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JUN 22 1990
WISCONSIN EMPLOYMENT RELATIONS COMMISSION

In the Matter of Final and Binding :
Final Offer Arbitration :
Between :
NICOLET AREA TECHNICAL COLLEGE :
FACULTY ASSOCIATION :
and : **AWARD**
NICOLET AREA TECHNICAL COLLEGE : Decision No. 26267-A
WERC Case 9 :
No. 42938 INT/ARB-5404 :

I. **HEARING.** A hearing in the above entitled matter was held on March 15, 1990, beginning at 9:30 a.m. at the Nicolet Area Technical College, Rhinelander, Wisconsin. Parties were given full opportunity to give testimony, present evidence and make argument. Briefs were exchanged May 1, 1990.

II. **APPEARANCES.**

GENE DEGNER, Director, WEAC UniServ Council No. 18,
appeared for the Union.

DRAGER, O'BRIEN, ANDERSON, BURGY & GARBOWICZ by JOHN L.
O'BRIEN, Attorney, appeared for the Employer.

III. **NATURE OF PROCEEDINGS.** This is a proceeding under the Municipal Employment Relations Act, Section 111.70 of the Wisconsin Statutes. On October 13, 1989, the Nicolet Area Technical College Faculty Association filed a petition with the Wisconsin Employment Relations Commission alleging that an impasse existed between it and the Nicolet Area Technical College in collective bargaining. The Commission conducted an investigation through Edmond J. Bielarczyk, Jr., a staff member who reported that the parties were deadlocked in negotiations. The Commission on December 22, 1989, found that the parties were indeed at an impasse, that they had substantially complied with the procedures set forth in the statutes, and certified therefore that the conditions precedent to the initiation of arbitration as required by the statutes had been met. The Commission then ordered arbitration. The parties having selected Frank P. Zeidler, Milwaukee, Wisconsin, as arbitrator, the Commission issued an order on January 31, 1990, appointing him arbitrator. Hearing was as reported above.

IV. **FINAL OFFERS.**

A. Final Offer of the Union:

NICOLET AREA TECHNICAL COLLEGE FACULTY ASSOCIATION (NATCFA) FINAL OFFER.

1. Final offer for a new contract covering the 1989-90, 1990-91, and 1991-92 school years.
2. All tentative agreements.
3. All language of the previous agreement, except as modified by tentative agreements and this final offer.
4. All wages retroactive to July 1, 1989.
5. Adjustment of 2.5 percent per cell to the 1988-89 salary schedule for 1989-90; adjustment of 3.5 percent per cell to the 1989-90 salary schedule for 1990-91; and, adjustment of 4.5 percent per cell to the 1990-91 salary schedule for 1991-92. (see attached schedules)

PCFA 1989-90 SALARY PROPOSAL (2.5%)

STEP	NON D	BA DE	MA DE
1.0	19988	19988	19988
2.0	21781	21781	21781
3.0	23575	23575	23575
4.0	25625	25625	25625
5.0	---	27675	27675
6.0	---	29725	29725
7.0	---	31775	31775
8.0	---	33825	33825
9.0	---	---	35875
10.0	---	---	37925

1989-90 COSTING

STEP	NON D	BA DE	MA DE	TOTAL
1.0	0	0	0	0
2.0	0	0	0	0
3.0	0	0	0	0
4.0	85408	52659	40001	178068
5.0	---	86097	27675	113772
6.0	---	59450	125499	184949
7.0	---	79438	196560	275998
8.0	---	176634	172880	349514
9.0	---	---	394625	394625
10.0	---	---	570961	570961

TOTAL 85408 454278 1528200 2067886

NUMBER OF EMPLOYEES (FTE) = 62.36

TOTAL PAYROLL = \$2,067,886

AVERAGE SALARY = \$33,162.59

AVERAGE INCREASE/EMPLOYEE \$2,438.23 (7.94 %)

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TCFA 1990-91 SALARY PROPOSAL (3.5%)

STEP	NON D	BA DE	MA DE
	-----	-----	-----
1.0	20688	20688	20688
2.0	22543	22543	22543
3.0	24400	24400	24400
4.0	26522	26522	26522
5.0	---	28644	28644
6.0	---	30765	30765
7.0	---	32887	32887
8.0	---	35009	35009
9.0	---	---	37131
0.0	---	---	39252

990-91 COSTING

STEP	NON D	BA DE	MA DE	TOTAL
	-----	-----	-----	-----
1.0	0	0	0	0
2.0	0	0	0	0
3.0	0	0	0	0
4.0	88398	0	0	88398
5.0	---	58863	44713	103577
6.0	---	95710	30765	126475
7.0	---	65774	138849	204623
8.0	---	270340	216566	486905
9.0	---	---	189777	189777
0.0	---	---	1022711	1022711

TOTAL 88398 490687 1643380 2222465

NUMBER OF EMPLOYEES (FTE) = 62.36

TOTAL PAYROLL = \$2,222,465

AVERAGE SALARY = \$35,641.56

AVERAGE INCREASE/EMPLOYEE \$2,478.97 (7.48 %)

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ATCFA 1991-92 SALARY PROPOSAL (4.5%)

STEP	NON D	BA DE	MA DE
	-----	-----	-----
1.0	21619	21619	21619
2.0	23557	23557	23557
3.0	25498	25498	25498
4.0	27715	27715	27715
5.0	---	29933	29933
6.0	---	32149	32149
7.0	---	34367	34367
8.0	---	36584	36584
9.0	---	---	38802
10.0	---	---	41018

991-92 COSTING

STEP	NON D	BA DE	MA DE	TOTAL
	-----	-----	-----	-----
1.0	0	0	0	0
2.0	0	0	0	0
3.0	0	0	0	0
4.0	92374	0	0	92374
5.0	---	0	0	0
6.0	---	66066	50185	116251
7.0	---	106916	34367	141283
8.0	---	355670	154458	510127
9.0	---	---	240029	240029
10.0	---	---	1278367	1278367

TOTAL 92374 528652 1757405 2378431

NUMBER OF EMPLOYEES (FTE) = 62.36

TOTAL PAYROLL = \$2,378,431

AVERAGE SALARY = \$38,142.78

AVERAGE INCREASE/EMPLOYEE \$2,501.22 (7.02 %)

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B. Final Offer of the Employer:

NICOLET AREA TECHNICAL COLLEGE
DISTRICT BOARD FINAL OFFER

1. Three (3) year contract 1989/90, 1990/91 and 1991/92.
2. Add \$250.00 per step 1989/90
Add an additional \$250.00 per step 1990/91
Add an additional \$250.00 per step 1991/92
3. Whole steps will remain \$2,000.00; half steps will be \$1,000.00.
4. a. Move Non-Degree Maximum to Step 5 in 1989/90, Step 5.5 in 1990/91 and Step 6 in 1991/92.
b. Move B.S. Maximum to Step 9 in 1989/90, Step 9.5 in 1990/91 and Step 10 in 1991/92.
c. Move M.S. Maximum to Step 11 in 1989/90, Step 11.5 in 1990/91 and Step 12 in 1991/92.
5. One-half steps would be dropped at the end of the contract period.
6. Drop Step 1 (\$19,500) from the salary schedule and renumber the steps. For 1989-90 the employee's step location will stay the same because the salary schedule will move to the employee. During 1990/91 and 1991/92 employees will be awarded their normal step increase.

Costing: (Salary Only)

1989/90 = \$144,853.00 = 7.56%
1990/91 = \$128,740.00 = 6.25%
1991/92 = \$112,443.00 = 5.14%
(6.32% average)

TOTAL PACKAGE COSTING (SALARY ONLY) = \$386,036.00 = 20.50% or average 6.83% per year compounded.

NICOLET AREA TECHNICAL COLLEGE BOARD OF EDUCATION
SALARY SCHEDULE

1989-90

1.	21,500	
2.	23,250	
3.	25,250	
4.	27,250	NON-B.A. MAXIMUM SALARY

5.	29,250	
6.	31,250	
7.	33,250	
8.	35,250	B.A. DEGREE MAXIMUM SALARY

9.	37,250	
10.	39,250	MASTER'S DEGREE MAXIMUM SALARY

BARGAINING UNIT EMPLOYEES WITH A PHD OR EDD SHALL RECEIVE AN
ADDITIONAL \$2000 BEYOND THE APPROPRIATE STEP.

NICOLET AREA TECHNICAL COLLEGE BOARD OF EDUCATION
SALARY SCHEDULE

1990-91

1.	21,750	
2.	23,500	
3.	25,500	
4.	27,500	
4.5	28,500	NON-B.A. MAXIMUM SALARY

5.	29,500	
6.	31,500	
7.	33,500	
8.	35,500	
8.5	36,500	B.A. DEGREE MAXIMUM SALARY

9.	37,500	
10.	39,500	
10.5	40,500	MASTER'S DEGREE MAXIMUM SALARY

BARGAINING UNIT EMPLOYEES WITH A PHD OR EDD SHALL RECEIVE AN ADDITIONAL \$2000 BEYOND THE APPROPRIATE STEP.

NICOLET AREA TECHNICAL COLLEGE BOARD OF EDUCATION
SALARY SCHEDULE

1991-92

1.	22,000	
2.	23,750	
3.	25,750	
4.	27,750	
4.5	28,750	
5.	29,750	NON-B.A. MAXIMUM SALARY

6.	31,750	
7.	33,750	
8.	35,750	
8.5	36,750	
9.	37,750	B.A. DEGREE MAXIMUM SALARY

10.	39,750	
10.5	40,750	
11.	41,750	MASTER'S DEGREE MAXIMUM SALARY

BARGAINING UNIT EMPLOYEES WITH A PHD OR EDD SHALL RECEIVE AN ADDITIONAL \$2000 BEYOND THE APPROPRIATE STEP.

V. FACTORS TO BE WEIGHED BY THE ARBITRATOR. Section 111.70 (4) (cm) 7 states that the arbitrator shall give weight to the following factors:

"a. The lawful authority of the municipal employer.

"b. Stipulations of the parties.

"c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of the 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 other employees performing similar services.

"e. Comparison of the 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 generally in public employment in the same community and in comparable communities.

"f. Comparison of the 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 in private employment in the same community and in comparable communities.

"g. The average consumer prices for goods and services commonly known as the cost-of-living.

"h. 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.

"i. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

"j. 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."

VI. LAWFUL AUTHORITY. There is no question here as to the lawful authority of the unit of government to meet either offer.

VII. STIPULATIONS OF THE PARTIES. All other matters between the parties to be included in an agreement extending for three years after July 1, 1989, have been agreed to.

VIII. FINANCIAL ABILITY OF THE UNIT OF GOVERNMENT. No issue has been raised on the financial ability of Nicolet Area Technical College (NATC) to meet the costs of either offer, although some Employer exhibits relate to this subject. They are treated under a section on the interests and welfare of the public:

IX. COMPARABLE DISTRICTS. Both parties use as comparable districts the 16 Vocational, Technical and Adult Education Districts in the State of Wisconsin.

X. COSTS OF THE OFFERS. NATC gives the following costing above the previous year for salary increases only in its Exhibit 4a-3.

Table I

<u>School Year</u>	<u>Costs</u>	<u>% Inc.</u>	<u>Aver./Year.</u>
1989/90	140,347	7.33	
1990/91	128,753	6.26	
1991/92	116,695	5.34	6.31%
Total Package	385,795	20.1	6.71%

From the Association offer the following information on salary increases is derived for 62.36 teaching positions: (Ux. 2-3, 2-4, 2-5).

Table II

<u>School Year</u>	<u>Costs</u>	<u>% Inc.</u>	<u>Aver./Year.</u>
1989/90	152,048	7.94	
1990/91	154,588	7.48	
1991/92	155,976	7.02	7.48%
Total	462,711 ⁽¹⁾	24.1 ⁽¹⁾	8.03 ⁽¹⁾
Difference	+ 76,916		

(1) Arbitrator's calculations from data in exhibits.

From the Association Exhibits 9, 10, 11, 12, 22, 23, 24 and 25 the following information on total payroll is also derived considering 62.36 positions:

Table III

<u>School Year</u>	<u>Total Payroll</u>	<u>Aver. Salary</u>	<u>\$ Inc./Teacher</u>
Assn. Offer			
1988/89	\$1,915,848	\$30,724.36	
1989/90	2,067,886	33,162.59	\$2,438.23
1990/91	2,222,465	35,641.56	2,478.97
1991/92	2,378,431	38,142.78	2,501.22
Board Offer			
1988/89	\$1,915,848	\$30,724.36	
1989/90	2,056,149	32,974.36	\$2,250.00
1990/91	2,184,895	35,039.05	2,064.69
1991/92	2,301,586	36,910.42	1,871.37

This information is substantially corroborated in Board Exhibit

Association Exhibit 5 supplies this information.

Table IV

<u>Year</u>		<u>Assn. Offer, MA Degree</u>	<u>NATC Offer, MA Degree</u>
1989/90	Step 1	\$19,988	\$21,500 ⁽¹⁾
	Step 10	37,925	39,250 ⁽²⁾
1990/91	Step 1	20,688	21,750 ⁽³⁾
	Step 10	39,252	40,500 ⁽³⁾
1991/92	Step 1	21,619	22,000 ⁽³⁾
	Step 10	41,018	41,750 ⁽³⁾

(1) Association lists this as Step 2, Board as Step 1.

(2) Association lists this as Step 11, Board as Step 10.

(3) Top Step in Board offer.

The following information on total costs per average employee is abstracted from Board Exhibit 10a.

Table V

	<u>Assn.</u>	<u>Board</u>	<u>State</u>
1988/89 Averages	36,797	36,797	
1989/90 Averages			
Salary	39,825	39,602	
\$ Inc.	3,028	2,804	2,961
% Inc.	8.23	7.62	
Total	188,796	174,871	
1990/91 Averages			
Salary	42,825	42,108	
\$ Inc.	3,000	2,507	3,303
% Inc.	7.53	6.33	6.65
Total	187,095	156,324	
1991/92 Averages			
Salary	45,860	44,392	
\$ Inc.	3,034	2,284	
% Inc.	7.08	5.42	
Total	189,188	142,395	
Total Package	565,076	473,590	
2 Year Average			
Salary	3,014	2,656	
% Inc.	7.88	6.90	
3 Year Average			
Salary	3,021	2,532	
% Inc.	7.61	6.46	

XI. COMPARISONS AMONG STATE VTAE DISTRICTS. The proposed current agreement for the parties is the second of two agreements. In the first three year agreement ending June 30, 1989, the parties after long negotiations agreed upon a ten step schedule with no lanes to represent degrees and degrees plus credits, but the parties did make the 4th step among the steps as the top step for non-degreed teachers. The BA degree maximum salary was set at the 8th step, and a MA degree step limit was the 10th step. However a PhD. degree provided an additional step with a \$2,000 payment above step 10.

The increment between steps 1 and 2, and 2 and 3 was \$1,750, but thereafter for the remaining steps all increments were \$2,000. It is the basic intention of NATC to keep the increments between the steps the same, except for those at the non-BA and at the BA maximums which advance by a \$1,000 increment plus a basic increase of \$250 per step for the school years of 1990/91 and 1991/92. The lowest step in the 1988/89 schedule is eliminated by NATC in 1989/90. Thus a teacher at the non-BA maximum, step 4 - \$25,000, in 1988/89 would stay at a new step 4 in 1989/90 with a \$27,250 salary representing a general cell increase of \$250 plus a \$2,000 increment, while the new schedule drops the lowest salary level at former step 1 of 1988/89. In 1990/91 the teacher at the non-degreed maximum would advance to step 4.5 with an increase of \$1,000 plus \$250 to \$28,500. In 1991/92 the non-BA maximum would advance to step 5 by a \$1,000 increase plus \$250.

The Association, as its offer shows, is asking for a percentage increase in each cell, the effect of which would be among other things to eliminate the same dollar increment between steps and to cause some senior teachers to receive larger increments than those in the lower steps.

With this background in mind, it is necessary to report on the parties' exhibits on comparable districts.

Association Exhibits

Association Exhibits 26-29 reported data on VTAE District contract settlements for 1990/91 of 10 districts. All districts appeared to have used a percentage increase per cell and none the same increment per cell. The average percentage increases in seven benchmark categories range from 4.66% to 5.06%. An average dollar increase per returning teacher was \$2,187, but this is based on information of only two districts.

Association Exhibits 30 to 37 reported on 1989/90 contract settlements of 12 of 15 districts. All districts appeared to have generally used a percent per cell increase method though with some variations for some benchmark lanes. The average percentage increases in the seven benchmarks range from 4.58% to 5.62%. An average dollar increase per returning teacher of \$2,087 was shown, but this was based on only two districts.

Association Exhibits 34-58 reporting on contract settlements from 1988/89 back to 1982/83 show a similar use of equal percentage increases per cell, generally, with some exceptions.

As noted from the final offers introduced here, the salary schedule at NATC does not include lanes for Bachelor or Master's degree plus credits. However the single lane that appears in the offers can be used for comparison of steps with the BA and MA lane comparisons and for maximum comparisons. Thus from Association Exhibits 59-62 inclusive, the following ranks of NATC among the 16 districts was noted for 1988-89.

Table VI

BA			MA			
<u>Min.</u>	<u>7th</u>	<u>Max.</u>	<u>Min.</u>	<u>10th</u>	<u>Max.</u>	<u>Sched. Max.</u>
16	1	4	17	1	4	14

Association Exhibits 65 and 66 were exhibits on the ranking of NATC in Maximum lane bench points. The following chart summarizes some of the information.

Table VII

<u>BA</u>	<u>+6</u>	<u>+12</u>	<u>+18</u>	<u>+24</u>	<u>+30</u>
4	4	5	6	10	11
<u>MA</u>	<u>+6</u>	<u>+12</u>	<u>+18</u>	<u>+24</u>	<u>+30</u>
4	4	4	6	11	12

Association Exhibits 67 to 82 were salary schedules of 16 VTAE districts for 1988-89. These exhibits show the structure of salary schedules differing from that of NATC for the most part. Thus,

Table VIII

<u>District</u>	<u>Lanes</u>	<u>Steps in Top Lane</u>	<u>District</u>	<u>Lanes</u>	<u>Steps in Top Lane</u>
Blackhawk	10	14	Moraine Park	12	17 ⁽¹⁾
Eau Claire	7	13	Nicolet	3 ⁽²⁾	10 ⁽⁴⁾
Fox Valley	13	15 ⁽¹⁾	North Central	11	14
Gateway	9	14 ⁽¹⁾	Northeast	6	12
Indianhead	7	14 ⁽¹⁾	Southwest	2	14
Lakeshore	10	15	Waukesha ⁽³⁾	4	14
Madison	6	15	Western	2	13
Midstate	10	15 ⁽¹⁾			
Milwaukee	6	16 ⁽¹⁾			

These conditions of the number of lanes and steps obtain in 1990/91 and 1991/92 settlements except for minor changes in a few districts and a major change at Southwest UTAL where 22 lanes with 13 steps have been established for 1989-90. (Assn. 83-112, especially Assn. 97).

- (1) Doctorate lane
- (2) Listed as one lane with internal maximums for BA and MA. PhD gets additional increment.
- (3) Counsellor's lane
- (4) Additional compensation for PhD

In its Exhibit 113 the Association contends that the greater costs for the salary schedule in NATC is due to a skewing in the current placement of teachers. Fewer are at the top of the schedule in their respective lanes. In Association Exhibit 113, based on information found in Association Exhibits 114-123, the Association compares the percentage of the teaching staff at the top of their lanes at Nicolet with the percentage of teaching staff at the top of lanes in seven other districts and then with the average of those seven districts. This chart is derived from Association Exhibit 113.

Table IX

<u>Nicolet</u>	<u>Staff at Top, BA Lanes</u>	<u>%</u>	<u>Staff at Top, MA Lanes</u>	<u>%</u>	<u>Total at Top, All Lanes</u>	<u>%</u>
	3 of 15.5 ⁽¹⁾	19	4 of 44	9	10 of 63	16.3 ⁽¹⁾
Average		35		59		51

(1) The arbitrator cannot verify these data from Assn. 114. Assn. 114 shows a scattergram of 4.222 FTE at the top of the BA lane where the total BA equivalent is 14.888 in BA lanes. $4/15 = 26.7\%$. The total at the top of the lanes then would be $11/63 = 17.5\%$.

Reinforcing this argument, the Association prepared Exhibits 124 to 127 to show what would happen in the 1988-89 salary schedule for NATC if 35% of the NATC BA staff and 59% of the MA staff were at the top. This exercise with this hypothesis yielded the following results using a straight 4.5% increase for 62.91 FTE for each of the years.

Table X

<u>Year</u>	<u>Hypothetical Increase Total \$</u>	<u>Average Sal.</u>	<u>Inc./Emp.</u>	<u>Aver. %</u>
1989-90	2,177,805	34,618	2,371.00	7.35
1990-91	2,328,281	37,010	2,392.00	6.91
1991-92	2,475,452	39,349	2,339.00	6.32
<u>Association Offer</u>				
1989-90	2,067,886	33,162	2,438.23	7.44
1990-91	2,222,465	35,641	2,478.97	7.48
1991-92	2,378,431	38,142	2,501.00	7.02

Board Exhibits

Board Exhibits 7a and 7b list the current NATC academic faculty, their 1988/89 salaries and steps, their 1991/92 salaries and steps, the cumulative dollars they will receive and the percent increase under the Board offer. The dollar increases range for full-time teachers generally from \$4,750 to \$6,750. The percentage increases for full-time teachers range from 12.8% for those at the top to up to 29.3% for those teachers in the lower steps.

For persons in the "Extended Faculty", the range of increases goes from \$3,514 to \$8,250, and the percentage increases range from 14.4% to 29.3%. (Board 7c).

Similar information was provided about the Association proposal. The cumulative dollars full-time faculty will receive range from \$10,018 down to \$2,715. The cumulative percentage increases range from 39.8% to 10.9%.

For teachers of the "Extended Faculty", they will have had cumulative dollar increases ranging from \$11,714 to \$3,016. The percentage increases will range from 39.8% to 10.8%.

Under both offers the largest percentage increases occur at Step 3 in the 1988/89 schedule for employees with a degree. The smallest percentage increases are for those who have reached their maximums.

Board Exhibit 8a presented a comparison of Board and Association offers with state averages. Six benchmarks are used for the three years of the proposed contract. The following chart is abstracted from the salaries listed in this exhibit.

Table XI
(Dollars in 000)

<u>Step</u>	<u>State Average</u>	<u>Board Offer</u>	<u>Assn. Offer</u>
1989/90			
BS+0	21.9	21.5	20.0
BS+0 (7th yr. middle)	27.7	27.2-29.2	25.6-27.6
BS Max.	36.4	35.2	33.8
MS+0	24.4	21.5-39.2	19.9-37.9
MS+0 (10th)	33.4	39.2	37.9
MS Max.	42.5	39.2	37.9
1990/91			
BS+0	23.1	21.7	20.6
BS+0 (7th yr. middle)	24.2	28.5-29.5	26.5-28.6
BS Max.	38.4	36.5	35.0
MS+0	25.7	21.7-40.5	20.6-39.2
MS+0 (10th)	35.4	40.5	39.2
MS Max.	42.5	40.5	39.2
1991/92	*		
BS+0	24.7	22.0	21.6
BS+0 (7th yr. middle)	24.8	31.7-33.7	27.7-29.9
BS Max.	38.7	37.7	36.5
MS+0	27.4	22.0	21.6
MS+0 (10th)	34.3	41.7	41.0
MS Max.	43.5	41.7	41.0

*Only 2 districts settled.

The following information on comparisons between the offers in Nicolet and state averages is derived from Board Exhibit 9.

Table XII

(Dollars in 000)

<u>1989/90 Averages</u>	<u>Assn.</u>	<u>Board</u>	<u>State</u>
Salary	33.1	32.9	
\$ Inc.	2.4	2.2	2.0
% Inc.	7.94	7.33	6.0
<u>1990/91 Averages</u>			
Salary	35.6	35.0	
\$ Inc.	2.4	2.0	2.1
% Inc.	7.48	6.26	6.0
<u>1991/92 Averages</u>			
Salary	38.6	36.9	
\$ Inc.	2.5	1.8	2.1 ⁽¹⁾
% Inc.	7.02	5.34	
<u>Two Year Averages</u>			
Salary	2.4	2.1	
% Inc.	7.7	6.8	
<u>Three Year Averages</u>			
Salary	2.4	2.0	
% Inc.	7.4	6.3	

(1) One district

The Board supplied information in Exhibits 11a-11d on employee movement through the steps under each offer. The following information is derived from those exhibits and relates to an emphasis on how persons at the non-degreed, BA and MA maximums would advance over the three years.

Table XIII

**Board Offer
Non-Degree Maximum**

<u>Year</u>	<u>Step</u>	<u>Salary</u>	<u>\$ Inc.</u>	<u>% Inc.</u>
1989/90	4	27,250	2,250	9.0
1990/91	4.5	28,500	1,250	4.6
1991/92	5	29,750	1,250	4.6
		<u>BA Max.</u>		
1989/90	8	35,250	2,250	6.8
1990/91	8.5	36,500	1,250	3.5
1991/92	9	37,750	1,250	3.4
		<u>MA Max.</u>		
1989/90	10	39,250	2,250	6.1
1990/91	10.5	40,500	1,250	3.2
1991/92	11	41,750	1,250	3.1

**Association Offer
Non-Degree Maximum**

1989/90	4	25,625	625	2.5
1990/91	4	26,522	897	3.5
1991/92	4	27,715	1,193	4.5
		<u>BA Max.</u>		
1989/90	8	33,825	825	2.5
1990/91	8	35,009	1,184	3.5
1991/92	8	36,584	1,575	3.5
		<u>MA Max.</u>		
1989/90	10	37,925	925	2.5
1990/91	10	39,252	1,327	3.5
1991/92	10	41,018	1,766	4.5

Under the Board offer the cumulative increase over the life of the contract would be thus:

Table XIV

<u>Step</u>	<u>Minimum</u>	<u>% Inc.</u>	<u>Maximum</u>	<u>% Inc.</u>
1	6,250	32.0	6,250	32.0
4	4,750	19.0	6,750	27.0
5	6,750	25.0	6,750	25.0
8	4,750	14.4	6,750	20.4
10	4,750	12.8	4,750	12.8

The Association offer would produce these cumulatives:

Table XV

<u>Step</u>	<u>Minimum</u>	<u>% Inc.</u>	<u>Maximum</u>	<u>% Inc.</u>
1	8,215	42.0	8,215	42.0
4	2,715	10.9	9,347	37.0
5	9,584	35.5	9,584	35.5
8	3,584	10.9	8,018	24.3
10	4,018	10.8	4,018	10.8

(Board 11b, 11d)

Board Exhibit 12 presented information on the distribution of employees by step under each offer over the term of the agreement. The following table includes some of the information contained in this exhibit and illustrates the effect of each offer on the distribution.

Table XVI

A. Board Offer

<u>89/90-10 Steps</u>		<u>90/91-13 Steps</u>		<u>91/92-14 Steps</u>	
<u>Step #</u>	<u>Empl.</u>	<u>Step #</u>	<u>Empl.</u>	<u>Step #</u>	<u>Empl.</u>
1	0.000	1	0.000	1	0.000
4	7.444	4	3.616	4	0.000
8	15.222	4.5	4.333	4.5	0.000
10	4.000	8	6.111	5	6.950
		8.5	4.222	8	9.003
		10	11.065	8.5	1.000
		10.5	4.000	10	11.000
				10.5	11.065
				11	4.000

B. Association Offer

<u>89/90-10 Steps</u>		<u>90/91-10 Steps</u>		<u>91/92-10 Steps</u>	
<u>Step #</u>	<u>Empl.</u>	<u>Step #</u>	<u>Empl.</u>	<u>Step #</u>	<u>Empl.</u>
1	0.000	1	0.000	1	0.000
4	6.949	4	3.333	4	3.333
8	16.333	8	13.908	8	13.944
10	15.055	10	26.055	10	31.166

In its Exhibit 18a, the Board presented a summary of the rank of the offers in Nicolet among the 16 VTAE districts for BS and MS minimums and maximums. The following is the table:

Table XVII

NICOLET COLLEGE
COMPARISON OF RANK ORDER BY FINAL OFFERS

	<u>BS Minimum</u>			
	<u>1988/89</u>	<u>1989/90</u>	<u>1990/91</u>	<u>*1991/92</u>
Board Final Offer	12	10	11	3
Union Final Offer	12	14	13	3
	<u>MS Minimum</u>			
Board Final Offer	13	14	13	3
Union Final Offer	13	14	13	3
	<u>BS Maximum</u>			
Board Final Offer	11	8	9	2
Union Final Offer	11	13	12	3
	<u>Schedule Maximum with Credits but without Ph.D</u>			
Board Final Offer	12	10	11	3
Union Final Offer	12	14	12	3

Source: Salary Schedules of Individual Districts

* Only two districts settled

The Board in its exhibits of the Exhibit 19 series made comparisons of the effect of the Nicolet ten-step, one-lane salary schedule with the multi-lane matrix schedule in other districts. The Board noted that once Nicolet employees are evaluated and placed in the salary schedule, they advance through the schedule without having to earn additional credits. The Board exhibits show at what lane, moving across the matrix cells horizontally, the employees in the other districts would exceed the salary at the steps of the Nicolet schedule. From this Exhibit 19 series, the following table is abstracted as being exemplary of how the one lane schedule will compare with a matrix schedule.

Table XVIII

**SALARY SCHEDULE COMPARISON, NICOLET AND NORTH CENTRAL:
LANES AND STEPS AT WHICH NORTH CENTRAL SALARY EXCEEDS SALARIES
IN NICOLET STEPS UNDER THE BOARD OFFER**

1989/90

<u>Bachelor's Degree</u>			<u>Master's Degree</u>		
<u>Nicolet</u>			<u>Nicolet</u>		
<u>Board</u>	<u>North Central</u>		<u>Board</u>	<u>North Central</u>	
<u>Step</u>	<u>Lane</u>	<u>Step</u>	<u>Step</u>	<u>Lane</u>	<u>Step</u>
1	BS+0	1	1	MS+0	1
4	BS+24	4	4	MS+12	1
8	BS+24	13	8	MS+30	7
	BS+24	Max.	10	MS+30	12
				MS+30	13 Max.

Note: At each step, Assn. offer is less than the Board offer.

1990/91

1	BS+0	1	1	MS+0	1
4	BS+24	3	4	MS+6	1
4.5	BS+24	4	4.5	MS+12	1
8	BS+24	11	8	MS+30	5
8.5	BS+24	12	8.5	MS+30	6
	BS+24	13 Max.	10	MS+30	10
			10.5	MS+30	14 Max.

Note: At each step, Assn. offer is less than Board offer.

Association Position on Wage Comparison with Other Districts Summarized.

The Association, noting the bargaining history which caused the parties to arrive at the present modified single lane schedule, makes the point that under such a schedule it was recognized that the employees would be at parity with other employees only when they reached the maximum of their steps, based on experience of years and credits. The historical result of this is that at the end of a three year period there is not the normal ratio of people at the top of their respective lanes in comparison with other districts. Thus the integrity of the present ten-step schedule needs to be maintained, and this is logically done by increasing wages on a percent per cell basis just as do other districts. The Association devotes, therefore, most of its argument to this point.

The Association says that there is a distinguishing internal factor between all the 16 districts used as comparables and that is that Nicolet, Milwaukee, and Madison are districts which are allowed to teach college transfer credits in two year college parallel programs. Therefore the mix of faculty will be slightly different than those at other institutions.

In comparing the ten step schedule at Nicolet with "traditional" schedules, the Association holds that the present ten step schedule really represents the diagonal of a traditional schedule. Based on its Exhibits 59-66 which rank Nicolet for maximum earnings for a BA degree and each six credits beyond that, Nicolet has an average of 8.5 which is in the middle or as close to representing a diagonal as a diagonal can be in a square or rectangle matrix. Similarly, in applying the same principle to MA maximum earnings, the average is 8.83.⁽¹⁾

The Association says that to adopt its proposal for continuing the ten step schedule would be to continue to support the diagonal approach at moving people through the schedule. This method offers more money to those with a BA degree and no further credits, and less money than paid to people with a BA degree and 30 credits. Similarly this would obtain under the MA schedule. The two even out to form this diagonal effect. Though the diagonal effect results in larger than usual increments in relationship to other VTAE districts, yet the parties understood this and agreed to it in the last negotiations.

The Association points to the fact that other VTAE districts historically have increased their salary schedules by a percentage increase on each cell. Citing its numerous exhibits on this point, the Association notes that both maximums and minimums were increased uniformly by a percentage increase, and that this practice is continuing. The Association argues that the ten step schedule must be kept for the integrity of the bargaining process and must be increased percentage-wise if the district is to remain competitive. A catch-up is necessary and was indeed promised in the previous negotiations. The Association argues that the District proposal of adding and deleting steps gives a false appearance of having a higher salary schedule, while leaving the employees at a lower placement in the salary schedule.

The Association argues that the Nicolet employees have not reached their maximum earnings as compared to other districts. Citing its exhibit 113, the Association says that approximately 16% of the Nicolet faculty have reached the top of their earnings as compared to 51% shown in the seven districts cited. The Nicolet faculty was therefore yet to be made whole after the last negotiations, and it takes longer than a three year period to catch up.

The Association modified its percent on cell for the first two years of the contract in order to have those faculty members move through the salary schedule so as to obtain equity of position. The percentage increase sought by the Association is significantly less than that granted other faculty members at VTAE districts.

(1) E. G.: BA Min, rank is 15; BA+6, 4; BA+12, 5; BA+18, 6; BA+24, 10; BA+30, 11. Average rank = 8.5.

The Association contends that the District position of offering two additional steps and deleting one is likely to be precedent setting, so that eventually even a 20 step schedule would exist, and new members will not get to the top in the time as they might have thought when they started. The District offer defeats the ten step schedule. The Board proposals is one in which once an employee gets close to obtaining the goal of a maximum salary, then the Board moves the goal farther away, and the goal becomes elusive.

The Association, citing its Exhibit 130, notes that 33 faculty members were hired before 1979. This is 51 percent, but they have not clearly been given credit for Nicolet experience or other teaching experience. This is not comparable to the average in other districts.

The Association, citing its hypothetical scattergram in which 51 percent of the Nicolet employees are at the top of the schedule, and using a 4.5 percent average increase given employees in other districts, notes that the difference for each year is only about 0.6 percent, and concludes that when Nicolet faculty reach their maximums on the same percentage basis as faculty in other VTAE districts, the roll-up factor associated with increments will approach that of other districts.

The Association notes that while in other districts the advancement in lane is not counted in total salary schedule increases, it is so counted at Nicolet. Nicolet will therefore always experience a slightly higher roll-up factor than other VTAE districts.

The Association also calls for maintaining the integrity of the ten step schedule and terms the Board's proposal a "slip-slide" approach. Further every step added involuntarily will probably never get removed through voluntary agreement.

The Association argues that its position maintains the status quo and cites arbitral authority for maintaining the status quo unless there is proof of a necessity for change.

In rebuttal of the Board's contention, the Association notes that the employees were put in the ten step schedule without relationship to qualifications and experience, but only by putting them into the schedule closest to their dollar earnings. Employees with the same qualifications and experience are therefore not treated equally.

The Association disputes the contention that the \$2,000 incremental steps recognize and reward teaching experience only. Rather the \$2,000 increments are to take in account an average educational and work experience along with district teaching experience. The ten step schedule would help persons not fully compensated in the last agreement to get closer to their full compensation. The middle of the schedule rather than the top should be benefited.

The Association says that the Board's schedule is destroying the schedule, not the Association offer. The core of the past schedule was the ten steps and not the fixed increments. Employees would be at their maximum in ten years.

The Association notes that in the past agreement, the \$2,000 increment was not universal, for there were beginning increments of \$1,750.

The Association states that the Board, while arguing that a compressed salary schedule helps employees, nevertheless is expanding it to 11 full steps which would require 13 years for an employee to reach the top.

The Association argues that the Board in its numbering system of the steps has changed the numbering system, freezing the employees at the previous step. Thus the numbering system of the District does not correctly present where employees actually are placed under the "cast forward" method of placing employees for the next year.

Board's Position on Wage Comparisons with Other Districts Summarized. The Board notes the character of its offer which adds \$250.00 per step per year, drops the first step and adds two additional steps at the top. This proposal produces an 11 step schedule with each step still retaining a \$2,000 increment. The modification of the ten step schedule is slight and is for the benefit of the teachers at the top of the schedule who have two additional steps in which they can advance. The Association schedule, however, by proposing percent per cell increases basically destroys the integrity of the present schedule since each step increases by a different amount with the higher positions getting the greatest benefit.

The Board notes that under its offer, a teacher goes right to the top of the schedule without the complicating feature of being advanced as credits are obtained. The Board offer advances on the basis of experience. The Association offer, however, destroys the concept of a compressed schedule.

The Board says that the Association offer cannot be justified when compared with the increases in the state averages. The state average increase per employee is 6% or \$2,011 per employee. The Board is offering an increase of 7.33% or \$2,251.00 per employee, and the Association is offering a 7.94% increase or \$2,438.00 per employees. This is for 1989/90 and this relationship continues again in 1990/91.

This pattern for wages is repeated in total compensation. For 1989/90 the average state increase was 6.83%. The Board offers 7.62% and the Association is offering 8.23%. The Board offer of 6.33% in 1990/91 is slightly below the state average of 6.65%, and the Association offer of 7.53% is .88% above the state average. Both offers are above the state averages, but this kind of comparison supports the Board's final offer. The Association offers no justification for this increase above the state averages.

The Board argues that while the Association offer on its face appears to favor the employees at the top of the salary schedule, this is misleading. The Board offer is actually the more favorable, because it offers two more steps to which the employees at the top of the schedule can advance. An employee at the top of the schedule would receive a total increase of \$4,750 over the three year period, an increase of 12.8%. Under the Association offer the employee would receive \$4,018, or a 10.8% increase.

The Board, in comparing Nicolet rankings at BS and MS minimum and maximums, says that its offer results in a better ranking as compared to the Association offer. If the Association offer is adopted, the Board may face a catch-up situation.

The Board argues that the compressed schedule it retains is more favorable to the teachers, because they can advance to the top faster. Teachers at Nicolet are not faced with having to get additional credits to reach the top in their respective degree rankings. The Board points to its Exhibit 19 as proof of this argument. The Board argues that Nicolet salaries compare favorably with even the higher ranking VTAE districts. Thus a teacher with a BA at Nicolet reaches a salary under the Board offer in 8½ years of \$36,500 with no additional credits. In Madison a teacher to be compensated at \$36,757 has to have ten years experience and 30 additional credits.

The Board contends that its offer is much more realistic than the Association offer. If the Association offer is adopted, the Board would be faced with severe challenges to maintain a salary schedule in comparison with other districts in future negotiations. Thus in 1990/91 the Board's offer for BA minimum is \$21,750. The Association offer is \$20,688, and the state average is \$23,162. A similar situation exists for Master's minimum. The Association offer thus will hurt the district over the life of the contract.

The Board also holds that the individual increases under both final offers are substantial, with an employee in conventional faculty getting as much as \$4,000 to \$6,750 under the Board offer, and increases up to 27%. Under the Board offer the extended faculty gets even more. The Association offer with an increase of \$10,000 and percentage increases of 39.8% over the years constitutes an offer that cannot be justified.

The Board contends that the Association exhibits are misleading in that they misrepresent the Board's offer. Association Exhibits 3, 4, 5, 23, 24, and 25 are faulty in that they do not show that the Board's final offer for 1989/90 is \$21,500 at Step I and not \$19,750.

The Board also objects to certain Association exhibits showing state averages, where only one or two districts are represented. The Board objects to the Association exhibits which do not show that teachers with PhD's have their salary increase by \$2,000 for comparison with maximums.

The Board says that the value of the compressed schedule at Nicolet to a teacher is shown in the Association exhibits which compile state-wide ratings. Thus at the BA level, Nicolet starts out at 16 in ranking and goes to 4 at the maximum.

The Board objects to the Association contention that the placement of employees in negotiations might have been similar to that found in other districts if the parties had been committed to the goal. The Board says that the parties met 35 times in the first round of negotiations and were totally committed to reach an acceptable salary agreement. The Board also objects to the Association contention that the parties recognized that parity among employees would not exist until they reached the maximum in their category. This is not supported by the record.

As to the argument of the Association that other districts advance employees by increases in percent per cell, the Board notes that such an item is not part of a statutory criteria. It makes no difference how districts advance their employees when comparisons are to be made.

The Board objects to the Association contention that to increase the ten step schedule to an eleven step schedule is an indication that a 20 step schedule would appear.

The Board also asserts that under its offer, employees at the top end up better off than under the Association offer. 26 of the 44 employees with Master's degrees will end up at the top at the end of the contract which is more than the 51% average found in other VTAE's.

As to the argument of the Association that Nicolet employees are not as high on the schedule as they could be as compared to other VTAE's, the Board asserts that comparing Association Exhibits 114 and 124 shows that for non-degreed and BA employees at present, Nicolet compares with the averages in the seven districts used by the Association. While at present Nicolet has only four employees at the tenth step as compared to an average of 26 at the seven other districts, by the end of the contract under the Board offer, 26 employees at Nicolet also will be at the top. At the end 56.9% of the Nicolet employees will be at the top of their steps as compared to 51% in the seven districts.

The Board argues that although it is changing the ten step schedule to an 11 step schedule, it is maintaining the basic integrity of the schedule with a standard increment. The Association offer erodes the integrity of the schedule. It assumes that experience gained at the top of the schedule per year is greater than the experience gained at the lower steps. The schedule is one which rewards experience.

Discussion. The application of the criterion of comparability of the wages of Nicolet employees with those of comparable districts is obviously made difficult by the type of single lane schedule at Nicolet which is compressed as compared to other VTAE schedules, and which applies ceilings for non-degreed teachers and for teachers with only a BA degree, or an MA degree or a Ph.D degree. The Nicolet system and offers to change it are suigeneris of their own kind.

As for percentage increases when the total salary costs are considered, the Board's per year average increase would come to a 6.31% increase, whereas the Association's offer would come to 7.48% per year, a difference of 1.17% (Tables I, II). For state-wide comparisons for 1989/90, the average increases in 12 of 15 VTAE districts generally were in the range of 4.6% for seven benchmarks (Assn. 33). For 1990/91 in 10 of 15 districts it was in the range of 4.9% (Assn. 28). Thus on the first inspection it appears that the lower percentage offer of the Board is comparable in representing costs and effort on the part of the District. However here it must be noted that state averages do not report the costs accruing to districts of lane advancement so that the full cost of a schedule and actual percentage increase in wages is not available for comparison with Nicolet. However the Board offer seems reasonably comparable.

The effort to compare benchmarks also results in only approximate knowledge of how the 10 step-no-credit schedule compares with conventional many lanes-many step schedules. However from Table VI one ascertains that for the BA+0 lane and MA+0 lane Nicolet in 1988/89 was very low in rank at the beginning but rose to the top in the middle of its schedule and was near the top rank at the top of the schedule. However when the single lane BA maximum and MA maximum were compared to other BA and MA lanes with credits, Nicolet tended to have a high rank in comparison to lanes with no or few credits required, but dropped in comparison to BA and MA lanes where many additional credits were required (Table VII).

Table VIII foregoing shows an advantage to an employee getting into the compressed single lane. The employee advances to the top of a schedule more readily, where the number of steps are compressed and years of service only are recognized.

In Table IX, the Association advances an argument that because a smaller percentage of the staff at Nicolet is at the top than the average percentage of staff at the top in comparable districts, the costs of the Association offer are higher, but would not be if the more persons were at the top of their schedules. There is some basis to this argument in Board Exhibits 7d-e which show the highest cumulative dollar increases going to employees in steps 7 and 8.

Table XI foregoing on comparisons of Nicolet offers with state averages at selected benchmarks again indicates the condition at Nicolet where both offers at minimums and maximums are less than state averages, but at benchmarks in between they are much higher.

Table XII indicates that as far as average dollar increase and percentage increases for teachers in Nicolet as compared to state averages, both offers in Nicolet are higher than state averages in 1989/90 and 1990/91, but in 1990/91 figures are not significant as there is but one district to make comparison.

Table XIII, which relates to how employees frozen at steps 4, 8 and 10 would fare under the offers, indicates that such persons would fare better under the Board offer than the Association offer. According to Board Exhibits 7d and e, there is one employee frozen at step 4, three at step 8 and four at step 10. The bulk of the benefits of the Association offer would accrue to those who are mobile in the steps.

Tables XIV and XV on cumulative increases tends to support the Board's contention that its offer is reasonable.

Table XVI on the advancement of employees through the steps shows the Association's effort to rapidly move the employees to the maximums under the contention that present inequities resulting from former placement methods can be resolved principally when employees all are at their maximum.

Table XVII supports the Board's contention that its offer on minimum and maximums is more favorable than the Association offer. The arbitrator, however, makes the observation that the Association minimum offer for 1989/90 at \$19,988 appears to be too low by comparison, and that the Board maximums, though higher than the Association offer is postponed for a number of teachers who, under the ten step system, could have expected to reach the maximum within a few years if the ten step schedule had been maintained.

Table XVIII is a table which supports the Board's contention that under its offer employees at Nicolet compare favorably with employees hired under a matrix system of several lanes and more steps.

The matter now comes to addressing the arguments of the parties as to whether the other party's offer destroys a once accepted salary schedule contrary to an arbitral principle that an agreement once made should not be changed but for compelling reasons. In this case both parties are proposing a change from a ten-step fixed-increment system.

The Association's proposal changes the fixed increment system. The Board's proposal changes the ten step system to eleven steps and two half steps. Of these two changes, the more significant one is the altering of the number of steps since it begins to extend a once compressed system. Neither party can successfully argue that it is maintaining status quo which necessity or good argument does not require to be changed.

The Association makes an argument that its changed type of schedule would produce an average of benchmark ratings putting it in the middle of a diagonal in a matrix system where a lane is drawn from the lowest paid cell to the highest paid cell. This argument has some validity, but the arbitrator has not attempted to apply the same test to the Board offer.

The arbitrator reviewing the foregoing discussion on the matter of comparability believes that the Board offer on salaries has met the criterion of comparability with its offer in dollar amounts and percentage increases. Its schedule structure under which it proposes to pay the employees is a matter discussed later under the heading "Other Factors".

XII. COMPARISONS WITH OTHER PUBLIC EMPLOYEES. The Board in its Exhibit 20a presented data on a comparison of Nicolet salaries with those of the Division of Vocational Rehabilitation, a public agency. Nicolet salaries are based on a 35 hour week for 36 weeks or 1260 hours per year. DVR salaries are based at 2080 hours per year. Degrees are not required for the three classes of DVR counselors, but six of seven counselor/teachers in DVR had Bachelor's or Master's degrees. Counselors can request higher classification after 18 months in permanent employee status.

The following table is abstracted from Board Exhibit 20a.

Table XIX

	1988/89		
	<u>Minimum</u>	<u>Maximum</u>	<u>Steps</u>
Nicolet	19,500	37,000	10
DVR			
Counselor I	20,134	28,132	?
Counselor II	23,336	33,022	?
Counselor III	25,122	35,784	?
	1989/90		
Nicolet,			
Board Offer	21,250	39,250	10
DVR ⁽¹⁾			
Counselor I	21,141	29,539	?
Counselor II	24,503	34,673	?
Counselor III	26,378	37,574	?

(1) Est. 5% adjustment.

The Board in its Exhibit 21a made comparisons between the Nicolet offers and the Rhinelander salary schedule. Rhinelander has a 190 day contract. The following table is abstracted from Exhibits 21a and 21b.

Table XX

1989/90
Dollars in 000

	Bachelor's			Master's		
	Min.	Max.	Steps	Min.	Max.	Steps
Nicolet						
Board	21.5	35.2	8	21.5	39.2	10
Assn.	20.0	33.8	8	20.0	38.0	10
Rhineland						
K-12 Dist.	19.9	31.2	13	23.2	35.1	13

1990/91

Nicolet						
Board	21.7	36.5	9	21.7	40.5	11
Assn.	20.7	35.0	8	20.7	39.2	10
Rhineland						
K-12 Dist.	20.8	32.6	13	24.3	36.7	13

Positions of the Parties. As to the Association position on increases received by other municipal employees, the Association argues that most municipal employee salaries are increased by a percent on rates, the percentage method of per cell increasing being an emphasis by the Association. It is to be noted that in Board Exhibits 21a and b, the Rhineland rates went up from 1989/90 to 1990/91 by 4.5 percent per cell.

The Board notes that generally the Board offer for Bachelor minimum and maximum is more favorable than the Association offer in comparison to Rhineland in both years, and the same is true for Master's degree in both years in dollar amounts and in steps to reach maximum.

The Board also contends that as to comparisons of Nicolet with the Division of Vocational Rehabilitation, Nicolet teachers generally earn more than DVR counselors and work approximately 40% fewer hours. This conclusion can be reached even though the schedules are not totally comparable.

Discussion. From Tables XIX and XX, the arbitrator concludes that the Board offer compares favorably with other public employee wage schedules and need not be improved because of lack of comparability.

XIII. COMPARISON WITH PRIVATE EMPLOYMENT RATES. One exhibit of the Board, Exhibit 16a, relates somewhat to the subject of comparing Nicolet rates with private rates. Nicolet is in Oneida County. The 1980 census indicates that the median household income in Oneida County was \$14,550. This income among all the counties in which VTAE institutions are located was 15th in rank. Oneida held the same rank of 15 among the counties for 1989 estimated income when its estimated median household income was \$21,478.

The Association does not believe that the factor of comparison with total employment lends itself to the issue here. The Board did not address this issue.

Discussion. One can only indirectly surmise, based on the knowledge of median household income, as to whether offers here compare favorably with local wages in the private sector. There is insufficient evidence to make a judgment here as to how wage offers in Nicolet would compare with various classes of professional work in private employment in the area.

XIV. COST OF LIVING. From Board Exhibit 25 the information is derived that as of January 1, 1989, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-U) had increased 4.4% over the previous year. As of September 19, 1989, it had increased 4.7% over the previous September. As of January 18, 1990, it had increased 4.5% over the previous January.

The Association with respect to this information notes that many arbitrators have found the best basis for judging the cost of living is the standard of settlements in comparables.

As to Non-Metro areas, the yearly increase on January 1989 had been 2.8%; in September 1989, 2.8%; and in January 1990, 4.2%. The Board notes that the offers here far exceed these figures. The Board does not support the position of the Association that settlements among comparables determine the changes in the cost of living.

Discussion. The evidence is that the Board's offer more nearly compares to changes in the CPI-U United States and Non-Metro indices than does the Association offer.

XV. OVER ALL COMPENSATION. Board Exhibit 10a presented comparisons between the Nicolet offers and state averages on salaries and total compensation. However state average total package costs were lacking, as were percentage costs for increases for total compensation under the offers in Nicolet. The following table, however, is helpful getting some understanding of increases in total package costs.

Table XXI

	<u>Board</u>	<u>Assn.</u>	<u>Difference In Favor of Assn.</u>
1989/90	174,871	188,796	+ 13,925
1990/91	156,324	187,095	+ 30,771
1991/92	142,395	189,188	+ 46,793
Total	473,590	565,079	+ 91,489
Average 3 Year Increase in Total Compensation Per Employee	7,594	9,061	

The above information, though interesting, cannot be compared, because comparable data for state-wide total compensation is lacking.

XVI. CHANGES DURING THE PENDENCY OF THE PROCEEDINGS. No changes have come to the knowledge of the arbitrator during the pendency of the proceedings.

XVII. INTERESTS AND WELFARE OF THE PUBLIC. While the issue of the financial ability of the Board to meet the Association offer has not been raised, yet the Board has raised the question as to whether it should have to meet the Association offer given the economic circumstances of the district served. In the following presentation where the expression "FTE" appears, it means "full-time equivalent". Full-time equivalent, used to represent students, is determined by dividing the total number of credits delivered by the number 30.

According to Board Exhibit 13a, in 1988/89, total expenditures at Nicolet for "direct costs" were \$4,938,076. The FTE was 853.6 and cost per FTE therefore was \$5,785. This put Nicolet with the second highest cost per FTE among 16 VTAE districts. "Direct costs" include salaries and fringe benefits. However in the same year in total costs per FTE, Nicolet ranked first with \$7,930 per FTE. (Bd. 14a)

In 1988/89 equalized property valuation per FTE at Nicolet was second highest at \$3,495,962. (Bd. 15a)

As reported earlier, median household income in 1980 in Oneida County, locus of Nicolet, was second lowest among the 16 counties where VTAE institutions are located, and it was estimated that Oneida would have the same rank in 1989. (Bd. 16a)

The combined mill rate for the Nicolet district for Nicolet's operation and general purposes was 1.6681 and the total levy was \$5,110,947. (Bd. 24b). There was an increase of \$79,780,175 in equalized property valuation from 1988/89 to 1989/90, a 2.67% increase, where the average percent of increase in 16 districts was 2.67%.

The Board contends that its Exhibit 13 and Exhibit 14 show that a comparably high economic load is carried by Nicolet. Its direct costs are second highest and its total costs are highest. While Nicolet's equalized property valuation is also among the highest, yet property does not pay taxes; rather income does. In income, the Nicolet home county is second lowest in median household income. It is therefore not fair to require Nicolet taxpayers to pick up a greater load in comparison to taxpayers in other districts.

The Association, contending that the Board at the hearing presented no argument at the inability of the public to pay, argues that it is in the interest and welfare of the public to have the Association offer incorporated in the final contract.

Discussion. It is to be noted that Nicolet's equalized property valuation per FTE is second highest among 16 districts. Its total mill rate, however, among the 16 districts is 8th. The arbitrator concludes that the Board has the ability to meet the costs of the Association offer and that the interests and welfare of the public will not be hurt by the costs of the Association offer.

XVIII. OTHER FACTORS. Here the matter of the changes in the type of salary schedule and their effect on the disposition of the case must be considered. It was noted earlier that both parties are asserting that the integrity of the previous schedule has been injured by the other party's offer and that the changes caused by the other party are such as to constitute an important reason why the other party's offer should be rejected. The arbitrator in Section XI foregoing has made the observation that in his opinion the Board departure from the past is the more significant one, because it alters and extends the number of steps.

As for the fixed increment, one-lane system, it tends to make more money available for employees newly hired, and to reward employees thereafter only for longevity and experience. Whether this is in the interest of the public has not been sufficiently demonstrated by the Board here, where other systems generally reward teachers at the highest levels by the same percentage on salary given teachers at the lowest level.

The matter of comparability of the salary systems inserts itself here. The Board move to a 13 step schedule approaches the multi-step schedules of other VTAE districts. The Association move to give percent increases per cell is also widely employed in other districts. Of the two kinds of approaches to comparability, the arbitrator is of the opinion that the Association offer which seeks to set a higher value on both longer experience and high academic achievement is the weightier as far as comparability is concerned at this time. How employees are paid is a condition of employment to be compared. It may be that in the future some salary systems will appear through voluntary agreement which gives higher increments at the lower levels as in a fixed increment system, but such a condition is not generally in evidence now.

The arbitrator, after considerable reflection on the merits of the respective contentions of the parties on which way the current system is to be modified, comes to the conclusion that a retained ten step system modified by percentage increases per step will be more in the public interest at least for the term of the new contract, because it in essence gives some recognition for higher levels of learning achieved coupled with additional experience. In effect the arbitrator concludes that the public interest is better served under the Association's schedule than the Board's schedule.

XIX. SUMMARY OF FINDINGS AND CONCLUSIONS.

1. There is no question of the lawful authority of the unit of government to meet either offer.
2. All other matters to be included in an agreement between the parties have been agreed to.
3. The unit of government has the financial ability to meet the costs of either offer, though the Board believes it should not have to meet the Association offer.
4. Both parties use the 16 state VTAE districts as their basic comparables. The Board has used a state agency and the Rhinelander K-12 districts as comparables for other public employees.
5. The Board offer on salaries meets the criterion of comparability in dollar amounts and percentage increases, but its proposed schedule does not meet the criterion of comparability as well as does the Association offer.
6. The Board offer compares favorably with other public employee wage schedules and the Board offer need not be improved because of lack of comparability on this account.
7. There is insufficient evidence to make a judgment as to how the wage offers in Nicolet compare with various classes of professional work in private employment in the area.
8. The Board's offer more nearly compares with changes in the CPI-U indices for the United States and Non-Metro areas.
9. Data on state-wide costs of total compensation, dollar and percentages changes are lacking for a conclusion on comparability to be made.
10. No changes have come to the knowledge of the arbitrator during the pendency of the proceedings.
11. It is the conclusion of the arbitrator that the interests and welfare of the public will not be hurt by the costs of the Association offer.
12. As to other factors, the arbitrator concludes that the public interest is better served under the Association's ten-step schedule with changes in percent per step than in the Board's extended step fixed-increment system.

The most weighty factors in the foregoing are the Board's comparability on wages and to changes in the cost of living on one hand, and the Association's proposed schedule and method of payment on the other hand. After considerable reflection, the arbitrator concludes that the Association's proposal on type of schedule is the weightiest factor and determinative of the outcome. Thus the following award is made.

XX. AWARD. The agreement between Nicolet Area Technical College and Nicolet Area Technical College Faculty Association for 1989/90, 1990/91, and 1991/92 should contain the final offer of the Association.

Frank P. Zeidler

FRANK P. ZEIDLER
ARBITRATOR

Date June 20, 1990