

MAY 21 1986

BEFORE FREDERICK P. KESSLERARBITRATORWISCONSIN EMPLOYMENT
RELATIONS COMMISSIONIN THE MATTER OF THE
ARBITRATION BETWEEN

THE PULASKI EDUCATION ASSOCIATION

and

THE PULASKI COMMUNITY SCHOOL DISTRICT

Case 12
No: 35643
MED/ARB 3488
Decision No. 23155-ADECISION

A. HEARING

The hearing in the above entitled Mediation/Arbitration proceeding was held on Tuesday, February 25, 1986. Prior to the actual hearing a public hearing was held commencing at 7:18 p.m. on that date. The attorney for the Board and the Director of the United Northeast Educators presented their respective positions. Seven citizens who were residents in Pulaski Community School District also testified. The hearing was completed at 8:20 P.M. At 8:25 P.M. mediation efforts were begun; they were unsuccessfully and, therefore, terminated at 10:00 P.M. The formal arbitration hearing was begun at 10:00 P.M. Exhibits were received in evidence from both parties and testimony was taken. The hearing concluded at 11:05 P.M. Post hearing briefs were received from the respective parties on March 28 and April 3, 1986.

B. APPEARANCES

Dennis Rader of the Law Firm of Mulcahy & Wherry appeared on behalf of the Pulaski School District (hereafter "District").

Appearing on behalf of the Pulaski Education Association (hereafter, "Association") was Ronald J. Bacon, Executive Director, United Northeast Educators. There were also present a number of members of the Association's bargaining committee.

C. NATURE OF THE PROCEEDINGS

This is a final and binding arbitration proceeding brought between the above parties under Section 111.70 (4)(cm) Wis. Stats., the Municipal Employment Relations Act. On September 13, 1985 the District and the Association filed a notice with the Wisconsin Employment Relations Commission indicating that an impasse existed between the parties in their collective bargaining. They requested that the Commission initiate Mediation/Arbitration proceedings. On August 22, 1985, Richard B. McLaughlin, a member of the staff of the Wisconsin Employment Relations Commission conducted a mediation session. On December 17, 1985 the parties submitted their final offers to Mr. McLaughlin, including a stipulation as to the matters that they agreed upon. Mr. McLaughlin then advised the Commission that the parties remained at impasse. On January 3, 1986 the parties were advised that the Mediation/Arbitration proceeding was initiated and the parties were advised that by the 13th of January they were to select a Mediator/Arbitrator from the list of five persons sent to them.

On January 13, 1986 this Arbitrator was notified by the Wisconsin Employment Relations Commission that he had been selected as the Mediator/Arbitrator in the dispute. A hearing was then scheduled for

February 25, 1986. As previously noted, at the time of the hearing further mediation efforts were made, but they were unsuccessful.

D. THE OFFERS

1. The Association's final offer dated October 23, 1985 provides:
 - a. That all tentative agreements of September 18, 1985 be incorporated in the contract
 - b. That the District's offer for longevity be included
 - c. That a salary schedule providing for a 9.43% pay increase (Association Exhibit #2) be adopted
 - d. That the extra-curricular pay provisions in Association Exhibit 2 be adopted
 - e. That all other items remain the same
2. The District final offer, as revised on November 1, 1985 provides:
 - a. That a 5% increase be adopted for Extra-curricular pay.
 - b. That a salary schedule providing for an 8.33% pay increase (District Exhibit #3F) be adopted

E. STIPULATIONS

The District and the Association entered into a series of stipulations found in Association Exhibit #4 which were to be incorporated into the 1985-86 Labor Agreement

F. STATUTORY CRITERIA

Section 111.70 (4)(cm) Wis. Stats. provide that an arbitrator must consider the the following:

111.70 (4)(cm) Factors Considered In making any decision under the arbitration procedure authorized by this subsection, the mediator/arbitrator shall give weight to the following factors:

- A. The lawful authority of the municipal employer
- B. The stipulations of the parties
- C. Interest and welfare of the public and the financial ability of the unit of government to meet the costs of the proposed settlement.
- D. Comparison of wages, hours and conditions of employment of municipal employees involved in arbitration proceedings with wages hours and conditions of employment of other employees per-

- G. Changes in any of the foregoing circumstances during the pendency of arbitration proceedings.
- H. Such other factors not confined to the foregoing which are normally and traditionally taken into consideration of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact finding, arbitration or otherwise between the parties in public service or in private employment.

G. ISSUES

There are only two issues in dispute between the District and the Association. First, should the salary schedule be increased in each cell by 6.6% per cell, as in the District final offer, or shall the base salary be increased by \$935 as in the Association's final offer? Second, shall the extra-curricular, extra-duty compensation be increased by 5% as in the District's final offer, or shall it be increased at a flat rate varying from position to position as proposed in the Association's final offer?

H. ASSOCIATION'S POSITION

The Association proposes that the Arbitrator rely on the Bay Athletic Conference for determining comparable wages for similar public employees. The other School Districts in the Conference are: DePere, New London, West DePere, Marinette, Howard-Suamico, Ashwaubenon, Shawano, Clintonville, and Seymour.

The District offered private sector wage increase data at the hearing. The Association challenges the applicability of that wage data. The Association urges that the data be regarded because it shows only wage adjustments in private sector Pulaski area employment but it is being compared with total package costs for the teachers. Consequently, it erroneously implies lesser increases than may actually have been earned in the private sector. The private sector wage data does not provide any information in terms of cost of living increases paid. The Association also urges the Arbitrator to disregard any private sector wage settlement with employers whose employees are not represented by a union. Finally, the Association argues that the private employer data should be disregarded because there is no evidence that the private employees performed similar services to those performed by Association Members, or had similar educational requirements for their jobs, or have historically been used for comparison purposes in this area.

The District points out that it's proposed 6.6% per cell adjustment perpetuates a wage schedule which currently gives greater wage increases to teachers first entering the system, to teachers at the maximum level with an M.A. and to teachers at the schedules maximum. The Association's offer gives the greatest wage increase to individuals in the Bachelor lane, of whom there are 45 on the teaching staff. The Association justifies this difference on a "catch-up" theory. At the B.A. base level, the District offer would result in the District ranking 10th out of the 10 schools in the Bay Conference. At the B.A. maximum level, the District offer would result in the District ranking either 9th or 10th out of the same 10 schools. (The exact rank for this District would depend on the results in the Clintonville arbitration award.) According to the Association, the District's offer would maintain the salary schedule for Pulaski at the bottom of the comparable districts.

The Association contends that it's final offer would not result in teachers at the B.A. base and B.A. maximum being placed in either a leading or even an average position in the Bay Conference. The B.A. minimum would still result in the District ranking of 10th out of 10 districts. The B.A. maximum level would rank no better than 9th and perhaps 10th depending on the outcome in the Clintonville District

Arbitration. The Association argues that they are making a very reasonable effort to catch-up that is not disproportionate in the B.A. lanes. They contend that their proposal attempts to address the wage inequity at that part of the schedule where the inequity is most severe.

The Association contends that longevity payments currently being paid to Pulaski teachers are inadequate to off-set the overall low salary level in the District. For individuals in the B.A. lane longevity payment is \$100 per year to a maximum of \$400; \$100 per year, to a maximum of \$700 is paid to teachers in the M.A. lane. The Association points out that other schools in the District such as Howard-Suamico, Ashwaubenon, DePere and West DePere have longevity pay without a ceiling. The Association discounts the suggestion that Pulaski teachers reach the maximum level much sooner because in the B.A. lane Pulaski teachers have been consistently underpaid. The District's final offer would result in lower than average salary for Pulaski teachers for identical years of seniority compared to other schools in the Conference. This disparity is even more pronounced when observing that all the comparable contracts grant more step pay increments than Pulaski. The Association agrees that it could have proposed addition of more salary steps to the B.A. lanes, but chose not to do so because it understands arbitration decisions to hold against restructuring or adding of steps to a salary schedule in Mediation/Arbitration proceedings. That addition, the Association observes, has often been held to be more appropriate to the bargaining table.

The extra-curricular pay proposal dispute, the Association observes is really a dispute about \$7,423. The Association's proposal would cost \$8,394, while the District's proposal would cost \$971. The District's proposal would result in Pulaski School's remaining at a comparatively low level compared to other schools within the Bay Conference.

The Association challenges the validity of the District's Cost of Living data. They believe the District used an inappropriate base year. The proper years to be used were the 1978-79 Consumer Price Index as compared to the 1985-86 Consumer Price Index. The use of the correct data would result in a cost of living percentage increase of 62.2%, which is almost identical to the increase of wages in the labor agreements that had been negotiated over those years. The Board's 50.6% C.P.I. figure does not reflect the proper base year. They point out that in catch-up situations such as this however, the cost of increases in salaries are bound to exceed the cost of living index.

The Association also points out that the total compensation paid by the District will decrease even under the Association offer. More than seven fewer full-time teachers will be employed in the District for the 1985-86 school year. This will result in a decrease in cost to the District which is not reflected in either the District's or the Association's final offers.

The Association urges that the Arbitrator disregard the percentage figure in the wage increases in DePere, and in West DePere. Instead they urge the Arbitrator to look at the dollar figures of \$2,046 wage increase in DePere, and the \$2,083 wage increase in West DePere. This increase compares more favorably to the Association's proposed \$2,000 increase rather than the District's \$1,765 increase. In districts in which a catch-up wage is necessary, a dollar amount rather than a percentage amount should be utilized by the Arbitrator.

Finally, the Association addresses the issue of the welfare of the public and the ability of the District to pay. The Pulaski School District's levy rate of \$10.44 places it sixth out of all the school districts in the Bay Conference. There will be an actual 5% decrease in the levy rate as a result of an increase in state school aids. There will also be fewer teachers due to retirements, thereby further reducing overall costs. Applicability of exhibits relating to the decline in farm income and the declining economic conditions in rural agricultural communities is disputed because Pulaski has a considerable non-agricultural economic base and is actually a suburb for Green Bay.

The Association concludes its offer is most reasonable, it addresses the disparities in the salary schedule, and it will result in a modest

catch-up for the teachers in the lower B.A. levels. They urge that the Association's offer be incorporated into the final contract.

I. THE DISTRICT'S POSITION

The District, in its brief, contends that its final offer provides teachers with monetary incentives for going back to school to obtain additional education. They describe their salary schedule as an "incentive" structure. A teacher who has a B.A. and no continuing education, will be at the maximum of the salary schedule in eight years. That same teacher, who takes fifteen credits of post B.A. work, would be at the maximum salary schedule in eleven years. If that teacher then were to obtain a Master's Degree, he or she would reach the maximum salary in fifteen years. This provides an incentive for teachers to continue to learn and to improve their skills. The District shows that the dollar amount in their offer is greater for those at the B.A. minimum, at the M.A. maximum, and those who have reached the maximum in the salary schedule. The District indicates that it is not pleased that 27% of its teachers do not have any post Bachelor Degree credits. The District argues it has followed a policy of encouraging the post B.A. educational efforts by teachers, and thus the high percentage of teachers in the B.A. lane is not due to any fault of the District.

The District contends that its final offer maintains the teachers at their historical rank within the Bay Conference. That Pulaski ranks in last or next to last place of the settled contracts for all but the B.A. minimum salary under the District offer is undisputed. The Association's offer for the B.A. minimum salary would lower the ranking of Pulaski to last place, according to the District. Under its offer, only at the M.A. minimum would the District lose rank within the Conference. This is insignificant however, because no teachers are located at that benchmark; Pulaski has no M.A. minimum teachers. The District argues that its offer provides equal or higher salaries than the Association at four of the significant benchmarks.

The District asserts that its offer is the more reasonable when compared with the wage increases received by other District employees. The School Bus Drivers received a 2.5% increase, the Custodians a 3.6% increase, Administrative Secretaries a 6% increase, Clerical Workers an 8.5% increase, School Aids an 8.55% increase, Cooks a 3.5% increase, and Administrators a 6.25% increase. The District compares this with its offer of an 8.33% increase and the Association's offer of a 9.4% increase. The District also points to the wage settlement in the Village of Pulaski in which the Pulaski Police Department employees received a 6% increase, and the Department of Public Works awarded a 6.3% increase.

The District indicates that the employees of six local companies received an average of 4.73% in wage increases, all lower than both the Association's offer or the District's offer. The Association's position as to this data has been previously discussed.

The District points out that its final offer is closer to the average of the teacher settlements in the Bay Conference than the Association's offer. They contend that their wage figure is an offer of 8.33%. This is more generous than the average settlement of 8.25% for

only District in the Bay Conference with no urban area residence characteristic under the U.S. Census Bureau's definitions. Pulaski has the highest percent of persons employed in agricultural work in what they regard as the five primary comparable districts. There has been a decline in tax revenues, an increase in personal and business bankruptcy, and severe cash flow and debt problems in districts such as Pulaski.

The District believes its final salary offer provides an equitable increase to teachers while recognizing the economic circumstances faced by the tax payers of the District. The teachers in Pulaski have had wage increases that have exceeded the inflation rate between 1978-79 and 1985-86. They contend that the Consumer Price Index has increased 50.6% during that period while wages have increased between 71% and 78% for the teachers. They urge the Arbitrator to accept their offer as part of the contract for 1985-86.

K. DETERMINATION OF COMPARABLES

It is well established that schools in the same Athletic Conference are among the comparables that should be considered by Arbitrators. In this case, the Bay Athletic Conference includes the Ashwaubenon, Clintonville, DePere, Howard-Suamico, Marinette, New London, Pulaski, Seymour, Shawano, and West DePere School Districts.

Both parties in this arbitration seek to persuade the Arbitrator to regard some of the Districts as "primary" comparables and others as "secondary" comparables. The District is urging that Pulaski, Shawano, Seymour, New London and Clintonville be treated as "primary" comparables. They argue that Ashwaubenon, DePere, Marinette, New London and West DePere are distinguishable from Pulaski either because of geography or because of their suburban character resulting from their closeness to, and influence by, the Green Bay School District. In his Decision of April 14, 1983 In the matter of the Arbitration between Pulaski Education Association and the Pulaski Community School District, Case VI, Number 29809 MED/ARB 1695, Arbitrator Frank Zeidler said:

"A review of the maps of the Districts in the areas shows indeed that Pulaski and Seymour are in a second concentric ring of school districts influenced by the Green Bay District. However, as to district size, based on pupil membership, Pulaski is more nearly akin to Howard-Suamico and Ashwaubenon, and it is a bigger district than the Seymour District. In valuation it is not the poorest and ranks fourth among the districts in that respect. Also worthy of noting is that in the Bay Athletic Conference Shawano, Clintonville, and Marinette are some considerable distance from Green Bay. Thus Pulaski is a District with an urban influence extending through a rural and small town district. Since both parties have elected to consider the Athletic Conference grouping as worthy for use in the comparison and since no compelling data compels another judgment, those ten schools will be used here as the school districts of primary comparison and the Seymour District might be considered for a kind of secondary comparison."

In this proceeding the Bay Athletic Conference School Districts will be utilized for comparable schools. No distinction will be made between communities that are of "primary" comparability and those of "secondary" comparability.

L. DISCUSSION

1. Wages

First, one must examine the salaries paid in the comparable School Districts in the Bay Conference. It is necessary to determine the status

of the recognized benchmarks established and utilized by arbitrators throughout the State in the past in determining the pattern of wages. Those benchmarks are the B.A. minimum level, the B.A. with 7 years of experience, the B.A. maximum level, the M.A. minimum level, the M.A. with 10 years of experience, and the M.A. at the maximum level. The schedule maximum salary allowed under the level will also be considered. Clintonville and Seymour will be excluded from consideration because the two Districts have not settled their contracts with teachers. The impact the offers would have on the relative rank of Pulaski within the benchmark levels is also a factor to be weighted. Rankings within the Bay Conference, as limited, provides the following information:

B.A. Minimum

	<u>Salary</u>	<u>Rank</u>
Ashwaubenon	17,745	1
DePere	16,055	4
Howard-Suamico	16,105	3
Marinette	15,975	7
New London	16,193	2
Shawano	16,036	6
West DePere	<u>16,055</u>	4
Average	16,309	
District Offer	16,021	7
Association Offer	15,963	8

B.A. - 7 Years

	<u>Salary</u>	<u>Rank</u>
Ashwaubenon	22,646	1
DePere	20,486	4
Howard-Suamico	21,291	2
Marinette	19,809	6
New London	19,335	7
Shawano	20,918	3
West DePere	<u>20,380</u>	5
Average	20,695	
District Offer	19,675	7
Association Offer	20,013	6

B.A. Maximum

	<u>Salary</u>	<u>Rank</u>
Ashwaubenon	22,646	7
DePere	24,917	4
Howard-Suamico	24,995	2
Marinette	24,921	3
New London	24,493	5
Shawano	24,150	6
West DePere	<u>25,043</u>	1
Average	24,452	
District Offer	20,342	8
Association Offer	20,688	8

M.A. Minimum

	<u>Salary</u>	<u>Rank</u>
Ashwaubenon	19,266	1
DePere	17,982	3
Howard-Suamico	17,361	6
Marinette	18,211	2
New London	17,485	5
Shawano	17,334	7
West DePere	<u>17,901</u>	4
Average	17,934	
District Offer	17,293	8
Association Offer	17,363	7

M.A. - 10 Years

	<u>Salary</u>	<u>Rank</u>
Ashwaubenon	29,406	1
DePere	26,507	3
Howard-Suamico	26,863	2
Marinette	24,768	6
New London	24,887	5
Shawano	24,246	7
West DePere	<u>26,484</u>	4
Average	26,166	
District Offer	24,113	8
Association Offer	24,113	8

M.A. Maximum

	<u>Salary</u>	<u>Rank</u>
Ashwaubenon	32,448	1
DePere	29,349	3
Howard-Suamico	28,764	5
Marinette	24,921	7
New London	29,414	4
Shawano	27,164	6
West DePere	<u>29,538</u>	2
Average	28,800	
District Offer	28,098	6
Association Offer	27,863	6

Schedule Maximum

	<u>Salary</u>	<u>Rank</u>
Ashwaubenon	35,828	1
DePere	33,266	2
Howard-Suamico	31,211	5
Marinette	30,902	6
New London	31,490	4
Shawano	27,741	7
West DePere	<u>32,444</u>	3
Average	31,840	
District Offer	28,815	7
Association Offer	28,563	7

The Pulaski District ranks near the bottom in most salary levels. With either final offer, it would still remain close to the bottom. Even at those areas which involve post B.A. and post M.A. education, the District's offer remains at the lower level of the Conference. This lowest ranking under almost all circumstances seems consistent with the District's professed policy of encouraging further education of its teachers. The teachers are not rewarded as generously as in other comparable municipalities for post degree training. Indeed, a Pulaski M.A. teacher, under the District's offer, will earn less at entry and after 10 years, than any other Conference city, and will, after maximum extra education, earn only \$934 more than the lowest paid identical Conference teacher, while earning \$4,350 less than the highest city.

The pattern of settlements in the Bay Conference have been as follows:

1985-86 Settlements

	<u>Wages Only</u>	<u>Total Compensation</u>
Ashwaubenon	7.63%	8.32%
DePere	7.86%	8.39%
Howard-Suamico	8.32%	8.50%
Marinette	8.52%	7.70%
New London	8.38%	8.53%
Shawano	8.66%	8.10%
West DePere	<u>8.37%</u>	<u>8.39%</u>
Average	8.25%	8.28%
District Offer	8.30%	8.69%
Association Offer	9.40%	9.92%

It appears that these settlements are closer by percentage to that proposed by the District than the offer proposed by the Association. The reason for the higher percentage proposal by the Association is because the District's existing salary schedule is in a lower position, or at the bottom, in almost all of the recognized benchmarks. It was at the lower level in 1984-85, and will continue to remain there in 1985-86 regardless of which final offer is incorporated in the Labor Agreement. This is a District in an almost classic "catch-up" position.

The discussion must now turn to whether there are any reasons why the proposed "catch-up" should not be allowed. Among the reasons recognized by many Arbitrators for denying a deserved wage increase at this time is the very precarious economic position of many farmers and the effect that this has in communities that are dominated by agriculture. This economic dilemma has been noted by Arbitrator Byron Yaffe in New Holstein School District Decision Number 22898-A and by Arbitrator Zel Rice in Cadott Community School District (March 7, 1986).

The District presents evidence indicating that there are substantial economic difficulties in farm communities throughout all the counties that are part of the Pulaski District. This fact is not disputed. 17.9% of the residents in the Pulaski School District are farmers or farm families; 81.9% of the District residents are non-farm. The only other School Districts with as high a percentage of farm residents are Clintonville and Seymour. The District concludes, therefore, that the public interest is served by treating Pulaski as a struggling agricultural community which would have difficulty in meeting the Association's proposed increase.

There is no question that the Pulaski District has a substantial farm population, but it is not exclusively an agricultural community. It is also a Green Bay suburb with residents who work in, and commute to, Green Bay. The schools located in the Village of Pulaski are only 15 miles from the western border of the City of Green Bay. The eastern boundary of the District is approximately 6 miles from Green Bay. It would be unfair to treat a suburban area with economic ties to a large city in the same manner as a farm community just because it has substantial farmland and farm families. In these times of agricultural

depression, the truly rural, farm-dominated, communities deserve some unique economic consideration; but that same consideration need not be extended to suburbia or to exurbia.

I find that Pulaski is more like Ashwaubenon, DePere, or West DePere, than it is like Seymour, Clintonville, and New London. It does not merit being given the special economic consideration that predominately agriculturally based communities are being granted by Arbitrators at this time. It therefore appears that the offer of the Association in this aspect more closely reflects the statutory standards that the Arbitrator must consider as to the wage proposal.

2. Extra-curricular

It appears to this Arbitrator that the issue of extra-curricular pay is of lesser significance to both parties in the Mediation/Arbitration. The City has made an offer of a 5% wage increase. The Union has asked for a new schedule of extra-curricular wages varying from position to position, but which in aggregate would result in a more than 18% increase. These requests must be measured against the comparable School Districts previously selected in the Bay Conference.

The Pulaski District is paying extra-curricular compensation at a rate far below the average of other schools in the Conference for many positions such as Debate Coach, Band Director and School Annual Advisor. It is reasonably competitive for the Athletic Coaches, but still below average. The 18% increase however, is not justified considering all the positions to be covered.

The position of by the District is more closely related to the statutory standards which the Arbitrator must consider. As to this portion of the dispute, the extra-curricular compensation package proposal of the District is more appropriate.

3. Conclusion

The matter of base wages is the far more significant issue in dispute. Consequently, the offer which is more appropriate in that respect will be accepted in lieu of the offer which is more appropriate as to the less significant issue of extra-curricular compensation.

M. AWARD

The 1985 agreement between the Pulaski Community School District and the Pulaski Education Association will include the final offer of the Association as set forth and explained herein.

Dated this 19th day of May, 1986.

Frederick P. Kessler
Frederick P. Kessler
Mediator/Arbitrator