

OCT 17 1986

BEFORE FREDERICK P. KESSLER  
ARBITRATORWISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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DECISIONIN THE MEDIATION/ARBITRATION  
BETWEEN THE

WAUTOMA AREA SCHOOL DISTRICT

and

WAUTOMA EDUCATION ASSOCIATION

Case 41, No. 35809  
MED/ARB-3551  
Decision No. 23264-A

## I. HEARING

On May 13, 1986, a hearing was held in the above matter at the School District administrative offices in the City of Wautoma, Wisconsin. This hearing took place following the conclusion of an unsuccessful mediation attempt and a public hearing on May 5, 1986. Briefs from both parties were submitted to the Arbitrator according to a briefing schedule set at the conclusion of the evidence.

## II. APPEARANCES

David W. Hanneman, Executive Director of the Central Wisconsin UniServ Council-South, appeared on behalf of the Wautoma Education Association (hereinafter the "Association"). Also present on behalf of the Association at the hearing were David Vignali, President of the Association and its Chief Negotiator, and Fred Gellerup, a member of the bargaining committee. At the earlier mediation session, Patsy Tomplum, Dennis Wedde, Sheryi Flyte, George Weir III, and Kurt Nelson were also present.

At the hearing, William G. Bracken, Director of Employee Relations for the Wisconsin Association of School Boards, Inc., represented the Wautoma School District (hereinafter the "District"). He was accompanied by Thomas Yager, the District Administrator. At the earlier mediation session, Martin Marks, Gary Schindler, Joyce Grenier, Betty Eannelli, School Board Members; and Ken Going, School Board President, were also present.

## III. NATURE OF THE PROCEEDINGS

This is a final and binding arbitration proceeding brought between the parties under Section 111.70(4)(cm), Wis.Stats., the Municipal Employment Relations Act.

On October 14, 1985, the Association filed a petition with the Wisconsin Employment Relations Commission indicating that an impasse had been reached in its collective bargaining. The Association sought to initiate a statutory Mediation/Arbitration proceeding.

On January 28, 1986, Sharon A. Gallagher, a member of the Commission's staff, attempted to mediate the dispute. She certified that the parties were deadlocked in negotiations.

On February 17, 1986, the Wisconsin Employment Relations Board notified this Arbitrator that he had been selected by the parties to act as the Mediator/Arbitrator in the dispute.

On February 25, 1986, a mediation session was scheduled for May 5, 1986 at 7:00 PM, at the Wautoma High School. On March 4, 1986, a petition signed by the requisite number of electors was received by

the Arbitrator requesting a public hearing on the offers. That hearing was scheduled to occur immediately prior to the mediation session.

Although in excess of one hundred persons were present at the public hearing, only two persons spoke -- a representative of the Association and a representative of the District. After the public hearing, the representatives of the parties adjourned to a classroom and additional efforts were made to mediate this dispute. Mediation, however, was not successful.

On May 13, 1986, a hearing was held at the Administrative Offices for the District. Evidence was presented by stipulation of the parties, and a briefing schedule was established. By letter dated June 24, 1986, a brief on behalf of the Association was received. The brief of the District, also dated June 24, 1986, was received by the Arbitrator. No reply briefs were requested or submitted.

#### IV. FINAL OFFERS

##### A. The District's Final Offer

The District's final offer reads as follows:

WAUTOMA SCHOOL BOARD FINAL OFFER					
Step	BA	BA+12	BA+24	MA/MS BA+30	MA+12
1	\$15,200	\$15,702	\$16,220	\$16,488	\$17,032
1-1/2	15,504	16,016	16,544	16,818	17,373
2	15,808	16,330	16,868	17,148	17,713
2-1/2	16,112	16,644	17,192	17,478	18,053
3	16,416	16,958	17,516	17,808	18,394
3-1/2	16,720	17,272	17,840	18,138	18,735
4	17,024	17,586	18,164	18,468	19,075
4-1/2	17,328	17,800	18,490	18,798	19,415
5	17,632	18,214	18,812	19,128	19,756
5-1/2	17,936	18,528	19,136	19,458	20,097
6	18,240	18,842	19,460	19,788	20,437
6-1/2	18,544	19,154	19,784	20,118	20,777
7	18,484	19,470	20,108	20,448	21,118
7-1/2	19,152	19,784	20,432	20,778	21,459
8	19,456	20,098	20,756	21,108	21,799
8-1/2	19,760	20,412	21,080	21,438	22,139
9	20,064	20,726	21,404	21,768	22,480
9-1/2	20,368	21,040	21,728	22,098	22,821
10	20,672	21,352	22,040	22,410	23,161

B. The Association's Final Offer

The Association's final offer is as follows:

ASSOCIATION'S FINAL OFFER

<u>Step</u>	<u>BA</u>	<u>BA+12</u>	<u>BA+24</u>	<u>MA BA+30</u>	<u>MA+12 BA+42</u>
15.0				\$26,199	\$27,061
14.5				25,863	26,714
14.0			\$25,112	25,527	26,367
13.5			24,782	25,191	26,020
13.0			24,451	24,855	25,673
12.5			24,121	24,519	25,326
12.0	\$22,289	\$23,031	23,790	24,183	24,979
11.5	21,980	22,711	23,460	23,847	24,632
11.0	21,670	22,391	23,129	23,511	24,285
10.5	21,361	22,071	22,799	23,175	23,938
10.0	21,051	21,751	22,648	22,839	23,591
9.5	20,742	21,431	22,138	22,503	23,244
9.0	20,432	21,111	21,807	22,167	22,897
8.5	20,123	20,791	21,477	21,831	22,550
8.0	19,813	20,471	21,146	21,495	22,203
7.5	19,504	20,151	20,816	21,159	21,856
7.0	19,194	19,831	20,485	20,823	21,509
6.5	18,885	19,511	20,155	20,487	21,162
6.0	18,575	19,191	19,824	20,151	20,815
5.5	18,266	18,871	19,494	19,815	20,468
5.0	17,956	18,551	19,163	19,479	20,121
4.5	17,647	18,231	18,833	19,143	19,774
4.0	17,337	17,911	18,502	18,807	19,427
3.5	17,028	17,591	18,172	18,471	19,080
3.0	16,718	17,271	17,841	18,135	18,733
2.5	16,409	16,951	17,511	17,799	18,386
2.0	16,099	16,631	17,180	17,463	18,039
1.5	15,790	16,311	16,850	17,127	17,692
1.0	15,480	15,991	16,519	16,791	17,345

V. STATUTORY CRITERIA

Section 111.70(4)(cm), Wis.Stats., requires that an Arbitrator consider the following factors when deciding a Mediation/Arbitration dispute:

111.70(4)(cm)(7) Factors Considered In making any decision under the Arbitration procedures authorized by this subsection, the Mediator-Arbitrator shall give weight to the following factors:

(a) The lawful authority of the municipal employer.

(b) Stipulations of parties.

(c) Interest and welfare of the public and the financial ability of the unit of government to meet the costs proposed in the settlement.

(d) Comparison of wages, hours, conditions of employment of municipal employees involved in Arbitration proceedings with wages, hours, conditions of employment of other employees performing similar services and with employees generally in the public service in the same community and in comparable communities.

(e) The average consumer price for goods and services commonly known as the cost of living.

(f) The overall compensation presently received by municipal employees, including direct wages, vacation, holidays and excused time, insurance, pensions, medical, hospitalization benefits, and the continuity and stability of employment and all other benefits received.

(g) Changes in any of the foregoing circumstances during the pendency of the Arbitration proceedings.

(h) Such other factors, not confined to the foregoing, which are normally and traditionally taken into consideration and the determination of wages, hours, and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration, or otherwise between the parties in the public service or in private employment.

## VI. ISSUES

The major area of dispute in this proceeding is which salary schedule more closely meets the statutory criteria. A second, and related, issue is whether the salary in the MA degree-plus-twelve-credit lane should also be the salary for those teachers with a BA degree and 42 credits. The salary schedule presently in force in the District only applies to those with an MA degree who have 12 graduate credits.

## VII. POSITION OF THE DISTRICT

This District in its final offer is proposing a BA base of \$15,200; the Association proposes \$15,480 for a BA base. The percentage increase is also different in each final offer. The District points out that the structure of the salary schedules in the two proposals are identical except that the Association treats a teacher with a BA and 42 credits identical to the teacher with an MA and 12 credits.

The District argues that the economic climate in rural communities such as Wautoma is not currently conducive for granting salary increases of the magnitude that is being proposed by the Association. They suggest that the Board's offer is more than generous and far in excess of the inflation rate. They argue that the 8.6% wage increase offer that the District makes is more than adequate at a time inflation is only 3.8% per year.

the fourth highest among the comparable schools. Eighty percent of the District property is classified as rural.

The District points out that Wautoma's gross income per capita is 18% below the second lowest ranked county that has school districts in the Conference, and 38% below the county with the highest per capita income. It has the highest percentage of families below the poverty line of any District in the Athletic Conference. The Wautoma District also has the highest percentage of low income households and the lowest percentage of high income households of all the districts in the Conference. The District concludes that Wautoma lacks the financial resources available to the other schools in the Athletic Conference.

The District strongly urges that the Arbitrator only consider the East Central Athletic Conference schools as the comparable districts under the statutory criteria. The District points out that in 1984-85, Arbitrator Frank Zeidler, in his decision involving the contract of the Wautoma School District, held that the East Central Athletic Conference schools were the appropriate schools for considering comparability. Arbitrator Zeidler's decision the District claims, settled the issue of comparability; it would be inappropriate to have this question subject to repeated redetermination by every arbitrator called upon to evaluate final offers. The District argues that once an issue such as this has been decided by an arbitrator, other arbitrators should not attempt to again decide the issue absent a significant change in circumstances. The District notes that Arbitrator Byron Yaffee, in the dispute involving the Berlin Area School District, Decision No. 22248-A (1985), held that the East Central Athletic Conference was the appropriate group.

It argues against the inclusion of contiguous school districts, state-wide averages, and other schools in Cooperative Educational Service Agency #5's boundaries in the comparison of wages, salaries and benefits. The District contends that the Association has failed to show any compelling reasons for expanding the list of comparable schools. The Athletic Conference schools are based upon recognized, traditional factors that include similarity in the number of pupils, the number of teachers, the pupil/teacher ratio, the expenditures per pupil, the equalized valuation per pupil, the total tax levy per pupil, and the total levy rate for the districts. The District points out that many of the Association's proposed list of comparable districts include non-traditional salary schedules that are not easily compared with the type of salary schedule that has been incorporated in the Wautoma District. Examples are disclosed where steps in the schedules have been deleted, but not renumbered, thus making comparison to numbered steps in other districts meaningless. The District argues that the only benchmarks which can validly serve as comparable steps in such unnumbered step schedules are the BA and MA base.

The District does acknowledge that only two schools, Hortonville and Little Chute, have settled their contracts for 1985-86 in the East Central Athletic Conference. If the Arbitrator feels that two schools are an insufficient number for meaningful comparison, the District argues that the Arbitrator should not expand the pool of comparables, but rather should consider some of the other statutory criteria as more significant. In the School District of Valders, Case No. 19804-A (1983), Arbitrator William Petrie used private sector data to evaluate comparability criteria when confronted with an athletic conference that did not have a single settled contract in its membership.

The District opposes the Association's proposal to change the eligibility for the salary in the MA plus 12 credits lane to include those teachers with a BA-plus-42-credits. This is a change in the structure of the salary schedule, which the District argues should be negotiated and not imposed by arbitration. A final offer which substantially alters the existing status should not be accepted unless an extremely persuasive case can be made to show the need for that change. The District contends that the Association has failed to show

any need for this change, and that the Association's proposal is unsound as a matter of policy. The District believes only a teacher with a master's degree should be able to reach the highest salary on the schedule. Graduate credits are more substantial and should not be equated with undergraduate credits. The Association's proposal dilutes the underlying, philosophical integrity of the incentive credit system by rewarding undergraduate level courses in the same manner as graduate level after a certain amount of teacher longevity has been obtained. These may well be the teachers most in need of expanding their intellectual horizons through graduate level training. No conference districts combine undergraduate and graduate lanes in the MA or post-MA lanes.

The District also argues that Wisconsin's economy weighs against the Association's more costly final offer. The State is lagging behind the nation in economic recovery. Wisconsin faces a budget deficit, its economy has grown at a slower growth rate than the nation, and it has suffered a substantial loss of high paying manufacturing jobs. Further, the farm economy is in dire straits. Wisconsin has had a decline in per capita personal income, moving it to a national rank of 22nd, while at the same time it ranks sixth from the highest in per capita state taxes in the nation. Wisconsin has an unemployment rate at 8%. Farm land value has declined by 19% in the last year, and is 30% below the 1981 values. Farm income has declined between twenty-five and fifty percent, due to the decreased price of milk. Farm prices as a whole have dropped 13% below the level of a year ago. Farm bankruptcies continue to increase and farm foreclosures have tripled in the past five years. Predictions are that between 2,000 and 7,000 of the State's farmers will have to liquidate their operations in the next several years. There has been an 8% drop from last year in bean prices, a crop which is significant in Waushara County.

The District urges this Arbitrator to weigh the interest and welfare of the public heavily. The public's ability to pay has declined precipitously because of the drop in farm income. This is a rural district and the declining rural economy must be considered. Wautoma's salaries compare favorably to other schools in the Conference, particularly when the local economic conditions are considered. In the District's view, the inability of the public to pay is at least as significant as any comparable districts which might be considered.

The District contends private-sector settlements should be given great weight by this Arbitrator. In 1986, the average wage increase that 2,500 American companies are offering their employees was 6%. The average pay for private-sector workers in 1984 was \$18,350. There is a pattern of income decline for U.S. families. Consequently, the District argues, merely a modest salary increase for teachers is warranted in view of the current economic situation both in Wautoma, Wisconsin and in the nation.

Settlements made internally with the District ranged from 4.3% to 6.5% for its other employees. The District's offer to teachers of 8.6% exceeds by a substantial amount what other employees obtained. The cost of living increased by only 3.8% in the past year, yet teachers have had their wages increase at a rate substantially in excess of the cost of living. Had the District proposed a final offer with no increases, it still might have been more comparable to the cost of living criteria than what the Association seeks.

The District concludes that its final offer best meets the statutory criteria by striking the appropriate balance between interest of the public and the interest of the teachers.

#### VIII. THE POSITION OF THE ASSOCIATION

The Association contends that its offer best serves the public interest and that the District has the financial ability to meet that offer.

The public interest is best served by the District being able to attract and retain high quality teachers. This goal is best served by adopting the offer that pays a higher rate both at entry level and the most senior level. The Association's offer rewards career teachers, those at senior levels, more effectively than the Board's final offer, and, consequently, better serves the public interest as the Association perceives it.

For purposes of determining comparability, the Association also says that the Athletic Conference should be a major group that is used. Frank Zeidler, in his Wautoma Decision (1984-85), indicated that region-wide comparisons also have a value, as do state-wide comparisons. Schools outside of the Athletic Conference should be considered, because, at the present time, there are only two contracts that have been negotiated in the East Central Athletic Conference.

Only the Little Chute District contract was bargained at the same time, under similar economic circumstances, as this Arbitrator is being asked to consider in Wautoma. Hortonville is in the second year of a two-year agreement for 1984-86. This contract was bargained at a different time, under dissimilar economic circumstances. Consequently, the Association believes it may not be as valid as comparable districts which could be found elsewhere.

The Association argues when Wautoma is compared with other schools in the Athletic Conference, it ranks toward the bottom on all of the generally recognized benchmarks. The relative ranking is a factor that should be considered by the Arbitrator. Therefore, this is a classic "catch-up" district.

The Association points to the proposed final offers of both of the parties in all the comparable school districts. If the School Districts were to win in Arbitration in every district not yet having a contract, except Wautoma, Wautoma would still rank towards the bottom of the eight comparable schools in the Conference. The only exception to this ranking would be in regards to the MA minimum, where Wautoma would rank third out of eight districts.

The Association urges considering schools from Cooperative Educational Service Agency #5 because of the few settlements in the East Central Athletic Conference. Schools in CESA #5 are generally within 40 miles of the Wautoma District. Some of them are contiguous or abut the Wautoma District. When other comparables are unavailable, it might be necessary to look to such secondary data.

Wautoma is one of the more wealthy School Districts in the East Central Conference. It taxes its residents at a lower rate than it should in order to provide quality education. There is more wealth per student in property valuation than in most of the comparable district.

The Association strongly disputes evidence that agriculture's decline is adversely affecting the Wautoma economy to the degree it is elsewhere. The impact of the decline in the farm economy on Wautoma is not as severe in Waushara County because of the nature of the commodities grown there. In the Wautoma District, only 7.5% of the total population are farmers; this is a lower percentage than almost all of the other Conference schools. Only 245 households have farm income, which, with the exception of Little Chute, is the lowest number of farm families in the Conference. Only 9.4% of the District's total employment is agricultural related, while 90.6% enjoy non-agricultural employment. Further, only 26.61% of the equalized valuation is in agriculture land in the Wautoma District. Farming is not as dominant an economic factor in Wautoma as it is in other districts in Wisconsin.

The agriculture in Waushara County is different than in most of Wisconsin. The primary commodities are field and vegetable crops. Waushara County was the second highest county in terms of vegetable receipts in the State. The downturn in the farm economy elsewhere in the Midwest has not impacted as adversely in Waushara County.

Waushara County also is a tourist area. Because of the fear of terrorists in Europe, the Association asserts more people will vacation in the United States. Domestic tourist areas, such as Waushara County, should benefit economically from these trends.

The Association contends that teachers can only be fairly compared with other employees having similar training and experience. In 1985, the average person holding a bachelor degree earned \$22,684; in 1986, that person's income rose to \$23,622. A teacher starting in Wautoma in 1985-86, working 93% of the time, should make 93% of the national average in the normal year. Ninety-three percent would be \$19,765 in 1985 and \$21,060 in 1986.

Average teachers salaries were considerably lower than 93% of an average BA holder in both 1984 and 1985. Various national studies have indicated that teacher salaries should be raised by substantial amounts within the next few years, if competent teachers are to be persuaded to enter the profession, or to remain there. Wautoma teachers, the Association argues, should only be compared with other teachers or others of similar training and experiences.

The Association argues that because of the delay in the arbitration proceeding, the increase in wages the teachers in Wautoma will ultimately receive is worth less than it would have been if received when due. Utilizing present-value tables, the salary after a ten-month delay is only worth 95% of the what it should have been had it been timely. Therefore, because of the effective discount, the Association's offer is much less than it appears to be, and thus also much less subject to an inability-to-pay- argument by the District.

The Association concludes that the data as a whole supports the adoption of the Association's final offer and argues the Arbitrator to incorporate it in the final contract.

#### IX. DETERMINATION OF COMPARABLES

The Wautoma Arbitration is a difficult matter because the East Central Athletic Conference has among the fewest number of comparable settlements that an Arbitrator can consider in a Teacher-School District dispute. On the other occasions when this Arbitrator has dealt with Teacher-School District Arbitrations, there have always been some voluntary settlements within the Athletic Conference. Usually there are enough so that a reliable average salary could be ascertained for most, if not all, of the salary benchmarks. In Wautoma's case, however, there are only two other settlements. One was negotiated a year ago as part of a two-year contract. A two-year pact is an agreement that clearly could contain adjustments that would make it less meaningful to non-parties for use as a comparable in another district. For example, a wage increase could be deferred to the end of a contract, decreasing the cost to the district but giving the Association a better base for the next contract. The effect of that jump, when viewing the last year in isolation, might unfairly inflate the benchmarks for comparison purposes. Conversely, a two-year pact might well forego a significant portion of wage increases in the second year in order to expand a health insurance program in a way not felt as out-of-pocket by the teachers. The effect on the benchmark averages, when viewing the year in isolation, would likewise be distorting.

In other situations with a low number of settled school districts within an athletic conference, this Arbitrator has gone outside of the athletic conference to find additional schools in order to determine a fair and equitable set of comparables. This was done in the School District of Colby (1986) and on other occasions. It is clear that two settled districts do not a reliable sample make. It is also inappropriate in the judgment of this Arbitrator to go outside the profession at issue and use other occupational groups to determine comparability. This is especially true when one can easily find other very similar teacher units in neighboring athletic conferences.



When going outside of traditional athletic conference groupings, it is important to insure (1) the school districts are of similar size, (2) the districts are of similar demographic character, (3) the districts are in reasonable geographic proximity.

Here, the Athletic Conference has been recognized and acknowledged as comparable by other Arbitrators ruling on interest cases involving both Wautoma and the other Conference schools. A decision to expand the comparability boundaries is not to be undertaken lightly. One must still examine the inter-conference settlements to see that they are both representative and are timely. If they are, they should be used without non-conference additions. If they are not, they should be supplemented, but not ignored.

The two settlements present here, Hortonville and Little Chute, both leave something to be desired. Little Chute is something of an anomaly. It is the highest paying district in the Conference in almost every category. It is also a suburban-urban system in a small town-rural conference. Hortonville, which is far more representative, particularly as to demographics, is a two-year contract, now in its second year. The lack of timeliness of this contract data is troubling. This Arbitrator will consider both the Hortonville and Little Chute settlements in determining comparables, but they must be supplemented if meaningful averages are to be developed.

The Association proposed including in any group of comparable districts the contiguous districts of the Tri-County District, the Wild Rose District, the Berlin District, and the Westfield District. To determine the comparability of the proposed districts, one must examine size of staff and enrollment in those areas. Wautoma, in 1984-85, had 1,318 students, and had a full-time equivalent teacher staff of in excess of 75. Wild Rose had 716 students and a teaching staff of 45. Westfield had 1,213 students and a teaching staff of 61. Tri-County had an enrollment of 765 and a teaching staff of 55. Only Westfield is reasonably close to Wautoma in size of staff and number of students. It would be an appropriate school district to include in the comparable district grouping.

Other districts in CESA #5 should also be examined with a view to staff and student body size. The following districts that had a student enrollment of between 1,000 and 1,500 for either 1984-85 or 1985-86 and had between 60 and 90 full-time equivalent teachers during those years:

	<u>Enrollment</u>		<u>Teaching Staff</u>	
	<u>1984-85</u>	<u>1985-86</u>	<u>1984-85</u>	<u>1985-86</u>
Columbus	1,119	N/A	73.54	N/A
Lodi	1,151	1,061	72.40	72.00
NeKosasa	1,424	1,390	80.25	83.00
Poynette	1,043	993	66.70	65.50

The same statistics for Wautoma, Hortonville, Little Chute, and Westfield show as follows:

Wautoma	1,318	1,313	75.15	80.20
Hortonville	1,468	1,372	80.70	83.50
Little Chute	1,113	1,074	63.99	63.69
Westfield	1,213	1,138	61.93	63.82

All of the above districts satisfy the criteria necessary before venturing from an athletic conference. They are all in reasonable geographic proximity to Wautoma, or are contiguous to Wautoma. They are of basically the same demographic character, and they all have contracts that are both settled and timely. All will be included in measuring comparability.

X. DISCUSSION

The most significant issue in dispute here is the level of wages. The methodology used in the past to evaluate wage proposals is to compare the proposals with frequently used and accepted teacher salary. The seven common benchmark rankings which will be used are the BA base, the BA 7th step, the BA maximum step, the MA base, the MA 10th step, the MA maximum step, and the scheduled maximum salary. Using those seven steps, the comparison of the parties' offers with the settlements in Columbus, Hortonville, Little Chute, Lodi, NeKososa, Poynette, and Westfield are as follows:

COMPARISON OF COMPARABLES

	<u>BA</u> <u>Base</u>	<u>BA+7</u>	<u>BA Max</u>	<u>MA</u> <u>Base</u>	<u>MA+10</u>	<u>MA Max</u>	<u>Scheduled</u> <u>Maximum</u>
Columbus	\$15,275	\$18,979	\$24,173	\$17,145	\$22,797	\$26,043	\$26,823
Hortonville	15,300	18,660	24,260	16,100	21,410	25,540	25,865
Lodi	15,000	18,240	20,940	16,425	21,825	25,425	27,090
Little Chute	16,138	20,334	24,208	18,075	24,943	27,113	28,565
NeKososa	15,860	19,664	22,518	17,445	23,901	28,261	30,321
Poynette	15,250	18,682	20,970	17,383	22,873	24,703	27,751
Westfield	15,400	18,400	21,700	18,500	23,000	26,000	27,000
Average	15,460	18,994	22,681	17,296	22,964	26,155	27,630

Final Offer:

Association	15,480	19,194	22,289	16,791	22,839	26,199	27,061
District	15,200	18,848	21,888	16,488	22,428	25,728	26,566

In all of the benchmarks, except BA+ 7, the Association's offer is closer to the comparable districts than the final offer of the District. Only this fact, under normal conditions, should be sufficient to adopt the Association's offer on the basic salary issue. In this case, however, further inquiry is appropriate.

Since most of the comparable school districts from outside of the Athletic Conference, other checks and balances ought to be used. One appropriate measure is to see where Wautoma ranked in salaries in the East Central Athletic Conference. If it were at the top, one should be skeptical of the propriety of the numbers from other schools in the ranking for purposes of evaluating these offers. If Wautoma is at the bottom of its own Conference, then it might be a "catch-up" case in which a substantial salary increase is appropriate. Those rankings are as follows:

1984-85

	<u>BA</u> <u>Base</u>	<u>BA+7</u>	<u>BA Max</u>	<u>MA</u> <u>Base</u>	<u>MA+10</u>	<u>MA Max</u>	<u>Scheduled</u> <u>Maximum</u>
Berlin Rank	\$14,450 4	\$17,030 8	\$21,880 3	\$16,100 2	\$19,970 8	\$24,390 6	\$24,940 6
Hortonville Rank	14,300 6	17,510 7	22,860 1	15,100 7	20,185 7	24,140 7	24,465 8
Little Chute Rank	15,100 1	19,026 1	22,650 2	16,912 1	23,338 1	25,368 2	26,727 1
Omro Rank	14,400 5	18,720 2	21,600 4	15,600 5	22,620 2	24,960 4	25,600 4
Ripon Rank	14,675 2	17,880 4	26,320 8	15,865 3	21,674 3	24,827 5	26,186 2

1984-85  
(Continued)

	<u>BA</u> <u>Base</u>	<u>BA+7</u>	<u>BA Max</u>	<u>MA</u> <u>Base</u>	<u>MA+10</u>	<u>MA Max</u>	<u>Scheduled</u> <u>Maximum</u>
Wautoma Rank	14,225 7	17,639 5	20,484 6	15,400 6	20,944 6	24,140 8	24,760 7
Waupaca Rank	13,865 8	17,609 6	21,353 5	14,952 8	21,009 5	25,720 1	26,184 3
Winneconne Rank	14,600 3	18,104 3	20,440 7	15,620 4	21,245 4	24,995 3	25,505 5

Wautoma ranks near the bottom on almost all of the benchmarks. In 1984-85, it ranked between 6th and 7th of the eight school systems. This ranking toward the bottom justifies bringing it more in line with the average of the other districts in the Athletic Conference. It is a district in which a "catch-up" wage should appropriately be considered. The more generous offer proposed by the Association would enable the teaching staff to move closer to a rank in the middle of its own Athletic Conference. The goal in an Arbitration should be to assure that the teachers involved are receiving compensation close to the same level as teachers in comparable schools. That goal is better met by the Association's offer.

The Consumer Price Index has risen by only 3.8% during the 1984-85 school year. This is substantially less than the final offers of both parties. This factor certainly argues for accepting the District's final offer.

The internal increases offered to the other employees in the District are all under the final offers of both parties in this dispute. Those percentages are given little weight by this Arbitrator. Unilateral increases given gratuitously and not bargained do not have the same persuasive value as those exacted from management side in a protracted negotiating discussion. Nor do they reflect compensation paid for equal work requiring equal training and experience.

This Arbitrator has recognized the economic crisis that is plaguing agriculture in our State and the Midwest. In some districts, this has justified the rejection of otherwise appropriate offers from teachers groups. It does not justify rejection in this case. Although compared to many district in the State, Wautoma is an agricultural community, it has a smaller agricultural component than most of the districts in its Athletic Conference. Significantly, it also has an economic base in recreation, it has summer homes and retirement residences which increase property valuation, but do not require services for school age children. This consideration argues against treating Wautoma solely as a hard-hit, economically depressed agricultural center.

A troubling secondary issue is raised in the Association's final offer. A proposed change would mandate the recognition of undergraduate credits in the same manner as graduate credits after receipt of the MA degree. This is a substantive change in the salary schedule. No evidence has been offered by the Association which justifies such a change. This is the type of change which should be adopted as a result of bargaining, not imposed by arbitration. If this were the sole issue in dispute, the Association's offer would be rejected.

Although it is inappropriate, the Association's proposal is not as drastic a change as the District argues. The existing schedule is used, and no new levels are taken away or added. The only change is in the level of credit the teacher must achieve in order to advance through the post-master degree steps. Although inappropriate, it is

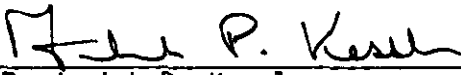
not so drastic as to offset the Association's far superior offer relating to a wage scale.

It is the ruling of this Arbitrator, after reviewing all the evidence and considering the factors required by statute, that the Association's final offer better satisfied a larger number of the statutory criteria and is, therefore, the preferred final offer.

XI. AWARD

Therefore, the 1985-86 agreement between the Wautoma School District and the Wautoma Education Association shall include the final offer of the Wautoma Education Association in the contract as set forth and explained herein.

Dated this 14th day of October, 1986.

  
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Frederick P. Kessler  
Mediator/Arbitrator