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In the Matter of Arbitration Between

D.C. Everest Area School District

and

Rothschild-Schofield Area Education Association

* * * * *

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

CASE XIX
No. 26050
MED/ARB 678
Decision No. 17942-A

INTRODUCTION

The Board of Education of the D. C. Everest Area School District (hereafter Board) and the Rothschild-Schofield Area Education Association (hereafter Association) reached impasse in their negotiations for a collective bargaining agreement and, on April 17, 1980, the Board petitioned the Wisconsin Employment Relations Commission (WERC) for the appointment of a mediator/arbitrator. On July 24, 1980, the WERC appointed Arlen Christenson of Madison, Wisconsin, to act as mediator-arbitrator. The parties met with the mediator-arbitrator on September 26, 1980 and when mediation proved unsuccessful, an arbitration hearing was held on that date. Both parties consented to proceed immediately with arbitration and both had full opportunity to present evidence and argument. Post hearing briefs were filed with the final submission of material to the arbitrator occurring on February 4, 1981.

APPEARANCES

Ronald J. Rutlin, Attorney at Law, Mulcahy & Wheery, S.C., appeared for the Board.

Thomas J. Coffey, Executive Director, Central Wisconsin UniServ, Council-North, appeared for the Association.

FINAL OFFERS

Rothschild-Schofield Area Education Association

- 1) Current salary schedule (index .0457)

- 2) BA Base - \$11,750
- 3) Add additional step at all lanes on Masters Schedule.
- 4) Add \$300 longevity for all employees who have been at the top step of each lane on the schedule for more than one (1) year.

D.C. Everest Area Schools

- 1) Current salary schedule (.0457)
- 2) BA Base - \$11,550
- 3) Add additional step at all lanes on Masters Schedule.
- 4) Add \$200 longevity for all employees who have been at the top step of each lane on the schedule for more than one (1) year.

DISCUSSION

Association Position

The Association's position is nicely summarized as follows in its brief:

The Association's case relies on two basic arguments that are consistent with the criteria outlined in Sec. 111.70(4)(c)(7) of the Wisconsin Statutes. The arguments are that the Association's final offer should be adopted for the following reasons:

- 1) The evidence demonstrates beyond any doubt that its offer is more comparable with the Wausau School District's settlement for wage rates in the various categories of the salary schedule. This comparability data is reinforced when data from forty-one (41) school districts statewide is examined for wage rate relationships over a three (3) year period.
- 2) The Association offer best fulfills the criteria outlined in Item #, "The average consumer prices for goods and services, commonly known as cost-of-living."

Board Position

The Board argues that its offer is more reasonable than the Association's when considered in the light of comparisons with teacher wages or settlements in comparable school districts in the same geographic area. It contends that its

offer establishes a more reasonable wage schedule and that it exceeds 1980-81 settlements reached in comparable school districts. The Board argues further that its offer is more reasonable when considered in light of settlements reached with other public employee organizations in the area including other employees of the school district. Moreover, the Board contends, its offer and not the Association's, is the more reasonable in light of increases in the cost of living when the Consumer Price Index is viewed in perspective and other measurements of the cost of living are considered as well. Finally the Board argues that "in view of the economic situation confronting the taxpayers of the D.C. Everest District, a reasonable wage not an excessive wage, must be paid the D.C. Everest teachers."

Comparable School Districts

The Association holds the view that the primary comparable school district to be considered in this proceeding is the adjoining district of Wausau. In addition the Association proposes consideration of the 41 largest school districts in the state, excluding Milwaukee, Madison, Green Bay, Kenosha, and Racine. The Board has chosen to compare the D.C. Everest District with 9 other districts in the D.C. Everest area: Wausau, Stevens Point, Wisconsin Rapids, Marshfield, Rhinelander, Antigo, Merrill, Mosinee and Wittenberg. The first seven of these are members of the Wisconsin Valley Athletic Conference and the last two are, like Wausau, adjacent to the D.C. Everest district.

I conclude that it is inappropriate to use Wausau as the sole primary comparable. There is no doubt that Wausau is an appropriate district with which to compare the D.C. Everest District. It is contiguous, part of the same metropolitan area, in the same labor market, and shares many other similarities. At the same time it is a much larger

district than D.C. Everest in terms of number of pupils and staff size. Some of the districts cited by the Board, particularly Mosinee and Wittenberg are much smaller than D.C. Everest. Yet their contiguity makes it appropriate to take them into account as comparables too. In general comparability must be seen as a matter of degree. As the Association's brief suggests, all school districts in the state are in some degree comparable. All are part of a statewide system of common schools established to fulfill the state obligation to educate school age children. All participate in the same system of school aids. All must comply with state mandated curricular requirements. Yet all are in some degree different. Size, geography, wealth, ethnic make up and many other characteristics tend to distinguish one from another. Thus, for example, it is not irrelevant that the D.C. Everest district ranks near the bottom among the larger school districts in the state in teacher salaries. But it is also relevant that it ranks above average among the 9 geographically proximate districts portrayed in the Board's exhibits.

Wage Comparisons

The Association argues convincingly that the D.C. Everest wage schedule is substantially below that of the Wausau district at several key points in the schedule. Moreover, as the Association suggests it is difficult to justify a wage differential between these two adjoining and very similar districts. Community resources are not dissimilar, the schools compete in the same athletic conference, other indicia are also similar. It does not follow from this argument, however, that the wage schedules for the two districts should be the same. As the Board points out, D.C. Everest is a newer school district and its teachers are younger. Since teacher's salaries have traditionally been determined

largely by experience and educational attainment, it is inevitable that a district employing younger teachers will pay a lower average wage. Schedules are also almost infinitely manipulable. An increase in the B.A. Base or the number of steps or the index may have widely differing consequences for the teachers employed in the district depending upon where they stand on the schedule. For these and other reasons, straight comparisons between schedules of individual school districts, while useful for some purposes, are misleading in other respects.

In particular, although the Association is able to demonstrate that the Board's offer would cause the D.C. Everest wage schedule to become less competitive with Wausau's at several points, the Board has shown that the average teacher in the D.C. Everest district would receive a larger increase than his or her Wausau counterpart. The reason for this apparent discrepancy is the fact that teachers in different districts are distributed differently over the schedule. Consequently a specified amount of money may benefit the teachers actually employed differently depending upon how it is allocated to various parts of the schedule. Comparisons at points in a schedule, therefore, tell part of the story but not all.

Cost of Living

It has become apparent that the Consumer Price Index is not the only indicator that is useful in applying the statutory criterion stated in Sec. 111.70(4)(c)(7)e. The CPI measures changes that are very important in determining changes in the cost of living but other indicators, particularly the Commerce Department's personal consumption expenditure (PCE) deflator, have also come into prominent use recently. Over the past year the inflation rate as measured by the CPI has been about 13%, while the PCE measurement

has been about 10%. Neither can purport to measure the precise impact of inflation on the teachers in the D.C. Everest district. Both, however, can give some idea of its general effects in the district.

If these two indicators are taken together, and the value of the two final offers measured against them, it is apparent that it is difficult to choose between them on the basis of this criterion. The Board's offer, using the 1979-80 staff for measurement, is a 10.5% increase in wages, and 10.8% in total cost including "roll ups." The Association's offer is 12.4% and 12.7%, respectively. Thus the Board's offer approximates the increase in cost of living measured by the PCE and the Association comes close to the CPI rate. Both are therefore in the range of reasonableness as measured by the cost of living criterion. Neither is clearly preferable on this basis.

Comparable Settlements

Sec. 111.70(4)(c)(7)h requires arbitrators to give weight to factors "which are normally or traditionally taken into consideration in . . . voluntary collective bargaining, mediation, fact-finding, arbitration . . . in the public service or in private employment." Surely one of the most important of those factors is the pattern of settlement among comparable employers. Such settlements are often not available at the time of bargaining and sometimes not at the time of the arbitration award. But when a pattern has been established it is impossible to ignore and often well nigh conclusive.

Settlements have now been reached through bargaining or arbitration in eight of the nine districts in the Board's list of comparables. The total costs of the settlements

measured by uniform principles are as follows:

Wisconsin Rapids	10.2%
Antigo	10.9
Rhineland	11.1
Wittenberg	10.0
Mosinee	9.9
Wausau	10.0
Merrill	10.9
Stevens Point	10.8

Taking due account of the Association's objections to the use of at least some of these comparables, it is nevertheless entirely clear that if this pattern of settlements had been available during bargaining and mediation it would have been an important factor. It is likewise clear that a pattern such as this would be viewed as persuasive evidence by most arbitrators. (See Arbitrator Kerkman in Merrill Area Public Schools, WERC Dec. No. 17955, January 30, 1981).

The Board's offer of a 10.8% package falls within the parameters established by the comparable settlements. It is higher than four of them, lower than three and equal to one. The Union's 12.7% package is well above the largest settlement portrayed above. The average settlement among the districts portrayed above is 10.5%. The median is 10.8%. By any analysis the Board's offer is the more reasonable in the light of these comparable settlements. The record contains no evidence that these settlements are particularly out of line with those reached generally in the state. What evidence there is suggests that they are in line.

CONCLUSION

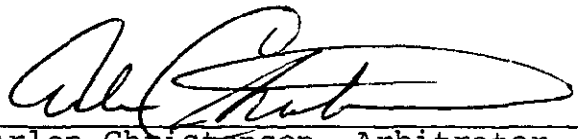
Principally on the ground that it is more consistent with comparable settlements I conclude that the Board's final

offer is more reasonable. The Association makes a substantial and persuasive argument for wage parity with the Wausau District. The record is not clear on what this means in the context of this dispute, however. With respect to cost of living I find the offers to be equally reasonable. On the whole I am compelled to choose the Board's offer.

AWARD

It is my award that the final offer of the D.C. Everest Area School District should be and is hereby selected. The School District's final offer shall be incorporated into a written collective bargaining agreement between the parties as required by law.

Dated this 25th day of February, 1981.


Arlen Christenson, Arbitrator