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PUBLIC EMPLOYERS  
RELATIONS BOARD

**AWARD**

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In the Matter of: )  
 Clear Creek Amana Community School )  
 District )  
 Public Employer )  
 )  
 and )  
 )  
 Clear Creek Amana Education Association )  
 Public Employee Organization )  
 )

Micheal L. Thompsan  
Arbitrator

**Appearances:**

**For the Employer:**

Tim Kuehl, Superintendent  
Jim Hanks, Attorney  
Anna Smisek, Attorney

**For the Public Employee Organization:**

Jane Elberding, ECUU UniServ Director  
Shelly Stakes, NEIEU UniServ Director  
Marcia Charbon, CCA Chief Negotiator  
Lori Robertson, CCA Finance Director  
Jon Studer, ISEA Advocacy Specialist  
Beth Myers, Unit 2, UniServ Director

## STATEMENT OF JURISDICTION

The matter proceeds to an interest arbitration hearing pursuant to the Iowa Code (Public Employment Relations Act, Chapter 20). The above named Arbitrator was selected from a list furnished to the parties by the Public Employment Relations Board. An interest arbitration hearing was held on July 13, 2016 at 12:15 p.m. in Tiffin, Iowa and closing statements were submitted at the hearing. The hearing was electronically recorded. At the hearing the parties were given the full opportunity to introduce evidence, facts, and arguments in support of their respective positions. Upon the basis of the evidence, facts, and arguments presented, the following award was made.

## STATEMENT OF THE ISSUE

At the hearing, the Association reported that bargaining and negotiations between the Clear Creek-Amana Community School District and the Clear Creek-Amana Education Association for the school year 2016-17 culminated in an impasse with respect to salary. The issue at impasse is salary – the Association seeks an increase on the BA base of \$475 meaning that the BA base will increase to \$34,305. This increase creates a total package of \$11,528,670 which is a total increase of \$413,689. This increase is calculated at 3.722%.

The District package increase on the BA base is calculated at \$400 which would move the BA base to \$34,230 which would culminate in a total package of \$11,504,859 or an increase of \$389,878. This increase is calculated at 3.508%. The difference in the proposals is \$23,811. The Association contends its proposal is most reasonable because the District has the ability to pay, and the increase advocated by the teachers will not have any impact on taxes.

Finally, the Association argues that the teachers' proposal on salaries is in line with salaries of other members of its comp group – WAMAC Athletic Conference. Note, the District also uses WaMac Conference as the comp group but the District notes that two other school districts (Mt. Pleasant and Washington) should be considered due to geographical proximity. The Employer also proposes a state-wide comp group for schools of a similar size – 1,000 to 3,000 students. Further the Employer notes that the District and Association have not developed comparability groups given that grievance or interest arbitration has not been utilized since Clear Creek and Amana School Districts were consolidated in 1995.

The District reports that it is at impasse with the Association because its offer is most reasonable because the Association and District have negotiated contracts since 1995, and the Association has not negotiated a change in the salary schedule nor has it been an issue. In addition, the District argues that its offer is beyond the state average for schools, and that their offer is similar to the geographic and enrollment comp groups.. Finally, the District argues that its new money is a factor, and that it must be contrasted with the the total package trend. The Employer argues that its offer is more reasonable based upon the new money, the statewide settlement trend, and bargaining history.

## CRITERIA APPLIED IN MAKING AWARDS

The Iowa Public Employment Relations Act contains criteria that are to be used by an arbitrator in judging the reasonableness of the parties' collective bargaining proposals. The Act establishes the criteria that are to be used by interest arbitrators in formulating awards. Section 22.9 of the Act provides, in relevant part:

The panel of arbitrators shall consider, in addition to any other relevant factors, the following factors:

- a. Past collective bargaining contracts between the parties, including the bargaining that led up to such contracts.
- b. Comparison of wages, hours, and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.
- c. The interests and welfare of the public, the ability of the public employer to finance economic adjustment, and the effects of such adjustments on the normal standard of service.
- d. The power of the public employer to levy taxes and appropriate funds for the  
The conduct of its operation.

With the criteria mandated for arbitrators firmly in mind and based upon the entire record developed at the hearing, the award contained in this report is formulated.

## POSITIONS OF THE PARTIES

### ASSOCIATION

The Association argues that this is not an inability to pay situation, as the District has the ability to pay. Further, the Association contends that the new money (funding from the State on an annual basis – Regular Program Increase) is \$634,541 which is a 5.32% increase. The Association asserts this will cover the pay increase of \$413,689 associated with the Association's proposed base increase of \$475, and this does not even consider the unassigned fund balance carried over or other increases in special ed funding. Moreover, the Association notes that the District received a cash reserve levy in 2015-16 which increases the cash reserve, and that when this is coupled with the unspent balance, the District will not face any financial difficulties. Finally, the Association notes that the salary increase of 3.722% is less than settlements negotiated with the District since 1995, and the District will not need to increase taxes to meet the increase.

Besides the raw numbers, the Association notes that the teachers have not fared well when salaries are compared with the teachers in its comparability group (WAMAC Athletic Conference). The Association asserts that teachers are behind in average salaries except on the upper end of the salary schedule.

On another level, the Association suggests that the District should make the increase suggested by the Association because it meets the goals articulated by the Employer – obtaining and retaining teachers. The Association also notes that the District's solvency level is exceptional, and that this increase will not place the district in jeopardy. Finally the Association contends that the funding plus carryover more than covers the costs associated with the base increase of \$475.

## EMPLOYER

The Employer asserts that the increase proposed by the Association is not as reasonable as the increase advocated by the Employer, even though the difference in proposals is \$23, 811 – an increase by the Employer of \$389,879 versus an increase by the Association of \$413,689. These financial differences are predicated upon an Employer base salary of \$400 versus a proposal of \$475 on the base by the Association. The District notes that this is not an inability to pay situation.

The Employer notes that comparability groupings have not been an issue for the District and Association as this is the first situation where arbitration has been invoked. The Employer offers two Comp groups – districts with similar enrollment (1000 to 3000 students) across the state and districts in close geographical distance from Clear Creek-Amana – members of the WaMaC Conference and two additional districts – Mt. Pleasant and Washington.

The Employer argues that its offer is greater than the those in the state wide comp group and the geographic group – for those districts with new money over 4%, the settlement trend is less than what the Employer proposed and obviously less than the Associations’s proposal. Further that the offer will maintain the teacher’s pay – they will not lose ground. Finally, The Employer contends that the salary schedule was negotiated jointly with the Association, and that this has not changed in the 20 years of negotiations. This indicates that the Association is asking the Arbitrator to do what has not been negotiated.

## STIPULATIONS

At the hearing the parties did stipulate one joint exhibit -- the Master Contract.

## BACKGROUND

Clear Creek-Amana Community School District have a long history of negotiations as the Association was certified in 1995 after the merger of two districts. This is the first time the parties have used impasse services since the merger of the two districts. The District is in eastern central Iowa and is a member of the WAMAC Athletic Conference. This conference has been proposed as the comparability grouping for this case. The District is a mix of urban/rural communities which has experienced growth and increased financial aid from the state. The Employer has managed the economics situation through consolidation and maintenance of the facilities. The District has experienced significant enrollment increases which have generated increased state funding. However, it is clear that the Employer is economically viable. The parties have not used arbitration, and each party has shown a propensity to resolve issue through negotiation particularly interest based bargaining.

The current contract is for the 2016-17 school year.

The core issue in this arbitration is money which is reflected in the final offers – a \$400 increase on the base offered by the District versus an increase of \$475 on the base requested by the Association.

## DISCUSSION

The Employer and Association were ably represented. The advocates asserted their respective arguments. The Arbitrator's job is to weigh the evidence submitted and consider the arguments of each party. The initial issue is comparability. It is the arbitrator's responsibility to determine which comparability grouping is most appropriate, however, the arbitrator does not have to select one grouping. In this instance, the Arbitrator finds that the WaMaC conference plus Mt. Pleasant and Washington is the most appropriate grouping. In addition to comparability, the Arbitrator is also required to determine the "ability to pay". In this case it is clear that this is not an inability to pay issue.

The District has managed the economic system in a constructive manner. The Employer has offered a wage increase that exceeds the average of the WaMaC comp group. It has based its offer on a comparison with new money. The Association has taken a different approach – it has reviewed the comparability with the geographical grouping as well as the district's ability to pay. The Association clearly sees this situation from the "ability to pay" lens. In this regard, it is clear that the District has the ability to pay which was not contested. It is also clear that neither offer will have an impact upon the District's tax situation – it will not increase taxes. The next criterion is comparability – in this regard it is more of a mixed bag – the District notes that the starting base is low when compared to others in comp group, but when salaries are averaged out through the top of the salary schedule, it is not significant. Moreover, the Employer clarified that the Association had not negotiated a change in the salary schedule, and that the Association members accrued benefits at the end of the salary schedule. The final aspect is past contracts, and the Association contends that the settlement trend supports an above average settlement.

In reviewing this situation, it is strategic to weigh the evidence. The Arbitrator notes the ability to pay as well as the comps with the comp group. The Association made constructive arguments, but it did not address all of the criteria of interest arbitration, particularly the absence of negotiations around the salary schedule. The Employer, however, concedes that the instant situation is not predicated on an inability to pay. Additionally, the Employer will not have to raise

taxes, even though the cash reserve levy will be initiated again in 2016-17. When this is coupled with the unspent balance, the Employer is in a positive economic condition. In this instance, the arbitrator falls back upon the basic premises of interest arbitration – the criteria for decision making. The statute does not instruct arbitrator in weighing the relevant factors but it enumerates them. In this case the core issue is comparability and the past collective bargaining agreements. Obviously funding is also an issue, but it is clear that this case is not an inability to pay.

Comparability is a core issue, and the Employer contends that the “geographic group” (WaMaC Conference and Washington and Mt. Pleasant) is an appropriate group. Within that group, Clear Creek-Amana is the third largest in enrollment, and its rank in the total package pay would be calculated as the fourth highest based upon the Employer’s proposal. If the Association’s proposal is selected by the arbitrator, the total package would be 3.72% – the highest in the comp group. Further the Employer contends that there is a correlation between new money and the total package. In this instance, the Employer argues that Clear Creek-Amana has done better than the Association contends. Finally, the Employer argues that Arbitrators typically do not grant parties what has not been negotiated.

The Association contends that Clear Creek-Amana does not rank high when compared to others in the WaMaC conference except in the top steps of the salary schedule. The Association contends that it needs to receive an increase to be comparable. While it is clear that the Association is accurate – Clear Creek – Amana is behind in the bottom part of the salary schedule when compared to others in the comp group, it is also clear that this changes as teachers work through the salary schedule. What is unknown is how the exchange process played out – what each party received. In this regard it is difficult for the Arbitrator to determine the dynamics, and therefore the Arbitrator cannot award the Association’s proposal.

Given the findings, the Arbitrator ascertains that the Association has not presented sufficient evidence to warrant the higher base amount, and it is ordered that the base be increased by \$400 which represents a 3.508% total package settlement. Note, the key analysis is a combination of things – the 3.508% is one of the top increases in total package in the comp group. Additionally, the negotiation process over time has resulted in a salary schedule that pays less in the beginning

and more at the end. The District noted that changes have not been contemplated, and the Association does not contradict this. Given this framework the Arbitrator orders the base increase be set at \$400 which would be a 3.508% increase.

AWARD

The Arbitrator finds for the Employer, and orders an increase of \$400 which represents a 3.508% increase.

Dated and signed by:

Micheal L. Thompson, Arbitrator

*m. L. Thompson*

*m. L. Thompson*

Certificate of Service

I certify that on the 26th day of July, 2016, I served the foregoing Arbitration Award upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

James Hanks, Attorney  
Ahlers and Cooney  
100 Court Avenue, Suite 600  
Des Moines, Iowa 50309

Jane Elerding, UniServ Director  
ISEA  
4211 Glass Road NE, Suite E 1  
Cedar Rapids, IA 52402

I further certify that on the 27th day of June, 2016, I will submit this report for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, Iowa 50319.

*Michael J. Fu*  
7-26-16