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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

In the Matter of the Petition of

PRINCETON EDUCATION ASSOCIATION

To Initiate Mediation-Arbitration
Between Said Petitioner and

PRINCETON SCHOOL DISTRICT

Case 10
No 36360
MED/ARB-3790
Decision No. 23450-A

APPEARANCES

Shannon Bradbury, Wisconsin Association of School Boards, Inc. on behalf of
the District

Jermitt Krage, South Central United Educators, on behalf of the Association

On April 2, 1986 the Wisconsin Employment Relations Commission appointed the undersigned Mediator-Arbitrator pursuant to Section 111.70(4)(cm) 6b of the Municipal Employment Relations Act in the dispute existing between the above named parties. Pursuant to statutory responsibilities the undersigned conducted a mediation session on July 31, 1986 which did not result in resolution of the dispute. The matter was thereafter presented to the undersigned in an arbitration hearing conducted on August 1, 1986 for final and binding determination. Post hearing exhibits and briefs were filed by the parties which were exchanged by October 1, 1986. Based upon a review of the foregoing record, and utilizing the criteria set forth in Section 111.70(4)(cm) Wis Stats. the undersigned renders the following arbitration award.

ISSUES.

The only substantive issue in dispute is the salary schedule for the 1985-86 school year. The 1984-85 salary schedule was a nine lane schedule, with fifteen steps in the BA and BA+6 lanes, and sixteen steps in all other lanes from BS+12 through MS+18. The BA base was \$14,500. Increments were \$350 through step 3, \$400 through step 10, and \$450 through the last step in each column.

The District proposes shortening the BA, BA+6 and BA+12 lanes to 12 steps, the BA+18 step to 13 steps; the BA+24 lane to 14 steps; the MA lane to 15 steps; and the MA+6 through MA+18 lanes would remain at 16 steps. The BA base would be \$15,525. All increments would be \$500, as would all lane differentials. The Board's salary increase amounts to slightly more than 9%, and the value of its total package amounts to about 9%. The Board proposes an average salary increase which it calculates to be \$1,789 per teacher, however, the Association's costing of the Board's proposal amounts to a \$1,723 per teacher average increase. The Board's calculations indicate that its total package would result in an average per teacher increase of about \$2,200.

The Association proposes a BA base of \$15,450 with all increments and lane differentials at \$500. The structure of the schedule would otherwise remain the same as the 1984-85 schedule. The Association proposes a total salary

increase which it calculates at about 11.3% and a total package increase of about 11%. The Board however calculates the Association's proposal as amounting to about an 11.5% increase. The Association proposal, according to its own calculations, amounts to an average salary increase of \$2,104 per teacher. Under the Board's calculations, it amounts to \$2,225 per teacher. The Board calculates the value of the Association's total package to be \$2710 per teacher.

The parties are in agreement that the seven settled districts in the Dual County Athletic Conference should be utilized as comparables for purposes of this proceeding, though the Association asserts that Poynette, which is in the second year of a two year agreement, should be given less weight.

ASSOCIATION POSITION:

The Association's offer is closer to the average salary increase which has been agreed to in the Athletic Conference as well as statewide.

Only two settlements, Poynette and Green Lake, are below the Dual County or state-wide average. The Poynette settlement, however, is in the second year of a two year agreement and therefore should be given less weight.

Furthermore, the District's offer creates a real disparity in wage increases for many of the District's teachers, especially those who have long tenure in the District. By reducing the number of experience steps in the schedule, the District has effectively reduced the salary of more experienced teachers in relation to other segments of the salary schedule.

It is also noteworthy that there are few differences in benchmark rankings when the Board and Association final offers are compared except at the BS maximum where a large number of teachers are placed, and where the District's proposal would result in a loss of two in the comparable rankings while the Association's offer would result in a gain of one.

The structure of the Association's proposed schedule is also more consistent with those which exist in comparable Athletic Conference districts.

Relatedly, the pattern of teacher settlements should outweigh the increase in consumer prices for goods and services as a criterion to be utilized in proceedings such as this.¹

If the District believes it necessary to attract new teachers and to encourage existing teachers to continue their formal education, it should do so by providing positive incentives rather than by penalizing teachers. Furthermore, structural changes in the salary schedule should take place through the bargaining process rather than by arbitration.

At no time during the mediation/arbitration process did the District claim inability to pay. This is so because there has been no public outcry over taxation in the District. In addition, the District has carried a substantial surplus in its budget for the past several years. In fact, the District is the second most wealthy district in the Conference in this regard.

The District has also failed to establish that there has been any historical relationship between the rate of inflation and teacher salaries over the

¹ Citations omitted

years. Absent the existence of such a relationship, cost of living data is not really relevant to the disposition of this dispute.

Furthermore, the District's unemployment data reflects unemployment rates at a time of year when such rates are traditionally highest in the area, since a tourist area always has severe fluctuations in such rates with the seasons.

The District's data on the state of the agricultural economy must be viewed in context of the fact that agriculture provides only 9% of the District's employment and 3.3% of its income. The equalized value of agricultural land in the District is only about 7% of the value of the total real estate in the District.

Relatedly, there has been a significant improvement in the value of commercial and residential property in the District, reflecting a very healthy local economy.

Thus, the farm economy plays a very small role in the general economy of the District, where the majority of people are employed in manufacturing and service industries.

In fact, there is no reason why the District's salaries should not be competitive with other schools in the State. Ample money is available and a clear need exists. There is an \$11,000 difference between the parties. This difference will have its greatest impact on 11 individuals who have substantial teaching experience in the District. While the additional income is very important to these teachers, it will have virtually no impact on the citizens of the District as a whole.

DISTRICT POSITION.

Green Lake County in which the District is located has suffered the most significant impact from tax delinquencies in the area. In addition, unemployment in the County is significantly ahead of the State average, as well as surrounding counties.

The District also ranks fourth highest in the Athletic Conference in percent of persons below the poverty level. In fact, the record indicates that Princeton is among the poorest districts in the Conference. In this regard it has the lowest average household income and nearly the lowest family income.

On a broader national scale, the economic indications against an eleven percent increase are compelling. The national consumer price index indicates that the cost of living has risen only minimally, thereby strongly supporting the reasonableness of the Board's offer.

In addition, the City of Princeton makes up only 21.9% of the District; the other 78.1% of the land base is heavily rural and agricultural. Thus the District is heavily dependent upon agricultural land as its tax base. In light of the overwhelming evidence of the troubled and continually declining state of the agricultural economy, which, in large part, supports the District, the District's offer to the teachers is more than reasonable.

Still further support for the District's position in this proceeding can be found in wage settlements of other area municipalities, which are in the 3% to 4% range, with total package increases ranging between 4 and 5%. These figures demonstrate how other municipal employers in the same geographic area.

with substantially similar tax bases and concerns, are treating their employees

The Board's offer also most closely matches the settlements in the comparable Conference districts. This is true if a benchmark comparison is made. In fact, under the Board's offer, many teachers would receive higher salaries than they would under the Association's offer. Although the Association's proposal gives larger increases to those at the top of their lanes the Board does so for all others. It is the Board's desire to be able to attract new teachers with a higher base and faster growth, and to encourage the taking of additional credits by those Bachelor's degree teachers who have not obtained such credits over a lengthy period of time.

When salary and total package percentages are compared, the Board's proposal is also closer to the Conference average. In this regard it is noteworthy that the District is not in a catch-up position; it is the second smallest district in the Conference, and it is coming off an 11.4% package increase for the 1984-85 school year.

The District believes that the Association's proposed comparisons with statewide averages is clearly inappropriate, and it cites arbitral precedent to support that position.²

The fact that the District has received increases in State Aid this year does not support the reasonableness of the Association's position since it is very clear that such funds were meant to serve as property tax relief.

Lastly, in response to the Association's contentions, any community which is 78% rural is heavily farm based, and the fortunes of the farmers directly impact the amount of money which may be available to run the schools. While many variables impact on the troubled farm economy, it is incumbent upon the school board to see to it that local citizenry are not driven out of business by unreasonably high taxes. That is what the Board is attempting to do herein.

DISCUSSION.

This is a somewhat unique case in that the District has proposed a salary schedule wherein the salaries throughout the schedule, except at the BA Maximum, exceed the salaries proposed by the Association. In fact, when a benchmark analysis is utilized in comparing the proposed schedules, the District's proposal appears clearly to be the more comparable of the two at all of the traditionally utilized benchmarks. In this regard, it is noteworthy that the District's salaries are generally below the comparable average at the salary benchmarks, and the District's proposal consistently brings the District closer to the comparable average than does the Association's proposal.

The major dispute between the parties exists at the BA Maximum benchmark. At that benchmark, where about seven of the District's teachers are placed -- the record is not clear as to the exact number of teachers in the District, however, it would appear that there were between 25 and 28 teachers in the District at all relevant periods of time -- the record indicates that both parties' proposals are significantly out of line with comparable settlements. In this regard, although the District's proposal is substantially below the comparable settlements, it is less out of line than the Association's

² Citations omitted.

proposal when percentage and dollar increases are compared, and it is also closer to the comparable average than is the Association's proposal. It is also noteworthy that the District's proposed salary at this benchmark remains above the comparable average, which further justifies the selection of the District's proposal at this benchmark. While the undersigned would have preferred a proposal at this benchmark more in accord with comparable settlements, the District has made a relatively persuasive case that the schedule it has proposed will provide the teachers at the BA Maximum with a fair economic incentive to take graduate credits to update their training. In the undersigned's opinion, the District's desire to encourage teachers to seek such additional training is both legitimate and reasonable under the circumstances present herein.

Thus, based upon a benchmark analysis, the District's proposal is the more comparable of the two.

Another comparison which is often utilized in proceedings such as this involves a comparison of average dollar and percentage increases which would be received by teachers under the parties' proposals with comparable averages. However, in this proceeding, such a comparison is hampered by virtue of the fact that the parties do not agree on these figures, and the record does not contain sufficient evidence to enable the undersigned to make a reliable determination in this regard. Not only are the parties unable to agree upon this data for the District, but their data in this regard for comparable districts is also not consistent. What the record does indicate is that comparable salary settlements average somewhere between \$1955 and \$2025 per teacher. The record indicates that the Association's proposal would amount to an average salary increase of somewhere between \$2100 and \$2225, while the District's proposal would amount to an average salary increase of somewhere between \$1732 and \$1789. Based upon this data, the most that can be concluded is that the District's total salary proposal probably is about \$200 below the comparable average, while the Association's proposal is somewhere between \$100 and \$200 above the comparable average. Because of the unreliability of this data, the undersigned is forced to give relatively little weight to it in determining the comparability of the two proposals. The undersigned also believes that this data is less pertinent to the disposition of the matter than might normally be the case since the difference between the parties' proposals occurs essentially at one benchmark, the BA Maximum, rather than throughout the schedule, and as indicated above, the District's proposal has been found to be the more reasonable and comparable of the two at this benchmark.

Based upon all of the foregoing considerations, the undersigned believes that the District's salary proposal is the more comparable and reasonable of the two at issue herein.

The reasonableness of the District's proposal is also supported by consideration of other statutory criteria: particularly relevant cost of living data, the relatively unhealthy state of the economy in the area, and the types of settlements that have been reached by other public sector employers and employees operating in a similar economic environment during a similar period of time.