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STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

JAN 09 1989

WISCONSIN DEPARTMENT OF  
RELATIONS

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* In the Matter of the Petition of	*		*
* UNION GROVE AREA EDUCATION ASSOCIATION/KANSASVILLE	*	* Case 4	*
		No. 39573	
* To Initiate Arbitration	*	* INT/ARB-4614	*
* Between Said Petitioner and	*	Decision No. 25329-A	*
* KANSASVILLE SCHOOL DISTRICT	*		*
* NO. 1 (DOVER)	*		*

\* \* \* \* \*

APPEARANCES

On Behalf of the District: Kenneth Cole, Executive Director  
- Wisconsin Association of School Boards, Inc.

On Behalf of the Association: Esther Thronson, Executive Director - Southern Lakes United Educators, Council 26

I. BACKGROUND

On April 27, 1987, the Parties exchanged their initial proposals on matters to be included in a new collective bargaining agreement to succeed the agreement which would expire on June 30, 1987. Thereafter, the Parties met on six occasions in efforts to reach an accord on a new collective bargaining agreement. On October 26, 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 December 17, 1987, a member of

the Commission's staff, conducted an investigation which reflected that the Parties were deadlocked in their negotiations, and, by March 29, 1987, the Parties submitted 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 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. The Investigator then advised the Commission that the Parties remain at impasse.

On April 6, 1988 the Commission ordered the Parties to select an Arbitrator. The Parties selected the undersigned and subsequently he was appointed Arbitrator by the Commission on May 11, 1988. The Parties failed to authorize the Arbitrator to attempt to resolve the matter by mediation and an arbitration hearing was conducted September 7, 1988. Post hearing briefs were submitted October 21, 1988 and reply briefs were received on November 17, 1988.

## II. FINAL OFFER

The dispute between the Parties is limited to the appropriate salary schedule and salary increased in 1987-88 and 1988-89 for the District's 5.94 FTE.

The Association estimates the value of its salary proposal as follows:

	Average \$/FTE	Average %/FTE
1987-88	\$1799.82	10.2%
1988-89	\$1799.86	9.33%

The Association estimates the value of the Board's salary proposal as follows:

	Average \$/FTE	Average %/FTE
1987-88	1499.87	8.57%
1988-89	1499.71	7.89%

### III. ARGUMENTS OF THE PARTIES (SUMMARY)

#### A. The Association

##### 1. Comparables

The Association believes that the following schools should be considered comparable:

1. Brighton
2. Geneva J.4 (Woods)
3. Linn J.4 (Traver)
4. Norway J.7 (Drought)
5. Paris
6. Raymond #1 (North Cape)
7. Reek (Linn Jt. 6)
8. Salem 7 - Trevor
9. Washington-Caldwell (Waterford J.1 (T))
10. Wilmot Elementary (Salem Jt. 9)

They base their selection on the factors of (1) size, (2) the fact each of the schools (save one) are feeder schools to union high schools that belong to the same Athletic Conference, namely the Southern Lakes Athletic Conference (3) geographic proximity (4) similarities in financial make-up, and (5) Arbitrator Reynold's decision in Yorkville Joint School District No. 2, Towns of Yorkville, Dover and Raymond, Dec. No. 24374-A.

##### 2. Salary Schedule

At the outset, the Association notes that the 1986-87 salary schedule at Dover #1, Kansasville has seven (7) education lanes and twelve (12) experience steps in each

lane. Experience increments were all \$350. Increments between education lanes were \$300 except for a \$600 increment between B24 and M. Their offer maintains the status quo structure. In contrast the Board offer changes the status quo. In 1987-88 education increments are \$400 except for \$700 between B24 and M. In 1988-89 the proposal of the Board has education increments of \$500 between B and B12, \$400 between all others except \$700 between B24 and M. In addition to the change in increments the Board offer deletes steps in education lanes B, B12, and B24. They assert this has an adverse impact on one of the four full time employees of the District. It is also significant since the four (4) full time employees are all in the BA lane. They cite Yorkville, supra, noting the general reluctance of Arbitrators to make structure changes and their preference to have such changes negotiated between the Parties. Thus, they assert this is one reason to reject the Board's offer.

Next the Association argues there is a need to catch-up. This need is established by a benchmark analysis among their comparable group where the District ranks last except at the BA minimum, where they were second to last. They also look at the 3 year average of "per returning teacher" settlements 84-87, noting that the District's average settlement was \$1374 versus \$1645 on average.

Limiting their analysis to the period of the contract they contend that the Board, over the 2 year period has schedules that provide lift at benchmarks closer to the

average of the group. However, except for the B Min and M Min the Association will continue to rank at the bottom of the comparable group at benchmark levels. They believe the Association's offer should be selected because in order to achieve catch-up they must be allowed to have greater than average lift on benchmarks. With respect to benchmarks they acknowledge that the universally accepted Per Returning Teacher (PRT) Dollars measure (Association Exhibit 4-1) supports the Association's final offer of \$1,800 each year. At \$1,800 PRT the Association is right on target with comparable averages of \$1,817 and \$1,829. The Board falls \$300+ short each year.

The last factor addressed is the "interest and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement". The Association believes the "interest and welfare" of the public is served by a commitment to excellence in education "as well as minding the public purse". They believe their offer will further educational excellence. They also discuss the belief that education is an integral part of our changing society and that teaching must offer salaries, benefits and working conditions competitive with those of other professions. The lower than average teacher salaries in the District do nothing to further those goals. Additionally, in support of its final offer the Association reminds the Arbitrator that other districts labor under the same economic burdens as Dover #1, Kansasville, with the

same cost of living, and with the same problems with the school tax rate. Nonetheless, those districts have settled for higher salary increases for their teachers than is proposed by the Board. All of the comparable districts are subject to similar economic conditions, but remain willing to shoulder their responsibility for excellence in public education.

B. The District

1. Comparables

The Board has proposed that the following schools be used for comparison purposes:

Norway-Raymond Jt. 7 School District  
Raymond Jt. 1 School District  
Raymond No. 14 School District  
Union Grove Jt. 1 School District  
Washington-Caldwell School District  
[formerly Waterford Jt. 1 School District (t)]  
Waterford Jt. 1 (V) School District  
Yorkville Jt. 2 School District

They note that these K-8 school districts are all located in Racine County and feed into the Waterford and Union Grove High School districts. In support of their comparable grouping they cite Arbitrator Hutchison's decision, Union Grove Jt. 1 School District, Decision No. 17198-A, 5/21/80. The District believes that the comparison group appropriate for its neighbor, Union Grove Jt. 1, is also appropriate for it. They also contend that selection of this particular group of school districts also has the advantage of creating an internally consistent and stable comparison group, at least as far as Union Grove Jt. 1 and Kansasville Jt. 1 are concerned.

They also assert that in this case proximity is more important than size. Their grouping is more comparable based on proximity. Moreover, there is data for only 6 of the Association's ten (10) schools. This and other factors (unusual schedules) make comparisons to the Association's grouping difficult, if not impossible.

## 2. Salary Schedule

The first criteria addressed by the District is the "interest and welfare of the public". They present evidence and arguments to show that (1) the taxpayers of the Kansasville Jt. 1 School District have serious economic problems, (2) that these circumstances are different than other comparable districts, and (3) that the interest and welfare of the taxpayers of Kansasville Jt. 1, when balanced against the interests and welfare of the members of the Association, favors selection of the Board's final offer.

Regarding the economic conditions, they note that 41.2 percent of the property in the town of Dover (in which the District lies) is classified as agricultural. They detail recent losses in the agricultural sector and note these problems are accentuated by the severe summer drought.

This is all significant since, in their opinion, the Kansasville Jt. 1 School District is more dependent upon agriculture for its tax base than comparable school districts, since the school district has a higher tax levy rate than comparable school districts; and since the district staff is younger and less experienced than the staff in comparable school districts. For instance, the

data shows that the Kansasville Jt. 1 School Districts property taxpayers faced a levy rate of 11.06 in 1986-87 and 9.49 in 1987-88. This is the highest property tax levy in the eight schools in the Board's comparison group in each year. They compare the 1986-87 Kansasville Jt. 1 tax levy of 11.06 with the mean tax levy of 8.35. They also ask the Arbitrator to consider the relative level of experience in the Kansasville Jt. 2 School District and comparable school districts. The average years of experience in the comparable districts is 14.1 versus 4.4 for the District. Thus, the differences in average salaries are easily explained. Thus, they conclude that the interests and welfare of the taxpayers of the District mandate selection of the Board's final offer.

The Board also believes that their proposal to change the salary structure is justified. First, they note their initial final offer didn't reflect any structure change but that the Association proposed a salary schedule with a wide variety of changes in salary schedule structure, including a change in the number of steps and lanes, number of credits between the lanes and placement of teachers on the schedule. The Association also emphasized increasing maximum salaries. Thus, the District's final offer was consistent with some of the Association's goals as they were expressed in bargaining. Moreover, the Board believes that both it and the Association have a strong interest in improving maximum salaries in the District and in encouraging teachers to



continue their education. Last, they believe there is a quid pro quo for these changes in the former of greater increments which accelerates movement toward maximum salaries.

Turning next to benchmark analysis, the Board discusses a number of reasons why it is of limited usefulness in this case. Basically, in many benchmark respects both offers are reasonable. Thus, this mixed bag shows at worse, that this evidence is inconclusive.

Even if the Association's comparable group is considered the Board's offer is preferable on four benchmarks, whereas the Association's offer is preferred only on two. Moreover, the Board also notes that it gave teachers a very big salary increase in the 1986-87 contract settlement. Thus, over 3 years, 86-89 they are only \$301 behind the average increase, whereas the teacher's offer would put them \$299 ahead of the average increase.

The last factor addressed is the cost of living. For instance, the CPI index for nonmetropolitan urban areas increased by 0.8 percent in 1986-87 and 3.0 percent in 1987-88. The Milwaukee area CPI (January to June) increased 2.1 percent in 1986-87 and 4.1 percent in 1987-88. In view of the economic data, they believe a 8.57 and 7.89 percent increase is more than reasonable.

#### IV. DISCUSSION AND OPINION

The Board picked their comparables mainly on the basis of geographic proximity. They argue this would reflect

local economic conditions better than more widely dispersed comparables, even of the same size. The Association chose their comparables mainly on the basis of size going further geographically to construct their set of comparables. The Parties also agree as to several schools.

First, the Arbitrator believes that all other feeder schools to Union Grove High School should be used for comparison purposes, regardless of size. The feeder school-Union Grove High School relationship is unique and there is enough "internal" equity and geographic considerations to compell comparisons even if Union Grove Jt. 1 and Yorkville are substantially bigger.

Certainly the three other feeder schools are insufficient to form a 'group' for meaningful comparison purposes. In fact, both parties reach beyond this group and agree that Drought (Norway Jt. 7), North Cape (Raymond #1), and Washington Caldwell are comparable. Beyond this the Board argues Waterford is comparable and the Association looks to Brighton and Paris (similar size schools in adjacent districts) Wilmot, Reek, Traver Woods, and Lake Geneva Jt. 1.

The Arbitrator rejects Waterford as too large and the schools in Walworth County as too far, in view of the fact that a reasonably sized comparable group is available by looking at the Union Grove High School feeder group and similar size feeder schools in Racine and Kenosha counties. This gives a good balance between size and proximity.

Therefore, the comparable schools are for the purposes of this case:

Raymond #14  
 Union Grove Jt. #1  
 Yorkville  
 Drought (Norway Jt. 7)  
 North Cape (Raymond #1)  
 Washington-Caldwell  
 Brighton  
 Paris  
 Wilmot (Salem Jt. 9)

B. Salary Schedule

The Association argues that their offer is more reasonable since they are in a catch-up position. Indeed, wage level analysis does suggests that there are significant disparities which need to be addressed. This is borne out by a comparison of 1986-87 wage levels in the District to either Parties' comparable group.

	<u>1986-87 Kansasville</u>	<u>Association's comparables</u>	<u>District's comparables</u>
BA MIN	15,900	16,488(+3.7%)	16,755(+5.4%)
BA MAX	20,100	24,383(+21.0%)	23,315(+16%)
MA MIN	17,100	18,427(+7.7%)	18,053(+5.6%)
MA MAX	21,300	27,901(+30%)	26,150(+23%)
SCHED. MAX	22,200	29,856(+34%)	26,863(+21%)

The question isn't whether catch-up is needed but is whether the Association's proposal reasonably addresses this particular catch-up situation. It is noted that the most significant disparities are at the MA and Schedule Maximums. Yet, it is the Board's proposal which gives more lift at these benchmarks in 1987-88 and slightly more lift at

these benchmarks over the two year period. At the BA MAX the Association gives more lift. Thus, even though the Association's offer grants a greater average increase per teacher it is actually the Board's offer which gives more catch-up overall were it is needed on the schedule.

The average increase per teacher data favors the Association to some extent, but not dramatically, as the following shows:

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	<u>1987/88</u>	<u>1988/89</u>	<u>two year total</u>
Brighton	1992	1675	
Drought(Norway)	1701	1703	
North Cape	*	1800	
Paris	1643	1730	
Raymond #14	1674	N/S	
Union Grove	1600	N/S	
Washington	1503	1505	
Yorkville	1801	N/S	
Wilmot	<u>1550</u> 1683	<u>N/S</u> 1682	3365
Board	1500(-183)	1500(-182)	3000(-365)
Association	1800(+117)	1800(+118)	3600(+235)

\*not included because of a costing discrepancy and because in either event the settlement involved dramatic catch-up and would unreasonably distort the averages.

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It can be observed that the District is below the mark but not much more than the Association is above it. For instance, the District is 9.2% below the average and the Association is 7% above the average. Additionally, some of this difference might be attributed to the relatively young

staff. The difference is also mitigated by the fact that the settlement in the 1986-87 was \$250-300 higher per teacher than the average (depending on whose comparables and costings are used) and the fact that there are some very real differences between Kansasville and other Districts. This relates to a tax rate substantially greater than other schools and a greater reliance on the agriculture sector. Thus, the comparisons between Kansasville and other schools are not as strong as they might ordinarily be.

All the wage data suggests, when viewed in light of the comparability criteria, that this is a close case. Of course other criteria must be considered. The big consideration here is the state of the agriculture sector as accentuated by the 1988 summer drought. Its impact is real and must be reckoned with. It must also be kept in mind that the 1988-89 settlements that do exist probably were achieved before the summer's devastation.

The economic data tends to point to the conclusion that this is not the time for catch-up. However, this as a general matter, is relative to the Board's offer. If the Board's offer caused relatively more erosion or backsliding it might be deemed as more unreasonable.

However, the latter isn't clearly the case. As noted the Board's offer beefs the schedule up where it is weak, although it is granted there is a long way to go. It was also noted that the Board's offer on a per teacher basis isn't all that more divergent from the average as is the

Association's offer and this difference is mitigated substantially by several considerations. One of which is the greater than average increase in 1986. Another consideration is the greater increments under the Board's schedule which accelerates advancement. This is in the teacher's interest and really isn't a fatal flaw considering it was done in response to bargaining initiative of the Association.

Thus, the Board's offer is viewed, under these particular circumstances, as causing the teachers to hold their own in a time of economic difficulty. This is preferable to the Association's greater than average per teacher offer particularly (1) since the offer doesn't do as much to strengthen the schedule's weakest links, (2) since there are some meaningful distinctions between Kansasville and other comparable schools, and (3) since irreparable damage will not be done by imposing the District's offer.

AWARD

The final offer of the District is accepted.



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Gil Vernon, Arbitrator

Dated this 2nd day of January, 1989 in Eau Claire, Wisconsin.