's goal as a reasonable one, that is, a need to increase base salaries while holding down overall costs in order to compete for new teachers more effectively. The solution it decided upon, or some variant of it, might have been one that would have been acceptable to the Association had the price been right as part of an overall bargain. However, as proposed it was not acceptable.

The evidence does not show that this is a situation where for many years the District has been trying to make changes of this sort only to be thwarted by non-cooperation from the Association. There is also no evidence showing that comparable districts have used this solution in similar circumstances and that such results have been imposed through arbitration rather than bargaining. This is also the first time that these parties have used interest arbitration to resolve their differences. Up until now, apparently, they have been able to talk out their differences and reach voluntary agreement. The arbitrator is not persuaded by the District that its problems recruiting and maintaining its teachers have been so severe as to warrant the relatively drastic action of freezing teachers on the salary step or to warrant the imposition of such an action by the arbitrator.

Thus, the arbitrator strongly favors the Association's final offer on factor (h), and especially so since the salary

schedule that would result from implementation of the Association's offer would be just 1% higher than the District's offer, and the result would also be reasonably in line with the only voluntary settlement reached in the conference in the current round of bargaining, Two Rivers.

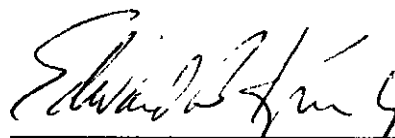
The statute requires that the arbitrator choose one of the parties' final offers in its entirety. As noted above, the arbitrator has found the District's offer preferable to the Association's in terms of statutory factors (d) and (e), and slightly so on (c) while the Association's offer is preferable on factor (h). The arbitrator is persuaded that the Association's offer is preferable overall because it does not disturb the previously bargained structure of the parties' salary schedule. Such a change should come about through bargaining and voluntary agreement, in the arbitrator's opinion. In so concluding the arbitrator notes that the result of implementing the Association's offer is to better protect the income of experienced teachers, something that is not contrary to the public interest, and while the Association's offer does not accomplish the District's sought-after improvement in rankings at the minimum benchmarks, it does not result in deterioration of rankings relative to where they have been in the conference in 1984-85.

Based on the above discussion, the arbitrator hereby makes the following

AWARD

The Association's final offer is selected.\*

Dated at Madison, Wisconsin, this 28<sup>th</sup> day of March, 1986.



Edward B. Krinsky  
Mediator-Arbitrator

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\* On March 20, 1986 the District petitioned the mediator-arbitrator to reopen the hearing to receive an arbitration award issued in one of the districts in the athletic conference. The petition was denied on March 27th based on the parties' agreement at the hearing to close the record as of December 8, 1985 except to include certain specific agreed upon data. Also, as explained above, since the arbitrator's analysis takes into account all outcomes of the final offer awards in the other conference districts, there was no purpose served to reopen the hearing to receive the decision.

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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

FINAL OFFER OF THE CHILTON EDUCATION ASSOCIATION

August 29, 1985

The Association proposes all terms and conditions of the 1984-1986 Collective Bargaining Agreement become the terms and conditions of the successor (1985-1986) agreement with the exception of Items A and B listed below:

A

Tentative Agreements

B

Salary: Current structure with a base of \$15,385  
(Schedule Attached)



SEP 03 1985

NEW SALARY SCHEDULE

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

STEP	R	R+9	R+10	R+11	R	R+9	R+10
0	15305	15500	15700	15910	16005	16305	16405
1	16077	16260	16469	16686	16809	17019	17119
2	16770	16950	17170	17392	17515	17731	17831
3	17480	17651	17880	18058	18256	18431	18510
4	18104	18261	18597	18774	18980	19219	19307
5	18647	18861	19106	19490	19700	19920	20094
6	19610	19807	20099	20305	20508	20765	20910
7	20705	20617	20680	21081	21315	21529	21647
8	21154	21390	21620	21875	22117	22330	22467
9	21924	22173	22458	22671	22901	23106	23281
10	22695	22901	23006	23467	23715	23850	24010
11		23534	23817	24054	24310	24531	24910
12			24130	24560	24810	25010	25100
13			25010	25257	25500	25800	26120
14				25850	26110	26400	26780
15					26740	27070	27400
16				26110	27000	27100	27600
17				26270	27160	27500	27800
18				26000	27000	27000	27000
19				26590	27180	27800	28100

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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

CHILTON PUBLIC SCHOOLS  
FINAL OFFER OF THE BOARD OF EDUCATION  
August 30, 1985  
(Case 4 No. 35155 MED/ARB-3322)

The Board proposes that all terms and conditions of the 1984-86 collective bargaining agreement be continued as terms and conditions of the contract for the 1985-86 school year with the exceptions as listed below:

1. Tentative Agreements

All tentative agreements as stipulated by the parties.

2. Salary

A new salary schedule constructed by adding \$1775.00 to each cell on the 1984-85 schedule. Resulting schedule is attached. Teachers will remain at their 1984-85 step placement for the 1985-86 school year (no vertical increment).

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CHILTON PUBLIC SCHOOLS  
1985-86 Board Offer

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

<u>Step</u>	<u>B</u>	<u>B+9</u>	<u>B+18</u>	<u>B+27</u>	<u>M</u>	<u>M+9</u>	<u>M+18</u>
0	16,100	16,275	16,475	16,625	16,800	17,000	17,200
1	16,745	16,928	17,137	17,293	17,476	17,685	17,894
2	17,389	17,580	17,798	17,962	18,152	18,370	18,588
3	18,034	18,233	18,460	18,630	18,828	19,055	19,282
4	18,679	18,885	19,121	19,298	19,505	19,741	19,977
5	19,323	19,538	19,783	19,966	20,181	20,426	20,671
6	20,039	20,263	20,518	20,709	20,932	21,187	21,442
7	20,756	20,988	21,253	21,451	21,683	21,948	22,213
8	21,742	21,713	21,988	22,194	22,434	22,709	22,984
9	22,188	22,438	22,723	22,936	23,186	23,471	23,756
10	22,904	23,163	23,458	23,679	23,937	24,232	24,527
11		23,706	24,009	24,236	24,500	24,803	25,105
12			24,560	24,793	25,064	25,374	25,684
13			25,111	25,349	25,627	25,945	26,262
14				25,906	26,191	26,516	26,841
15				-	26,754	27,087	27,419
16				26,155	27,004	27,339	27,673
17				26,303	27,155	27,491	27,828
18				26,452	27,305	27,643	27,982
19				26,600	27,455	27,796	28,136

\$1,775 average teacher increase