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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

In the Matter of Mediation-Arbitration  
Between

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KETTLE MORAINÉ SCHOOL  
DISTRICT

and

UNITED LAKEWOOD EDUCATORS

Case 14  
No. 37326 MED/ARB 3989  
Decision No. 24132-A  
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I. BACKGROUND

This is a matter of final and binding interest arbitration pursuant to Section 111.70 of the Wisconsin Municipal Employment Relations Act. United Lakewood Educators (Union) is the exclusive collective bargaining representative of certain employees of the Kettle Moraine School District (District or Board) in a collective bargaining unit consisting of all certified professional staff who are contracted for more than seventy-five (75) continuous school days, including teacher-in-charge, interim teacher, guidance counselors, psychologists, and social workers, but excluding administrators, principals, assistant principals, supervisors, short-term and long-term substitute teachers, practice teachers, non-teaching nurses, teaching assistant principals, intern teachers, office and clerical personnel, maintenance and operating employees, and all confidential, supervisory, managerial, casual, seasonal and temporary employees.

The Union and the Board are parties to a collective bargaining agreement covering the wages, hours and working conditions of the employees in the bargaining unit. The agreement will expire on August 15, 1988. On May 19, 1986, the parties exchanged their initial proposals in accordance with a limited reopener in the collective bargaining agreement.

On July 24, 1986, the Employer filed a petition requesting that the Wisconsin Employment Relations Commission (WERC) initiate mediation-arbitration. On September 25 and November 20, 1986, a WERC staff member conducted an investigation and concluded that the parties were deadlocked in their negotiations. On November 20, 1986, the parties submitted to the investigator their final offers as well as a stipulation on matters agreed upon.

On December 9, 1986, the WERC certified that the conditions precedent to the initiation of mediation-arbitration had been met. Jay E. Grenig was appointed as the Mediator/Arbitrator on January 8, 1987.

Mediation proceedings were conducted on April 2, 1987, in Wales, Wisconsin. Mediation being unsuccessful, the matter was submitted to the Mediator/Arbitrator serving in the capacity of arbitrator on April 2, 1987. The Board was represented by Gary M. Ruesch, Attorney at Law, Mulcahy & Wherry. The Union was represented by James H. Brenner, Executive Director, United Lakewood Educators. The parties were given full opportunity to present relevant evidence and arguments. More than five volumes of exhibits and nearly 200 pages of briefs were filed in this proceeding by the parties. Upon receipt of the parties' reply briefs, the record was declared closed on May 26, 1987.

## II. STATUTORY CRITERIA

In determining which offer to accept, the Arbitrator must give weight to the following statutory (Wis. Stats. § 111.70(4)(cm)(7) criteria:

- A. The lawful authority of the employer.
- B. Stipulations of the parties.
- C. The interests and welfare of the public and financial ability of the unit of government to meet the costs of any proposed settlement.
- D. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally in public employment in the same community and in comparable communities and in

private employment in the same community and in comparable communities.

- E. The average consumer prices for goods and services commonly known as the cost of living.
- F. The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, 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 or traditionally taken into consideration in 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.

### III. FINAL OFFERS

The Board proposes a 4.71% increase from the 1985-86 rate for all salary items other than the salary schedule and the extra curricular schedule. The Board also proposes a \$17,743 base for the extra curricular schedule.

The Union proposes a \$17,991 base for the extra salary schedule, increasing each cell in the salary schedule by 6.17%. The Union also proposes a \$17.991 base for the extra curricular schedule.

Using the generally accepted cast forward method, the cost of the Board's salary offer is \$6,259,775 and the cost of the Union's is \$6,347,175. The Union's offer would cost \$87,400 more than the Board's. If the Union's offer were implemented, it would result in a total compensation package costing \$110,000 more than the Board's offer.

The Board's offer would yield an average salary increase of 7.59% (7.71% total package) per returning or an average dollar increase of \$1,190 per teacher (with the step increment included). The Union's offer would provide an average salary increase of 9.09% (9.12% total package) per returning teacher or an average dollar increase of \$2,289 per teacher (with the step increment included).

#### IV. POSITIONS OF THE PARTIES

##### A. THE EMPLOYER

With respect to the interest and welfare of the public, the Board asserts that the equalized value of the District has declined 1.2% (TIF out) since 1985-86. Since 1981-82 the net tax levy of the District has increased by 30.11%. Of that increase, 14.14% occurred between the 1985-86 and 1986-87 school year. The tax rate has increased nearly 24.5% between 1981-82 and 1986-87. From the 1985-86 school year to the 1986-87 school year the tax rate increased by 13.2%.

According to the Board, its proposal is more than adequate to meet the needs of the teaching staff and is consistent with the taxpaying public's needs. Pointing out that the teachers received an average wage increase of \$2,250 per returning teacher in 1985-86, the Board states that its proposal would provide the teachers with above average wage rates at the "five corners" of the salary schedule and would also provide the teachers with an increase which is consistent with that which has been granted by the surrounding districts over the two-year period. The Board says that if the Union's offer is accepted, the Board is faced with a serious budget imbalance. It concludes that the District taxpayers should not be expected to pay an above average wage increase at the same time the tax levy has been rising at a substantial rate.

The Board proposes the following districts be used for purposes of comparison: Arrowhead UHS, East Troy, Elm-brook, Fort Atkinson, Hamilton-Sussex, Hartford UHS, Jefferson, Mukwanago, Muskego, Nashotah Jt. 2, New Berlin, Pewaukee, Watertown, Waukesha, and Whitewater.

With respect to comparables, the Board asserts that its list of comparables is the more appropriate for the purposes of this proceeding. The Board claims its comparison group centers around the concept of geographic proximity and similar labor markets. Arguing that a district which is 30-40 miles away should be considered less relevant than one which is 10 to 15 miles away, the Board believes that geographic proximity should be the controlling factor in selecting the appropriate comparable employers. The Board also asserts that its list of comparable districts is supported by other indicators such as number of teachers, enrollment, equalized value per member, school

cost per pupil, and state aid per pupil.

It is the Board's position that the Union's selection of proposed comparable school districts is self-serving. With regard to the Union's use of districts within the Suburban Park Athletic Conference (of which the District is a member), the Board says that the other districts in the Suburban Park Athletic Conference are, with the exception of Muskego, located within Milwaukee County. The Board states that use of the athletic conference for determination of a comparable pool is unsound.

The Board argues that the Union's use of school districts in addition to those in the athletic conference as comparables is inappropriate because the criteria used for their selection is not supported by arbitral precedent. It declares that union affiliation has never served as indicia of comparability.

According to the Board, its salary offer is consistent with the average salary increases in the settled comparable districts in both 1986-87 and for the past two years. The Board also asserts that its offer is closer to the average total compensation settlement pattern in the comparable districts. The Board declares that its competitive salary position is evidenced by benchmark comparisons. However, the Board cautions that reliance solely on benchmark comparisons is of limited value due to the potential that districts may employ "schedule gimmicks" in an attempt to reach a settlement.

It is the Board's position that the total compensation of the District teachers is superlative. It points out that teachers receive fully paid health insurance, dental insurance, and long-term disability insurance (with benefits of 90% of salary after 60 days of disability), life insurance, and retirement benefit contributions.

Compared to increases in the Consumer Price Index, the Board says its position is undeniably more reasonable. The Board claims that increases the District teachers' salaries (including movement on the salary schedule) have exceeded the cost of living indicators over the past five years by nearly 26%. The Board states that its offer will significantly exceed the anticipated increase in the CPI.

The Board contends that its final offer provides the District teachers with an increase in excess of that received by other District employees and by municipal employ-

ees. The Board also states that its offer will provide District teachers with salary increases that significantly exceed the compensation received by other area professionals.

Criticizing the studies relied upon by the Union, the Board argues that some of the studies deal with the teaching profession on a national basis and are not pertinent or relevant to Wisconsin or the District. It states that the Union addresses only those portions of the studies dealing with teacher salaries and does not discuss the other reforms proposed by the studies.

The Board is of the opinion that the Union's assertions concerning the tax levy and the Board's ability to meet its final offer are grossly erroneous. The Board asserts that the teachers' salary proposal represents 82% of the net levy for 1986-87. With respect to the 21% reduction in farmland value, the Board contends that the decline in the value of the farmland was more than offset by the increase in the tax levy.

#### B. THE UNION

With respect to the selection of comparable districts, the Union says that the Arbitrator should consider the population, geographic proximity, budget, school enrollment, full value taxable property, state aid, and number of employees. The Union points out that several arbitrators have recognized the importance of athletic conferences in determining comparability. Additionally, the Union states that an arbitrator can take note that parties to disputes in other arbitrations have determined that the District is a comparable employer.

According to the Union, all the schools which it has identified as comparables, except for Watertown, are located in the Milwaukee Standard Statistical Area. The Union says that the economic factors it reviewed for comparability included valuation per member and net taxable income. The Union indicates it used the Board's list of school districts that the Board uses in determining administrative salaries as the starting point for its list of comparables.

The Union also considered districts which are in the same county as well as those districts whose employees are represented by the Union and the Lakewood UniServ Council. The Union states that it is a multi-employer union com-

prised of teachers in Hamilton-Sussex, Kettle Moraine, Muskego-Norway, and the Watertown school districts. The Union coordinates bargaining efforts and negotiates the collective bargaining agreements in all five of the districts.

Applying this criteria, the Union urges that the following districts should be considered as primary comparables: Greenfield, Hamilton, Mukwonago, Muskego-Norway, New Berlin, Oconomowoc, and Watertown. It urges the the following districts be used as secondary comparables: Arrowhead, Cudahy, Oak Creek, and South Milwaukee.

The Union argues that the Board's comparables ignores factual analysis and application of "verified criteria" and should be disregarded. The Union asserts that the appropriate labor market for the District is the Metropolitan Milwaukee Standard Statistical Area, and school districts such as Fort Atkinson, Whitewater, Jefferson, and Hustisford are not part of that labor market and do not share any common labor market with the District.

With respect to the interest and welfare of the public, the Union relies on a number of studies which, it argues, indicate that teacher salaries should be increased. It states that one study showed that "average salaries for teachers actually declined by nearly 15% in real dollar terms between 1971 and 1981. " It claims that higher teacher salaries are necessary to recruit and retain highly qualified teachers.

The Union says that its final offer does not create a major burden on District taxpayers. It claims that the Board has budgeted enough money to pay the costs of the Union's offer. It cites a document not in evidence as substantiating its claims that District instructional costs have declined while state aid has increased.

According to the Union, the parties traditionally have relied upon comparisons of settlements among teachers for estimating the applicable cost of living standard rather than using the Consumer Price Index.

The Union argues that the increase in salary and total package and the resulting effect on the District's resources is less than it appears because the number of full-time teachers has been reduced from 231.065 in 1985-86 to 222.42 in 1986-87.

It is the Union's position that the Board's professional wage analysis is misleading and uses statistically invalid data for comparison. The Union complains that the Board only offers a 189-day employment contract of which there are three days for paid holidays (no paid vacation days) for full annual employment. The Union stresses the unreliability of comparing teacher salaries and working conditions with those in the private sector.

According to the Union, "it is an obvious fact" that many residents of the District earn their living in Milwaukee. It claims that it is Milwaukee County that provides the majority of job opportunities for the population of the bedroom communities in the other three counties.

The Union contends that established benchmarks and average salary data are the best measures to use in determining the outcome of this arbitration proceeding. It urges that total package data not be used because of the difficulty of verifying the total package costs for all the districts proposed as comparables. The Union claims that its offer will halt the growing disparity between wages paid to career teachers in the District and teachers in the comparable districts.

The Union says it is obvious that the increase in teacher salaries is not the only factor causing the increased tax levy. Noting that there was a 21% drop in farmland value between 1985 and 1986, the Union asserts that the owners of farmland in the District received an approximate 21% reduction in property taxes shifting the tax burden on other taxpayers.

It is the Union's position that the tax issue should be largely a non-issue because of the state aid law. The Union asserts that the increase in the District's tax levy is below the median increase. It also asserts that the District ranks ninth among the 13 comparables in the percent of revenue raised by property taxes. According to the Union, the taxes levied on homeowners in the District are relatively low and the average net taxable income for District residents (\$25,615 in 1985) is among the highest of the comparable districts used by the Union. The Union computes the average annual salary for a District teacher for the 1985-86 school year was \$25,169.



## V. FINDINGS

1. **LAWFUL AUTHORITY OF THE EMPLOYER.** The lawful authority of the Employer is not at issue in this proceeding.

2. **STIPULATIONS OF THE PARTIES.** There were no stipulations of the parties relevant to this arbitration proceeding.

3. **ABILITY TO PAY AND INTERESTS AND WELFARE OF THE PUBLIC.** There is no claim the Board lacks the ability to pay either offer. However, this criterion requires an arbitrator to consider both the ability to pay and the interests and welfare of the public. There is evidence that there have been large increases in the property tax rate in the District. According to the record, in 1985-86 the net tax levy increased by 14.1%. Since 1981-82 the District's net tax levy has increased by slightly more than 30%. Because the 1987 report of the Citizen's Governmental Research Bureau was not received in evidence and the Board was not given an opportunity to respond to the report, it would be inappropriate for the Arbitrator to consider the findings of the report.

The record indicates that the District had one of the lower tax levy increases from 1980-81 to 1985-86 among the comparables. Out of 112 taxing municipalities, Wales ranked 98th in 1985 with respect to taxes, including school district taxes, paid on a \$70,000 house.

The net taxable income for District residents who filed tax returns in 1985 was \$25,615. (According to the Union's calculations, the average teacher salary in the District for the 1985-86 school year was \$25,180.) This places the District at or near the top with respect to the net taxable income of residents of other districts in the area.

Because of a reduction in the number of teachers from 1985-86 to 1986-87, the actual increase cost of increases in the cost of teacher compensation would be 5.13% (total compensation) if the Union's offer were accepted and 3.7% (total compensation) if the Board's offer were accepted. The record does not disclose what the effect of either offer would be on District tax rates.

4. **COMPARISON OF WAGES, HOURS, AND CONDITIONS OF EMPLOYMENT.**

SELECTION OF COMPARABLE DISTRICTS. The purpose of comparing wages, hours, and other conditions of comparable employers is to obtain guidance in determining the pattern of voluntary settlements among the comparables as well as the wage rates paid by these comparable districts for similar work by persons with similar education and experience. In determining which employers are appropriate comparables, arbitrators generally take into account such factors as size, geographical location, number of employees, and equalized valuation. While membership in an athletic conference may be some evidence that many of these criteria have been satisfied, it is not conclusive. Furthermore, where, as here, a district has only recently joined an athletic conference, there is less reason for utilizing members of the athletic conference as comparables.

Because such a large portion of the cost of public education in the District is paid for with property taxes on property within the District, the economic conditions within the districts claimed to be comparable are of considerable importance. In the absence of evidence to the contrary school districts in geographic proximity to each other can be assumed to have similar economic conditions. The greater the geographic proximity of a school district to the District, the more likely the economic conditions of the district will reflect the economic conditions of the District. See School District of Cuba City, Dec. No. 19302-B (Yaffe 1982) ("[C]omparable working conditions have generally developed through the negotiations process based upon comparisons with geographically proximate employers and employees with a common labor market and economic environment."). Conversely, the less proximate a school district is to the District, the less likely the economic conditions of the district will reflect the economic conditions of the District. The Union's and the Board's selection of Hamilton, Muskego, New Berlin, and Watertown as primary comparables indicates the considerable importance they both place on geographic proximity in determining comparability.

As several of the districts proposed as comparables by the parties had not reached agreement on their 1986-87 wage rates at the time the record in this proceeding closed, it is not possible to utilize these districts as comparables in this arbitration proceeding.

With respect to the proposed "secondary comparables," this Arbitrator has never found that "secondary" compar-

ables are of probative value in an interest arbitration. Employers are either comparable or they are not; an employer cannot be "sort of" comparable.

The parties having both selected selected Hamilton, Muskego, New Berlin, and Watertown as comparables, it remains to be determined whether, of the settled districts, Arrowhead, Hartford, East Troy, Elmbrook, Fort Atkinson, Nashota Jt. 2, Pewaukee, Waukesha, Whitewater, and Greenfield, should be utilized as comparables.

The District is a K-12 district. Because the working conditions in a district that either does not contain a high school or does not contain an elementary school may be significantly different than those in a K-12 district, using such districts as comparables may distort the comparisons. Arrowhead and Hartford are union high school districts rather than K-12 districts as is the District. Nashota does not have a high school and is substantially smaller than the District with an equalized value per member more than double that of the District. Hartford, Arrowhead, and Nashota Jt. 2 are not appropriate comparables for purposes of this proceeding.

Although Greenfield is somewhat similiar in size, wealth, and expenditures to the District, it is too geographically remote from the District. While it may be in the same Metropolitan Standard Statistical Area as the District, this is of little relevance here. What is considered to be the labor market for Milwaukee is not necessarily the labor market (although there may be some overlap) for the District. The Bureau of Labor Statistics was concerned with ascertaining the appropriate labor market for the District when it designated the Milwaukee Metropolitan Standard Statistical Area. Thus, it is concluded that Greenfield is not an appropriate comparable.

Since both parties' selected K-12 school districts as comparables that are either contiguous to the District or contiguous to a contiguous district, the parties' own selections would seem to make selection of contiguous or "once-removed" districts appropriate comparables in this proceeding. Because of their geographic proximity to the District and the likelihood that economic conditions in those districts reflect local economic conditions in the District it is concluded that the following districts are appropriate comparables in this proceeding: East Troy, Elmbrook, Pewaukee, Waukesha, Whitewater, Fort Atkinson, Hamilton, Muskego, New Berlin, Pewaukee, Watertown, and

Waukesha. (Note: While Waukesha is substantially larger than the District, Waukesha's equalized value per member, state aid per pupil, and cost per pupil are relatively close to those of the District. In addition, approximately 25% of the District's teachers live in the Waukesha School District, suggesting that Waukesha is part of the District's labor market.)

AVERAGE SALARY INCREASES. The 1986-87 percentage increase in the average teacher salary in the comparable districts ranges from 6.0% to 9.16%. The average percentage increase is 7.8% and the median increase is 7.77%. The Board's offer of a 7.59% increase is .21% below the average and .18% below the median. The Union's offer of a 9.09% increase is 1.29% above the average percentage increase and 1.32% above the median increase.

The dollar increase in the average teacher salary in the comparable districts ranges from \$1,474 to \$2,446. The average dollar increase is \$2,045. The median dollar increase is \$2,071. The Board's offer of an average salary increase of \$1,910 is \$135 below the average dollar increase and \$160 below the median dollar increase. The Union's offer of an average dollar increase of \$2,289 is within the range of dollar settlements and is \$243 above the average dollar increase and is \$218 above the median dollar increase.

BENCHMARK ANALYSIS. Because of the complexities of teacher salary schedules, arbitrators in public education interest arbitrations have frequently found a comparison of selected positions ("benchmarks") on the teacher salary schedules to be helpful in evaluating the reasonableness of the parties' offers. The most frequently used benchmarks are BA Minimum, BA 7, BA Maximum, MA Minimum, 10, MA Maximum, and Schedule Maximum.

BA MINIMUM. At the BA Minimum benchmark, 1985-86 salaries in the comparable districts ranged from \$14,877 to \$18,250. The District's salary of \$16,945 at this benchmark placed it fourth among the comparables. In 1986-87 salaries at this benchmark ranged from \$15,770 to \$19,495. The Union's offer of \$17,991 would maintain the District in fourth place at this benchmark and the Board's offer of \$17,743 would drop the District to sixth place.

The average salary at this benchmark is \$17,742 and the median salary is \$17,752. Both offers would provide salaries for teachers in the District in excess of both the median and the average at this benchmark.

The 1986-87 dollar increases at this benchmark ranged from \$533 to \$2,790. The average dollar increase was \$1,260 and the median dollar increase was \$1,110. Both offers are within the range of increases at this benchmark. The Union's offer of an increase of \$1,046 at this benchmark is \$214 below the average increase and \$64 below the median increase. The Board's offer of an increase of \$798 at this benchmark is \$462 below the average dollar increase and \$312 below the median.

BA 7. At the BA 7 benchmark, 1985-86 salaries in the comparable districts (the evidence submitted to the arbitrator does not include information with respect to Jefferson at this benchmark) ranged from \$18,447 to \$22,968. The District's salary of \$21,774 at this benchmark placed it fifth among the comparables. In 1986-87 the salaries at this benchmark ranged from \$20,186 to \$24,289. Both the Union's offer of \$23,118 and the Board's offer of \$22,800 would keep the District in fifth place at this benchmark.

The average salary at this benchmark is \$20,328 and the median salary is \$22,268. Both offers would provide a salary in excess of both the average and the median at this benchmark.

The 1986-87 dollar increases at this benchmark ranged from \$479 to \$2,980. The average dollar increase was \$1,494 and the median dollar increase was \$1,437. Both offers are within the range of increases at this benchmark. The Union's offer of an increase of \$1,344 at this benchmark is \$150 below the average increase and \$93 below the median increase. The Board's offer of an increase of \$1,026 at this benchmark is \$468 below the average increase and \$411 below the median.

BA MAXIMUM. At the BA Maximum benchmark, 1985-86 salaries in the comparable districts ranged from \$19,638 to \$29,166. The District's salary of \$28,044 at this benchmark placed it fourth among the comparables. In 1986-87 salaries at this benchmark ranged from \$20,816 to \$31,156. Both the Union's offer of \$29,775 and the Board's offer of \$29,365 would maintain the District's fourth place ranking at this benchmark.

The average salary at this benchmark is \$26,425 and the median salary is \$27,560. Both offers would provide a salary in excess of the average and the median at this benchmark.

The number of steps (or years) it takes to reach the maximum salary at this benchmark in the comparables ranges from seven to 15. It takes 13 steps to reach this benchmark in the District.

The 1986-87 dollar increases at this benchmark ranged from \$982 to \$1,990. The average 1986-87 dollar increase at this benchmark was \$1,451 and the median increase was \$1,491. The Union's offer of a \$1,731 increase is \$280 above the average and \$240 below the median increase. The Board's offer of a \$1,321 increase is \$130 below the average and \$170 below the median.

MA MINIMUM. At the MA Minimum benchmark, 1985-86 salaries in the comparable districts ranged from \$16,655 to \$19,550. The District's salary of \$19,317 at this benchmark placed it fourth among the comparables in 1985-86. In 1986-87 salaries at this benchmark ranged from \$17,662 to \$20,884. The Union's offer of \$20,509 would maintain the fourth place ranking while the Board's offer of \$20,227 would drop the District to sixth place at this benchmark.

The average salary at this benchmark is \$19,762 and the median salary is \$20,039. Both offers would provide a salary in excess of the average and the median salary at this benchmark.

The 1986-87 dollar increases at this benchmark in the comparable districts ranged from \$733 to \$3,965. The average 1986-87 dollar increase at this benchmark was \$1,430 and the median increase was \$1,138. The Union's offer of a \$1,192 increase at this benchmark is \$238 below the average and \$54 above the median. The Board's offer of a \$910 increase at this benchmark is \$520 below the average and \$228 below the median.

MA 10. At the MA 10 benchmark, 1985-86 salaries in the comparable districts (excluding Jefferson) ranged from \$23,000 to \$28,839. The District's salary of \$26,859 at this benchmark placed it fifth among the comparables in 1985-86. In 1986-87 salaries at this benchmark ranged from \$24,075 to \$29,950. The Union's offer of a salary of \$28,517 at this benchmark would place the District in sixth place and the Board's offer of a salary of \$28,124 would place the District seventh.

The average salary at this benchmark is \$27,754 and the median salary is \$28,372. The Union's offer would pro-

vide a salary greater than the average and the median at this benchmark. The Board's offer would provide an increase greater than the average and slightly less than the median.

The 1986-87 dollar increases at this benchmark in the comparable districts ranged from \$600 to \$4,110. The average 1986-87 dollar increase at this benchmark was \$1,784 and the median increase was \$1,696. The Union's offer of a \$1,658 increase at this benchmark is \$126 below the average increase and \$38 below the median increase. The Board's offer of a \$1,265 increase at this benchmark is \$519 below the average and \$431 below the median.

MA MAXIMUM. At the MA Maximum benchmark, 1985-86 salaries in the comparable districts ranged from \$25,588 to \$33,509. The District's salary of \$30,755 at this benchmark placed it sixth among the comparables in 1985-86. In 1986-87 salaries at this benchmark ranged from \$27,124 to \$35,795. The Union's offer of a salary of \$32,653 at this benchmark would maintain this sixth place ranking and the Board's offer of \$32,204 would drop the District to seventh place at this benchmark.

The average salary at this benchmark is \$32,206 and the median salary is \$32,492. The Union's offer provides a salary in excess of both the average and the median. The Board's offer provides a salary \$2 less than the average and \$288 less than the median.

The number of steps (or years) it takes to reach the maximum in this lane ranges from 13 to 20 in the comparables. It takes 13 years to reach the maximum in the District.

The 1986-87 dollar increases at this benchmark in the comparable districts ranged from \$1,536 to \$2,286. The average 1986-87 dollar increase at this benchmark was \$1,943 and the median increase was \$1,916. The Union's offer of a \$1,898 increase at this benchmark is \$45 below the average and \$18 below the median. The Board's offer of a \$1,449 increase is \$494 below the average and \$467 below the median.

SCHEDULE MAXIMUM. At the Schedule Maximum benchmark, 1985-86 salaries in the comparable districts ranged from \$28,524 to \$36,500. The District's salary of \$33,534 at this benchmark placed it sixth among the comparable districts. In 1986-87 salaries at this benchmark

ranged from \$30,680 to \$38,990. Both the Union's offer of a salary of \$35,542 and the Board's offer of a salary of \$35,113 at this benchmark would drop it to seventh place among the comparables.

The average salary at this benchmark is \$34,936 and the median salary is \$35,681. Both offers would provide a salary greater than the average and less than the median.

The number of steps (or years) it takes to reach this benchmark ranges from 13 to 21. It takes 13 years to reach the maximum in the District. In the District and in one other district, the schedule maximum includes an increment for an earned doctorate.

The 1986-87 dollar increases at this benchmark ranged from \$1,742 to \$2,869. The average 1986-87 dollar increase at this benchmark was \$2,204 and the median increase was \$2,179. The Union's offer of a \$2,008 increase at this benchmark is \$196 below the average and \$171 below the median. The Board's offer of a \$1,579 increase at this benchmark is \$625 below the average and \$600 below the median.

OTHER EMPLOYEES. The record indicates that salary increases for public and private sector nonteaching employees have been lower than those received by teachers. County employees in Waukesha County have received 4% wage increases for 1986.

5. INCREASE IN THE COST OF LIVING. During the 12-month period preceding the effective date of the implementation of the parties' offers, the cost of living as measured by the Consumer Price Index increased by less than two percent (1.6%-- U.S. City Average; 0.2%--Milwaukee Area). Both offers would provide increases in excess of the cost of living as reflected by increases in the CPI.

6. TOTAL COMPENSATION. Using the cast forward method of calculation (moving teachers on the 1985-86 salary schedule one step forward), total compensation cost of the Union's offer is \$8,541,313 and the total compensation cost of the Board's offer is \$8,430,882 for a difference of \$110,431. The actual cost (reflecting the actual salaries paid teachers actually on the payroll) of the Union's offer (total compensation) is \$8,228,196 and the cost of the Board's is \$8,118,961--a difference of \$109,235.

District teachers receive fully paid health insurance, dental insurance, long-term disability insurance, life in-



insurance, and retirement contributions. All the comparable districts pay the full retirement contribution. On Jefferson and Whitewater do not provide similar long term disability insurance benefits. All except New Berlin and Whitewater pay at least 90% of the life insurance premium. All districts provide dental insurance and pay the full premium. Jefferson and Fort Atkinson pay 90% of the health insurance premium.

The 1986-87 percentage increases in total compensation in the comparables (excluding Pewaukee for which there was no information on this item) ranged from 5.66% to 8.36%. The average increase was 8.02% and the median increase was 7.42%. The Union's offer of a total compensation increase of 9.13% exceeds the average by 1.11% and the median by 1.71%. The Board's offer of a total compensation increase of 7.72% is .3% below the average and .3% above the median.

The 1986-87 dollar increases in total compensation in the comparables (also excluding Pewaukee) ranged from \$1,828 to \$3,129. The average increase was \$2,592 and the median increase was \$2,525. The Union's offer exceeds the average increase by \$500 and the median increase by \$567. The Board's offer exceeds the average increase by \$22 and the median increase by \$89.

7. CHANGES DURING PENDENCY OF ARBITRATION. The settlement in the Hamilton School District was made part of the record during the pendency of arbitration.

#### 8. OTHER FACTORS

Several reports, including the reports of the National Commission on Excellence in Education, the Carnegie Forum on Education and the Economy, the Rand Corporation, and the Wisconsin Public School Superintendent's Task Force on Teaching and Teacher Education, have concluded that salaries for the teaching profession must be increased and should be "professionally competitive, market sensitive and performance-based." The Task Force called for a starting salary of \$20,000 a year for teachers. The Governor's 1985 budget request asked for a minimum teacher's salary of \$18,000 per year and new teacher preparation standards. The reports also called for improved teacher preparation and performance.

#### VI. ANALYSIS

The interests and welfare of the public include both the financial burden on taxpayers and the provision of a

quality education for district students. While the increase in the tax levy may be relatively low in comparison with other districts in the area, no one can seriously dispute that a one year tax levy increase of 14.1% is a significant tax increase.

The public also has an interest in keeping the District in a competitive position to recruit new teachers and retain competent, experienced teachers now serving the District. The evidence does not establish that the District has had difficulty in either attracting or retaining highly qualified teachers. Presumably the public is interested in employing teachers who are treated fairly. What constitutes fair treatment is reflected in the other statutory criteria.

The Board's offer is closer to the dollar and percentage pattern of wage settlements in the comparable districts than the Union's. The cast forward method is used in reaching this conclusion, since this is a commonly accepted method of computing wage increases and permits the parties to calculate the wage increases prior to the commencement of the year in question. Use of the actual teacher staffing for the year in question could cause a party to delay settlement if anticipated changes in the actual teacher staffing would benefit its position.

The Union's offer maintains the District's position at selected benchmarks better than the Board's offer. At the same time Board's offer is closer to the median and average salaries at the four of the seven benchmarks than the Union's. Of the remaining three benchmarks, the Board's offer is closer to the average than the Union's and the Union's offer is closer to the median than the Board's.

However, one should be cautious in giving too much weight to benchmark comparisons. Benchmark comparisons only work so long as the salary schedules within the comparison group are relatively similar. See Ellsworth Community School District, Dec. No. 23296-B (Flagler 1986). One of the early leading proponents of the use of benchmarks has recently warned of the problem of using benchmarks and indicated that it may be appropriate to give more weight to percentage increases and dollar increases as the most reliable bases for making relevant comparisons. See New Holstein School District, Dec. No. 228980-B (Yaffe 1986).

Here, an examination of the salary schedules of the comparables shows significant differences in the number of

steps (or years) it takes to reach the maximum benchmarks. In those districts with more steps, it could be expected that the salary at that benchmark would be higher than the District's. It takes 13 steps for a teacher to reach the BA Maximum benchmark in the District, while it takes only seven years in one district and as many as 15 in another. At the MA Maximum benchmark it takes 13 steps for a District teacher to reach the benchmark, while teachers in other districts may be required to take as many as 20 steps. At the Schedule Maximum benchmark it takes 13 steps for a District teacher to reach this benchmark, while teachers in other districts may not reach this benchmark for as many as 21 steps.

New Berlin's 1986-87 salary increase shows how benchmark analysis can distort the actual percentage increase. In New Berlin the increase in salaries only was 6.8% for 1986-87 (based on Union Exhibit C-17). However, the increase at the BA Minimum benchmark was 17.86%, at BA 7 it was 14.42%, at MA Minimum the increase was 23.8%, and at MA 10 it was 15.9%. Only at the maximum steps was the salary increase 6.8%. In addition, the evidence shows that the percentage increase in the teacher salaries in New Berlin for 1986-87 was 6.87%.

A comparison of average salaries in the comparable districts is of little probative value since the average salary in each district is based on a different mix of teachers, with different years of experience and different education. See Watertown Unified School District, Dec. NO. 20212-B (Zeidler 1983).

The evidence shows that no comparable district provides health and welfare insurance benefits demonstrably better than those received by District teachers. In fact, several of the comparables provide slightly lower benefits. Although difficulties in verifying computations reduce the weight that can be given to the evidence, the evidence discloses that the Board's offer would result in an increase in total compensation that is closer to the median and average increases in total compensation in the Comparable districts than the Union's offer.

The Board's offer is considerably closer to the increase in the cost of living as measured by the Consumer Price Index than the Union's offer. Because the Board's offer grants a salary increase several times more than the increase in the CPI, the Board's offer does not result in any loss in purchasing power by the teachers. The Board's

offer also provides a salary increase that makes up some of the difference between teacher salaries and the salaries of other occupations.

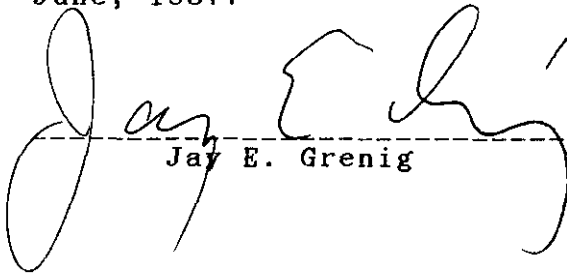
While many persuasive studies have spoken forcefully for higher salaries for teachers, these studies have also stressed the need for improved teacher preparation and performance, revised teacher licensing, restructured teacher pay system, and improved use of class time. Neither offer addresses any of the concerns other than salary. Although the Board's offer does not achieve the salary targets of the studies as quickly as the teachers might wish, the Board's offer is considerably in excess of the increase in the cost of living and will improve the teachers' real income.

Based upon the totality of the record, it is concluded that the Board's offer is more in accord with the statutory criteria than the Union's. The Board's offer is closer than the Union's to the percentage and dollar wage increases as well as total package increases in the comparable districts, it is closer to the median and average salaries at the selected benchmarks, it is closer to the increase in the consumer price index, and, while not as great an increase as that proposed by the union, the Board's offer still improves the teachers' salary position with respect to other professions.

#### VII. AWARD

Based upon the criteria set forth in the Wisconsin Municipal Employment Relations Act and having considered all the relevant evidence and the arguments of the parties, it is concluded that the Board's final offer is more reasonable than the Union's. The parties are directed to include the Board's final offer in their collective bargaining agreement.

Executed at Waukesha, Wisconsin, this fifteenth day of June, 1987.

  
Jay E. Grenig