

MAY 29 1986

Mediation/Arbitration \*  
of \*  
ALBANY SCHOOL DISTRICT \*  
and \*  
ALBANY EDUCATION ASSOCIATION \*  
re \*  
WERC Case 18, No. 35262 \*  
MED/ARB - 3365 \*  
\* \* \* \* \*

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

ARBITRATION AWARD

Decision No. 22986-A

INTRODUCTION

The Albany School District, hereinafter called the Board, and the Albany Education Association, hereinafter called the Association, exchanged initial proposals for a new collective bargaining agreement on March 25 and May 6, 1985 and met three times subsequently before requesting mediation/arbitration on June 26, 1985. The parties remained at impasse after investigation by a WERC staff member, and by September 25, 1985, final offers were submitted to the WERC. The parties received a panel of mediator/arbitrators and informed the WERC of their selection. The WERC then issued an order on November 5, 1985, appointing the undersigned as the mediator/arbitrator.

A timely request for a public hearing was filed with the WERC and a public hearing was held on December 9, 1985. Approximately eighty people attended the hearing at which the Board and Association representatives presented and defended their positions and responded to comments and questions from about two dozen of the citizens present at the hearing. At the conclusion of the public hearing, the mediator/arbitrator attempted to resolve the dispute through mediation.

Mediation efforts having failed, the parties moved to the arbitration step of the procedure. The parties agreed to waive the arbitration hearing and instead to exchange exhibits and to file briefs with the mediator/arbitrator. Briefs and exhibits were received by March 16, 1986.

ISSUES

All issues except those explained below had been resolved by the Board and the Association and the necessary stipulations had been initialed. The major unresolved issue was the salary schedule. The other unresolved issue involved the retroactive application of an agreed upon longevity schedule for extra-curricular pay positions.

The Board proposed to increase the BA Min from \$13,650 to \$14,600 while the Association proposed to increased it to \$14,700. The Association proposed that a BA+30 lane be created in addition to the seven existing lanes; the Board proposed no change in lanes. Neither party proposed any changes in the existing experience increment of 4% of the base of each lane nor in the number of steps in each lane. Neither party proposed to change the existing lane intervals of \$300 in the first three lanes. The Board proposed to continue the next three lane intervals of \$350 each while the Association proposed to add a fourth lane interval of \$350 by creating the BA+30 lane between the existing BA+24 and MA lanes.

Although the Board and the Association had agreed upon the addition of a 1% longevity premium for 4-8 years service and a 2% premium for 9 or more years of service, the Board offer would not count years of service prior to the 1980-1981 school year while the Association offer would count all prior service.

DISCUSSION

After reviewing the briefs and exhibits, the arbitrator concluded that it was not necessary to reach a conclusion on the retroactivity differences in the

new longevity schedule because this issue was much less important than the difference between the parties on the salary schedule. Only four teachers are affected by the retroactivity issue and the cost of the difference between the proposals on this issue is only \$445 according to Association Exhibit 40. The (\$5,941, salary only) difference in cost of the salary proposals, although not very large, is still more than ten times the amount involved in the retroactivity dispute. Furthermore, there is no big difference in principle on the retroactivity issue. Therefore, the arbitrator will base his choice of final offers on the relative merits of the salary proposals without regard to any difference in the merits of the proposals on the retroactivity aspect of the new longevity schedule.

Before discussing the salary schedules it is necessary for the arbitrator to resolve two basic differences introduced by the parties. First, there is the question of whether the financial situation of the district is sufficiently worse than comparable districts that it justifies a smaller increase in teacher salaries than that granted in comparable districts. Second, there is the question of whether the three large contiguous districts not in the State Line Athletic Conference which have settled their 1985-1986 contracts should be included along with settled athletic conference schools in the comparables to be considered by the arbitrator.

The arbitrator finds that the evidence does not support the conclusion that the district's financial condition warrants salary treatment different from that found among the other districts in the athletic conference. There is no question that all of them are suffering to some degree or other from the depression in farm incomes cited at length at the public hearing and documented generally by Board Exhibits 94 to 164A. The evidence does not show, however, that Albany is worse off than its counterparts in the athletic conference.

Board Exhibits 13T-13Y show that, while 11.14% of the people in the Albany district had incomes below the poverty level and that Belleville (6.92%) and Barneveld (8.76%) were better off, Juda (10.99%) and Argyle (11.25%) were in similar straits in so far as this measure of poverty is concerned and Monticello (12.59%) and Pecatonica (13.95%---listed as Blanchardville/Hollandale) were worse off. (Black Hawk was not listed on this exhibit.) The same Board exhibit also shows median household income in 1980. Albany is not particularly worse off by this measure. It had a median household income of \$17,179 which is about the same as Barneveld (\$17,104) and New Glarus (\$17,247), somewhat less than the household income of Belleville (\$17,708) and Juda (\$19,714), and somewhat greater than the household income of Argyle (\$14,212), Pecatonica (\$14,279) and Monticello (\$15,433).

Union Exhibit 10 also contains information supporting the finding that Albany should not be differentiated from other districts in the athletic conference. Although Albany has the smallest equalized valuation per member, a statistic supporting the Board argument, five of the other districts in the conference have equalized evaluations per member within 12 percent of the Albany figure. Furthermore, the arbitrator finds that the effort put forth by the Board as measured by the levy rate and the cost per member shown also on Union Exhibit 10, does not warrant the special consideration argued for by the Board. Albany ranks eighth of the nine schools in the athletic conference both in cost per member and levy rate. The arbitrator interprets these statistics to mean that the Board is taxing itself less heavily than most of its neighbors to support its schools and is supporting its schools at a lower level than most of its neighbors.

In the Board brief (p. 18) it is noted that the newly calculated '85-'86 levy after tax credits will be 12.38 mils. Although this is a substantial increase above the levy shown in Association Exhibit 10, the '85-'86 levies for the other districts in the conference are not presented. Therefore, the arbitrator does not know whether the new Albany levy is out of line with the other levies for '85-'86.

Turning next to the question of whether the three settled contiguous schools (Darlington, Mt. Horeb, and Oregon) are comparable to Albany, the arbitrator finds that they are not. As the Board points out (Board Brief, p. 7), these three schools range from almost twice as large to over five times as large as Albany. The arbitrator therefore rejects these districts on size grounds.<sup>1</sup>

Both the Association and the Board accept as comparables the districts in the State Line Athletic Conference. Unfortunately, only three of the nine districts had settled. These districts were Barneveld, Belleville, and Black Hawk. The Association noted that Barneveld had lagged behind the other schools in the conference and had been given little consideration by the parties in their negotiations (see Association Brief, p. 7). The Association argued also that Black Hawk does not provide a reliable yardstick because its structure differs from those of the other districts in the conference (see Association Brief, pp. 14-16).

The Association raised no questions about the comparability of Albany with Belleville and pointed out that, on the average benchmarks, the Association's final offer was \$172 and 1% higher than the Belleville settlement while the Board's final offer was \$220 and 1% less than the Belleville settlement. The association argued that the Belleville/Albany comparison "bears out the Association's contention that the Association's offer would at best accomplish a modest catch-up in increase and at worst maintain Albany's previous position" (Association Brief, p. 13).

The Board, on the other hand, argues that all three of the athletic conference settlements are relevant and points out that its offer to returning teachers averages an increase of \$1,595 or 8.4% in comparison to Barneveld's \$1,411 or 8.7%, Belleville's \$1,729 or 9.0%, and Black Hawk's \$1,425 or 7.2% (see Board Exhibit 92). On a dollar basis the Board offer exceeds two of the three other settlements; on a percent basis it exceeds only one of the three other settlements. The Association offer generates an average increase of \$1,793 or 9.4% for returning teachers which is greater on both a dollar and percent basis than any of the three athletic conference settlements.

The arbitrator rejects the Association argument that little consideration should be given to Barneveld or Black Hawk. The Association argument is a strong one in so far as a comparison of salary levels or schedules is concerned but does not seem applicable when comparing increases in salary for '85-'86. Both the Association and the Board defend their offers on the basis that they maintain Albany's position within the athletic conference. The arbitrator accepts that standard in this dispute as the measure for determining which offer is preferable.

The arbitrator believes, however, that the position of Albany should be measured by comparing the percent by which comparable districts have increased benchmark salaries and how these percent increases compare to those proposed by the Board and the Association rather than comparing average percent and dollar increases received by returning teachers. The cost figures on which average returning increases are calculated are difficult to verify. Furthermore, these costs are influenced by the position of teachers on the schedule. Although it may cost one district more or less than another to increase the benchmark salaries by the same percent, the relative ranking of these districts at the benchmarks has greater weight than the relative cost in the eyes of most viewers. Most of the data in this and other disputes that go to arbitration reflect the recognition that a district's standing in the conference at the benchmarks is the primary standard used in salary comparisons.

An example of how cost data may obscure the size of benchmark increases can be seen by reference to the New Glarus offer cited by the Board in its exhibits and briefs. According to Board Exhibit 93G, the New Glarus salary costs under the New Glarus Board offer of 12/15/85 are raised by 8.61% as compared to the 8.4% proposed by the Board and the 9.4% proposed by the

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<sup>1</sup> In passing, the arbitrator notes also that the settlements in Darlington and Oregon do not lend themselves easily to benchmark comparisons because of the Darlington split schedule and the Oregon flat increase of \$2000 at most benchmarks.

Association. Based on cost, the comparison of the Board and Association offers with the New Glarus offer favors the Board offer. If one compares the percent change in benchmarks, however, a different result is found. New Glarus raised its benchmarks by 7.63% (see Board Exhibit 93H and 212) compared to the Association offer raising the BA benchmarks by 7.7% and the Board offer raising them by 7.0%. (The picture at the other benchmarks is not so clear because of the adding of a lane. This question is considered separately.) If Albany is to maintain its position relative to New Glarus, its benchmarks should be increased by 7.7% rather than 7.0%.

At this point, the arbitrator wishes to note that under either offer, the ranking of Albany probably will not be changed materially. At the BA Min and seventh step, Albany will continue to lag behind Black Hawk and New Glarus under either offer and will continue to remain ahead of Barneveld. Under the Board offer, the district will rank slightly below Belleville at these two BA benchmarks while it would rank slightly ahead of Belleville under the Association offer.

The arbitrator compared the percent increases at the benchmarks of the Barneveld, Belleville, and Black Hawk settlements with the Board and Association offers. Black Hawk percents were lower than either the Board or Association offers at most benchmarks. Barneveld's percent increases at the benchmarks favored the Association offer at the BA level and the Board offer at the MA level. However, Barneveld will continue to rank well below Albany at most benchmarks under either the Board or Association offer. Belleville's percent increases at the benchmarks fell about midway between the Board and Association offers at most benchmarks. Because these comparisons were not determinative and because there had been only three settlements during the pendency of this dispute, the arbitrator turned for further guidance to statewide trends shown in various Board and Association Exhibits and constructed a table showing this information.

STATEWIDE PERCENT INCREASES AT BENCHMARKS

	Albany		Statewide	
	Assoc. <sup>1</sup>	Board	Assoc. <sup>1</sup>	Board <sup>2</sup>
BA MIN	7.7%	7.0%	7.4%	7.8%
BA 7th	7.7%	7.0%	7.3%	7.7%
BA MAX	7.7%	7.0%	6.7%	6.9%
MA MIN	9.2%	6.2%	7.7%	8.1%
MA 10th	9.2%	6.2%	7.6%	8.5%
MA MAX	9.2%	6.2%	6.9%	6.8%
Sched MAX	9.0%	6.1%	7.0%	6.9%

<sup>1</sup>Association Exhibit 12

<sup>2</sup>Board Exhibit 85E

The table shows that at the BA Min and seventh steps, the Association offer is closer to statewide trends than is the Board offer. At the BA Max, the Board offer is closer. At the other benchmarks, the same situation exists with the Association offer being closer to the statewide trends at the MA Min and tenth steps while the Board offer is closer at the MA Max and Schedule Max. Although it is a close decision, the arbitrator believes that the benchmarks at which the Association offer is closer are more important than those at which the Board offer is closer, and therefore finds that statewide trends support the choice of the Association offer. The arbitrator finds the BA Min and seventh step and MA Min and tenth step more important than the other two benchmarks in this dispute for two reasons. First of all, more teachers are closer to the benchmarks at which the Association offer is preferable. Second, the impact of the differing number of steps in various districts makes the comparisons at the maximums less reliable than at other points in the schedule.

One further test of the merits of the two offers involves the addition of another BA lane under the Association proposal. The arbitrator agrees with the Board contention that, in so far as the number of BA lanes is concerned, the Association addition of a lane is not supported by a comparison with the number of BA lanes in other districts in the conference. The arbitrator does not think that the number of lanes alone is determinative because there is also the size of the lane intervals. For example, although Monticello has six BA lanes,

the intervals total only \$1300 and the base at the highest BA lane is only 9.51% higher than the base at the BA lane. Black Hawk, which has only five BA lanes, the most prevalent number in the conference, has indexed lanes providing a total BA interval of \$1666 and an increase of 12% comparing the bases at the BA Min lane and the highest BA lane.

In order to test the Association and Board proposals against the pattern in the athletic conference, the arbitrator computed the average percent by which the bases of the highest BA lanes exceeded the average of the bases of the BA lane in 1984-85. The average base in the BA lane of the other eight districts was \$13,589, the average base in the highest BA lanes was \$14,990, and the average increase was 10.31%. The Albany increase was 9.16%, considerably below this average. Under the Board proposal for '85-'86, the increase would be 8.56% compared to 10.88% under the Association proposal. The arbitrator concluded therefore that the Association offer was preferable to the Board offer because it brought the value of further education at Albany closer to the athletic conference average than the Board proposal.

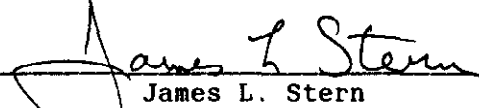
Based on his analysis of the two salary proposals, the arbitrator is prepared to select the Association offer. He believes that it will maintain salaries in the Albany district closer to the average of the athletic conference than will the Board offer. The arbitrator would have preferred to select a salary schedule with a \$16,650 base but was forced to choose between two final offers each of which was \$50 from that figure.

Finally, there is the question of the other criteria listed in the statute. The only other one argued by either party was the change in the cost of living. The arbitrator recognizes that the Board offer exceeds the increase in the consumer price index (CPI) in the past year by a substantial margin. Although the Board offer would be selected if the cost of living criterion were paramount, the arbitrator finds that changes in the CPI have not been regarded as crucial, either in those years when the CPI increases greatly outran wage increases or at present when the reverse is true. CPI changes work their way into teacher settlements in small communities gradually and with some lag time. The CPI changes are taken into account more directly by the wage setters in the large settlements in the public and private sector and then are reflected subsequently in other settlements that are influenced by the various pattern setters. Therefore, the conclusions of the arbitrator based on comparability are not affected by the fact that both offers exceed the CPI.

#### AWARD

After thorough consideration of the exhibits and arguments of the Board and the Association, the arbitrator finds that the Association offer conforms more closely to the statutory criteria than the Board offer and therefore selects the Association offer and orders that it be implemented.

5/27/86  
May 27, 1986

  
James L. Stern  
Mediator/Arbitrator