

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Petition of

WESTON SCHOOL DISTRICT

To Initiate Arbitration
Between Said Petitioner and

WESTON TEACHERS
ASSOCIATION

Case 23
No. 43221
INT/ARB-5473
Decision No. 26417-A

APPEARANCES:

Barry Forbes on behalf of the District
Karen A. West on behalf of the Association

On April 25, 1990 the Wisconsin Employment Relations Commission appointed the undersigned Arbitrator pursuant to Section 111.70(4)(cm) 6 and 7 of the Municipal Employment Relations Act in the dispute existing between the above named parties. A hearing in the matter was conducted on June 20, 1990 in the District offices located near Cazenovia, WI. Briefs were exchanged by the parties by August 22, 1990. Based upon a review of the foregoing record, and utilizing the criteria set forth in Section 111.70(4)(cm) Wis. Stats., the undersigned renders the following arbitration award.

ISSUE:

The only issue in dispute is the salary schedule for the 1989-90 and 1990-91 school years.

The Association is proposing a 5.7% per cell rate adjustment for 1989-90 and a 5.5% per cell rate adjustment for 1990-91. The District is proposing a flat dollar amount applied to the BA base in both years, with a base of \$18,788 for 1989-90 and \$19,635 for 1990-91.

The Board has offered a \$1,598 per returning teacher salary increase, or 6.95 percent, in the 1989-90 school year and a \$1,598 per returning teacher salary increase, or 6.5 percent, in the 1990-91 school year. The Association has proposed an \$1,818 per returning teacher salary increase, or 7.9 percent, in the 1989-90 school year and an \$1,876 per returning teacher salary increase, or 7.56 percent, in the 1990-91 school year.

The Board's offer constitutes a \$2,463 per returning teacher total package cost increase, or 8.15 percent, in the 1989-90 school year, and a Board estimated \$2,501 per returning teacher total package cost increase, or 7.65 percent, in the 1990-91 school year. The Association has proposed a \$2,729 per returning teacher total package cost increase, or 9.03 percent, in the 1989-90 school year, and a Board estimated \$2,838 per returning teacher total package cost increase, or 8.61 percent, in the 1990-91 school year.

The parties' total package costs differ by \$8,851 in the 1989-90 school year, and a Board estimated \$20,086 in the 1990-91 school year.

The parties agree that the Ridge and Valley Conference plus the Hillsboro and Wonewoc school districts constitute the appropriate comparison group in this case. However, the Association urges that only voluntary settlements and not arbitration awards be considered.

BOARD POSITION:

The Hillsboro, Ithaca, Kickapoo, La Farge, North Crawford, Seneca and Wonewoc School Districts are settled for 1989.

The Board's 1989-90 offer more closely maintains the District's 1988-89 rankings at four benchmarks. The Association's 1989-90 offer more closely maintains the 1988-89 ranking at two benchmarks. There is no ranking change under either party's offer at one benchmark.

Another way to look at the benchmarks is to sum up the total number of rankings. When viewed this way the Board's offer results in some deterioration in benchmark rankings, but the Association's offer results in a much more significant increase in benchmark rankings.

Using either method of analysis, the Board's offer more closely maintains the District's 1988-89 ranking in relation to comparable schools settled in 1989-90 than does the Association.

The Hillsboro, Ithaca, Kickapoo, North Crawford, and Seneca School Districts are settled for 1990-91.

The 1990-91 rankings show one benchmark favoring the Board, two favoring the Association, and a tie at the other four benchmarks. The Board's offer causes a slightly bigger deviance from the District's 1988-89 ranking with the five schools settled in 1990-91 than does the Association's offer.

Though the Board's offer is weakest at the BA Base, BA Step 6 and MA Base, base salaries do not affect the great majority of the members of the bargaining unit. Though the Board recognizes the need for base salaries to be high enough to attract competent teachers, the Board has not experienced any trouble attracting new teachers.

More importantly however, the Board's final offer maintains its strong position on maximum salaries. The Board's BA Maximum ranking is two in 1988-89 through 1990-91. The comparable schools not settled in 1989-90 and 1990-91 are far behind Weston at the BA Maximum.

The BA Maximum could be said to be the most important benchmark in the District since in the BA lane of the salary schedule there are 27.38 of the 33.31 teachers in the District. In 1989-90, 10 of the District's teachers are at or beyond the BA Maximum salary.

The Board's MA Maximum improves from six in 1988-89 to five in 1989-90 and 1990-91. Unless DeSoto, La Farge or Wonewoc gives an extraordinary increase at the MA Maximum, Weston will rank six out of ten under the Board's final offer.

The same analysis can be applied to the Schedule Maximum. Weston has traditionally ranked fourth on the Schedule Maximum. DeSoto, La Farge, Wauzeka and Wonewoc have traditionally ranked behind Weston on the Schedule Maximum and will continue to do so unless they give extraordinary increases at the Schedule Maximum.

None of this takes longevity into account. Weston has longevity equal to 1.5 percent of the maximum salary in each lane of the salary schedule. This adds between \$417 and \$517 to the maximum salaries in the parties' final offers. Ithaca has longevity of \$450 per teacher. No other comparable district has longevity. A Weston District teacher reaches this longevity step after 13 years in the District. Other schools require an average of 12 years to get to the BA maximum, 13.2 years to get to the MA Maximum, and 13.4 years to get to the Schedule Maximum.

When longevity is taken into account, the parties' maximum rankings improve further. Under both parties' 1989-90 offers, the District would rank first at the BA Maximum.

In summary, a benchmark analysis shows some deterioration in benchmark ranking under the Board's offer and some increase in ranking under the Association's offer. However, the change in ranking proposed by the Association in 1989-90 is more significant than that proposed by the Board. The change in ranking proposed by the Board in 1990-91 is more significant than that proposed by the Association, however, these changes result primarily from a drop in ranking at the BA and MA Base, and at BA Step 6, which are less important to teachers than the maximum steps on the schedule, which compare favorably with comparable districts, particularly when longevity is considered.

A analysis of benchmark increases in this case is not useful. Teachers are not paid salary increases, they are paid salaries. Why should the Board give an average increase on the benchmarks if less money will maintain the District's leadership at this benchmark? Analysis of dollar increases on the benchmarks punishes districts like Weston which have ranked high in their comparison group by requiring increases in compensation similar to those given by schools trying to catch up.

Analysis of percentage increases on the benchmarks is even worse since under such an analysis the difference between lower and higher paying districts will increase.

Utilizing the District's Hillsboro costing data, which is more accurate than the Associations, the record indicates that the Board's offer is closer to the average salary increase in 1989-90, and the Association's offer is closer to the average increase in 1990-91.

Again, utilizing the Board's total package costing data, the record indicates that the Board's proposal is closer to the comparable average in 1989-90,

and the Association's proposal is closer in 1990-91.

The total record clearly suggests that the Board's 1989-90 offer is more reasonable than the Association's offer. It also suggests that the Association's 1990-91 offer may be more reasonable than the Board's offer.

The Board does not believe however that each year's offer should be given equal weight. Instead, the parties' 1989-90 offers should be given more weight than the 1990-91 offers. This is so since there are seven settlements in 1989-90 and only five in 1990-91. Thus, the settlement pattern is more likely to change in 1990-91 than in 1989-90. Second, the 1990-91 total package cost figures are based on estimates of health and dental insurance costs, again subject to change.

The best that the Association can prove with this evidence is that teacher salary and total package cost comparisons result in a tie. If the salary and total compensation criteria do not tell the arbitrator how to decide this case, then other evidence must be considered.

The Association's reliance on statewide teacher salary data should not be considered since it is well established that statewide comparisons do not allow for consideration of local economic conditions, particularly where, as here, the District is more dependent upon agriculture as a tax base than many other districts in the state.

With respect to the structure of the salary schedule, the parties have had four percent vertical increments at least back to 1981-82. They have also had longevity increments equal to 1.5 percent of the last step of each lane. The Board's final offer maintains this structure. On the other hand the Association proposes changing the horizontal increments. Such a change should only be accomplished through voluntary agreement between the parties.

There is no evidence of a need for increasing the incentives for educational advancement in the District. Nor has the Association offered a quid pro quo for this proposed structural change.

The interest and welfare of the public also support the reasonableness of the Board's position. There is almost a \$20,900 difference between the parties' offers over two years, which represents the amount of potential property tax relief available to the taxpayers in the District.

The local economic conditions in the District depend upon the health of the farm economy. The impact of the drought which occurred in 1988, plus

projected reduced farm income means continuing, serious problems in the farm economy in Wisconsin. Thus, if comparisons do not provide sufficient guidance as to the appropriate decision in this case, then consideration of the interest and welfare of the public and of local economic conditions can be given greater weight than in cases where teacher salary comparisons are conclusive.

This is particularly so where, as here, the Board's offer gives teachers a real (after inflation) salary increase, where teachers in the District are not underpaid in comparison to other teachers in comparable school districts, and where District salaries are already high enough to attract and retain competent teachers. In the latter regard, though there has been some teacher turnover in the District, the reason for such turnover suggests that salary levels were not the reason for most of the turnover. In any case, the District has had no problem filling vacancies with qualified teachers since 1988.

The record also indicates that the District's teachers will receive larger percentage pay increases under the Board's offer than the typical state or local government, as well as private sector employe in America.

In response to the Association's contentions, there is no good reasons for not considering the Hillsboro and Wonevok arbitration awards, which accurately represent the compensation teachers receive in those districts for the 1989-90 school year.

The Association's argument that the District needs to maintain internal ratios in the salary schedule might have some validity if the parties had attempted to do so in the past. However, since 1984 the ratio of the MA+36 longevity step to the BA Base (and most other ratios on the schedule) has decreased in every year. Thus, the status quo in this case is declining internal ratios.

ASSOCIATION POSITION:

Based upon five comparable voluntary settlements in 1989-90, the Association's proposal is more reasonable in terms of average benchmark dollar and percentage increases. Quoting from Arbitrator Rice in Dec. No. 18222-A, 7/2/81, the Association urges "To give the salary increases resulting from arbitration awards the same status as comparables given to those reached through collective bargaining is stretching the theory of comparability established by the Wisconsin Statutes."

In fact, the Association's proposal is only \$231 above the dollar average increase at the benchmarks, or .6%, over the course of two years. The Board,

on the other hand, proposes benchmark increases which are \$4,083 or 15.7% less than the average benchmark increases over two years. Even if the two arbitration awards are considered the Association is closer to the average increases at a vast majority of the benchmarks.

Given the fact that salary schedules are clear and immediately verifiable, the most weight should be given to the settlement pattern created through the dollar and percentage increases at the benchmarks. On the other hand, as evidenced by the numerous disagreements between the parties regarding comparable total package costing, such unsubstantiated data should not be given as much weight as verifiable benchmark data. Even using the Board's flawed data, the Association's proposal is closer to average increases if measured by salary or total compensation in both years of the proposed contract.

Relatedly, only one comparable district teacher group pays a larger percentage toward their health insurance than the District's teachers. Also, the District's premium costs are second lowest among the comparables. In addition, the District's teachers do not have dental insurance as do the teachers in four comparable districts before the end of the 1990-91 school year.

In examining comparable benchmarks it should be noted that the District's teachers must earn 36 credits -- 12 more than anyone else -- past their Masters to reach the schedule maximum.

The Association's proposal is also more reasonable in the context of statewide comparables.

In addition, further support for the Association's proposal can be found from the fact that the average teacher salary in the District was more than \$1700 less than the average of an already low comparable group of districts

The Board's salary proposal has the effect of eroding the salary schedule's internal ratios, thereby affecting the status quo. On the other hand, the Association's proposal maintains the current status quo in this regard

The arbitrator should consider the pattern of settlements, both in this and past rounds of negotiations, rather than changes in the CPI in determining the relative reasonableness of the parties' offers. (Citations omitted)

The record demonstrates that the District has the third highest rate of equalized valuation per member, but ranks eighth of ten in levy rate. It has more property value behind each student than the comparable average. On

the other hand, it enjoys a levy rate which is less than the comparable average. In addition, it has a substantial general fund balance, again, significantly more than the comparable average.

In addition, the record indicates that farm income and land values are on the upswing. Under such circumstances, there should be no question regarding the District's ability to fund the Association's proposal.

Furthermore, recruitment and retention of properly certified personnel in the District are serious problems which might be alleviated if the District paid higher salaries.

DISCUSSION:

In view of the fact that there appears to be no disagreement between the parties that the Association's 1990-91 salary proposal is the more comparable of the two at issue herein, it is critical to the disposition of this dispute that the undersigned determine the relative comparability of the parties' offers for 1989-90. In that regard the undersigned is not persuaded that comparable districts that have arbitrated awards for that year should not be considered since the salaries generated by such awards are as relevant to determinations of comparability as are salaries agreed to by the parties through the negotiations process.

A benchmark analysis of the parties' 1989-90 offers indicates the following:

Utilizing seven settled comparable districts, at the BA base the Association's proposal is closer to the comparable average (\$18,945) by \$57 and maintains the District's 1988-89 ranking (four of eight). Accordingly, the undersigned concludes that the Association's proposal is more comparable than the District's at this benchmark.

Perhaps it should be indicated at this point that the undersigned believes, in making such comparisons, that the most pertinent comparisons are of actual salaries, rather than the size of salary increases or rankings, which, when compared, generally tend to preserve a status quo which often needs to be adjusted based upon equity considerations.

At the BA 7th step, the District's proposal is closer to and exceeds the comparable average (\$22,773) by \$524. It also ranks the District at three of eight among the settled comparables. Accordingly, the District's proposal is deemed to be more comparable than the Association's at this benchmark.

At the BA Maximum (without longevity) the District's proposal is also more

comparable based upon the fact that it is closer to the comparable average (\$26,963) by more than \$200, it exceeds that average by \$843, and it ranks the District second among eight at this benchmark.

At the MA Minimum the Association's proposal is more comparable based upon the fact that it is more than \$200 closer to the comparable average (\$20,917) while being \$450 below that average, and it maintains the District's ranking of seven among eight, while the District's proposal reduces the District's ranking to eight of eight.

At the MA 10th Step the District's proposal is more comparable based upon the fact that it is closer to the comparable average (\$27,381) by more than \$300, it exceeds that average by \$129, and it maintains the District's ranking at five among eight.

At the MA Maximum (without longevity) the Association's proposal is more comparable in that it is closer to the comparable average (\$30,475) by more than \$300, it is below the comparable average by \$184, and it results in the same ranking (five of eight) as the District's proposal.

At the Schedule Maximum (without longevity) the District's proposal is more comparable in that it is closer to the comparable average (\$31,471) by more than \$400, it exceeds that average by \$686, and it maintains the District's ranking at four of eight.

Based upon all of the foregoing, it would appear that the District's salary proposal is at least somewhat more comparable than the Association's in that at four of the seven benchmarks analyzed the District's proposal is the more comparable of the two at issue herein.

Additional support for this conclusion can be found if the average increase in salaries for returning teachers in comparable districts are analyzed. Such an analysis indicates that the District's proposal is closer to the comparable average (approximately \$1662 based upon splitting the small difference between the parties in their costing of the Kickapoo settlement) by almost \$100--the District's proposal being \$64 under the comparable average and the Association's proposal being \$156 above the comparable average.

Lastly, utilizing less reliable total package costing data, it would also appear that the District's proposal is the more comparable of the two. Based upon data from five comparable districts where the parties have no substantial disagreement regarding total package costs (Seneca, North Crawford, Ithaca, Hillsboro, and Wonewoc) it would appear that the comparable average is approximately \$2495 per returning teacher. The Association's proposal

amounts to \$2729 per teacher, \$234 above the comparable average; the District proposes \$2463 per teacher, or \$32 below the comparable average.

It thus would appear that the District's proposal is clearly more comparable than the Association's for the first year of the parties' proposed contract.

Relatedly, the undersigned would concur with the District that in view of the fact that the 1989-90 comparability data includes two more districts than the 1990-91 data, and the fact that the 1990-91 data contains more estimates of insurance costs than the 1989-90 data, it is fair and reasonable to give somewhat more weight to the 1989-90 comparability results than the 1990-91 results, which are necessarily somewhat more speculative.

Having so concluded, it would appear that at best, from the Association's perspective, the parties' proposals are equally comparable (the District's being more comparable in 1989-90 and the Association's being more comparable in 1990-91), which requires the undersigned to give consideration to other factors in determining which final offer to select herein.

In that regard the undersigned finds neither party's proposal to be sufficiently deviant from a well established salary schedule structure to require a quid pro quo for the changes requested. Nor need the parties demonstrate a legitimate need for the structural changes they are requesting based upon their respective assertions that the other is seeking a change of the status quo. In this case no clearly established status quo exists regarding the structure of the salary schedule that has traditionally been agreed to by the parties, and therefore, neither party has a stronger burden of proof than the other in this regard.

Other considerations that are relevant to the disposition of this matter include: changes in the cost living, which clearly supports the reasonableness of the District's position since there is no question that teachers will achieve gains in real income under its' proposal, settlement trends in the private sector and among other public employees, which also are more in accord with the size of the District's proposed increases than the Association's; and the interest and welfare of the public. In this latter regard, the undersigned is not persuaded that said consideration requires a salary package for the District's teachers exceeding that proposed by the District based upon factors such as comparability, turnover and staffing problems related to salary considerations, or other considerations related to the quality of the educational programs in the District. Though it is generally acknowledged that teacher salaries in rural areas generally lag significantly behind the salaries of urban teachers, if this is a legitimate and serious

problem, as indeed many assert it is (particularly in encouraging talented young people to make teaching in such areas their career), individual rural districts and interest arbitrators with statutory responsibilities for determining salaries in such districts cannot be expected to individually remedy this problem unless there is a significant change in public policy regarding the funding of public education. Though the teachers in Weston are paid relatively low compared to teachers statewide, they are paid competitively and fairly based upon currently held economic and political considerations and values. The undersigned cannot change that fact, even if he were inclined to do so.

Based upon all of the foregoing considerations, the undersigned concludes that the preponderance of the record evidence supports a conclusion that the District's proposal, when viewed in the context of all of the statutory criteria set forth in 111.70 (4) (cm) Wis. Stats., is clearly more reasonable than the Association's. Therefore, the undersigned hereby renders the following:

ARBITRATION AWARD

The District's proposal shall be incorporated into the parties 1989-91 collective bargaining agreement.

Dated this ^{5th} day of September, 1990 at Madison, Wisconsin


Byron Yaffe
Arbitrator