STATE OF WISCONSIN
BEFORE THE ARBITRATOR

In the Matter of the Petition of

WAUSAUKEE SCHOOL DISTRICT

To Initiate Arbitration
Between Said Petitioner and

Case 30
No. 43096 INT/ARB-5443
Decision No. 26600-A

WAUSAUKEE EDUCATION ASSOCIATION

APPEARANCES:

William G. Bracken and Jeffrey J. Wickland on behalf of the District
Robert West and R.A. Arends on behalf of the Association

On September 4, 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 January 15, 1991 in Wausaukee, WI. Post hearing exhibits and brief's were exchanged by the parties by March 21, 1991. 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:

This dispute is over the salary schedule for the 1989-90 and 1990-91 school years. In 1989-90 the Board proposes the following.

Salary only-- an average of$1724 per teacher, or 6%
Total package--an average of $2167 per teacher, or 5.7%

The Association proposes:

Salary only--an average of $1926 per teacher, or 6.8%
Total package--an average of $2410 per teacher, or 6.3%

In 1990-91 the Board proposes:

Salary only--an average of $1620 per teacher, or 5.4%
Total package--an average of $2726 per teacher, or 6.8%

The Association proposes:

Salary only--an average of $2008 per teacher, or 6.6%
Total package--an average of $3188 per teacher, or 7.9%

There are also significant differences between the parties as to how they propose to distribute the proposed increases on the salary schedule.

The parties also disagree as to the weight that should be given statewide comparability data--the Association contending that it should be given significant weight and the Board arguing that the arbitrator should rely primarily upon comparability data from the District's athletic conference

DISTRICT POSITION:

On the comparability issue arbitral opinion clearly supports primary reliance on athletic conference comparables (citations omitted). The underlying assumption supporting this principle is that local economic conditions are similar within a geographic area where the districts are of similar enrollment and staff size, have similar equalized values, etc., whereas statewide and nationwide data do not account for such differences.

Here, there are settlements in all of the conference schools in the first year and a majority of said schools in the second year. Therefore, the arbitrator has all of the information he needs to determine comparable and reasonable salaries for the District.

Even if statewide comparability data deserved consideration, it should not be given the weight urged by the Association since nearly two thirds of the District's revenue is derived from local sources.

Relatedly, teaching is not the same job wherever it is performed. In fact, an argument could be made that the work environment, variety and opportunities are greater for teachers working in smaller districts.

In 1989-90, the Board's proposal is clearly more comparable when salary only increases are compared The only reason the Association's total package comes closer to the 1989-90 settled average is that the Board changed insurance carriers and experienced a significant health insurance savings.

In 1990-91 the Board's offer is clearly more comparable, both on a salary only and total package basis. In this regard, the Association's proposal is clearly excessive and unjustified.

The Board's offer also best matches the prevailing settlement trend when measured by dollar and percent increases on the salary schedule benchmarks. The Board's offer is closer to the settled average increased in 16 of 28 benchmark comparisons based upon dollars and percentages. In only six benchmark comparisons is the Association's proposal more comparable. In this regard, the Board believes that in this instance the benchmark median is more indicative of the real value of beanchmarks than the benchmark average. This is because of the small sample size and the disproportionate weight a relatively high paying school district has on the average.

Relatedly, one-half of the District's staff is located in the BA, BA+6 and BA+12 salary lanes. The District's benchmarks are weakest at the BA base and MA base. The Association's offer does nothing to address the legitimate Board concerns in being able to attract teachers.

The only reason that the Association's excessive proposal might be justified would be that there was clearly a need for catch up in the District. Such is not the case here. The Board's offer maintains the District's rank and relationship vis a vis its comparables In fact, the Board's 1990-91 proposed benchmarks improve its relative position vis a vis its comparables at five of seven benchmarks. The record indicates that the District's salaries rank competitively among the schools in its athletic conference. In fact, salaries in the conference districts are tightly bunched together, and there is not a great deal of difference between them. The Association has not demonstrated that the District's salaries have significantly deteriorated below median or average conference district benchmarks; nor has it shown that the District has settled at less than competitive rates, or that it is having trouble attracting or retaining qualified teachers.

The impact of fringe benefits on the reasonableness of the parties' offers must also be taken into consideration. In 1988-89 the District's family health insurance premium was 42% (more than $1100 per year) above the average monthly comparable premium. Consideration of the value of this differential would eliminate the differential between the District's salaries and comparable median benchmarks.

Relatedly, the parties have agreed that the Board will continue ot pay the full premium for single and family health and dental insurance. This

agreement also clearly supports the reasonableness of the Board's proposal herein.

It is also worthy of note that neither party is proposing a change in the salary schedule structure since the parties' current schedule does not contain a definite pattern using dollars or percentages to establish numerical relationships between salaries on the schedule. Therefore, the final offers must be evaluated based on comparisons to other comparable districts based on the overall cost of the salary schedule.

The Board's 1989-90 proposal adds progressively more dollars as one moves across the salary schedule, thereby creating an incentive for teachers to return to school and grow professionally. It also transfers more money to the maximum salaries to reward the experienced teacher. The Board's 1990-91 proposal applies $1256 per cell (except at the BA+6 lane), which is an equitable way to distribute new dollars in the second year of a two year agreement.

The Association's proposal distorts the salary schedule by placing a disproportionate amount of money at the top of the schedule, which has the impact of keeping hiring rates relatively low.

Further support for the Board's position can be found from the fact that no other public or private sector employees are receiving increases of the magnitude proposed by the Board. Relatedly, the Board believes that teacher to teacher comparisons are the most meaningful since nine month employees cannot easily be compared with 12 month employees.

Though the Association cites studies which assert that teachers deserve more pay, such studies indicate they must also accept a greater measure of accountability. The Association's proposal does not contain any such quid pro quo.

In addition, the Board's offer is once again above the cost of living, and it therefore must be preferred on this objective criterion.

The interest and welfare of the public are also best reflected in the Board's offer. While the District's average income is significantly below the conference average, its levy rate and cost per member are above the conference average. These statistics clearly support the reasonableness of the Board's more moderate, yet still competitive offer. In addition, there is no indication that teachers are not staying in the District because of inadequate salaries. In fact, turnover in the District has been very low, and

there has been an ample supply of applicants for teacher vacancies in the District.

ASSOCIATION POSITION:

A reasoned view of a blue ribbon national set of salary recommendations, followed by state average salary practices, and finally athletic conference salaries should be used by the arbitrator in comparing the parties' offers.

Stateide salary rates should be used because only a large statistical sampling results in scientifically valid comparisons. A small number of samples readily lends itself to skewed results.

In addition, Wisconsin teacher salaries should be considered because statewide fiscal policies are an integral part of the District's funding.

As long as arbitrators ignore the higher dollar level of salaries paid in larger districts in the State, and allow only the same percentage increases to be achieved in smaller districts, the disparity in wages that exists among such districts will increase dramatically.

In addition, the size of districts should not be a critical factor when making such comparisons. If anything, teachers in smaller districts have more different preparations than teachers in larger districts, and therefore deserve more compensations.

The athletic conference in which the District participates is very small, with only eight districts, and not all of these districts are settled for the 1990-91 school year.

Wage rate slippage has occurred at various places on the District's schedule since 1985-86, and the Association's proposed schedules will address those losses.

The parties essentially agree on the B MAX and M MIN, having proposed almost identical increases there over the two years.

The Association has placed $150 per year catch up on the B MIN, while the District has placed $500 per year of catch up on the B MIN., an amount that will result in a situation in which the District will exceed the conference average during the term of this agreement. In view of the fact that the District asserts that it is not having difficulty recruiting new teachers, its proposed increase at this benchmark is clearly excessive.

The District's M MAX was $900 below the conference average in 88-89, the the Association proposes a $200 per year catch up on the M Max, or roughly 1/4 of the disparity. The Board has proposed a $400 reduction per year at this benchmark--roughly $400 less than the conference average offer--which would adversely affect over 20 teachers.

The District's SCH MAX was $2400 below the composite average in 88-89 The Association proposes a $475 per year catch up at this benchmark, roughly 1/5 of the amount needed to reach parity. Again, at this benchmark, the District's proposal is patently unrealistic.

In fact, even among settled comparable districts, the Association's salary proposal is more comparable at a majority of the benchmarks over the two year contract period.

Though the District argues that it provides incentives for teachers in the District to grow professionally, it has proposed a 6.7% increase for beginning rates and only a 3.6% increase for teachers moving across at the M MAX cell in 89-90. In fact, the Board's proposal makes the M MAX and SCH MAX significantly less competitive than was the case in 88-89.

When making comparison, the data the District utilizes--particularly projected costs data-- is not reliable and should not be relied upon by the arbitrator. The only reliable comparability data to use is wage and benefit rates, and in this regard, the record indicates that the District's insurance benefits are only average. In fact, the actual cost to the Employer of this bargain should be evaluated in the context of the insurance concession made by the Association which resulted in substantial savings to the Employer. In this regard, the Association agreed to a reduction in benefits and saved the District some thirty thousand or more dollars just before reopening this contract, with no quid pro quo. This should not go unnoticed.

Most importantly, when the District's salaries are compared with national figures, the District pays its beginning teachers more than $9,000 below the national average. It also pays beginning teachers with a master's degree more than $12,000 below the national average. Such disparities must be remedied. The Association has proposed a salary schedule which is closer to regional and state prevailing salary levels, and it gains no ground when compared to national professional averages. The Board's offer results in erosion or mere maintenance of the District's current position, except at the B MIN, where its proposed increases are unnecessary and excessive.

The Association s proposal for a more rational salary schedule addressing disparity problems clearly supports the reasonableness of the Association's position. It is in the public interest to quickly and substantially improve all teacher wage rates. but not at the expense of the many for the gain of a few.

With respect to the interest and welfare of the public, the difference between the parties' offers will only increase each average local taxpaying unit's assessment by an average of 80 cents per year.

In response the the Board's CPI arguments, the CPI has been found to be mostly irrelevant where settlement patterns are already established. as in this case. It is even more irrelevant where the wage rates are low to begin with.

DISCUSSION:

With respect to the comparability issue, it is well established by arbitral precendent in this State that where a settlement pattern is clearly discernible among districts in an athletic conference, that the settlements in said districts are generally utilized as primary comparables both by parties negotiating new agreements, as well as by interest arbitrators. Although this practice has concededly resulted in disparate salaries among teachers across the State, it is uniformly recognized that interest arbitration awards are governed by local setlement patterns based upon the similarity of conditions which exist among such districts. Though the undersigned acknowledges that there is some merit to the Association's contention that to continue this practice will only exacerbate the foregoing problem, the undrsigned is unwilling to hold this District to a different settlement standard than that which has governed the settlements among the District's primarily comparables in the athletic conference.

In the past the undersigned has concededly relied upon larger and more geographically dispersed groups of comparables when clearly established athletic conference settlement patterns are non-existant; however, where, as here, a discernable settlement pattern exists, absent unique conditions in a bargaining relationship--such as a clear need for catch-up--the undearsigned is of the opinion that the interest arbitration forum is not the arena to effectuate a break from that pattern in order to address the pay disparity problems which exist among teachers across this state. If that issue is to be effectively addressed, it should be done so first by the statewide Association at the bargaining table--before local. discrete settlement patterns develop. It is simply not reasonable to hold individual districts to such a different standard after a majority of the district's primary comparables have

achieved bargains based upon more generally accepted local settlement patterns.

Based upon these considerations the undersigned is of the opinion that a local settlement pattern among the districts in the athletic conference is well established in this case, and therefore, that pattern will be utilized by the undersigned in determining the comparability of the parties' proposals.

In that regard, the comparability evidence in this record supports the following conclusions:

Based upon a comparison of average salary increases resulting from the parties' proposals, the Board's offer is more comparable to the settlement pattern in both years of the proposed agreement. When the value of total packages are compared, though concededly evidence in this regard is less than totally reliable, the Association's 1989-90 proposal is the more comparable of the two, while the Board's 1990-91 proposal is more comparable than the Association's. Noteworthy in this regard are the two following facts: The comparability of the Association's 1989-90 total package proposal is in large part a result of the fact that the District recently experienced significant savings in its health insurance costs by changing carriers. Relatedly, the District has been able to continue to provide affected teachers with health and dental insurance comparable to that which is provided teachers working for the District's primary comparables.

Based upon all of these considerations, the undersigned is of the opinion that when all of the above factors are considered, the Board's overall salary and total package proposal is clearly more comparable than the Association's

Another comparability issue merits consideration and discussion however, and that pertains to how the parties's propose distributing salary increases on the salary schedule. In this regard, a benchmark analysis of the impact of their proposals indicates the following:

At the BA Minimum, in 1989-90 the Association's proposal is more comparable both in terms of dollars and percentage increases. In addition, the Association's proposal would result in a starting salary less than $1000 below the conference average. However, in 1990-91, the Board's proposal is closer to the conference average both in terms of the dollar value of the proposed increase, as well as the average conference salary at this benchmark.

Perhaps it should be noted that in analyzing benchmark comparisons, the undersigned believes that the most important comparisons are of actual salaries and the dollar value of proposed increases with comparable averages. Although the Board proposes comparisons based upon use of medians rather than comparable averages, the undersigned is of the opinion that use of comparable averages more fairly takes into consideration the full range of comparable settlements. In addition, reliance on the percentage value of increases and relative rankings, in the undersigned's opinion, is not as useful a basis of comparison in that such reliance simply perpetuates disparities that exist among such comparables.

At the BA 6th step, in 1989-90 the Association's offer is the most comparable, while in 1990-91, the Board's proposal is more comparable than the Association's.

At the BA Maximum, the Association's proposal is more comparable than the Board's in both years of the proposed agreement. Though in both years the Association proposes salaries at this benchmark above the conference average, in both years it proposes increases, the dollar value of which falls at or below the dollar value of average conference increases.

At the MA Minimum there is no difference between the parties' proposals

At the MA 9th Step the Board's proposal is more comparable in both years of the agreement.

At the MA Maximum, the Association's proposal is more comparable than the Board's in both years of the proposed agreement.

And at the Schedule Maximum, there is no difference between the parties' proposals in 1989-90, and in 1990-91, the Association's proposal is deemed to be the more comparable of the two. In this regard, although the Association's proposed increase is above the comparable average, it would result in a salary at this benchmark which is still below the comparable average, while the Board's proposed increase and proposed salary at this benchmark are both significantly below the comparable average.

The foregoing indicates that when the distribution of proposed increases across the salary schedule is considered, the Association's proposal is the more comparable of the two in that the Association's proposal is more comparable at seven benchmarks, the Board's proposal is more comparable at four, and there is no difference between the parties' proposals at three benchmarks.

The above comparisons indicate that although the Association's distribution of proposed increases is more comparable than the Board's, the overall dollar value of the Board's proposed salary increases and total package is more comparable than the Association's. Since the record indicates that with a few exceptions (the M.A. Minimum in 1989-90 and Schedule Maximum in 1990-91) the Board's proposed salaries are clustered near or above the conference benchmark averages, the undersigned concludes that there is no demonstrable need for overall salary catch-up in the District, nor is there justification, based upon comparability, for the Association's proposed salary schedule, which, in terms of its overall dollar value, is clearly less comparable than the Board's proposal.

Thus, based upon the comparability criterion, the undersigned concludes that the Board's proposal is preferable. The reasonableness of this conclusion is supported by consideration of other statutory criteria, including cost of living considerations, settlements among other groups of public and private sector employees, and the understandable desire by the Board to moderate spending where possible to protect the economic interests of the taxpaying citizens in the District.

Based upon all of the above considerations, the undersigned concludes that the Board's final offer is more supportable than the Association's, and therefore renders the following:

ARBITRATION AWARD

The Board's final offer shall be incorporated into the parties' 1989-1991 collective bargaining agreement.

Dated this 2nd day of April, 1991 at Madison, Wisconsin

Byron Yaffe
Arbitrator