

**BEFORE ARBITRATOR DENNIS A. KRUEGER**

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PUBLIC EMPLOYMENT  
RELATIONS BOARD

**IN THE MATTER OF  
INTEREST ARBITRATION:**

**MOUNT PLEASANT  
EDUCATION ASSOCIATION**

**EMPLOYEE ORGANIZATION**

**AND**

**MOUNT PLEASANT  
COMMUNITY SCHOOL DISTRICT**

**PUBLIC EMPLOYER**

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**IOWA PERB  
CEO: 431/SECTOR:2**

**DATE OF HEARING  
JUNE 5, 2015**

**DATE OF AWARD  
JUNE 19, 2015**

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**APPEARANCES**

**FOR THE MOUNT PLEASANT EDUCATION ASSOCIATION:**

Jane Elerding ISEA UniServ Director  
Suzy Card ISEA UniServ Director  
Diane Walker MPEA Chief Negotiator

**FOR THE MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT:**

Toby J. Gordon School District Attorney  
Dr. Mike Wells District Superintendent

## JURISDICTION

The Mount Pleasant School District (hereinafter "District" or "Employer") is a public employer covered by the provisions of Chapter 20 of the Code of Iowa. The Mount Pleasant Education Association (hereinafter "Association" or "Union") is an employee organization certified on September 24, 1975, as the exclusive bargaining representative for professional employees in the District. The Association represents all full-time and part-time certified professional employees of the District including classroom teachers, librarians, guidance counselors, school nurses, music instructors, special or remedial teachers, and department heads. See PERB Case Number 82.

All collective agreements between the parties have been reached voluntarily until this dispute. Mediation was requested on February 3, 2015 (EA#6). Negotiations for the 2015–2016 contract began on February 23, 2015, when the MPA presented its initial contract proposal (EA#8). The District also responded on the same date with its initial proposal (EA#9). The parties held two closed bargaining sessions (EA#10) and mediation was held on April 6, 2015. The Association filed a request for interest arbitration and the parties have not been able to reach agreement prior to the commencement of this arbitration hearing.

## HEARING

This matter came to hearing at 1:00 PM on June 5, 2015, before the undersigned arbitrator who was selected through the utilization of the arbitration provisions of Chapter 20.22 of the Code of Iowa. This section of the Code states at Section 3:

*3. The submission of the impasse items to the arbitrator shall be limited to those items upon which the parties have not reached agreement. With respect to each such item, the arbitrator's award shall be restricted to the final offers on each impasse item submitted by the parties to the arbitrator.*

Neither the District nor the Association had any objection to the Undersigned neutral hearing and ruling on this case. Both parties were afforded a complete opportunity to present evidence and witnesses, to examine witnesses, note any objections, and to argue their respective positions. All exhibits presented by the Association and the District were received and made part of this record. The oral hearing concluded at approximately 4 PM on June 7, 2015. The Parties chose not to file written briefs and the record on which this decision is based was closed at that time.

## **BACKGROUND OF THE PARTIES TO THIS DISPUTE**

### **Location**

The Mount Pleasant Community School District (CSD) is located in the southeastern portion of the SE quadrant of Iowa. The majority of the District lies in Henry County but there is a small portion of the western edge of the District that lies in Jefferson County. Mount Pleasant is the county seat of Henry County.

The Mt. Pleasant CSD (certified enrollment 1990.1) is contiguous with six other school districts: Fairfield (certified enrollment 1657.7), Ft. Madison (certified enrollment 2255.4) Harmony (certified enrollment 345.5), New London (certified enrollment 490.0), WACO (certified enrollment 493.9), and Winfield-Mt. Union (certified enrollment 369.2).

The Mt. Pleasant District is located within the Great Prairie Area Education Agency; the District is currently a member of the Southeast Athletic Conference.

### **District Organization and Facilities**

The Mt. Pleasant Community School District provides an educational program for grades PK through 12. The District operates one high school for students in grades 9-12 as well as WisdomQuest, an alternative high school for grades 10-12. Students in 6-8 attend one middle school and elementary students are served in four different attendance centers: Lincoln, Harlan, Van Allen, and Salem. The District provides regular and enriched academic education; advanced placement classes; education support for children with learning needs; talented and gifted programming; vocation education/and numerous individualized programs such as specialized instruction for students at-risk and for limited English speaking students. The District also provides the education component for Christamore House, a court-appointed juvenile facility located in the District.

### **Programs, Honors and Initiatives**

The Mt. Pleasant CSD was one of the first thirty-nine districts across the state selected through competitive application to the Iowa Department of Education to launch a Teacher Leadership System during the 2014-2015 school year.

The District has started over twenty initiatives and honors during the 2014-15 school year.

**STATEMENT OF THE IMPASSE ITEMS**

**POSITION OF THE PARTIES FOR THE IMPASSE ISSUE OF WAGES**

**ARTICLE 15  
WAGES AND SALARIES**

**ASSOCIATION POSITION**

*SHALL THE 2015-2016 BA BASE FOR THE MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT CERTIFIED STAFF BE THE FINAL OFFER OF THE ASSOCIATION AT \$37,505 (3.73% TOTAL PACKAGE), OR THE FINAL OFFER OF THE DISTRICT AT \$?? (3.50% TOTAL PACKAGE)?*

**DISTRICT POSITION**

*All Articles Current Contract unless TA'd except:*

*Article Fifteen - Wages  
TOTAL PACKAGE WAGE INCREASE 3.5%*

*(\$710 added to current base)*

While there was no disagreement regarding the single impasse issue of wages, there was disagreement raised around whether the final offer of the District was or was not a valid offer. At the onset of this interest arbitration hearing, the Association stated that it was the contention that the District's final offer is invalid for the following listed reasons:

1. PERB and the courts have interpreted 20.17 to require that the initial positions must be meaningful and the proposals must necessarily be stated clearly and specifically.
2. The District's final offer does not meet the specificity required by Chapter 20; that the District's offer does not provide the Association and the arbitrator with a specific offer on the impasse item; and that the District's "3.5%" provides the arbitrator without a position.
3. Chapter 20 would not hold final offers before an arbitrator to a less specific standard than required for initial proposals.

Under Iowa statute, if there exists a disagreement regarding impasse issues and which impasse items are implicated, associated, or concerned with final offers, this is a task left to the Iowa Public Employment Relations Board. This is also true regarding any alleged negotiability disputes and alleged prohibited practices. It is up to the Parties to file the appropriate documents with PERB and that agency will sort through the issues. It is the Iowa Public Employment Relations Board that will determine the appropriate responses. It is not the responsibility of this arbitrator to entangle or interweave himself in such an undertaking. It is the mission and responsibility of this neutral to simply proceed with the analysis of the pertinent facts, exhibits, and testimony of the case as presented. This neutral finds Association Exhibits #2, #3, and #4 are not relevant to his statutory assignment.

In rendering these findings in the arbitration award, the arbitrator has given full consideration to all reliable information and evidence relevant to the impasse items. The neutral has also reviewed several times the complete written record in the recordings of this proceeding including exhibits, testimony, and arguments of the district and the association. The arbitrator has likewise reviewed and used the criteria specified and listed for arbitral consideration in Section 20.22 of the Iowa Code (Binding Arbitration). Specifically Section 7 states that the arbitrator 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 adjustments, and the affect of such adjustments on the normal standard of services
- (d) The power of the public employer to levy taxes and appropriate funds for the conduct of its operations

### ANALYSIS OF THE FACTS

Association Exhibit #12 is the Costing for the Association's Final Offer.

Association Exhibit #15 is the Costing for the District's Final Offer.

There were no objections or challenges made to these figures during the hearing. Both Parties were in agreement related to these costs.

	<b>2014-2015</b>	<b>2015-2016</b>	<b>Difference</b>	<b>% Change</b>
EA Total with TSS	\$12,126,921	\$12,579,359	\$452,438	3.73%
Dist. Total with TSS	\$12,126,921	\$12,550,866	\$423,945	3.50%
Cost Separation			\$28,493	0.23%

Early in the Association's case, the point was made that current staff will be leaving for a variety of reasons and they will be replaced with new and different staff in the bargaining unit for the coming year. See EA #13 and EA #16. This normally results in turnover savings to the District. This is dependent upon several factors, including the hiring practices and availability of new bargaining unit members.

Given the current staff members who will no longer be employed in 2015-2016, there will be a possible total of \$395,000 in potential savings that may be offset by potential replacement staff potentially costing \$326,000. One understands the methodology used for the calculations and realizes the Association utilized hypothetical placement for the new hires. A one-year and incomplete turnover study, while certainly being probative, is not totally useful. For a greater probability of turnover funds and more accuracy regarding the predictability of turnover funding, one would rather see a five-year exhibit utilizing actual turnover data. This would allow one to analyze the amount of recurring turnover funds over a recent period of time. Actual costs are always preferred. Such persistent or repetitive turnover savings could be factored into future calculations and settlements. Given the 12.0 FTE increase in 2014-15 when the District added new teaching positions, a substantial change occurred. The magnitude of this change may well skew the recent turnover data. It is certainly observable and it is noted at this time. The information and data surrounding turnover funds is instructive, but not dispositive, in reaching any firm or final conclusions.

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The first statutory consideration is

**(a) Past collective bargaining contracts between the parties including the bargaining that led up to such contracts**

District Exhibit #4 provides information related to the historic settlements within the Mount Pleasant School District. This data covers the time period from 2001 through the past year 2014. This limited, but lengthy, perspective does provide a partial snapshot of the bargaining history and what this neutral has referred to previously as "internal comparability" around wages. This internal comparability allows both parties to a master agreement to develop expectations and set parameters around the bargaining relationship. The parties have been able to develop a pattern of settlements over fourteen years and there is a settlement range from 2.66% to 5.60%. This historic pattern establishes the outward boundaries where the parties have negotiated and ended settling the wage issues.

The record indicates that all settlements within those fourteen years have been voluntary over that span of time and this is the first interest arbitration for the District and the Association. The parties are commended for amenable labor relations over the past years and/or the avoidance of impasse hearings. Voluntary settlements are the best wherein the parties are able to determine their own destiny.

One is cognizant whenever a large amount of data is to be analyzed that differences appear and may vary from one exhibit to others. This is due to different sources, different reporting districts, the timing of information, calculations, and accuracy of reports. This is one of the problems faced by all neutrals. This is true in this case as well. Given no data in some areas (New Money or Past Settlements as an example) or in the timing of final offers, this can be a challenge.

The parties did acknowledge that the Iowa Legislature has only recently increased the 1.00% to 1.25% with an additional one-time dollar increase. This was not a known factor at the time of the exchange of final offers on April 23 or 24, 2015, so it not considered by this neutral. Data has been examined and sorted as much as possible by dates so the District, the Association, and the arbitrator, will be using the same playing field for comparison of data. Since final offers were submitted on April 23 or 24, 2015, that date is the correct focal point for both parties to utilize or employ when discussing data. This also prevents “rolling” data that might change outcomes if later dates were used in an untimely manner.

<b>School Year</b>	<b>Settlement Package % DIST (EA)</b>	<b>New Money % DIST (EA)</b>
2005-2006	5.12 (5.1)	5.10 (5.10)
2006-2007	5.58 (5.6)	6.20 (6.20)
2007-2008	4.24 (4.3)	1.82 (1.82)
2008-2009	5.04 (5.4)	6.53 (6.53)
2009-2010	2.82 (2.9)	1.66 (1.66)
2010-2011	2.66 (2.8)	1.21 (1.00)
2011-2012	3.23 (3.5)	1.00 (-0.21)
2012-2013	3.74 (3.6)	1.03 (-0.04)
2013-2014	4.14 (3.8)	1.22 (0.19)
2014-2015	3.80 (3.8)	1.00 (1.00)
<b>AVERAGE</b>	<b>4.04 (4.08)</b>	<b>2.68 (2.32)</b>

<b>2015-2016</b>	<b>DISTRICT</b>	<b>3.50%</b>	<b>1.00%</b>
<b>2015-2016</b>	<b>ASSOCIATION</b>	<b>3.73%</b>	<b>1.00%</b>

The most recent settlement reached with 1.00% New Money at 3.80% is noted and given some weight. During the last four years, Mount Pleasant settlements have averaged between 3.70% (District) and 3.67% (Association). The New Money was in the average range of 1.00% for the same time period. This has occurred while the general financial position of the Mount Pleasant District has been improving as evidenced by the Association’s Ability-to-Pay Exhibits 1-15 and with the high ISCAP solvency ratio. See later Table regarding the solvency of the Mount Pleasant District.

## **Bargaining History and Contractual Changes**

The Association introduced Exhibits B3 through B11 surrounding and explaining a negotiability dispute that arose in the 2014 bargain with the District. Exhibit B4 is an excerpt from the 1976-1977 Master Contract. Exhibit B5 is an excerpt from the AGREEMENT (Master Contract) July 1, 2013 – June 30, 2014. Exhibit B6 is a “PRELIMINARY RULING ON NEGOTIABILITY DISPUTE” regarding a petition filed by the Mount Pleasant Community School District in CASE NO. 8749 dated April 2, 2014. The language from Proposals 1 through 10 with the PERB rulings regarding the permissive and mandatory nature of topics was read. The current AGREEMENT July 1, 2014 – June 30, 2015 was also viewed for comparative language changes.

Exhibit B7 was the tentative agreement reached for the 2014-2015 including new “break time” language with an increase in the base of \$675 and a generator base of \$32,190. The Total Package (TP) was 3.8%.

Exhibit B8 indicated that the Association bargained thinking that the Teacher Salary Supplement (TSS) dollars would be the same. After the bargain for 2014-2015, the District added ten new teaching positions, increasing the bargaining unit membership from 157.5 to 169.5 FTE (including three TLC). This staff increase resulted in \$300 less Teacher Salary Supplement per bargaining unit member distributed as a flat dollar amount.

The Association in Exhibits W8 through W23 discussed the implications of having the contracted time beyond the student day reduced as a result of requisite language changes described above. In 2014-2015 Mount Pleasant teachers had between 55-60 minutes before and after school to fulfill the required duties and complete District expectations. For the 2015-2016 school year, 27 minutes of that time will be redirected to teaching duties leaving less time to fulfill required duties and complete District expectations. This means teachers will have an additional 27 minutes of teaching.

Association Exhibits #10 through #17 provide a comparison of contract time outside of the student day noting the addition of 27 minutes to the student class day. Those exhibits involve comparability with the SEC districts and the +10/-10 districts. Other District’s have not experienced a similar decline in before and after student day contract time. Association Exhibit #18 clearly particularizes the changes taking place between 2014-15 and 2015. This shows a reduction of 81 hours of paid planning time during the work year, as well as an increase of 81 hours of paid teaching time (student contact time) during the work year.

Association Exhibits #20 through #23 describe teacher duties before and after the student day, Iowa Teaching Standards that require outside the instructional day, the evaluation form for Mount Pleasant, and Department of Education documents.

The second statutory consideration is

**(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**

### **Comparable School Districts**

Both the Association and the District used Iowa school districts and professional educational employees for comparative purposes. Neither party proposed any structural changes to the salary schedule. The focus for the Association and District was on school districts of similar enrollment. The District selected school districts with enrollments between 1,600 and 2,400 averaging 1,965. The Association selected SEC schools with an average enrollment of 1,908 and +10/-10 school districts with an average enrollment of 2,041. The Association also had a smaller geographic comparison group involving the contiguous school districts with Mount Pleasant with widely varied enrollments.

The District had two sizeable Exhibits #5 and Exhibit #6 that contained 2015-16 Cumulative Settlements. District Exhibit # 5 had a great amount of data detailing many different factors around Iowa school district settlements emphasizing the State Average Settlement and Total Package at 3.24%. District Exhibit #6 had Comparable Districts by Student Population (1,600 and 2,400).

The Mount Pleasant Education Association presented a compilation of exhibits covering the 2014-2015 salary schedules of the Southeast Athletic Conference and +10/-10 Enrollment school districts. Exhibits W2, W3, W4(5 pages), W5, W6, and W7(20 pages) were reviewed. Mount Pleasant is the only Athletic Conference school district that does not have some form of longevity pay on the salary schedule. The District ranking is noted at third or second.

Within the +10/-10 Enrollment, Mount Pleasant ranks consistently between 6-9 until reaching the BA high maximum when it falls to 14 in rank, and then drops on the MA to 12 in rank. The Mount Pleasant District is one of five districts in this group that does not have longevity pay. Since the exhibits covered just one year, it is not possible discern any change in relative ranking or trends over a period of time.

Salary schedules with different generator bases and modified indexes have reduced the relevancy of base comparisons and made some of the salary schedule data less useful without comprehensive analysis.

Normally athletic conferences have provided neutrals with one of the more recognizable and accepted comparisons when analyzing salary data. This is due to the geographic proximity, similar enrollment, and the competition factor between schools on several fronts. Mount Pleasant is a member of the Southeast Athletic Conference and competes regularly with member schools. The problem is there were no settlements for the Southeast Athletic Conference prior to the exchange of final offers so this group consists of the null set.

<b>DISTRICT</b>	<b>ASSOCIATION</b>	<b>ASSOCIATION</b>
<b>Enroll 1,600 to 2,400</b>	<b>Southeast Athletic Conf.</b>	<b>+10/-10 Enroll</b>

ENROLL	1600-2400	ENROLL	SEC	ENROLL	+10/-10
2,352	Dallas Center Grimes	1657.7	Fairfield	2094.3	Boone
2,003	Dennison	2255.4	Fort Madison	1888.3	Carlisle
1,605	Grinnell	1963.7	Keokuk	1839.6	Clear Creek- Amana
1,935	Marion	1757.5	Washington	2351.5	Dallas Center- Grimes
1,834	Perry			2003.4	Denison
1,942	Spencer			2255.4	Fort Madison
2,266	Storm Lake			1960.0	Glenwood
2,025	Waverly			1963.7	Keokuk
1,726	Winterset			1807.3	Knoxville
				2126.2	Le Mars
				1935.4	Marion
				2558.9	Norwalk
				2460.6	Oskaloosa
				2112.4	Pella
				1833.5	Perry
				1934.2	Spencer
				2265.5	Storm Lake
				1757.5	Washington
				2024.9	Waverly-Shell Rock
				1725.5	Winterset
1,965	Average	1,908.5	Average	2,041.8	Average
1,990.1	Mount Pleasant	1,990.1	Mount Pleasant	1990.1	Mount Pleasant

**SALARY SETTLEMENTS AS OF APRIL 23 OR 24, 2015**

**Mount Pleasant School District Data – Posted 05/29/15**

**Settled contracts for districts with student populations between 1,000 and 2,400.**

<b>ENROLL</b>	<b>1600-2400</b>	<b>T P %</b>	<b>TA Date</b>	<b>T P %</b>
<b>2,352</b>	<b>Dallas Center</b>	<b>4.00%</b>	<b>5/28</b>	
<b>2,003</b>	<b>Dennison</b>	<b>3.30%</b>	<b>4/29</b>	
<b>1,605</b>	<b>Grinnell</b>	<b>3.60%</b>		<b>3.60%</b>
<b>1,935</b>	<b>Marion</b>	<b>3.45%</b>	<b>5/6</b>	
<b>1,834</b>	<b>Perry</b>	<b>4.00%</b>		<b>4.00%</b>
<b>1,942</b>	<b>Spencer</b>	<b>3.39%</b>	<b>5/5</b>	
<b>2,266</b>	<b>Storm Lake</b>	<b>3.70%</b>		<b>3.70%</b>
<b>2,025</b>	<b>Waverly</b>	<b>2.36%</b>	<b>5/20</b>	
<b>1,726</b>	<b>Winterset</b>	<b>3.36%</b>		<b>3.36%</b>
<b>1,965</b>	<b>Average</b>	<b>3.46%</b>		<b>3.67%</b>
<b>1,990.1</b>	<b>Mount Pleasant</b>	<b>3.50% District 3.73% EA</b>		<b>3.50% District 3.73% EA</b>
<b>IASB</b>	<b>Average</b>	<b>3.24% 05/29/15</b>	<b>Posted 05/29/15</b>	<b>Modified 4/24</b>

In the analysis of the School District data taken from IASB documents on District Exhibit #5 and District #6, the posted date for settlements is May 29, 2015. Since the exchange of Final Offers happened on April 23 or 24, 2015, there exists a problem with settlements reported after April 24, 2015. On far right of IASB form is a "TA Date" column (third column in from right). There are five settlements that are beyond the April 24 date. In the fourth column above, there are five TA dates appearing that must be removed for an apples-to-apples comparison. The far right column now contains the corrected Table for the District's 1600-2400 Enrollment Comparison Group. The corrected TP% is 3.67% placing the Average between the District Offer of 3.50% and the Association Offer of 3.73%.

**Mount Pleasant Education Association Data - April 23 or 24, 2015**  
**Settlements for +10/-10 Enrollment and Districts within a 50 MI Radius**

ENROLL	+10/-10	TP%	ENROLL	50 MI Radius	TP%
2094.3	Boone		4593.9	Burlington	4.00%
1888.3	Carlisle	3.68%	NA	Cardinal	4.21%
1839.6	Clear Creek		NA	Davis County	3.40%
2351.5	Dallas Ctr		4597.9	Ottumwa	3.85%
2003.4	Denison		544.0	Sigourney	4.10%
2255.4	Ft Madison		NA	Waco	4.00%
1960.0	Glenwood	4.00%	369.2	Winfield	4.00%
1963.7	Keokuk				
1807.3	Knoxville			Average	3.94%
2126.2	Le Mars				
1935.4	Marion			Mount Pleasant	3.50% Dist. 3.73% EA
2558.9	Norwalk	3.80%			
2460.6	Oskaloosa				
2112.4	Pella				
1833.5	Perry	4.00%			
1934.2	Spencer				
2265.5	Storm Lake				
1757.5	Washington				
2024.9	Waverly-Shell Rock				
1725.5	Winterset	3.36%			
2,044.9	Average	3.77%	Average		
1990.1	Mount Pleasant	3.50% Dist. 3.73% EA	Mount Pleasant		

**Statewide Settlements as of April 23 or 24, 2015**

Group	Date	ISEA T.P.	IASB T.P.
10 Up/Down	4/24/2015	3.77%	4.00%
SEC	4/24/2015	None	None
50 MI Radius	4/23/2015	3.94%	4.06%
Statewide	4/24/2015	3.56%	3.20%
		N = 53	N = 21

Given the very low number of settlements (N = 53) or (N =21) on April 24, 2015, one must glean as much data as possible to determine settlement patterns or directions. Iowa currently has 336 school districts so at the time of final offers, only 6% to 15% had TA'd settlements. One realizes that the small number can greatly impact any trend.

The third statutory consideration is

**(c) The interests and welfare of the public, the ability of the public employer to finance economic adjustments, and the affect of such adjustments on the normal standard of services**

The District did not claim an inability to pay either the District's Final Offer or the Final Offer of the Association. Additionally the final offers will not negatively impact the interests and welfare of the public or require any adjustments on the normal standard of services.

School Year	ISCAP Solvency	Settlement Package % DIST (EA)
2005-2006	9.20	5.12 (5.1)
2006-2007	12.32	5.58 (5.6)
2007-2008	10.48	4.24 (4.3)
2008-2009	6.90	5.04 (5.4)
2009-2010	3.04	2.82 (2.9)
2010-2011	4.27	2.66 (2.8)
2011-2012	9.35	3.23 (3.5)
2012-2013	11.02	3.74 (3.6)
2013-2014	11.43	4.14 (3.8)
2014-2015	NA	3.80 (3.8)
<b>AVERAGE</b>	<b>8.67</b>	<b>4.04 (4.08)</b>

The solvency ratio is a major developed by ISCAP to assess one aspect of the school corporation's financial condition. The solvency ratio measures the amount of readily available unspent resources relative to the districts total general fund.

<i>Targeted Solvency Position</i>	<i>Between 5.0 and 10.0 percent</i>
<i>Acceptable Solvency Position</i>	<i>Between 00.0 and 4.99 percent</i>
<i>Solvency Alert</i>	<i>Between -3.0 and 0.0 percent</i>
<i>Concern</i>	<i>Below -3.0 percent</i>

District Exhibit #4 confirms that the Mount Pleasant District is currently above the targeted solvency position for ISCAP. The District has been increasing its position in each of the last five years.

The Association provided several exhibits highlighting the ability to pay. This includes "Association Ability to Pay" Exhibits 1 through 15 in the hearing record. The District has an Unspent Balance of \$6,163,329 (29.7% of Total Expenditures) and an Ending Fund Balance of \$2,598,068. This information is indicative of a financially sound school district. The neutral finds that the District does possess the ability to fund either the District's or the Association's final offer.

The fourth statutory consideration is

**(d)The power of the public employer to levy taxes and appropriate funds for the conduct of its operations**

This neutral has reviewed the record regarding the power to levy taxes and appropriate funds for the conduct of its operations – that of running an efficient and quality system for the education of Mount Pleasant students, patrons, and staff. District Exhibit #4 currently establishes that the District has been experiencing increasing solvency ratio for the past three years. The District’s solvency ratio for 2013–14 is 11.43%, which is above the targeted solvency position of between 5.0 and 10.0 percent. See Association Exhibit 12 regarding the Iowa Cash Anticipation Program.

The Mount Pleasant School District has a stable cash reserve history with amounts ranging from \$725,000 to \$875,000 during recent years. The District’s 2014-2015 operating tax rate is 13.995350 per thousand dollars of assessed valuation, which ranks 161<sup>st</sup> lowest out of 336 school districts.

It is unnecessary for this neutral to make any suggestions or recommendations related to tax levies or appropriation of funds. The Arbitrator is aware that this award will not raise, nor will it lower, the District’s tax rate. The budget and tax decisions are best left in the intelligent and thoughtful actions of the Board and the Administration.

**Other relevant considerations...**

There were no other relevant considerations that were brought forward for discussion or analysis.

**SUMMARY DISCUSSION**

In reflecting on the entire case and moving toward a final decision on WAGES, the resulting factors are brought to the forefront:

- Since both the District and the Association are advocating changes in the negotiated Wages, both have a burden of proof to be carried.
- Given a budget of over \$12,500,000 for 2015-2016, the difference in final offers is \$28,493 or 0.23%.
- The past collective agreements of the parties and the bargaining that led up to such contracts was a major factor for analysis in this dispute.
- The historic settlements covering over more than a decade help to identify “internal comparability” and long-term trends for the parties in Mount Pleasant. The average Settlement Package % over 10 years is approximately 4% with the average of New Money at approximately 2.5%.
- The most recent Mount Pleasant settlements over the last four years provide a trend that is a reasonable direction and occurring within in a reasonable time

period. The four-year average Settlement Package was approximately 3.7% with New Money averaging slightly above 1%.

- Comparability was a major factor and was used by the District and Association.
- Comparability was viewed and used from several perspectives and groups.

**Statewide Settlements as of April 23 or 24, 2015**

Group	Date	ISEA T.P.	IASB T.P.
10 Up/Down	4/24/2015	3.77%	4.00%
SEC	4/24/2015	None	None
50 MI Radius	4/23/2015	3.94%	4.06%
Statewide	4/24/2015	3.56%	3.20%
1600-2400	4/24/2015 Mod	-----	3.67%

- Given different data for the districts and different numbers of districts reporting (N = 53 and N =21), one must analyze and interpret data carefully. This is very true when applying the appropriate weight to different groups.
- Comparability used for this case is difficult but appropriate with the final offers and the timing of outcomes for this case. When looking at small groups of four or five and diverse groups around the state, each piece of settlement data becomes crucial. The settlement data leans toward the side of the Association.
- The financial condition of the District indicates that there is an ability-to-pay for either final offer.
- The power to tax was reviewed and left in the hands of the Board.
- The long-term relationship between the District and the Association covering around 40 years has been placed under stress since last year’s bargain.
- Changing conditions within the District have directly impacted the wages for the teachers – especially around TSS fund distribution after the last negotiations.
- While within an unacceptable and vague “acceptable norm”, contracted time has experienced a redefinition that requires added compensation.

PERB Case No. 117/2 provides legitimate and solid rationale that run parallel with many of the same concepts occurring in this case. In Cedar Falls CSD v. Cedar Falls Education Association decision issued June 26, 2013, Arbitrator Lisa Salkovitz Kohns stated:

“Assuming that the District’s teachers continue to perform their duties as they have in the past, they will have 15 paid minutes less per school day to perform those duties, and will be forced either to spend less time on their responsibilities, to the possible detriment of their and the District’s ability to deliver effective educational services, or to spend more uncompensated time on their tasks. This has significant ramifications for teachers’ job performance. As the Association observes, the Iowa Teaching Standards and Criteria include criteria or teacher

evaluation that necessarily require that teachers devote time outside the instructional day. The reduction in available planning time may impact teachers' ability and strategies for meeting those criteria. Yet in its final offer the district has made no effort to provide additional compensation or other *quid pro quo* for the change."

While this hearing is clearly about Wages, greater clarity from the District regarding its actions, rationale, and outcomes would serve the District well. The bottom line of any effective negotiations is how the results will serve all the people in the Mount Pleasant District.

\*\*\*\*\*

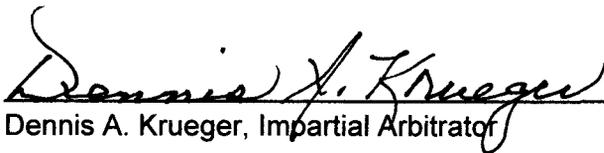
In reviewing the record as a whole, the undersigned has determined that when measuring the total reasonableness of the WAGE proposal under the light of statutory requirements, the WAGE proposal of the Association is more reasonable. The Association's final offer on WAGES is hereby awarded.

#### DECISION AND AWARD

For all of the reasons and discussion cited above,

On the impasse item of **Wages**  
The final offer of the **Association** is awarded.

Respectfully submitted,

  
Dennis A. Krueger, Impartial Arbitrator

Date: June 19, 2015

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**CERTIFICATE OF SERVICE**

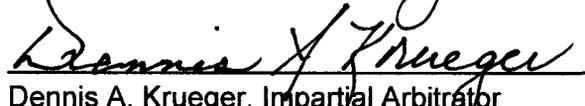
I certify that on this 19<sup>th</sup> day of June, 2015, I served the foregoing **Interest Arbitration Award** upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Mr. Toby J. Gordon, Attorney  
Swanson, Gordon, Benne, Clark, Kozlowski, CCCP  
P.O. Box 517  
Burlington, IA 52601

Ms. Jane Elerding, ISEA UniServ Director  
Geode UniServ Unit  
109 North Court Street  
Ottumwa, IA 51501

Electronic copies have been emailed simultaneously to Toby J. Gordon, (tgordon@lawyersburl.com) and Jane Elerding, (jerleding@isea.org) on this date.

Dated this 19<sup>th</sup> day of June, 2015

  
Dennis A. Krueger, Impartial Arbitrator  
1108 6<sup>th</sup> Street  
West Des Moines, IA 50265

Copy of Award mailed to Iowa Public Employment Relations Board