

In the Matter of Impasse Arbitration)	
)	
between)	Opinion and Award
)	by
PRAIRIE LAKES AEA 8)	Arbitrator
)	Curtiss K. Behrens
and)	dated
)	July 15, 2014
PRAIRIE LAKES AEA 8)	
EMPLOYEES ASSOCIATION)	

I. APPEARANCES

For the Association:

Steven R. King, UniServ Director and Spokesperson
Jon Studer, ISEA Advocacy Specialist and Witness
Gloria Bartelt, Special Education Consultant
Rachel Burns, Speech-Language Pathologist
Mary Kay Sharkey, Behaviorist/SSW
Maureen Salinas, Audiologist
Julie Tolliver, Speech-Language Pathologist
Linda Harms, remote video site
Julie Saul, remote video site
Dorothy Degroot, remote video site
Mary Dunlay, remote video site
Carla Haupert, remote video site
Susan Rasmussen, remote video site

For the Employer:

Rick Engel, Attorney at Law and Spokesperson
Jeff Herzberg, Chief Administrator
Michelle Dowd, Chief Financial Officer
Steve Jimmerson, Board Member
Dean Saunders, Board Member

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II. INTRODUCTION

The undersigned was selected by mutual agreement of the parties to conduct an impasse arbitration hearing under the statutory impasse procedures of the Iowa Public Employment Relations Act, Sections 20.19 and 20.22. The hearing was held Tuesday, June 24, 2014 at the Prairie Lakes AEA 8 Regional Office, Fort Dodge, Iowa. The hearing was formally opened at 12:00 p.m. and closed at 3:15 p.m. after both parties' presentation of evidence and oral argument. The parties agreed that this opinion and award should be mailed (postmarked) no later than Friday, July 18, 2014.

III. BACKGROUND

Prairie Lakes AEA 8 (hereafter also referred to as "Agency" or "Employer") is one of nine (9) Area Education Agencies (AEAs) in the State of Iowa. It is located in north-central Iowa in a primarily agricultural area stretching across 14 counties (Buena Vista, Calhoun, Clay, Dickinson, Emmet, Green, Hamilton, Humboldt, Kossuth, Palo Alto, Pocahontas, Sac, Webster and Wright) from the Minnesota border down to Highway 30 and across from Interstate 35 to Highway 71. AEAs were established as intermediate education organizations to help with the delivery of services to Iowa's K-12 school districts that were not efficiently done by the local districts. These services primarily come under two broad categories: Educational Services and Special Education. AEAs are funded from a variety of sources that include State funding, pass-through money from local districts and Federal funding primarily in the area of Special Education. The AEAs were established in the 1970's by the elimination of county systems.

The Agency serves 44 public school districts and 11 accredited nonpublic schools. Over 32,000 students attend the schools served by the Agency with about 3,500 educators. The Agency is governed by a seven member Board of Directors elected by the local school district boards. The Agency employs approximately 240 staff made up of 52 Classified support staff (represented separately), 156 Licensed staff (represented today) 26 non-bargaining support staff and 15 administrative staff. (Bd. Ex. #1, Assoc. Ex. #A).

Prairie Lakes AEA 8 Employees Association (hereafter also referred to as “Association” or “Union”), is the certified bargaining unit for the certified professional employees of the Agency. There are approximately 151 employees in the bargaining unit and some live outside the Agency’s service counties. Many are assigned to specific offices and others have assignments over all of the Agency’s service counties. (Assoc. Ex. #A).

The parties presented one impasse issue to the arbitrator: wages. The parties agree that the arbitrator’s authority is limited to selecting from one or the other final offer, and it is the statutory duty of the arbitrator to select the more reasonable final offer.

Section 22, Paragraph 7 of the Iowa Public Employment Relations Act directs that the arbitrator shall consider, in addition to any other relevant factors, the following:

1. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
2. 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.
3. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services.

4. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

The undersigned arbitrator has taken into consideration the above criteria in arriving at this award.

IV. ANALYSIS AND OPINION OF ARBITRATOR

Both parties are proposing an across-the-board wage increase for a one-year contract for FY 2015 (July 1, 2014 – June 30, 2015). The Agency's final offer is to increase the base from \$41,530 to \$42,155 (increase the base by \$625) for a 3.20% total package increase and the Association's final offer is to increase the base from \$41,530 to \$42,750 (increase the base by \$1,220) for a 4.15% total package increase. The parties agree on the costs of their final offers: an increase in cost of \$403,113 (3.20%) under the Agency's final offer and an increase in cost of \$522,768 (4.15%) under the Association's final offer. (Bd. Exs. #4, #5, #6; Assoc. Exs. B-1, B-2; Jt. Exs. #2, #3).

The Association presented comparability exhibits for a "primary" group, the other AEA's in Iowa and a "secondary" group, the K-12 school districts located in AEA 8 county seat towns (the "bigger" districts). The primary comparability group consists of other professional employees performing the same work as the professional employees at Prairie Lakes and who are governed and financed by the same rules and regulations. The Association contends that the secondary group is also relevant as they represent public employees in the same geographic area performing a similar type of professional work.

The Association argues that past bargaining history between the parties presents a pattern of settlements near or above the average statewide total package settlements for AEA's. Association Exhibit #G reports AEA 8 total package settlements in comparison to

state average AEA total package increases from 2007-08 through 2013-14. Over the last seven years, AEA 8 settlements have been at, or slightly above, the statewide AEA average total package settlements in every year except one (2007-08¹, the first year reported), and below by only 0.1% in that year.

Association Exhibit # I reports known settlements for 2014-15 in the other AEA's. Five (5) AEA's bargained for 2014-15 this year (four (4) confirmed in writing and one (1) confirmed orally) and the other three (3) AEA's are in multi-year contracts. The four confirmed settlements are reported as an average total package settlement of 4.35%. If the verbal confirmation is included, the reported average total package settlement is 4.24%. When all eight AEA's are included (using their multi-year contract increases) total package increases for next year average 4.13%. The Association also averaged the middle three (3) negotiated settlements (disregarding the high and low) and that average increase is 4.13%. The Association's secondary group shows that twelve (12) of the fourteen (14) county seat K-12 schools have reported settlements and that the average total package settlement for this group is 4.16%. (Assoc. Ex. I-4). Average total package settlements seem to favor the Association's final offer as the more reasonable of the two limited choices.

Association Exhibit J compares AEA 8 salaries with the other AEA's from BEDS (Basic Educational Data Service) information provided by the Agencies to the State. This exhibit reports that AEA 8 average salary ranks fifth in the most recent year (FY 2013) and has moved between fourth and sixth over the last four years. The Association argues that these rankings were the result of bargaining settlements that were at the

¹ This was before the Great Recession. 2007-08 statewide AEA total package settlements are reported as 5.10% and AEA 8 total package settlement was 5.00%.

average or slightly above for the AEAs statewide and that their final offer is more reasonable in that an average settlement maintains the average status that AEA 8 has established.

The Association submitted several exhibits and Jon Studer argued that the Agency has the ability to pay the Association's final offer. Association Ability to Pay Documents #12 and #13 offer a summary of the Association's contentions regarding the Agency's ability to pay. The undersigned arbitrator finds that the Agency has the ability to fund either final offer.

The Agency argues that comparability is only one of four criteria cited in the statute for arbitrators to consider. As the second smallest AEA in students served (Bd. Ex. #10), Prairie Lakes generates less budget dollars than other AEAs because state budget allocations are enrollment driven. This, combined with being the third largest AEA geographically (Bd. Ex. #11), puts a strain on making revenues available to provide services beyond what the average AEA would experience. (Bd. Ex. #8).

Board Exhibit #12 compares AEA "new money" with settlements and reports the average percentage of new money for the nine AEAs as 3.82%² with the average total package settlement increase for the other eight AEAs at 4.13%.³ As such, average total package settlements are reported to be greater than the average new money increase. This exhibit does not support the Agency's position that its final offer is more reasonable.

Board Exhibits #5 and #6 lists the employees by last name, alphabetically, with the dollar amount of their salary increase under the Agency's final offer and the

² Board Ex. #12 reports the new money percentage increase for Prairie Lakes as 3.23% (not 4.22% as reported in Association Ability to Pay Document #5 and #6) due to operational sharing dollars. See also, Board Ex. #15.

³ This is the same percentage as reported in Assoc. Ex. #1.

Association's final offer. This information is not helpful to the arbitrator in the abstract. There is no comparison to increases that other similarly situated employees are receiving at other AEAs. Board Exhibit #13 compares salaries at several steps (experience) and lanes (education) between the AEAs for the 2013-14 contracts and reports that AEA 8 ranks higher in the early years of the lanes (second or third) and then tends to fall in years 5 through 15 (ranking fifth, sixth or seventh) and then gets stronger again at the top step of each lane (ranking third or fourth). Board Exhibit #14 is a scattergram showing where the Agency's employees actually are on the salary schedule. This exhibit reports that 78 of 156 employees are on the top step of their lane or above the top step in career increment steps 1 – 8. However, this exhibit does not compare itself to scattergrams from other AEAs and does not support a conclusion that the Agency's final offer is more reasonable by itself.

Board Ex. #16 compares the impact of the Agency's final offer across the other employees at AEA 8 versus the Association's final offer. In summary, it reports that the total additional cost to the Agency in 2014-15 would be \$592,313.43 under the Agency's final offer (exceeding the new money by \$186,391.43) versus the total additional cost of \$763,066.99 under the Association's final offer (exceeding the new money by \$357,144.99). As such, the Agency argues that awarding its offer will still require it to over expend its new revenues and that awarding the Association's offer would not be reasonable.

However, as noted earlier, the reported average total package settlements of the other AEAs exceeded the average percentage increase in new money. (Bd. Ex. #12). This exhibit reports that an AEA with 1.76% new money settled for a total package

increase of 3.90% and that an AEA with 2.33% new money settled for a total package increase of 3.80% and that another AEA with 3.14% new money settled for a total package increase of 4.140%. (All three of these AEAs are reported as having a smaller percentage increase in new money than AEA 8).

V. AWARD

For the reasons set forth above, the undersigned arbitrator hereby selects the Association's final offer to increase the base from \$41,530 to \$42,750 (increase the base by \$1,220) for a 4.15% total package increase.

Dated this 15th day of July
2014, Evanston, Illinois.

Respectfully submitted,



Curtiss K. Behrens
Arbitrator

CERTIFICATE OF SERVICE

I certify that on the 15th day of July, 2014, I served the foregoing Opinion and Award by Arbitrator upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Rick Engel
Attorney at Law
6969 University Avenue
Des Moines, Iowa 50324

Steve King
UniServ Director
808 Highway 18 West
Clear Lake, Iowa 50428

I further certify that on the 15th day of July, 2014, I submitted this Opinion and Award for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, Iowa 50319.



Curtiss K, Behrens, Arbitrator