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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

STATE OF WISCONSIN

BEFORE THE WISCONSIN EMPLOYMENT RELATIONS COMMISSION

In the Matter of the Arbitration of a Dispute Between	Case 16 No. 41038 INT/ARB-5012
PRENTICE SCHOOL DISTRICT, BOARD OF EDUCATION	Decision No. 25814-A ARBITRATOR'S DECISION AND AWARD
and	
PRENTICE EDUCATION ASSOCIATION	

SCOPE AND BACKGROUND

This is a final and binding arbitration proceeding brought pursuant to an application by the Prentice Education Association (hereafter, "the Union") as authorized by Wis. Stats., Sec. 111.70(4)(cm).

Prior to filing for arbitration, the Union and the Board of Education of the School District of Prentice (hereafter, "the Employer") exchanged written proposals on matters to be included in a new Collective Bargaining Agreement for 1988-89, 1989-90 school years (hereafter, "the Contract"). The parties then met personally on two more occasions in an attempt to reach mutual agreement. The Union then filed for arbitration.

Following the Union's request for arbitration, the Wisconsin Employment Relations Commission sent a member of its staff to conduct an investigation on October 25, 1988. The WERC staff member determined the parties were unable to resolve their differences and ruled the parties were officially at an impasse. Under the provisions of Wisconsin Law, Final Offers on both sides were submitted and certified to the WERC. Thereafter, Milo G.

Flaten of Madison, Wisconsin, was selected by the parties to serve as Arbitrator, the Final Offers were sent to him and an Arbitration Hearing was scheduled.

On April 19, 1989, the Arbitration Hearing was held at Prentice, Wisconsin commencing at 7:00 p.m. There, both parties submitted evidence supporting their respective positions. Following an agreed-to schedule, written briefs were sent to the arbitrator and exchanged between the parties on May 25, 1989. Thereafter, Reply Briefs and Supplements to the Reply Briefs were filed with the Arbitrator the last of which was received June 8, 1989.

The instant dispute is the first time these parties have resorted to arbitration to resolve their differences.

FINAL OFFERS OF THE RESPECTIVE PARTIES

The fundamental differences between the disputants concern the salary schedule for 1988-1989 and 1989-1990 and the amount to be paid by the Employer for health insurance, family coverage, for those two years. Additionally there are small differences concerning extra-curricular salaries.

With regard to the Salary Schedule issue, the Union proposes that teachers' pay be increased by 5.6% across the board for both years. The Employer's offer somewhat compresses the percentage of increase for teachers who have been with the District a number of years. A comparison of the Final Offers of the two parties and that of the previous year reads as follows:

		Union Final Offer		Employer Final Offer	
	1987-88	1988-89	1989-90	1988-89	1989-90
BA Base	$16,775	$17,714	$18,706	$17,700	$18,645
BA Maximum	$24,275	$25,634	$27,070	$25,500	$26,745
MA Base	$18,635	$19,679	$20,781	$19,560	$20,545
MA Maximum	$26,135	$27,599	$29,145	$27,360	$28,645
Schedule	$27,530	$29,072	$30,700	$28,755	$30,070

POSITIONS OF THE PARTIES

The Union

The Union takes the position that its final offer is the more reasonable one and that its terms should be incorporated into the Contract for the next 2 years. It argues that Prentice employs one of the lowest paid K-12 faculties in the State of Wisconsin. The Union then points out that that poorly paid Prentice faculty is also part of an Athletic Conference which has the lowest average salary in the state. Thus, the Union argues, the Prentice teachers not only lose out to inflation every year but to the salary increases granted to other teachers in the state.

The Union next argues that the Employer expends a very low amount per pupil and this has a direct reflection on teachers' wages. In fact, the Union goes on, the cost per pupil expended by the Employer to educate only amounts to about 52% of the effort put forth by the top ranked districts in the state.

The Union next points out that the Prentice District must compete state-wide and in neighboring states to recruit teachers. For this reason, the Union goes on, Prentice salary structures should be compared not only with local or regional districts but should be compared with teachers salaries from all over the state

including those living in Minnesota and Michigan.

The Union then declares it is obvious that the Board intends to shrink an already low differential between entry level and maximum level pay for teachers.

While the Employer and the Union are actually very close on the base salary proposal, the Union concedes, it is the veteran career teacher which the Employer is attempting to harm. If the Employer were willing to treat experienced teachers in the same manner as beginning teachers, the Union declares, there probably would have been a voluntary settlement to this dispute long ago.

Career teachers, points out the Union, would only receive a 9.2% rate increase if the Employers Final Offer is selected. This compares to an 11.1% rate increase if it were done through ordinary progression. That amounts to $515.83 over the two year period, declares the Union. Furthermore, the Union continues, the compressed rate increase scheme proposed by the Employer would affect 44% of the Employer's staff. It is out of the norm even for the Marawood Conference to shrink the salary schedule at the top as the Employer has proposed, states the Union. And this shrinkage, the Union goes on, would have a long term effect on a teachers retirement which is based on his/her top level pay.

The Union next argues that because the Employer is not having trouble attracting new teachers, it is all the more reason to believe the Employer's offer must be considered to be punitive towards the top paid teachers.

The Union then declares that long-suffering Prentice teachers need catch-up pay and the District taxpayers can afford

to pay it.

The Union reasons that benchpoint comparisons from district to district are a more accurate measurement than the comparison method used by the Employer. These benchpoint comparisons, the Union goes on, reflect the average salary paid in the comparing districts not some top level shrinkage scheme.

The Union next argues that if the Employer concentrates its pay at the bottom of the salary schedule for short-term it would have the long-term effect of cheating veteran teachers out of benefits when they retire.

As an additional argument the Union declares that if the Employer is going to use state-wide statistics to show the economic plight of farmers then it should consider the state-wide data which the Union has presented concerning non-farm economics. Additionally, the Union declares, there has been no meaningful evidence presented on the effect of the drought on the farmers of the district. Therefore, the Union argues, the Prentice School District should be considered to be the same agriculture-wise as other districts because there has been no proof to show that it is worse off.

Finally, the Union points out that the Employer has paid the full cost of health insurance since 1973. For it now require to a contribution from its employees when its salary schedule is already far below most other districts, the Union argues, certainly makes the Employers final offer unreasonable. This is especially true, the Union goes on, because the Employer hasn't offered any meaningful economic or "language" change in the Contract to offset the proposed diminution of its health

insurance contribution.

The Employer

The Employer takes the position that its final offer, when considered under all the criteria found in sec. 111.70, Wis. Stats., must be selected as the most reasonable.

It reasons that during the pendency of these proceedings two labor settlements and an arbitration award have come into the picture, all three of which favorably compare to the Final Offer of the Employer.

Furthermore, points out the Employer, evidence in the record overwhelmingly supports the contention that, using the factors normally considered by arbitrators to determine comparability, the school districts comprising Marawood and Cloverbelt Athletic Conferences are most comparable to the Prentice School District. And the evidence submitted in this case shows that the Final Offer of the Prentice District is closer to the average salary in terms of total package increases in those comparable school districts whereas the Final Offer of the Union is unreasonable and excessive.

The Employer next points out that its Final Offer exceeds the rate of inflation by a substantial amount thereby providing real wage gains to teachers in the district.

Additionally, the Employer continues, wage increases received by employees in the private sector more nearly correspond to its Final Offer rather than the Union's Final Offer.

The Employer's next contention is that the Union's reliance on benchmark salaries for comparison to teachers in comparable districts is misleading. This is because, the Employer goes on, many of the Union's comparables have deleted steps, frozen staff placements, or otherwise modified their salary schedules so that the comparisons are no longer valid. For this reason, the Employer declares, the best method of analyzing the wage proposals contained in the Final Offers is through the use of average salary and total package dollar and percent increases.

Moreover, the Employer avers, its proposal to require a contribution to family health insurance premiums is a fair and reasonable response to the rapidly escalating costs of insurance. For example, the Employer goes on, insurance premiums in Prentice have increased twice as fast as in comparable districts. Moreover, the Employer argues, even though the requirement of employee contribution to insurance costs takes away money available for salary increases, its Final Offer still remains competitive with salary increases achieved in comparable districts. Further, the Employer goes on, the Union's final offer does not take into account the increase in health insurance premiums all the while requesting a wage increase which is well in excess of the average settlement in the surrounding districts.

With regard to the interest and the welfare of the public the Employer contends that proof in the record demonstrates that Prentice does not need a higher salary schedule in order to attract and retain qualified teachers.

Finally, the Employer takes the position that its lower offer minimizes the impact on any tax increases that might come

as a result of a settlement.

Simply put, the Employer argues, its Final Offer provides teachers with a salary and total package increase that is competitive with settlements in comparable school districts which also exceeds the rate of inflation by a substantial margin. On the other hand, the Employer points out, the Union has simply not justified a proposal which asks for a total package increase almost 3 times the rate of inflation.

DISCUSSION

In its proposed Final Offer on Health Insurance, the Employer requests a $5.00 per month contribution from employees having family plan coverage for each of the two years under consideration. In previous years health insurance coverage was paid entirely by the Employer. Moreover, the Employer cites no compelling reason to change the status quo. If that plan were selected it would mean the Prentice District which already pays the least for health insurance amongst comparables, would actually be reducing its teachers' take-home pay up to $10.00 per month. A demand for a contract concession of that significance is traditionally accompanied by a quid pro quo benefit to compensate for the "take-back" and ameliorate its impact. No such quid pro quo was forthcoming.

The parties appear to agree the Marawood Conference Districts are more nearly comparable to Prentice. But at the time of the hearing only Pittsville from that conference had settled its 1988-90 contract. However, at this writing the

parties now point out that 5 of the 9 Marawood schools other than Prentice have either settled or had their contracts decided through arbitration. Grouping Prentice's salaries with those 5 schools shows that from the standpoint of last year's benchpoints, Prentice ranked fourth of the six settled districts. However, if the Employer's offer were to be selected for the 1989-90 period, Prentice would slip to number five, next to the bottom.

On the other hand, of the additional comparables proffered beyond Marawood, the Cloverbelt Athletic Conference appears to be somewhat more comparable in size and other demographics to the conference to which Prentice has been assigned. Since the proof in the record shows that the salary schedule the Employer offered is more consistent with the collective bargaining settlements in the Cloverbelt Conference, the Employer's offer should be deemed most reasonable.

However, two actual arbitration awards in which neutral observers have examined the proof and expressed opinions on similarities of the comparables, etc. have come down since the hearing in this case. They are Edgar, Wisconsin where the arbitrator ruled in favor of the Employer and Athens, Wisconsin where the arbitrator ruled in favor of the Union.

Of the two districts where a neutral observer made the Award, one, Athens, also dealt with an Employer's Final Offer requesting a change in the status quo on Health Insurance. For that reason the Athens Award is more comparable to the one at hand.

As stated, the Employer's Final Offer on Salary Schedule,

when juxtaposed with the settled Marawood districts, Prentice's position slips a notch and it finds itself dropped to next to the bottom of the settled districts instead of fourth of six as it was last year.

When that information is added to the "take-back" without any compensating concessions in return demanded by the Employer, it is clear that the Union's Final Offer is more reasonable than the Employer's.

DECISION

Having considered the Final Offers of the parties in light of the statutory factors listed in sec. 111.70 of the Wis. Stats. it is the Decision of the Arbitrator that the Union's Final Offer is the more reasonable.

AWARD

That the 1988-90 Contract between the Prentice School District and the Prentice Education Association incorporate the Final Offer of the Prentice Education Association.

Dated this 3d day of July, 1989.

Milo G. Flaten, Arbitrator