

In the Matter of Arbitration :

Between :

**UNITED NORTHEAST EDUCATORS AND  
PESHTIGO EDUCATION ASSOCIATION** :

and :

**PESHTIGO SCHOOL DISTRICT** :

WERC Case 22, No. 47607  
INT/ARB-6504 :

**RECEIVED**  
MAY 12 1993

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION  
**AWARD**

Decision No. 27491-A

**I. HEARING.** A hearing in the above entitled matter was held on February 17, 1993, at the administration offices of the Peshtigo School District, Peshtigo, Wisconsin. Parties were given full opportunity to give testimony, present evidence and make argument. Briefs and reply briefs were supplied, the latter being exchanged through the arbitrator on April 13, 1993.

**II. APPEARANCES.**

JAMES A. BLANK, EXECUTIVE DIRECTOR, UNITED NORTHEAST EDUCATORS,  
appeared on behalf of the Union.

GODFREY & KAHN, S.C. by DENNIS W. RADER, Attorney, appeared for  
the District.

**III. NATURE OF PROCEEDING.** On June 22, 1992, the Peshtigo Board of Education filed a petition with the Wisconsin Employment Relations Commission, alleging an impasse between it and the Peshtigo Education Association. Stuart Levitan, a Commission staff member, investigated and reported on October 15, 1992, that the parties were still at impasse. The Commission concluded that an impasse within the meaning of Section 111.70 (4)(cm) 6 of the Municipal Employment Relations Act existed and certified that the conditions precedent to the initiation of arbitration existed. The Commission then ordered final and binding final offer arbitration on December 8, 1992. The parties thereafter having selected Frank P. Zeidler, Milwaukee, Wisconsin, the Commission issued an order appointing him on January 4, 1993.

**IV. THE OFFERS.**

A. Association Offer.

**FINAL OFFER  
OF THE  
PESHTIGO EDUCATION ASSOCIATION  
TO THE  
PESHTIGO BOARD OF EDUCATION  
OCTOBER 21, 1992**

**RECEIVED**  
**OCT 23 1992**  
WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

1. ARTICLE XXI - Teacher Salary Schedule

The Association proposed a salary schedule that would increase the average teacher salary by \$1,975 in 1992-93 and \$2,000 in 1993-94. (See attached salary schedules for 1992-93 and 1993-94.)

2. ARTICLE XXIII - Extra-Curricular Activities

The rate of pay for extra-curricular activities for the 1992-1993 school year shall be 105% of the wages paid for the 1991-1992 school year. The rate of pay for extra-curricular activities for the 1993-1994 school year shall be 105% of the rate of pay provided for extra-curricular activities for the 1992-1993 school year.

3. All other contract language not specifically amended by this proposal is to remain the status quo per the July 1, 1990 - June 30, 1992 Master Agreement except for the changes noted above and any tentative agreements reached between the parties.

4. The 1990-92 Collective Bargaining Agreement will be modified editorially, where appropriate, to provide for the new contract term and consistent with the changes outlined above.

*JAB*

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ARTICLE XXI  
PESHTIGO SCHOOL DISTRICT  
TEACHER SALARY SCHEDULE

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

July 1, 1992 - June 30, 1993

STEP	Index	BA	BA+06	BA+12	BA+18	BA+24	MA	MA+06	MA+12	MA+18
1	1.0000	21564	21864	22164	22464	22764	24799	25099	25399	25699
2	1.0465	22567	22881	23195	23509	23823	25952	26266	26580	26894
3	1.0930	23569	23897	24225	24553	24881	27105	27433	27761	28089
4	1.1395	24572	24914	25256	25598	25940	28258	28600	28942	29284
5	1.1860	25575	25931	26287	26642	26998	29411	29767	30123	30479
6	1.2325	26578	26947	27317	27687	28057	30564	30934	31304	31674
7	1.2790	27580	27964	28348	28731	29115	31717	32101	32485	32869
8	1.3255	28583	28981	29378	29776	30174	32871	33268	33666	34063
9	1.3720	29586	29997	30409	30821	31232	34024	34435	34847	35258
10	1.4185	30589	31014	31440	31865	32291	35177	35602	36028	36453
11	1.4650	31591	32031	32470	32910	33349	36330	36769	37209	37648
12	1.5115	32594	33047	33501	33954	34408	37483	37937	38390	38843
13	1.5580	33597	34064	34532	34999	35466	38636	39104	39571	40038
14	1.6045	34599	35081	35562	36043	36525	39789	40271	40752	41233
15	1.6510	35602	36097	36593	37088	37583	40942	41438	41933	42428
16	1.6975	36605	37114	37623	38133	38642	42096	42605	43114	43623

July 1, 1993 - June 30, 1994

STEP	Index	BA	BA+06	BA+12	BA+18	BA+24	MA	MA+06	MA+12	MA+18
1	1.0000	22503	22803	23103	23403	23703	25878	26178	26478	26778
2	1.0465	23549	23863	24177	24491	24805	27082	27396	27710	28024
3	1.0930	24596	24924	25252	25579	25907	28285	28613	28941	29269
4	1.1395	25642	25984	26326	26668	27010	29488	29830	30172	30514
5	1.1860	26689	27044	27400	27756	28112	30692	31048	31403	31759
6	1.2325	27735	28105	28474	28844	29214	31895	32265	32635	33004
7	1.2790	28781	29165	29549	29932	30316	33099	33482	33866	34250
8	1.3255	29828	30225	30623	31021	31418	34302	34700	35097	35495
9	1.3720	30874	31286	31697	32109	32521	35505	35917	36328	36740
10	1.4185	31921	32346	32772	33197	33623	36709	37134	37560	37985
11	1.4650	32967	33406	33846	34285	34725	37912	38351	38791	39230
12	1.5115	34013	34467	34920	35374	35827	39115	39569	40022	40476
13	1.5580	35060	35527	35994	36462	36929	40319	40786	41253	41721
14	1.6045	36106	36587	37069	37550	38031	41522	42003	42485	42966
15	1.6510	37152	37648	38143	38638	39134	42725	43221	43716	44211
16	1.6975	38199	38708	39217	39727	40236	43929	44438	44947	45456

ARTICLE XXII

Fifteen Percent (15%) between B.A. and M.A. base.

B. The District Offer.

**FINAL OFFER OF THE  
PESHTIGO BOARD OF EDUCATION  
to the  
PESHTIGO EDUCATION ASSOCIATION**

October 23, 1992

1. Article XXI - Teacher Salary Schedule. The Board proposes a salary schedule that will increase the average teacher salary by \$1,857.00 in 1992-93 and \$1,857.00 in 1993-94 (see attached salary schedules for 1992-93 and 1993-94).
2. Article XXIII - Extracurricular Activities. See attached.
3. All of the contract language not specifically amended by this proposal is to remain status quo per the July 1, 1990 - June 30, 1992 Master Agreement except for the changes noted above and any tentative agreements reached between the parties.
4. The 1990-92 Collective Bargaining Agreement will be modified editorially where appropriate, to provide for the new contract term and consistent with the changes outlined above.

10/24/92  
BWR

# Peshtigo School District

OCT 28 1992

## ARTICLE XXIII EXTRA-CURRICULAR ACTIVITIES

(SCHOOL EMPLOYEES  
RELAT TO POSITIONS)

The rate of pay for extra-curricular activities for the 1992-93 school year shall be 102% of the wages paid for the 1991-92 school year. The rate of pay for extra-curricular activities for the 1993-94 school year shall be 102% of the rate of pay provided for extra-curricular activities for the 1992-93 school year.

The rate of pay for summer school teachers and coordinators is to be \$19.00 per hour/1992-93 and \$20.00 per hour/1993-94. NOTE: This applies to hours beyond the regular school day.

		<u>1992-93</u>	<u>1993-94</u>
Section I	Annual Advisor	839.00	856.00
	Senior Class Advisor	615.00	627.00
	Ass't Senior Class Advisor	147.00	150.00
	Junior Class Advisor	411.00	419.00
	Sophomore Class Advisor	138.00	141.00
	Freshman Class Advisor	138.00	141.00
	FBLA Advisor	380.00	388.00
	Forensics	752.00	767.00
	Instrumental Music	2,721.00	2,775.00
	Newspaper	274.00	279.00
	Programs - Boys & Girls	555.00	566.00
	Vocal Music	960.00	979.00
	Ass't Junior Class Advisor	131.00	134.00
	Curriculum Study (9 @ ...)	175.00	179.00
	Curriculum Study Chairman	66.00	67.00
	Majorette & Flag Corps Advisor	605.00	617.00
	Department Head	255.00	260.00
	Elementary Student Council Advisor	838.00	855.00
	M.S. Student Council Advisor	838.00	855.00
	H.S. Student Council Advisor	838.00	855.00
	Cheerleaders	913.00	931.00
	Camp Bird Teachers (each)	206.00	210.00
	Pep Club	206.00	210.00
	National Honor Society	819.00	835.00
	Scott Hi-Q	819.00	835.00
Marinette County Bowl	410.00	418.00	
Section II Boys Sports:	Athletic Director	3,281.00	3,347.00
	Basketball - Head Coach	2,721.00	2,775.00
	J.V. Coach	1,780.00	1,816.00
	Freshman Coach	1,369.00	1,396.00
	7th Grade Coach	960.00	979.00
	8th Grade Coach	960.00	979.00
	Football - Head Coach	2,721.00	2,775.00
	Varsity Ass't Coach	1,780.00	1,816.00
	J.V. Coach	1,780.00	1,816.00
	Freshman Coach	1,369.00	1,396.00
	7th Grade Coach	960.00	979.00
	8th Grade Coach	960.00	979.00
	Track - Head Coach	2,721.00	2,775.00
	Ass't Coach	1,780.00	1,816.00
	M.S. Ass't Coach	960.00	979.00

*Paul*  
10/26/92

10/26/92

Girls Sports:	Wrestling	- Head Coach	2,721.00	2,775.00
		Ass't Coach	1,780.00	1,816.00
		M.S. Ass't Coach	960.00	979.00
	Basketball	- Head Coach	2,721.00	2,775.00
		J.V. Coach	1,780.00	1,816.00
		7th Grade Coach	960.00	979.00
		8th Grade Coach	960.00	979.00
		Freshman Coach	1,369.00	1,396.00
	Track	- Head Coach	2,721.00	2,775.00
		Ass't Coach	1,780.00	1,816.00
		M.S. Ass't Coach	960.00	979.00
	Volleyball	- Head Coach	2,721.00	2,775.00
		Ass't Coach	1,780.00	1,816.00
		M.S. Ass't Coach	960.00	979.00
		Freshman Coach	1,369.00	1,396.00

Section III:

Extra duty is optional for both men and women.

\$36.75 per event; \$10.00 per hour for all day events.

Bus Chaperon: \$10.00 per hour with a maximum of \$55.11 per day.

Teachers involved in extra duty assignments as set forth in Article 23 shall be compensated in accordance with the provisions of the Agreement. Said earnings will be paid upon completion of that activity at the next regular pay period.

10/26/9

**V. FACTORS TO BE CONSIDERED BY THE ARBITRATOR.**

"7. Factors considered. In making any decision under the arbitration procedures authorized by this paragraph, 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 any proposed settlement.

"d. Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes performing similar services.

"e. Comparison of the wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes 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 employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes 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 employes, 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. COSTS OF OFFERS.** Association Exhibits 8A and 9A are the sources of these data:

**Table I**

**ASSOCIATION COSTING OF THE FINAL OFFERS**

**A. Association Offer**

	1992-93		1993-94	
	<u>\$</u>	<u>% Inc.</u>	<u>\$</u>	<u>% Inc.</u>
Salary per Sched.	2,612,177		2,758,110	
Total Salary	2,694,331		2,844,386	
Total Cost	3,608,706		3,838,793	
Salary Inc.	144,089	5.84	145,940	5.59
Inc. per FTE	1.975		2.000	
Total Inc.	194,344	5.69	230,087	6.38
Inc. per FTE	2,664		3,154	
BA Base	21,564		22,503	
BA Base Inc.	939	4.35	939	4.35

**B. Board Offer**

Salary per Sched.	2,603,250		2,739,892	
Total Salary	2,683,570		2,821,805	
Total Cost	3,595,718		3,811,538	
Salary Inc.	135,432		136,373	
Inc. per FTE	1.856	5.49	1.869	5.24
Total Inc.	181,356		215,821	
Inc. per FTE	2,486	5.31	2,958	6.00
BA Base	21,491		22,351	
BA Base Inc.	866	4.20	860	4.00

Association Exhibit 10 presents evidence on the cost of the offers by averaging 7 benchmarks - BA Base, BA 7th, BA Max., MA Min., MA10th, MA Max., and Schedule Max. The following table is derived from this exhibit:

**Table II**

**COSTS OF OFFERS, AVERAGE INCREASES IN BENCHMARKS**

Year	<u>\$</u>	<u>Association</u>		<u>\$</u>	<u>Board</u>	
		<u>\$ Inc.</u>	<u>% Inc.</u>		<u>\$ Inc.</u>	<u>% Inc.</u>
1991-1992	31,633			31,633		
1992-1993	33,063	1,430	4.53	32,952	1,319	4.18
1993-1994	34,494	1,430	4.33	34,262	1,310	3.98



From Association Exhibit 11A the following information is derived:

Table III

PACKAGE COSTS OF OFFERS

<u>Year</u>	<u>Association</u>	<u>Board</u>	<u>Difference</u>
1992-1993	3,608,706	3,595,718	\$12,988
1993-1994	3,838,793	3,811,538	27,254

From Board Exhibits 5 and 6 the following information is derived:

Table IV

SALARY AND TOTAL PACKAGE COSTING  
(72.957 FTE'S)

A. Board Offer

	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>
Salary Only (\$)	2,468,080	2,603,511	2,739,883
Total \$ Inc.		135,431	136,371
Avg. \$ Inc.		1,856	1,869
% Inc.		5.49	5.24
Total Wages	2,546,307	2,683,563	2,821,796
Total Package	3,414,326	3,595,709	3,814,425
Total \$ Pkg. Inc.		181,382	218,716
Avg. \$ Pkg. Inc.		2,486	2,998
% Inc.		5.31	6.08

B. Association Offer

Salary Only (\$)	2,468,080	2,612,153	2,758,106
Total \$ Inc.		144,073	145,953
Avg. \$ Inc.		1,975	2,005
% Inc.		5.84	5.59
Total Wages	2,546,307	2,694,309	2,844,375
Total Package	3,414,326	3,608,678	3,841,675
Total \$ Pkg. Inc.		194,352	232,998
Ave. \$ Pkg. Inc.		2,664	3,194
% Inc.		5.69	6.46

**VII. COMPARABLE DISTRICTS.** The Association reports that there are eight districts in the Marinette & Oconto Athletic Conference (M & O): Coleman, Crivitz, Gillett, Lena, Niagara, Peshtigo, Suring, and Wausaukee. However only Coleman and Wausaukee have contracts settled for 1992-93, and none have contracts settled for 1993-94. Therefore the Association uses data from 18 other school districts in CESA 8. All of these districts have 1991-92 settlements and 15 have 1992-93 settlements. Four have 1993-94 settlements.

The Board uses the eight M & O districts as its comparables.

The following information about these districts is derived from Board Exhibit 9:

**Table V**

COMPARATIVE DATA, M & O CONFERENCE SCHOOLS, 1991-92

A.	<u>Enroll.</u>	<u>FTE</u>	<u>Cost/ Member</u>	<u>Aid/ Member</u>
Aver. 7 Dist.	716	48.36	\$5,028	2,063
Peshtigo	1,052	63.50	5,265	3,029

  

B.	<u>Equ.Val.</u>	<u>Tax Levy</u>	<u>Mill Rate</u>
Aver. 7 Dist.	\$122,562,841	2,328,671	19.82
Peshtigo	119,480,494	2,662,337	22.28

In the Association list of 25 CESA 8 districts, Peshtigo with 1,008 pupils in 1991-92 was 7th in size where sizes ranged from 2,841 at Marinette to 216 at Goodman. Peshtigo was the largest of the M & O conference schools (AX 32A). Of the CESA 8 schools, Peshtigo had the highest pupil percentage increase between 1988 and 1991-92 with a 13.39% increase. (AX 32B). Peshtigo with 63.6 FTE in 1991-92 was 9th in this number, but its percentage increase since 1988-89 exceeded the average both in the M & O conference and CESA 8. (AX 33A,C).

In pupil-to-teacher-ratio, Peshtigo at a ratio of 15.85 in 1991-92 was fifth highest, having increased since 1988-89, where the average ratio in the M & O conference and CESA schools declined in that period of time. (AX 34A,C).

Bar charts supplied by the Association show that between 1988-89 and 1991-92,

- Percent changes in school cost per member were less than such changes in the averages of the M & O conference and CESA 8 schools. (AX 36C).

- Percent changes in complete annual school cost per member were less in Peshtigo than such changes in the averages of the M & O conference and CESA 8 schools. (AX 37C).

- Percent changes in State Aids per pupil were greater in Peshtigo than such changes in the averages of M & O conference and CESA 8 schools. (AX 38C).

- Percent changes in the levy rate in Peshtigo were less in 1991-92 while in the averages of the M & O conference and CESA 8 schools they rose. (AX 39C).

- Percent change in equalized valuation per member declined while in the average of the M & O conference and CESA 8 schools they rose. (AX 40C).

The Peshtigo levy rate in 1991-92 at 18.32 mills was 8th among CESA 8 schools and was 2nd among M & O conference schools. (AX 39A).

The equalized valuation rate per member in Peshtigo in 1991-92 was 17th among the CESA 8 schools, with a valuation of \$122,041 per member. This was 5th among the M & O conference schools. (AX 40A).

Other data furnished by the Association will be reported hereafter.

The Association also made tabulations of benchmark salaries at Peshtigo as far as state-wide ranking is considered. A bar chart shows that at each of 7 steps except BA Maximum, state-wide numerical ranking has declined at Peshtigo between 1985-86 and 1991-92. However at the BA Minimum, Peshtigo has been in the lower rankings, at BA 7th, MA Min. and MA 10th it has been at middle rankings, and at BA Max., MA Max., and Schedule Max. it has been in the higher rankings. (AX 30B).

For dollar and percent increases in benchmarks proposed at Peshtigo for 1992-93 over 1991-92, both offers at Peshtigo are less than the state average for settled districts, with the Board offer being lower than the Association offer. (AX 31B). A similar relationship prevails for the 1993-94 offers. (AX 31C).

Position of the Association on Comparables Summarized. The Association agrees that the 8 districts in the M & O conference are primary comparables, but holds that the lack of settlements among the primary comparables justifies an expansion of the pool of comparables to include the CESA 8 schools, 15 of which lying outside the M & O conference schools have settled. This practice follows a precedent in a previous arbitration. CESA 8 districts are located in the northeast corner of Wisconsin and share a community of interest. An argument by the Board against including CESA 8 districts like Marinette and Shawano/Gresham are contrary to the Board's argument to include them in another arbitration case. Also Peshtigo is closer in size to CESA 8 districts than M & O districts.

The Association also argues that a settlement for 1992-94 cannot be determined from just two 1992-93 settlements in the M & O conference.

The Association says that contrary to the Board's contention that only 40% of CESA 8 districts are settled for 1992-93 and only 12% for 1993-94, 64% of the districts (16 of 25) have settled for 1992-93 and 16% (4 of 25) have settled for 1993-94. Both of these percentages provide adequate guidelines toward a decision.

Further the CESA 8 districts meet the arbitral standard of geographic proximity, of average daily pupil membership, of FTE, of operating costs, and of tax base. It should be noted that in operating costs per member between 1988-89 and 1991-92, Peshtigo's increase has been much less than increases in the M & O average and CESA 8 average.

Board Position on Comparable Districts Summarized. The Board argues that the comparable pool is M & O Athletic Conference Districts, but objects to the introduction by the Association of CESA 8 districts as a secondary pool. It contends that though the primary comparables do not provide enough information for a settlement pattern, neither do the CESA 8 schools with only ten settlements reported for 1992-93 and three for 1993-94. Further many of the districts are not comparable to Peshtigo in size or economic comparability, or geographic proximity. The CESA 8 districts include districts ranging from 1,623 to 2,841 students on one hand and 216 to 390 on the other hand. There is a similar disparity from Peshtigo in FTE's.

Further CESA 8 districts lie in eight different counties and some are 70 miles distant. Also their range of full value taxable property ranges from \$482 million to \$36 million.

The Board also argues that settlement status is not a factor of comparability. The fact that a district has settled does not make it comparable. The arbitrator here must find that the primary comparable pool is the only pool. If the settlement information is then inconclusive for rendering a decision, remaining statutory factors of comparison must then be relied on.

Discussion. It is evident that the primary M & O conference comparables do not furnish enough information to draw a conclusion on comparables. However the arbitrator is of the opinion that there is some value to looking at a wider geographic range of districts such as those in a CESA area to attempt to ascertain trends or patterns in settlement which might affect a more compact area. Also while the inclusion of school districts in a large geographic area might include a number of schools with considerably greater or lesser numbers of students, yet the correlation of the amount of compensation with the size of the district for teachers is not that close to bar any consideration of the wider area. Teachers' compensation tends to be relatively narrow.

The presentations of the Association on CESA 8 districts will be studied, but then only in the light of them being from secondarily comparable districts.

While it is true that a settled district does not thereby become a district with primary value, settlement does have some import when primary comparables are not available.

**VIII. LAWFUL AUTHORITY OF THE EMPLOYER.** There is no question here as to the lawful authority of the Peshtigo School District to meet the terms of either offer.

**IX. STIPULATIONS OF THE PARTIES.** The parties have stipulated to all other matters between them and have assured the arbitrator at the hearing that they have had a generally good relationship. The provisions agreed to include a provision calling for the assumption by the employee of a 10% payment for insurance premiums, and a provision for early retirement with the District paying the retiree's health and dental insurances for up to eight years. The District views these two provisions as the result of a quid pro quo exchange, and the Association does not.

**X. COMPARISON OF SALARIES UNDER THE SCHEDULES.** The offers of the parties are related to a salary schedule which has 9 lanes and 16 steps in which the cells are allocated in a range from 1.00 at Step 1 to 1.6975 at Step 16 for each lane. However the difference between the salary paid at the MA+18, Step 16 cell and the BA, Step 1 cell is expressed in a ratio of 2.02:1.

The Association in its exhibits emphasizes dollar and percent increases in benchmarks, and does this by comparing the past increases at Peshtigo with past average increases in averages in the M & O conference and in CESA 8 districts. Then it similarly compares the offers with the average increases of the M & O districts and CESA 8 as to dollars and percent.

A bar chart shows in 1988-89 the dollar and percent increases in benchmarks. At each benchmark the increases in Peshtigo were less than the average increases in M & O conference and CESA 8 districts. (AX 16C).

In 1989-90 dollar increases in benchmarks in Peshtigo were higher in 4 benchmarks than the M & O conference averages, and less than the dollar increases in the averages of 7 benchmarks for CESA 8 districts. In this year the percent increases in benchmarks were less than both of the comparable averages, except for BA 7th and BA Max where the Peshtigo percentage exceeded that of the M & O conference averages. (AX 17C).

In 1990-91 the Peshtigo dollar increases exceeded the M & O conference average increases at 4 steps and were less than the CESA 8 conference averages at every step. The percent increases at Peshtigo were lower at every step except for MA Max where the Peshtigo increase exceeded the M & O conference average. (AX 18C).

In 1991-92 the benchmark dollar increase at Peshtigo was less than the increases in the CESA 8 increases at every step and less than the M & O conference increases at 5 steps. The percent increases at Peshtigo were less than the percent increases at the M & O conference and CESA 8 averages at every step. (AX 19C).

In 1992-93 for settled M & O conference and CESA 8 districts, the dollar increase for either offer in Peshtigo is less than the M & O conference and CESA 8 districts in the 7 benchmarks. The Board offer in a bar chart is depicted, of course, as less than the Association offer in dollar amount. (AX 20C). A similar pattern emerges when percent increases are displayed in a bar chart. (AX 20C).

For districts settled in 1993-94, where there are no M & O conference settlements, the offers in Peshtigo for dollar and percent increases lag behind CESA 8 settlements. (AX 21B).

Of the dollar increases in benchmarks taken from 1987-88 to 1991-92, a period covered by two contracts and displayed in a bar chart, the dollar increases at Peshtigo were less than CESA 8 increases at every benchmark and less than M & O conference averages at five benchmarks. Percent increases at Peshtigo were less than the percent increases of the M & O conference and CESA 8 averages at all steps. (AX 22B).

The following table is derived from Association Exhibits 19A, 20A, and 21A:

**Table VI**

**BENCHMARK SALARIES AT PESHTIGO COMPARED WITH  
AVERAGE M & O CONFERENCE AND CESA 8 SALARIES**

	1991-92 (25 Districts w/o Peshtigo)						Sched. Max.
	BA			MA			
	<u>Min.</u>	<u>7th</u>	<u>Max.</u>	<u>Min.</u>	<u>10th</u>	<u>Max</u>	
Peshtigo	20,625	26,379	35,011	23,719	33,645	40,263	41,790
M&O Aver.	21,438	26,167	31,558	24,242	32,344	36,761	39,418
CESA 8 Aver.	21,159	26,419	31,866	23,616	32,435	36,205	38,614
	1992-93 (16 Districts w/o Peshtigo)						Sched. Max.
	BA			MA			
	<u>Min.</u>	<u>7th</u>	<u>Max.</u>	<u>Min.</u>	<u>10th</u>	<u>Max</u>	
Peshtigo Board	21,491	27,487	36,481	24,715	35,058	41,953	43,481
Assn.	21,564	27,580	36,605	24,799	35,177	40,096	43,623
M&O Aver.	22,191	27,166	33,442	25,571	34,218	39,369	42,032
CESA 8 Aver.	22,154	27,868	33,968	24,748	34,285	38,140	40,534
	1993-94 (4 Districts w/o Peshtigo)						Sched. Max.
	BA			MA			
	<u>Min.</u>	<u>7th</u>	<u>Max.</u>	<u>Min.</u>	<u>10th</u>	<u>Max</u>	
Peshtigo Board	22,351	28,587	37,941	25,704	36,461	43,632	45,160
Assn.	22,503	28,781	38,199	25,878	36,709	43,929	45,456
CESA 8 Aver.	23,172	29,156	36,376	25,699	35,343	40,624	42,968

The next table is abstracted from Association Exhibits 24, 25 and 26.

**Table VII**

COMPARISON OF INCREASES PER RETURNING TEACHER

<u>Salary Increase</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>
Peshtigo	1,923		
Board		1,856	1,869
Assn.		1,974	2,000
M&O Aver.	2,003	1,913	
CESA 8 Aver.	1,966	1,986	2,070
<u>% Salary Increase</u>			
Peshtigo	5.90		
Board		5.49	5.24
Assn.		5.84	5.59
M&O Aver.	6.58	5.62	
CESA 8 Aver.	6.64	6.26	6.12
<u>\$ Inc., Package</u>			
Peshtigo	3,029		
Board		2,486	2,958
Assn.		2,664	3,154
M&O Aver.	2,972	2,738	
<u>% Inc., Package</u>			
Peshtigo	6.7		
Board		5.3	6.0
Assn.		5.7	6.4
M&O Aver.	7.2	6.0	

The District furnished data relating only to the Marinette & Oconto Athletic Conference, which as noted earlier, has only two settlements for 1992-93 and none for 1993-94. The following table is derived from Board Exhibits 16, 17, and 18:

**Table VIII**

SETTLEMENT INCREASES, MARINETTE-OCONTO ATHLETIC CONFERENCE

	1991-92 (8 Districts)				Total Package			
	Wages + Longevity				Wages + Longevity			
	\$	Rank	%	Rank	\$	Rank	%	Rank
Conf. Aver.	2,039		6.69		2,893		6.99	
Peshtigo	1,923	5	5.90	7	3,029	4	6.70	6
1992-93 (2 Districts)								
Conf. Aver.	1,912		5.62		2,738		5.97	
Peshtigo								
Board	1,856	2	5.49	2	2,486	3	5.31	3
Assn.	1,975	1	5.84	1	2,664	3	5.69	3
1993-94								
Peshtigo								
Board	1,869		5.24		2,998		6.08	
Assn.	2,001		5.59		3,194		6.46	

The District in its Exhibits 21 to 27 furnished information on benchmarks. The next table is abstracted from these exhibits.

**Table IX**

**BENCHMARK SALARY COMPARISONS, M & O CONFERENCE DISTRICTS**

	1991-92 (8 Dists.)		Relation to Aver.	1992-93 (2 Dists.)		
	Conf. Aver.	Peshtigo		Conf. Aver.	Board	Assn.
BA	21,438	20,625	-3.79	22,191	21,491	21,564
BA 7th	26,266	26,379	0.43	27,166	27,486	27,580
BA Max.	31,588	35,011	10.94	33,441	36,480	36,605
MA	24,242	23,719	-2.2	25,570	24,174	24,799
MA 10th	32,449	33,645	3.7	34,217	35,057	35,177
MA Max.	36,761	40,263	9.5	39,368	41,952	42,096
Sched.Max.	39,418	41,790	6.0	42,031	43,480	43,623

This next table is also derived from Board Exhibits 21 to 27.

**Table X**

**RANK OF PESHTIGO AT BENCHMARKS IN M & O CONFERENCE**

	BA			MA			Sched.
	Min.	7th	Max.	Min.	10th	Max.	Max.
1990-91	7	4	1	5	1	1	1
1991-92	4	4	1	5	1	1	1

Position of Association on Salaries Summarized. The Association essentially bases its position on a disparity between the Board offer as to dollar and percent increases at benchmarks and as to dollar and percent increases per returning teacher. It holds that the two M & O conference schools and the 17 CESA 8 schools which have settled show that the Association's offer is to be preferred, because the Association offer more closely parallels settlements in the comparable districts. At all benchmarks the offers of both parties are well below the average dollar increases in settlements in the M & O conference and CESA 8, and this likewise is true when percentage increases are taken into account. The Association argues that, if anything, its offer for 1992-93 is too low.

The same conditions hold when the parties' offers for 1993-94 are compared to CESA 8 settlements, the Board offer being the less comparable of the two offers. Thus the Board is attempting to impose a substandard settlement on the Association.

In state comparisons, the Association offer is again closer to the pattern of settlements. Moreover in comparison with state school districts, even the Association offer shows substantial slippage at all benchmarks except BA Maximum. This is to be noted because the last arbitration award at Peshtigo compared Peshtigo offers with state settlements.



The Association also notes that the average dollar increase per teacher in 1992-93 in the M & O and CESA 8 averages comes to \$1,913 and \$1,986 respectively, whereas the Board offer is \$1,856 and the Association offer is \$1,974.

Likewise the 1992-93 M & O percentage increase per teacher is 5.62% and the CESA 8 average is 6.26%, whereas the Board offer is less at 5.49% and the Association offer at 5.84%. The Association notes particularly that its settlement in 1992-93 and 1993-94 is below the CESA 8 average for dollar and percent increase.

If the comparison is made only to the M & O average for 1992-93, the Association offer is still to be preferred, being almost equidistant from the M & O average as compared to the Board's offer. The Board's offer may seem marginally closer to the 1992-93 M & O conference average, but this is because the Coleman settlement for 1991-93 yielded a larger increase in 1991-92 and a smaller increase in 1992-93. When both years' increases are averaged, the result is a dollar increase for Coleman in 1992-93 which is one dollar above the Association offer.

Comparison of Peshtigo offers with state-wide averages also shows that the Association offer is to be preferred.

The Association also asserts that comparisons based on dollar and percent increases are the appropriate comparisons. The current salary structure is the result of the Board's winning a previous arbitration case in rewarding teachers who have secured additional education beyond the MA level. Having won the case the Board is arguing for a substandard wage increase.

Also the fact that Peshtigo is a wage leader in the M & O conference is due to factors such as the largest pupil enrollment, the highest pupil to teacher ratio and the greatest urbanization.

The Association takes issue with the Board contention that only a dollar comparison is legitimate. It notes five recent awards, including one by the arbitrator in the instant matter, in which dollar and percentage increases are a basis for an award. The Association in its emphasis on dollar and percent increases as a measure of judgment is only striving to maintain its place within comparables.

Position of the Board on Salaries Summarized. The Board holds that the most relevant factor in determining the comparability of offers is in the actual salaries themselves and not in the use of dollar and percentage increases. The Board argues that the Association, by using data on dollar and percentage increases, is attempting to show that it lost ground. The Board uses the 1991-92 salary comparisons at Peshtigo and the average in the M & O conference. At Ba Min and MA Min the District was \$813 and \$523 less than average, but at every other level it was higher and at BA Max it was \$3,453 above the average, at MA Max it was \$3,502 above the level and at Schedule Max it was \$2,372 above the average. These facts show that Peshtigo teachers received salaries far exceeding the salaries in the comparable districts. The Board holds that the dollar and percent increase method of determining comparability

does not reveal the true amount of dollars received. One must look at salary comparison to truly analyze the equity of a wage offer. The Board cites the arbitrator in the instant case to support its view that actual dollars paid should be considered.

The Board says that it has come a long way since the last arbitration when the District sought to motivate teachers to pursue continuing education by rewarding such education with higher salaries. Although in 1984-85 Peshtigo salaries except for MA Min and MA min were below conference averages, BA Max, MA Max and Schedule Max were above the average, but by 1991-92 they were thousands of dollars above the averages.

The Board contends that the dollar and percent averages of CESA 8 districts and M & O districts used for benchmarks should carry no weight in this dispute. No conclusions can be drawn from these comparisons. The Board asserts that in 1992-93 75% of the M & O conference schools are not settled and 60% of the CESA school districts are not settled. In 1993-94 none of the M & O conference schools are settled, and 88% of the CESA 8 schools are not settled. Until a majority of school districts are settled it is impossible to draw any conclusions relative to the quality of the parties' offers. While the Association may argue that the Peshtigo teachers are entitled to salary increases commensurate with those given other teachers, the Board contends that the teachers are entitled to salaries which are commensurate with the labor market as measured by comparable teachers' salaries. The Board points to the higher salaries Peshtigo teachers receive at BA Max, MA 10th and MA Max and Schedule Max.

The Board also notes that the final offers of the two parties are close so that it is safe to assume that the Board's offer will not change the superstatus of the District.

Discussion. The arbitrator here is confronted with the situation in which the Association offer is the more comparable one when salary increases and increases per returning teacher are considered, and at the same time the actual salary under the Board offer is superior at the upper ranges, though less comparable and below average at the Base. This condition is the result of the salary index system which produces a very high result at the top of the range. There is a question of where the principal benefit under such a schedule will fall given current teacher placement. There are 72.957 full-time equivalent positions figured in the Board calculations. (AX 6A). In 1992-93 41.6 FTE will be at the 16th Step in the total of the 9 lanes, and 52.600 will be at Step 10 or above in the 9 lanes. The percentages are respectively 57.0% and 72.1% for teachers in the upper ranges. Thus the Board offer is likely to keep teachers at this range in a leading position during the term of the agreement, although some slippage in the leading position may occur.

This arbitrator is of the opinion that in this matter the actual dollars expended for salaries should be the dominant consideration as being what teachers actually receive in salary payment, whereas as percentage and dollar increases only indirectly refer to the actual dollars. The arbitrator therefore finds the Board offer to meet the criterion of comparability with other salaries paid in the comparable districts for like work.

**XI. COMPARISONS OF EXTRACURRICULAR SALARIES.** The Union is proposing a 5% increase in extracurricular salaries for each of the two years of the agreement. The Board is proposing a 2% increase for the two years with a rate of pay for summer school teachers and coordinators going to \$19.00 per hour in 1992-93 and \$20.00 in 1993-94.

Only the Association provided exhibits as to extracurricular salaries. (AX 50-57). The following tables, one by the Association (Table XI) and one by the Board (Table XII) have been provided in briefs.

Table XI

EXTRA-CURRICULAR SALARIES - 1991-92

1991-92 Extra-Curricular Payments	Coleman	Crivitz	Gillett	Lena	Niagara	Peehtigo	Suring	Wausaukee
Extra-Curricular pay based on	% of BA Base	\$ Amounts	% of BA Base	\$ Amounts	% of BA Base	\$ Amounts	% of BA Base	% of BA Base
Head Football	2141.50	2510	2067.75	2114.92	2663	2668	2297	1826.04
Frosh Basketball	1070.75	1239	1065.85	1012.50	1434 <sup>1425</sup>	1342	1276	1043.45
MS Volleyball	856.60	803	788.73	1012.50	1434 <sup>178</sup>	941	638	730.42
HS Athletic Director	1499.05	NA	1385.61	NA	615	3217	1914	1669.52
HS Student Council	214.15	420	255.80	NA	1024	822	383	208.69
HS Cheerleading	856.60	1239	818.19	590.11	NA	895	638	1460.83
Yearbook/Annual	214.15	1239	852.68	NA	NA	823	268	939.11
Sr Class Advisor	214.15	NA	NA	NA	822	603	383	313.04
Hi-Q	NA	1670	127.90	590.11	1024	803	102	1460.83

SOURCE: AX50-57. The payments listed in the table do not include longevity.

Table XII

1991-92 EXTRA-CURRICULAR SALARIES  
(Association Exhibit 50-57)

<u>School Dist.</u>	<u>Football Head Coach</u>	<u>Football Assist. Coach</u>	<u>Yearbook</u>	<u>Student Council</u>
Coleman	2142	1392	642	214
Crivitz	2510	1670	1239	420
Gillett	2068	1471	853	256
Lena	1855	1350	674	N/P
Niagara	3941	*1884	N/P	1024
Suring	2297	1723	268	N/P
Wausaukee	*1826	*1356	939	209
Average:	2377	1549	769	425
Peshtigo:	2668	1745	823	822
	+291	+196	+54	+397
	+12%	+13%	+7%	+93%

\*Minimum salary

The cost of the Association offer for extra-curricular salaries would be \$72,777 in 1992-93 and \$76,415 in 1993-94, while the Board cost would be \$70,697 in 1992-93 and \$72,111 in 1993-94. In 1992-93 the extra-curricular schedule of the Board offer would amount to 2.71% of the total cost and the Association offer would come to 2.78% of the cost under its offer. (BX 5, 6).

Association Position Summarized. The Association points to the fact that two of the settled districts in the M & O conference in 1992-93 settled the extra-curricular pay issue as a percentage of their salary with the Coleman settlement at 5.0% and Wausaukee at 4.93%. Three other schools in the M & O conference settled in the past using a percentage of the base salary. The Association argues that the Board by its low percentage offer will not bring Peshtigo in line with the rest of the conference. The table shown by the Association (Table XI foregoing) does not show a discernible pattern of Peshtigo paying extra-curricular salaries well above other M & O schools, but there are logical reasons to support higher payments given that Peshtigo is less rural and has the highest pupil arrangement. The offer of the Board is therefore substandard and the Board's freezing of extra duty pay per event and bus chaperones at 1991-92 rates is preposterous.

Board Position Summarized. The Board contends that its table on extra-curricular salaries shows that Peshtigo's salaries exceed comparable salaries by 7% to 93%. The Board's offer therefore more accurately reflects the market.

Discussion. Using Table XI above, one finds the following information in ranking the position of Peshtigo for selected positions in the extra-curricular schedule:

**Table XIII**

**RANK OF PESHTIGO FOR SELECTED EXTRA-CURRICULAR SALARIES, 1991-92**

<u>Position</u>	<u>Rank</u>
Head Football	2
Frosh Basketball	2
MS Volleyball	1
HS Athletic Director	1
HS Student Council	2
HS Cheerleading	2
Yearbook/Annual	3
Sr. Class Advisor	2
HI-Q	3

(AX 50-57, Tables XI and XII)

It is difficult to judge comparisons in extra-curricular schedules in that some functions are carried on in some districts and not in others and the emphasis put on functions is different. However, the arbitrator here is of the opinion that although under the Board offer Peshtigo will still maintain payments above the average in some positions, it is not that much of a leader in all categories. It will slip in ranking. The Association offer in the opinion of the arbitrator is more comparable and justified.

**XII. COMPARISON WITH OTHER MUNICIPAL EMPLOYEES.** The Board provided two exhibits showing percentage wage increases in public employees settlements in Peshtigo and Marinette County. In Peshtigo the organized street department and police employees settled for 3% in 1991. The teachers in that year received 5.9%. In 1992 and 1993 the two organized units settled for a 4% increase in each year. (BX 19).

In Marinette County there were 8 bargaining units, all of which with one exception settled for 4% in 1991. There were two units described as "professional" and a public health nurses unit. In 1992 settlements ranged from 4.4% for Human Services Professionals to 6.0% given Deputy Sheriffs in a split schedule. The majority of settlements were around 5.0%. In 1993 the Deputy Sheriffs and Highway units received a total of 7.0% in three steps within the year. (BX 20).

Association Position Summarized. The Association holds that the Board's use of non-teaching units as comparables is inappropriate and possesses a total lack of relevance. Comparison with other employees both private and public should not be made unless sufficient data exists of comparing those employees with teachers. The data presented by the Board is inadequate. The Association cites arbitral authority in which such comparisons were not accepted.

The Association further contends that the criteria to be used by arbitrators in comparing public and private employees requires that they be in the same community or comparable communities, not dissimilar communities. The main comparison therefore should be with teachers in the M & O conference and CESA 8 districts. Settlements should not be less than those which exist in Coleman, Wausaukee, and CESA 8 schools.

The Association emphasizes that teacher to teacher comparisons is the proper way to make comparisons.

Board Position Summarized. The Board says that the statutory criterion requires the arbitrator to make comparison of conditions of employment generally with public employment in the same community and comparable communities. It says that the evidence is that in Peshtigo and Marinette wages given other public sector employees are below those offered by the Board and the Board offer of 10.73% over two years is more generous than settlements reached with other employees.

Public sector settlements reflect the economic condition of the local area and the economy in general. The public sector settlements militate against the Association's offer in respect to this statutory criterion.

Discussion. Though high settlements in Marinette County have been given Deputy Sheriff's and the highway unit, yet the main evidence is that the Board offer is more comparable to settlements in the public sector in the Peshtigo area than the Association offer.

**XIII. COMPARISON WITH PRIVATE EMPLOYEES.** The following information is derived from Board Exhibit 37:

**Table XIV**

**COMPARISON OF PESHTIGO TEACHERS' AVERAGE SALARY  
WITH PROFESSIONAL EMPLOYEES' MEAN WAGE**

Category	1990			
	NE Wisconsin		State	
	Hour	Year*	Hour	Year*
Accountant	11.86	24,669	12.33	25,646
Chemist	14.40	29,952	15.50	32,240
Computer Programmer	11.07	23,026	11.95	24,856
Registered Nurse	14.04	29,203	14.50	30,106
Personnel Manager	13.85	28,808	13.86	28,829
Social Worker	14.35	29,848	10.74	22,339
Average Salary	13.26	27,584	13.15	27,345
Average Teacher				
1990-91		30,207		
1991-92		31,633		

\*Yearly wages calculated at 2080 hours.

Board Exhibit 35 reported in November 1992 that private sector wage and salary rates rose 2.7 percent over the year ending in September 1992, down from 3.7% recorded the previous year. Wage gains for white collar workers were at 2.9 percent. Data came from "Facts for Bargaining" by Bureau of National Affairs, Inc.

Association Position Summarized. Here, too, the Association makes the argument that the use of non-teaching units as comparables is inappropriate. Using employees in dissimilar communities is also inappropriate. Using therefore national, state and regional levels are outside of the statutory criterion which calls for comparisons in the same community or comparable communities. Wage increases in the private sector also include wage rate adjustments, such as for experience, lump sum payout and cost of living increases. Thus direct comparison cannot be made with teacher salaries.

Board Position Summarized. Though arbitrators traditionally provide little or no weight to private sector comparison in teacher salary disputes, and though teacher representatives cite many reasons that private sector employees are not comparable to teachers, these are not convincing arguments against the relevance of private sector comparisons. The Board notes that private sector employees work three months longer in a year than teachers, and do not necessarily get higher wages for more educational credits, but are tied to a bottom-line process. However it is appropriate to compare professional white collar workers, who for the most part possess a Bachelor's degree, with teachers. The Board cites its Exhibit 36 to contend that teachers fair far better than private sector employees. The Board makes a comparison of hourly wages and says that the average hourly wage for teachers in benchmark positions in 1990 came to \$19.67 while the average private sector wage was \$13.26. The Board says that private sector salaries in its table ranged from \$11.86 per hour to a high of \$14.40 per hour, while Peshtigo teachers received wages from \$12.82 per hour to \$26.02 per hour. Teachers are not in a class by themselves professionally, and are comparable to other professions. Social workers and nurses have work requirements equally, if not more, demanding. Private sector wage and settlement comparisons are an accurate reflection of the real world in the economy and private sector wages should be given equal weight with other statutory criteria.

Discussion. A statutory criterion requires the arbitrator to compare the parties' wage offers with wages, hours and conditions of employment of other employees in private employment in the same community and in comparable communities. Here certain issues have been raised by the parties. Concerning the contention of the Association that the comparisons made by the Board are not meeting the statutory requirement of employees in the same community or comparable communities, the arbitrator believes that the use by the Board of data from Northeast Wisconsin for professional employees meets the standard for comparable communities. By this standard the Board offer relates to the statutory requirement of comparability more closely than does the Association offer.

The arbitrator here is considering the total annual wage rather than the hourly methods of wage calculation made by the Board. The work burden of a teacher in 9 months, even though contracts may prescribe a specific day of attendance on the job, are not confined within that work period, there often being various types of work and duties after hours. However the annual compensation is something which can be compared, and some weight can be given the results of the comparison.

**XIV. OVERALL COMPENSATION.** Neither party presented considerable evidence comparing the overall compensation of the offers with conditions in comparable districts. The Association presented evidence on payments for health and dental insurance. Of seven M & O conference districts where the contributions were known, Peshtigo with a payment of 90% by the District and 10% by the employee for both types of insurance was unique. One district had a 5% contribution from the employee for health insurance, but paid 100% for dental insurance. The other five districts paid 100% for both family and single plans for both types of insurances. The employee contributions by Peshtigo teachers came to \$44.41 for the family plan health insurance and \$17.39 for the single plan, and \$4.08 for the dental family plan and \$1.55 for the single dental plan. These figures are for 1992-93 school year.

The Association is contending that these insurance payments should be taken into consideration. The Board contends that these payments amount to a quid pro quo for the Board making a change in the insurance benefits by adding five years of full benefits for employees taking early retirement. The Association says that the arrangement of the latter was not a quid pro quo for the former and was not so intended by the Association.

An Association bar graph, Exhibit AX 49B, shows that the dollar increases for the family and single health insurance monthly premium for Peshtigo was highest both in dollar and percentage increase, yet the Board's share in both cases was lowest in the increases. This was for 1991-92. As for dollar increases for dental insurance, though the Peshtigo costs for the family plan rose the second highest in 1991-92, the Board contributed less. In the single plan the Board also contributed nothing above the rise. (AX 49C).

The Association says that the teachers' agreement to pay 10% of the health and dental insurance costs did not constitute a quid pro quo for the extended insurance benefits for retirees; rather the Association also surrendered pay for accumulated sick leave and \$3,000 of additional compensation for early retirement. The Association is not seeking a quid pro quo for its insurance contribution. If that were the case, the Association offer would have been higher.

The District is arguing that no weight should be given to the tentative agreement here as to the employees' insurance contribution. In the first place there is no guarantee that other districts will settle with a continuation of 100% insurance contributions. Also the teachers received a quid pro quo in fully paid insurance benefits for a maximum of eight years instead of three. A higher salary request on the basis of this exchange is unjustified.



The Association also is contending that its offer is to be preferred from a total compensation standpoint. Total package costs are notorious for inaccuracies because school districts in the state have not standardized the items to be included in total packages and methods used to be costed, or on statistical procedures for projecting total package costs. Yet in this case the parties have agreed on a total package cost for the two M & O conference settlements. Coleman with an average dollar total increase of \$2,679, or 5.77%, and Wausaukee with an increase of \$2,797 or 6.16% exceed both the Association offer and the Board offer.

Other conference package costs have not been submitted by the Association because of the imprecision in the costing methods.

The Board rejects the Association contention on this claim of comparison of total compensation on the grounds that the two M & O conference districts do not provide a valid comparison and the total packages of the CESA 8 districts have not been provided.

Discussion. Whether or not the action of the Association in agreeing to a ten percent contribution toward insurances and the action of the Board in extending full health insurance for 8 years to early retirees constitutes a quid pro quo, is something the arbitrator believes is not necessary to decide. The reason for this is that both of these actions reflect themselves in the value of the total compensation and package offered by either party. That total compensation in turn would need to be compared with the total compensation offer in comparable districts.

Taking the Association's costing of total packages, one can produce this table.

Table XV

SUMMARY OF TOTAL PACKAGE INCREASED COSTS OF THE OFFERS

	<u>Association</u>	<u>Board</u>
1992-93		
Total Inc.	194,344	181,356
Total Inc. FTE	2,663	2,486
Percent Inc.	5.69	5.31
1993-94		
Total Inc.	230,087	215,821
Total Inc. FTE	3,154	2,958
Percent Inc.	6.38	6.00

Under the Board offer the insurance costs of the individual teacher would have to be deducted from increased salary to get the net increase to the teacher. However under the Association offer, there would have to be considered the net increase in cost to the Board for the expanded health care coverage. The arbitrator cannot do this from the information available, except in a limited way, and so the relevant figures in the above table, if one is to use it, are the net percentage increases in total package. This emphasizes consideration of changes in the cost of living as a measure of comparison.

Also, in comparing some of the data supplied by the Association on total costs, the arbitrator has considered actual dollar totals of those costs instead of dollar and percentage increases. From Association Exhibits 8A, 9A, 27 and 28 the arbitrator computes these dollar totals for package costs.

**Table XVI**

SELECTED AVERAGE TOTAL PACKAGE DOLLAR COSTS

	<u>1992-93</u>	<u>1993-94</u>
Coleman	\$49,081	
Wausaukee	45,429	
Peshtigo		
Assn.	49,463	\$52,617
Board	49,285	52,246

In this limited scope of Table XVI, the Board offer in total package compares favorably for 1992-93.

**XV. CHANGES IN THE COST OF LIVING.** The last agreement of the parties expired June 30, 1992. The Board is using the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as its standard. The All Items index of the CPI-W stood at 131.1 in July 1992. This was an increase of 3.1% above the index of 127.1 in July 1991. However the change in this non-metro index went up 2.5% from 1991, 1992. (BX 28).

The Board also presented information on "Historical Wage Progression" as compared to the changes in the cost of living. It did this in exhibits showing the progression of a teacher at step one in each of 4 lanes, beginning in 1988-89 and progressing to step 5 in 1992-93. Using this method of calculating the Board reported the following results:

**Table XVII**

WAGE PROGRESSION IN SELECTED LANES 1988-89 TO 1992-93  
PERCENTAGE INCREASES

	<u>BA</u>	<u>BA+24</u>	<u>MA</u>	<u>M+18</u>	<u>June CPI-W</u>
Total Board	36.34	35.23	36.3	35.6	15.31
Total Union	36.71	35.58	36.7	36.0	15.31

The above calculations are made by merely adding up the percent increase each year, and therefore do not show the overall effect of the changes, as for example in the BA column where the wage rate went from \$18,000 in 1988-89 to a rate of \$25,488 under the Board offer in 1992-93 and to \$25,575 under the Association offer. The change represents increases of 41.6% and 42.1% respectively. The CPI-W change in the same time period went from 112.4 to 130.6 or a change of 16.2%.

The Board contends that its exhibits (BX 28-29) showing wage progression are proper methods to show what teachers are receiving. Arbitrators have held that lane advancement and step increments are to be used in calculating teachers' salary. This should be calculated as part of the total salary increases.

The Board notes that under the previous agreement in the period from June 1990 to June 1991, the CPI-W changed by a 4.6% increase. The increase per cell for teachers was 4.8% and with increments the salaries went at BA Min to 9.2%. Board Exhibit 30 is a set of line graphs showing that the percentage increase of the MA and MA Minimum salaries at Peshtigo exceeded the CPI-W from 1989-90 to 1992-93.

The Association contends that arbitral opinion supports the principle that the settlement pattern of comparable districts is the most significant factor under the cost of living criterion. It cites Arbitrator Keriman in Elkhart Lake-Glenbeulah School District, Dec. 25005-2 (5/24/88) to the effect that the cost of living criterion should not be given primacy among all criteria, including the fact that there is a disparity of arguments as to what properly measures the cost of living. Largely because of the volatility of the CPI and the absence of a reliable method of measuring the cost of living, arbitrators have relied on a settlement pattern of using comparable districts to measure the cost of living. Strict adherence to the CPI would result in awards not supported by the settlement pattern or labor market conditions which affect an individual occupation. Short term comparisons of the CPI with salaries are of limited value. In the case of Peshtigo where settlements have succeeded the CPI, the teacher settlement pattern is similar to those of virtually every district in Wisconsin. Further other past settlements in Peshtigo have been voluntary and have exceeded the CPI.

Discussion. The statutory criterion requires the arbitrator to compare the offers with the CPI. Whatever weight arbitrators want to give to this factor varies widely from giving it nearly no weight to giving it considerable weight, but the comparison must be made. The arbitrator finds that the Board offer is closer in comparison to the changes in the CPI-W than the Association offer.

**XVI. ABILITY OF THE GOVERNMENTAL UNIT TO PAY THE COSTS AND THE INTERESTS AND WELFARE OF THE PUBLIC.** Several Association exhibits supplied information on the ability of the District to pay for the costs of the Association offer. As noted earlier, Association Exhibit 39C showed that the levy rate at Peshtigo had declined between 1988-89 and 1991-92. However the change in equalized valuation per member had also declined between 1988-89 and 1991-92 while this valuation went up in average both in the M & O conference and CESA 8 districts. (AX 40C). The percent change in full value in Peshtigo between 1988 and 1992 increased more than such a change in the M & O conference districts, but less than in the average CESA 8 districts. (AX 41C). The increase in percentage of pupils in Peshtigo exceeded the percentage increase in full value. (AX 42). The percent change in the tax levy between 1988

and 1992 in Peshtigo was less than the percent changes in the average M & O and CESA 8 conference districts. (AX 43C). The mill rate in Peshtigo for school purposes remained relatively stable between 1988 and 1992 whereas it went up in the average M & O and CESA 8 districts. (AX 44C).

The principal source of employment in Peshtigo in 1992 was manufacturing at 38% followed by wholesale and retail trade at 22% and services at 16%. (AX 65). In 1991 the average total income in Peshtigo per state tax return was \$25,714, second in rank where the average of the 7 other M & O districts was \$20,239.

The 1991 Peshtigo school district budget called for revenues and expenditures to balance at \$6,019,298. (AX 67).

The Association is making the contention that the Board has the ability to pay the costs of the Association offer. The Association noted that the Board made no argument about inability to pay and presented no exhibits claiming inability to pay. The Association notes that the costs of the offers are \$8,657 and \$18,226 for the Board offer and \$12,988 and \$27,255 for the Association offer for the two year duration. This is a difference of only \$26,883 for wages. The total package difference is \$40,243. It would cost the owner of a \$60,000 home \$6.36 in 1992-93 and \$13.34 in 1993-94 to fund the Association offer. For the owner of a \$200,000 farm the cost would be \$21.19 and \$4.47. Federal and state aids reduced these costs. The Board's unwillingness to pay is not justified as teachers are entitled to a pay raise commensurate with that given other teachers in the area.

The Board says it is not contending an inability to pay but should not have to pay the Association offer, because it is not in the best interest of the community. The arbitration law is designed to provide equitable compensation throughout the state, so that the smallest district can provide fair increases when it has little bargaining power. The law has been successful in raising teachers' salaries, but its purpose is not to continue to allow higher paying districts to increase differentials. Peshtigo teachers are getting as much as \$3,500 more than salaries in average compensation in the conference. The Association offer would maintain or increase the differential and lead to a perpetual condition of leap frogging by the districts seeking to catch up. The Board argues that the teachers' salaries in Peshtigo are extremely competitive and available money should go for other educational purposes.

Discussion. There is no argument here as to the ability of the District to pay the Association offer. The dispute is whether the public is disadvantaged by the Association offer. An argument can be made that the public interest is always hurt by the higher cost offer. The arbitrator is not of that opinion here and believes that the Association offer is not contrary to the public interest simply because of its higher cost. The Association argument however that the cost of its offer should be met because of its comparability is not sustained here, it having been judged earlier in this matter that increases in compensation are subordinate to the comparability of actual dollars received primarily in total costs, and where these are not available, then in salary grid costs. Though public interest then would not be injured by the Association offer, but the public interest does not demand that it be recognized on the basis of its greater comparability.

**XVII. CHANGES DURING THE PENDENCY OF THE PROCEEDINGS.** No changes during the pendency of the proceedings have been brought to the attention of the arbitrator.

**XVIII. OTHER FACTORS.** The arbitrator here has endeavored to treat all the factors and issues raised in the proceedings.

**XIX. SUMMARY AND CONCLUSIONS.** The following is a summary of the findings and conclusions of the arbitrator based on evidence and arguments submitted:

1. The Association list of ~~CESA~~ Schools is a list of secondary value, but is used here in absence of a majority of the settlements in the M & O conference districts for 1992-93 or 1993-94.
2. The Peshtigo School District has the lawful authority to meet the costs of either offer.
3. The parties have stipulated to all other matters between them, but they disagree on the significance of what these stipulations mean and as to whether they contain a quid pro quo arrangement.
4. In this matter the comparison of the actual amount of dollars expended for salaries is a dominant consideration rather than comparison of dollar and percent increases for the average teacher. The Board offer meets this criterion of actual total dollars comparability more closely than the Association offer.
5. The arbitrator believes that the Association offer will produce a more comparable result in extracurricular salary because the Board offer will produce a slippage in rank for certain positions.
6. The Board offer is more comparable to raises in the public sector employment in the Peshtigo area.
7. Comparisons of the offers with average compensation for professional employees in the Northeast Wisconsin region give evidence that the Board offer is the more comparable.
8. In overall compensation, the evidence is too meager to make a major judgment, but the evidence is that the Board offer in total dollar package compensation is comparable to the settlements in Coleman and Wausaukee for 1992-93.
9. The arbitrator does not find that stipulations on the part of the Association to have the employees pay 10% toward insurances constituted a quid pro quo arrangement with the Board in the Board increasing by five years full health insurance for retirees.
10. The arbitrator finds that the Board offer is closer to the changes in the CPI-W for Non-Metro Areas than the Association offer.

11. The Board has the ability to meet the costs of either offer.

12. The interests and welfare of the public would not be disadvantaged by the Association offer, but this offer does not meet the test of wage comparability.

13. No changes were brought to the attention of the arbitrator during the pendency of the proceedings, and the arbitrator endeavored to address all factors and all issues raised.

Concerning the above factors, the most weighty factors are those of wage comparability, extracurricular comparability, internal comparability in Peshtigo public employment, and the cost of living changes. The weight of the factors of wage comparability, internal comparability in the public sector, and cost of living changes accrue to the Board offer. Therefore the following Award is made.

**AWARD.** The offer of the Peshtigo School District for the 1992-1994 agreement between the parties shall contain the terms of the Board offer.

*Frank P. Zeidler*

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FRANK P. ZEIDLER

Arbitrator

Date May 10, 1993  
Milwaukee, Wisconsin