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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

STATE OF WISCONSIN

BEFORE THE ARBITRATOR

* * * * *

* In the Matter of Interest Arbitration *

* Between *

* RIO EDUCATION ASSOCIATION * Case No. 9 *

* AND * No. 39147 *

* RIO COMMUNITY SCHOOL DISTRICT * Int/Arb-4501 *

* * * * * Decision No. 24861-A *

* * * * *

APPEARANCES

On Behalf of the District: Kenneth Cole, Wisconsin Association
of School Boards

On Behalf of the Association: James M. Yoder, Executive
Director - South Central United Educators

I. BACKGROUND

On April 6, 1987, the parties exchanged their initial proposals on matters to be included in a new collective bargaining agreement to succeed the agreement which expired on June 30, 1987. Thereafter the parties met on two occasions in efforts to reach an accord on a new collective bargaining agreement. On July 22, 1987, the Association filed a petition requesting that the Commission initiate Arbitration pursuant to Sec. 111.70(4) (cm)6 of the Municipal Employment Relations Act. On September 16, 1987, a member of the Commission's staff conducted an investigation which reflected that the parties were deadlocked in their negotiations, and, by September 24, 1987, the parties submitted to the Investigator their final offers, written positions regarding authorization of inclusion of nonresidents of Wisconsin on the arbitration panel to be submitted by the Commission, as well as a stipulation on matters agreed upon, and thereupon the Investigator notified the parties that the investigation was closed, and advised the Commission that the parties remain at impasse.

On October 7, 1987, the Commission ordered the parties to select an Arbitrator. The undersigned was selected and appointed by the Commission on October 20, 1987. A hearing was conducted on January 12, 1988. Post hearing briefs were submitted and exchanged on February 25, 1988.

II. FINAL OFFERS AND ISSUES

Two issues are in disputes. The first relates to tuition reimbursement. The contract which expired June 30, 1987 did not provide such a benefit. The Association proposes the following:

Payment for Graduate Credits

The school district will pay \$80 per graduate credit up to a maximum of 12 credits during any 12 month period commencing September 1st - August 31st. All credits in a College of Education or the teacher's major discipline shall be approved for reimbursement with any other course approval subject to administrator discretion. Reimbursement will be made upon documentation of successful completion of a course.

The District's proposal on payment for Graduate credits is as follows:

The School District will pay \$50 per graduate credit for courses taken in a College of Education. However, the District shall not reimburse a teacher for more than six credits in a five-year period.

The other issue is the salary schedule for 1987-88 and 1988-89. The District's proposal maintains the same structure as in place for 1986-87. This is .04% vertical increment and a \$300 horizontal increment on a BA base of \$17,060 in 1987-88 and 17,800 in 1988-89. The standard benchmarks under their offer are as follows:

	<u>1987-88</u>	<u>1988-89</u>
BA Base	17,060	17,800
BA Max	24,566	25,632
MA Base	18,260	19,400
MA Max	26,294	27,936
Sched Max	27,158	29,088

This represents \$1312 or 6.21% per returning teacher in 1987-88 and \$1407 or 5.91% per returning teacher in 1988-89. The District estimates the total package increase, including tuition reimbursement, to be 6.68% in the first year and 6.28% in the second year. This compares to their total package estimates of 8.12% and 7.84% respectively for the Association package.

The Association's proposal alters the salary structure to the extent of requesting a \$400 horizontal increment. They propose a base of 17,175 and 18,150 in 1987-88 and 1988-89. This represents a 7.79% or \$1645 increase per returning teacher in the first year and 7.03% or \$1720 per returning teacher in the second year.

The benchmark under the Association offer would be as follows:

	<u>1987-88</u>	<u>1988-89</u>
BA Base	17,175	18,150
BA Max	24,732	26,136
MA Base	18,775	19,750
MA Max	27,036	28,440
Sched Max	28,188	29,592

The Parties are also in disagreement over the comparables, although this dispute is limited. Both agree that the Dual-County athletic conference should be the primary comparable group. However, because Poynette transferred from the Dual County athletic conference to the Capital conference at the beginning of the 1987-88 school year, they disagree on whether it should be included.

III. ARGUMENTS OF THE PARTIES

A. The Association

1. Comparables

While Poynette transferred out of the Dual County athletic conference in 1987-88, the Association notes that they are under a three year contract dating to 1986-87 with the teachers association that was negotiated while the district was still a part of the Dual County conference. For this reason and because of the contiguous location of Poynette to the Rio School District, the Association believes that Poynette is appropriately included as a comparable in these proceedings.

2. Salary Schedule

The Association supports their salary proposal primarily with a five year analysis of the benchmarks in Rio vs. the athletic conference. They look at rank and dollar differentials. To summarize, they believe their offer maintains Rio's 1986-87 rank which in itself represented a lower position than in previous years. They assert the District's offer will result in further erosion at certain benchmarks.

Regarding dollar differentials, they focus on the MA lanes relative to Poynette. In 1985-86, Rio was \$833 behind Poynette, which is the next highest school district. In 1986-87, the differential between Poynette and Rio was \$751 and in 1987-88 under the District's offer, this spread would become \$1,102. The erosion of position continues under the District's offer in 1988-89 as their proposed increase is just \$740 at this benchmark, while all other settled districts have increases in

excess of \$1,000. They believe this is significant since Poynette was the next to lowest paying district in the conference at this benchmark.

A similar slide occurs at the MA Max. In 1986-87, Rio was \$734 behind Poynette. In 1987-88, that differential is \$426 as compared to the Association's offer but the District's offer creates a gap of \$1,168. The schedule maximum salary benchmark also finds Rio at the bottom. Both offers preserve that status. However, in 1985-86 Rio, while at the bottom, was \$1,079 behind the next lowest school district (Randolph). In 1986-87, Rio was \$1,278 behind Randolph and in 1987-88, under the Association's proposal, Rio would be \$1,012 behind Randolph, still the next lowest school district. In 1988-89, Randolph moves up in rank and Princeton becomes the next lowest school district but the differential between Rio Board's offer and Princeton becomes \$2,351 versus \$983 between Princeton and the Association's offer.

In terms of rebuttal, the Association anticipates that the District intends to argue that the cost of living supports their offer. It is the position of the Association that such a comparison isn't particularly valid because the District's offer also exceeds the CPI and arbitrators have consistently accepted the settlement pattern as being more indicative of cost-of-living increases than state or national measures.

Last, the Association believes that their proposal is favored on a total-package basis. They note the average is 7.5%. Thus the Association's proposal is .53% greater than the average and the Board's offer is .91% less than the average, therefore, the Association's proposal is nearer to the prevailing increase than is the Board's. Also relevant to their total package argument, they question the validity of the Board's cost estimates for the new education benefit.

3. Credit Reimbursement

It is the position of the Union that their proposal is reasonable and consistent with the public demand for improved education as well as more nearly comparable to the practice in other dual county school districts than is the proposal of the Rio Board of Education. They present a chart listing the dollars per credit and credit limits in the dual county conference. Only one other school didn't provide this benefit in 1986-87. The average dollar per credit is \$76. This means only two conference school districts pay less than what the Rio Board proposes to pay and in each of those instances, undergraduate credit is paid for as well. Five of the seven other schools have no limit on credits and the two that do have only an annual limit. Thus, they argue the District's proposal places them completely out of step with educational trends that are placing increasing demands on schools and teachers. Moreover, they suggest the District's proposal is further without merit because it limits reimbursement to credits taken

in the College of Education, unlike the provisions found in other comparable contracts.

B. The District

1. Comparables

It is the District's belief that Poynette should be excluded from the comparable school districts for two reasons. First, the school district of Poynette is no longer a member of the athletic conference, and secondly, the information provided by the District for the Poynette School District (supplementary information) shows that the Poynette School District three-year Agreement was reached in June of 1986 which is nearly two years ago. They argue Arbitrators have long recognized that agreements that cover extended periods of time may result in wage level increases that can be significantly out of line with settlements in subsequent years by school districts in the comparable group. Therefore, Poynette should be excluded from the comparisons.

2. Salary Schedule

First, the District contends that its offer is more consistent with the increases that have taken place with regard to the Consumer Price Index regardless of which index the Arbitrator believes should be given weight in the instant proceeding. Furthermore, with respect to the anticipated increases in any of the indices, the Board's offer is argued to be more consistent with the level of increases that are likely to occur if data from prior years and the relative rate of increase in those years can be utilized. Thus, the District argues that even a "worse case" scenario will not take the index to 7 percent by August 1988.

Next the District asks the Arbitrator to keep in perspective prior years' rate adjustments. For instance in 1985-86, the Rio School District settled at a 10.14 percent total package increase. Six of nine school districts in the athletic conference at that time settled at lower figures. In 1986-87, again six of nine school districts in the athletic conference settled at lower figures. One District, Randolph, settled at a higher level, but added a day to the teacher work year. The District contends that settlement level leadership should not be expected to continue indefinitely. Thus they believe their offer is more reasonable because it is equivalent to settlement levels that have already been achieved. In this regard they present data which shows that for Montello, Poynette, Princeton, and Randolph the average salary increase was 6.35% and the average total package for the same group plus Camria was 7.59% in 1987-88.

It is also relevant in their opinion that the Rio School District has consistently ranked toward the low end of the conference at the various benchmark levels. For whatever reason, this relative position has been maintained through a series of voluntary agreements with the Union. In essence, the bargaining relationship has established the relative position of the Rio School District with respect to salary levels. And the District argues that the Arbitration process should not be utilized to distort a relationship established by the parties. They also believe their exhibits showing settlement levels for state employees and various other segments of society also favors their offer.

3. Credit Reimbursement

The District believes that its position concerning credit reimbursement is more reasonable. They believe it weighs against the Union's proposal that they have not only proposed that credits be reimbursed but that they have increased horizontal increments by \$100. Finally, the District argues that it is common for employers and labor organizations to include the cost of new fringe benefits in arriving at total settlement costs. This is exactly what the District has done, and the District recognized that in subsequent years such costs may not appear as part of settlement costs. They submit the District Administrator's estimate of the costs of this new benefit are entirely reasonable and should be considered as part of the costs of the offers of the Parties.

IV. OPINION AND AWARD

The District argues that Poynette ought to be excluded as a comparable but yet included it in their data. In terms of comparable wage data, they rely on the fact the settlement in Rio in 1985-86 and 86-87 were higher than other comparable schools. They also present data for 1987-88 which shows that on a total wage basis the percentage increase under the Board's package is very consistent with the percentage of two average salary increases. The average salary increase was 6.35% compared to their 6.21% offer and the Unions 7.79% offer.

The data referred to by the District does favor their offer. However, this is really only the tip of the iceberg. The rest of the wage data tells a much different story.

For instance, the fact that the parties settled for more than other schools in 1985-86 and 1986-87 isn't surprising or probative since their wage levels lagged significantly behind the average (except at one benchmark). This is illustrated by the following:

1986-87 Benchmark Salary Levels

	<u>Comparable</u>	<u>Average</u>	<u>Rio</u>	<u>Difference</u>
BA Base	16,908	16,375	-533	
BA Max	22,713	23,580	+867	
MA Base	19,141	17,575	-1566	
MA Max	26,961	25,308	-1653	
Sched Max	28,577	26,172	-2403	

These wage level disparities also explain why it isn't fatal that the Association's wage offer on a percentage basis exceeds comparable settlements. Given these disparities they need a bigger percentage increase than the average to generate the same dollar increases received in their District. In short they need a greater percentage increase to keep up. Even though they seek a greater total wage percentage, the Association offer doesn't generate the same increase at the benchmarks as in the comparables at several benchmarks. The following shows the increases at each benchmark in dollars and percentages:

Benchmark Increases 1986/87 to 1987/88			
Average	Association		Board
	\$ / %	\$ / % (Diff to Aver)	\$ / % (Diff to Aver)
BA Base	+990/5.8	+800/4.8 (-190/+1)	+685/4.1 (-305/-1.7)
BA Max	+1446/6.3	+1152/4.8 (-294/+1.5)	+986/4.1 (-460/-2.2)
MA Base	+1131/5.9	+1200/6.8 (+69/+9)	+685/3.8 (-446/-2.1)
MA Max	+1778/6.6	+1728/6.8 (-50/+2)	+986/3.8 (-792/-2.8)
Sch.Max	+1911/6.6	+2016/7.7 (+105/+1.1)	+986/3.7 (-925/-2.9)
1987/88 to 1988/89			
BA Base	+1305/7.2	+975/5.6 (-330/1.6)	740/4.3 (-565/-2.9)
BA Max	+1156/4.8	+1404/5.6 (+248/+8)	+1066/4.3 (-90/-5)
MA Base	1373/6.7	+975/5.1 (-398/-1.6)	740/4 (-633/-2.7)
MA Max	1386/4.8	+1404/5.1 (+18/+3)	+1066/4.0 (-320/-8)
Sch.Max	1109/3.6	+1404/4.9 (+295/+1.3)	+1066/3.9 (-43/-3)

This shows that even under the Association's offer they will receive less than the average dollar increase in 1987-88 over 1986-87 at three of the five benchmarks. In 1988-89 they do receive a better than average dollar increase at three benchmarks. However, by comparison the Districts offer, generally speaking, causes a greater disparity than the Association's offer causes gain. In fact, under the Board offer the teachers would receive significantly less dollars at all the benchmarks than the comparables.

Moreover the fact that in isolated cases the Associations offer results in a greater dollar increase at the benchmarks is

not as significant as the fact that in the final analysis the wages levels in Rio will, at all but one benchmark, still be significantly behind the comparables as they were in 1985-86 and 1986-87. This conclusion was based on the following data:

Wage Levels/Benchmarks
Comparable Average

	1987/88	1988-89
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BA Base	\$17,970	\$19,275
BA Max	24,159	25,315
MA Base	20,272	21,645
MA Max	28,739	30,125
Sched Max	30,488	31,597

Association Offer

BA Base	\$17,175 (-795) (Diff from Aver)	18,150 (-1125) (Diff from Aver)
BA Max	24,732 (+573)	26,136 (+821)
MA Base	18,775 (-1497)	19,750 (-1895)
MA Max	27,036 (-1703)	28,440 (-1685)
Sch.Max	28,188 (-2300)	29,592 (-2005)

District Offer

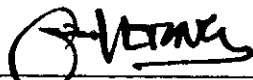
BA Base	\$17,060 (-910)	17,800 (-1475)
BA Max	24,566 (+407)	25,632 (+317)
MA Base	18,260 (-2012)	19,000 (-2645)
MA Max	26,294 (-2445)	27,360 (-2765)
Sch.Max	27,158 (-3330)	28,224 (-3373)

Due to these significant disparities it is the judgement of the Arbitrator (1) that the cost of living criteria cannot be given more weight than the comparable data and (2) even if the District's offer was more reasonable on credit reimbursement it would not carry more weight than the wage issue.

Accordingly, the final offer of the Association is deemed to be more consistent with the statutory criteria.

Award

The final offer of the Association is adopted.



Gil Vernon, Arbitrator

Dated this 22nd day of April, 1988 at Eau Claire, Wisconsin.