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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

In the Matter of the Petition of

GENOA CITY JT. #2 SCHOOL DISTRICT

Case 10
No. 44853 INT/ARB-5830
Decision No. 27143-A

To Initiate Arbitration
Between Said Petitioner and

GENOA CITY EDUCATION ASSOCIATION

APPEARANCES:

Robert H. Buikema, Esq. on behalf of the District
Sandra Nass on behalf of the Association

On February 17, 1992 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 public hearing and arbitration hearing in the matter were conducted on June 4, 1992 at Genoa City, WI. Briefs were exchanged by the parties and the record was closed by August 26, 1992. 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.

ISSUES:

This dispute is over the terms of the parties' collective bargaining agreement covering the 1990-92 school years. There are several issues in dispute:

Salaries--

District Proposal--

An average increase of \$1850 or 6.97% for 1990-91, netting out to \$1607 or 6.05% after an adjustment because of insurance premium increases, and \$1901 or 6.75% for 1991-92.

Maintain the current salary schedule lane and step increment structure.

Association Proposal--

An average increase of 1990 or 7.49% for 1990-91, netting out to \$1747 or 6.58% after an adjustment because of insurance premium increases, and \$2300 or 8.12% for 1991-92.

Revise the lane increments for the MA lanes to step increments of 3% of each individual lane base.

Health Insurance--**District Proposal--**

Status quo, which reflects a Board payment of 50% of the monthly premium for any teacher who works at least half-time, but less than full time.

Association Proposal--

The District would pay 70% of the monthly premium for part time teachers who work at least 70% but less than 100%, 50% for part time teachers who work at least 50% but less than 70%, and there will be no District payment for teachers who work less than 50%.

WRS--**District Proposal--**

District payment of 6.0% of the employee' share.

Association Proposal--

District pays full employee share, 6.2%.

Comparability--

The only dispute between the parties is over whether the Delavan-Darien District should be treated as a comparable, the Association asserting that it should and the District asserting that it should not.

The undersigned will first discuss the relative merit of the parties' proposals on each of the individual issues in dispute, and thereafter, the relative merit of the parties' proposed total packages will be addressed.

COMPARABLES:

District Position--

Unlike all of the other agreed upon comparables in this proceeding, the Delavan-Darien School District does not fall within the immediate ring of contiguous districts. In addition, it is five times larger than the District.

Association Position--

The Delavan District is comparable in size to many other comparable districts, and it is just as close to the District as many agreed upon comparable districts.

Comparisons with other public and private sector employees are inappropriate because the teachers in the District have no community of interest with such employees.

Disussion--

Because the Delavan Darien School District is not distinguishable in size from other agreed upon comparable districts, because it appears to be approximately as geographically proximate to the District as other agreed upon comparable districts, and because the record does not indicate that it is distinguishable from other agreed upon comparable districts in other

respects, the undersigned finds no persuasive reason to exclude it from the comparables that should be utilized in this proceeding.

The undersigned also does not believe it is reasonable to exclude otherwise comparable district settlements because they may be characterized by one party as being either unusually high or low. That is simply a risk that both parties in an interest arbitration proceeding must confront in developing final offers in the context of a comparable settlement pattern.

Salaries--

District Position--

The District's pre insurance salary offer is identical to the settlement pattern of the comparables for the 1990-91 school year, while the Association's offer exceeds the settlement pattern by \$138 per teacher. For 1991-92, while the Board's offer is slightly below the settlement pattern, the Association's is above the average by a substantially larger amount and is far greater than what is necessary.

Over the two year period covered by the agreement, the Association's salary offer exceeds the settlement pattern by nearly \$450 or 2.9%. The Board's offer is more representative of the settlement pattern, \$96 less than the two year average.

The Association's offer over the two years would represent the highest settlement among the comparables when viewed on a percentage basis, and fourth highest on a dollars per returning teacher basis. Under the Board's offer, the District's teachers would receive the fourth highest settlement on a percentage basis and the ninth highest settlement on a dollars per returning teacher basis.

In the above regard, the comparable average should exclude the settlement in Central/Westosha UHS, which was an aberration which occurred because of an unanticipated minimal insurance increase.

The parties have long agreed to add flat dollar amounts to the salary schedule to maintain lane/step increment relationships. A change in such a

well established practice should not be imposed upon the parties by an interest arbitrator. (Citations omitted)

Similarly, since the bargaining relationship has been one of voluntary negotiations, the historical relationship between the District and area comparables should not be disturbed.

The Association's erosion argument is flawed in two regards. First, the District's salaries for teachers without much seniority is very competitive. If there has been erosion at the other end of the schedule, it has been the result of voluntary agreements between the parties, and it is not appropriate for the Association to create a "compelling need" for which they are equally responsible. (Citation omitted) Moreover, the record indicates that the District's senior staff has not turned over because of the District's salary schedule.

The Association's proposed salary improvements also far exceed private sector salary settlements, as well as settlements affecting other public sector employees. The increases that area public and private sector employees receive directly impacts their ability to meet the tax levies imposed by the District.

The Association's proposal ignores the fact that the District is different from many of its neighbors because of its significantly lower economic status, per capita income (over \$4,000 below the comparable average), and equalized value (not only is the equalized value considerably below the comparable average, the current mill rate is nearly \$2.00 above the comparable average). Relatedly, during the past four years real estate taxes in the District have increased more than 33%.

Association Position--

The proposals of both parties include an adjustment to the salary schedule based on the actual insurance costs. When salaries (after the insurance adjustment) are compared, which is the only valid basis of comparison, the Association proposal is closer to the average comparable settlement than is the District proposal. This is particularly true when a comparison is made with comparable two year salary settlements.

The discrepancy in wages between the District and its comparables becomes acutely evident as teachers reach the schedule maximum. The Association offer would slow what had become an ever widening chasm. The District offer only continues the plunge, falling further away from even a remotely competitive schedule.

The extent of this problem is reflected in the fact that in five years, one third of the District's teachers have left the District.

When cost of living factors are considered, it is noteworthy that the purchasing power of a District employee under the District's proposal would be 93.4% of what it was in 1970.

With respect to the District's ability to pay, the record indicates that the District has enjoyed continued growth in state aid since 1988-89, that it was able to lower the levy rate in 1990-91, and that the 1991-92 rate was less than the 1989-90 rate.

Discussion--

The undersigned agrees with the Association that the only way to properly and fairly compare the salaries and total package costs of the parties with settlements in comparable districts requires the undersigned to compare the post insurance adjustment salaries that will ultimately be put in place as a result of this award.

The record indicates that the Association's proposed average salary increase for 1990-91 is closer to the comparable average than the District's, and that it is about \$100 below the comparable average. For 1991-92 the parties' salary proposals in this regard are about equi-distant from the comparable average, the Association's proposal being about \$200 above the comparable average and the District's proposal being about \$200 below the comparable average.

When the parties' proposed salary increases over two years are compared, the Association's proposal is much closer to the comparable average than the

District's, the Association's being about \$100 over the comparable average, and the District's being about \$450 below the comparable average.

The record also indicates that though the District's salaries are competitive for teachers without much seniority, as teachers move through the schedule, the District's salary schedule becomes increasingly less competitive. In this regard, at the MA 10th step for 1990-91, the Association's proposal is about \$1200 below the comparable average and the District's is about \$2400 below the comparable average. For 1991-92, the Association's proposal is about \$2400 below the comparable average and the District's is about \$3600 below the comparable average.

At the MA Maximum, for 1990-91 the Association's proposal is about \$2100 below the comparable average and the District's is about \$3000 below the comparable average. For 1991-92, the Association's proposal is about \$2200 below the comparable average and the District's is almost \$4000 below the comparable average.

At the Schedule Maximum, for 1990-91 the Association's proposal is about \$4800 below the comparable average and the District's is almost \$6000 below the comparable average. For 1991-92, the Association's proposal is more than \$5000 below the comparable average and the District's is more than \$7000 below the comparable average.

All of the foregoing clearly supports the reasonableness of the Association's salary proposal. In all regards it is the more comparable of the two proposals at issue herein. The changes sought by the Association clearly appear to be justified since preservation of the status quo in this regard would further exacerbate inequitable salary disparities which have not been justified by unique District financial considerations.

Health Insurance--

District Position--

The Association bears the burden of justifying the change in the status quo which it proposes, and in doing so, it must offer a fair quid pro quo.
(Citations omitted)

The Association's final offer for non-certified staff includes, in this regard, a straight pro rated payment schedule. Thus the Association's proposal on this issue is not even supported by internal comparables.

In addition, the Association has offer no quid pro quo for this proposed change.

Association Position--

The Association's proposal would affect 2 of the District's 27 employees, both of whom participate in single plans, with minimal cost impact.

Based upon available data, all comparable districts provide benefits based on a prorata percent of the employee's level of employment, or at an even higher level. Only the District provides a lesser standard.

The District's support staff also receive pro rata paid insurance benefits based upon their level of employment.

The Association's proposal on this issue is thus less than would be supported by internal as well as external comparables.

Discussion--

Comparability evidence clearly and overwhelmingly supports the reasonableness of the Association's position on this issue. Where, as here, the Association does not seek an unusual benefit, but instead only wishes to bring the District into a well established settlement pattern, the undersigned does not believe that a quid pro quo needs to be proffered in order to justify such a change.

WRS--

District Position--

The District's position is preferable since the Association's proposed change in the status quo is unsupported by a fair quid pro quo.

Internal comparables also do not support the Association's position, since the District pays 6.1% of the employee contribution toward WRS for non certified personnel.

With respect to external comparables, teachers in twelve comparable districts pay something out of their pocket toward WRS.

Association Position--

The comparable districts having a WRS contribution of less than the full amount are those districts which had a settlement in place prior to notification of the required increase. There have been no settlements since the increase was announced by any school district within Southern Lakes United Educators (SLUE) which did not include 100% employer payment of the employee contribution. Of the districts not represented by SLUE, only one has a less than full contribution level. The remaining 21 with available data have bargained an amount equal to what constituted the full contribution at the time the settlement was reached.

The Association and District reached a tentative agreement for a 6.1% District contribution for the support staff on July 30, 1991; however, at the time of that agreement, the 6.1% represented full payment of the employee's share of WRS. Furthermore, the District has agreed to provide a higher level of contribution for the support staff than it has offered its teaching staff.

Discussion--

On this issue the settlement pattern in comparable districts during the period in question does not support the reasonableness of the Association's proposal. On the other hand, internal comparable evidence does not support the reasonableness of the District's position on this issue. Accordingly, neither party's position on this issue shall receive positive weight nor consideration in the determination regarding which total final offer should be selected.

TOTAL PACKAGE--

Discussion--

In this regard, in 1990-91, the Association's proposal is about \$130 below the comparable average and the District's is about \$600 below the comparable average. In 1991-92, the Association's proposal is about \$75 above the comparable average, and the District's is about \$440 below the comparable average. Over the two years covered by the proposals, the Association's proposal is about \$50 below the comparable average, and the District's is about \$1000 below the comparable average.

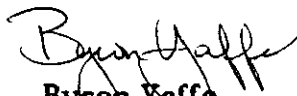
Based upon these considerations, and the conclusions the undersigned reached above regarding the parties' salary and insurance proposals, the undersigned deems the Association's total final offer to be more reasonable than the District's.

Based upon all of the foregoing considerations, the undersigned hereby renders the following:

ARBITRATION AWARD

The Association's final offer shall be incorporated into the parties' collective bargaining agreement.

Dated this 9th day of September, 1992 at Madison, WI.


Byron Yaffe
Arbitrator