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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

\* \* \* \* \*

In the Matter of Arbitration Between	*	
Phillips Education Association	*	Case XIII
-and-	*	No. 28290
School District of Phillips	*	Med/Arb - 1288
	*	Decision No. 19137-A

\* \* \* \* \*

Appearances: Gene Degner, Director, WEAC UniServ Council No. 18,  
for the Association

Drager, O'Brien, Anderson, Stroh & Burgy, by  
John L. O'Brien, for the District

On December 15, 1981, the Wisconsin Employment Relations Commission appointed the undersigned as mediator-arbitrator in the above-captioned case. He met with the parties on January 29, 1982, at Phillips, Wisconsin. Mediation took place for approximately 7-1/2 hours. During that time the parties reached agreement on all of the language items on which they had been in disagreement which were several issues dealing with fair share, layoffs, and individual contracts. They agreed to remove those issues from their final offers.

The parties did not reach agreement on the economic issues of salary and extracurricular pay, and health insurance. They agreed to proceed to arbitration on these issues, and both parties waived their statutory right to withdraw their entire final offers in favor of the right to strike.

The parties agreed also to waive an arbitration hearing, and to make their presentations in written briefs and reply briefs. Reply briefs were received on March 2, 1982. At the arbitrator's request, the parties supplied some additional data for the purpose of clarifying discrepancies which appeared in their briefs and reply briefs. The last correspondence was received by the arbitrator, dated April 16, 1982.

The final offers, as amended on January 29, 1982, are as follows:

Association Offer:

Article XXII - Insurance Provisions

- A. Health Insurance - The Board shall provide, without cost to the employee, complete health care protection (hospital-surgical-major medical insurance) for a full twelve month period for the employee's family and/or employee.

The Board agrees to reimburse the employee for 50 percent of the major medical deductible, when used, for the single or family policies as applicable.

EXTRA PAY PROVISIONS

Increase all existing amounts, plus proposed adjustments, by 1%.

Proposed Adjustments	1980-81 Adjusted Rate
<u>Basketball</u>	
B-Squad	892
Middle School Assistant	350
<u>Wrestling</u>	
Pee-Wee Middle School Wrestling	
Phillips	350
Kennan	275
<u>Track</u>	
Assistant Coach	663
<u>Cross Country</u>	541
<u>Tennis</u>	500
<u>GIRL'S ATHLETICS:</u>	
<u>Volleyball</u>	
Head Coach	725
Assistant Coach	425
<u>Tennis</u>	500
<u>Cross Country</u>	541
<u>Basketball</u>	
Assistant Coach	728
Freshman Coach	728
<u>Track &amp; Field</u>	
Head Coach	894
Assistant	663
<u>Annual</u> - (Wabasso)	600

PHILLIPS EDUCATION ASSOCIATION 1981-82 SALARY SCHEDULE FINAL OFFER RETROACTIVE TO JULY 1, 1981

<u>STEP</u>	<u>BA</u>	<u>BA+8</u>	<u>BA+16</u>	<u>BA+24</u>	<u>BA+32</u>	<u>MA</u>	<u>MA+12</u>	<u>MA+24</u>
1	11,975	12,175	12,375	12,575	12,775	13,000	13,300	13,600
2	12,460	12,660	12,860	13,060	13,260	13,550	13,850	14,150
3	12,745	13,145	13,345	13,545	13,745	14,100	14,400	14,700
4	13,430	13,630	13,830	14,030	14,230	14,650	14,950	15,250
5	13,915	14,115	14,315	14,515	14,715	15,200	15,500	15,800
6	14,400	14,600	14,800	15,000	15,200	15,750	16,050	16,350
7	14,885	15,085	15,285	15,485	15,685	16,300	16,600	16,900
8	15,370	15,570	15,770	15,970	16,170	16,950	17,150	17,450
9	15,855	16,055	16,255	16,455	16,655	17,400	17,700	18,000
10	16,340	16,540	16,740	16,940	17,140	17,900	18,250	18,550
11	16,825	17,025	17,225	17,425	17,625	18,500	18,900	19,100
12	17,310	17,510	17,710	17,910	18,110	19,050	19,350	19,650
13	17,795	17,995	18,195	18,395	18,595	19,600	19,900	20,200
14	18,280	18,480	18,680	18,880	19,080	20,150	20,450	20,750
15	18,500	18,780	18,980	19,180	19,380	20,450	20,750	21,050

District Offer:

Article XXII - Insurance Provisions

A. Health Insurance. The Board shall provide without cost to the employee, complete health care protection (hospital-surgical-major medical insurance) for a full twelve-month period for the employee's family, up to a maximum payment of \$110.00 per month for family coverage and \$46.00 per month for a single coverage for the 1981-1982 contract year. In the event the insurance premium exceeds the above figures, the District will pay all sums in excess of those figures; provided, however, each employee shall reimburse the district for all sums so paid in excess of those figures, which reimbursement shall be accomplished by deducting that amount from the teacher's last paycheck of the contract year.

The Board agrees to reimburse the employee for 50 percent of the major medical deductible, when used, for the single or family policies as applicable.

Salary - Board's last offer on August 17, 1981:

\$12,100 BA Base	\$13,100 MA Base
465 Increment	525 Increment
200 Credit Lane	200 Credit Lane

This gives average of \$1660 per teacher on salary only.  
\$2135 per teacher on package. Percentage - 11.1%.

On pages 26, 27 and 28 increase all existing amounts by 11% except the following: Previous amount in parenthesis.

Boys' Athletics

Basketball

B-Squad coach to \$950 (\$792)  
Add Middle School Assistant at \$350 (\$0)

Wrestling

Middle School Wrestling - Phillips to \$350 (\$255)  
Kennan to \$250 (\$0)

Track

Assistant Coach to \$675 (\$575)

Cross Country (combined girls and boys) to \$500 (\$414)

Tennis to \$500 (\$414)

Girls' Athletics

Volleyball

Head coach to \$675 (\$575)  
Assistant to \$450 (\$383)

Tennis to \$500 (\$414)

Cross Country (combined with boys - See Boys' Athletics)

Basketball

Assistant Coach to \$700 (\$543)  
Add Freshman Coach at \$700 (\$0)

Track

Head Coach to \$993 (\$703)  
Assistant to \$675 (\$479)

Other Activities

Phillipsonian to \$100 per issue (minimum of 3 issues,  
maximum of 6 issues) (\$511)

Band Director

Phillips Middle School to \$300 (\$133)  
Catawba Middle School to \$150 (\$133)

Wabasso to \$600 (\$511)

Dept. Chairperson per person in Department to \$155 (\$147)

FACTS

Salary:

Although the Association urges the arbitrator to consider state-wide and CESA comparisons, the parties appear to agree that comparisons with six other districts in the Lumberjack Conference are most appropriate. The final offers of both parties differ by relatively small amounts. Both appear to agree, also, that the most appropriate method of calculation is to take the 1980-81 staff and calculate what the increased cost of salaries is to that same staff, assuming no changes, in 1981-82 staffing. Neither party proposes any changes in the structure of the salary schedule.

The Association calculates its 1981-82 salary offer to be an increase of \$132,345 over the 1980-81 cost of \$1,152,400, or an increase of 11.48%, including increments and longevity pay.

The Association calculates the District's offer to be an increase of \$127,535, or an increase of 11.07%.

The difference between the two salary offers, as the Association calculates it is \$4,810, or \$62.46 per teacher.

The District's own calculations are slightly different, as shown on page 16 of its exhibits. The District calculates its offer for 1981-82 for total salaries, as 11.29%. The same figure for the Association's offer, not shown on page 16, but derived from the figures presented there is 11.80%.

	<u>Association Salary Offer</u>	<u>District Salary Offer</u>
Association calculation	11.48%	11.07%
District calculation	11.80%	11.29%

Thus, based on the percentage differences between the two offers, there is little to distinguish them. The difference is no more than .51%, or approximately \$6,000. An important difference lies in the way the salary offers are distributed on the salary schedule. The District offer puts more of an increase at the base than does the Association offer, but the Association proposes higher increments, and thus higher salaries for teachers at the top of the schedule than does the District offer.

Both sides presented salary data for Phillips, Ashland, Medford, Lakeland, Park Falls, Tomahawk, and Northern Pines districts. All but Northern Pines had settled for 1981-82 by the close of the record in this case.

In 1980-81, Phillips ranked 3rd of 7 Lumberjack schools at the BA minimum. Under both final offers for 1981-82, Phillips remains 3rd of 6 schools, not counting Northern Pines. In 1980-81, the Phillips BA minimum of \$11,050 was \$42 higher than the median salary for these 6 schools. The median of the 6 settled schools for 1981-82, including Phillips, is \$11,938 or \$12,000, depending on which final offer is used for Phillips, and the result will be that Phillips is \$37 above the median if the Association offer

is used, and \$100 above the median if the District's offer is used.

In 1980-81 Phillips ranked 2nd of 7 Lumberjack schools at the BA column maximum. Under both final offers for 1981-82 Phillips remains 2nd of 6 schools, not counting Northern Pines. In 1980-81 the Phillips BA maximum was \$300 higher than the median salary for the 6 schools. The median of the 6 settled schools for 1981-82, including Phillips, is \$18,238. Phillips will thus be \$207 above the median under the District's offer, and \$342 above the median under the Association's offer.

In 1980-81 Phillips ranked 6th of 7 Lumberjack schools at the MA minimum. Under both final offers for 1981-82 Phillips is ranked 3rd of 6 schools, not counting Northern Pines. In 1980-81 the Phillips MA minimum was \$175 lower than the median salary for the 6 schools. The median of the 6 settled schools for 1981-82 including Phillips, is \$12,988 or \$13,308 depending on which final offer is used for Phillips. Phillips will thus be \$62 above the median under the District's offer, and \$12 above the median under the Association's offer.

In 1980-81 Phillips ranked 7th of 7 Lumberjack schools at the MA column maximum. Under both final offers for 1981-82 Phillips is ranked 6th of 6 schools, not counting Northern Pines. In 1980-81 the MA maximum was \$536 lower than the median salary for the 6 schools. The median of the 6 settled schools for 1981-82 including Phillips, is \$20,751. Phillips will thus be \$525 below the median under the District's offer, and \$301 below the median under the Association's offer.

The figures used for making these calculations are:

	1980-81	1981-82	1980-81	1981-82	1980-81	1981-82	1980-81	1981-82
	<u>BA Base</u>		<u>BA Max</u>		<u>MA Base</u>		<u>MA Max</u>	
Ashland	10,500	11,445	16,870	18,388	11,100	12,099	19,275	21,010
Medford	11,250	12,125	16,354	17,625	12,050	12,925	19,096	20,491
Lakeland	12,000	12,972	17,280	18,680	14,880	16,085	22,560	24,387
Park Falls	10,950	11,850	16,530	17,910	12,000	12,975	18,695	20,190
Tomahawk	10,965	11,900	16,228	18,088	12,675	13,754	19,520	21,800
Phillips (District)	11,050	12,100	17,000	18,445	11,850	13,100	18,650	20,225
(Association)	11,050	11,975	17,000	18,580	11,850	13,000	18,650	20,450



In the Arbitrator's view, based on these comparisons, the offers of the Association and the District are very close and offer little to choose between them. The Association's proposal, however, has the advantage of significantly narrowing the large gap between Phillips and the other schools at the MA-maximum, whereas the District's offer does not do that. There is nothing in the record that persuades the arbitrator that experienced teachers in the district should be at a significant relative disadvantage to their counterparts in comparable districts. Also, most of Phillips' teachers stand to gain more from the Association's offer than the District's offer, at both the BA and MA levels because most teachers are at the top half of the schedule in terms of their years of experience, while the District offer favors those in the bottom half.

Extra Curricular Pay:

The extracurricular pay offers of the two parties are substantially identical, and the arbitrator has no basis for favoring one over the other. Both increase the rates by 11%, and there are some variations on specific positions.

Health Insurance:

Under the District's offer, the health insurance payment by the District is set at a dollar figure which is less than full payment, and equals approximately 91% of the premium. The Association's offer would have the District pay the full cost of the premium. The District offer would pay the full cost by making a no interest loan to the teachers which would be deducted from their final pay check.

For the past several years, whether as part of one or two year agreements the District has paid a dollar figure equivalent to the full cost of the premium. This year the District seeks to limit its costs because of a high premium increase and in hopes that if employes share the costs, the experience in utilization

will improve and hold down the costs. The Association contends that the District does not have a sound basis on which to end the practice of full payment. It argues that the large premium increase resulted because of an unrealistically low premium in the prior year when the District changed insurance carriers. The Association points out that the 1981-82 premium of \$120.52, while much higher than the 1980-81 premium of \$89.32, is only slightly above the 1979-80 premium of \$107.83.

Comparisons with other Lumberjack conference schools show that all pay the full cost of family health insurance (Northern Pines is not settled yet). They pay the following premiums:

Ashland	\$105.62	
Medford	151.63	
Park Falls	74.58	(Association Data)
	107.22	(District Data)
Lakeland	115.97	
Tomahawk	150.12	
Phillips (Association)	120.52	
(District)	110.00	

If the Association offer were implemented (using either figure for Park Falls) the median premium would be \$118.25, and Phillips would then pay \$2.28 above the median. If the District offer were implemented, the median would be \$112.99 and Phillips would then pay \$2.99 below the median. Thus, in the arbitrator's view, either offer would be close to the comparable schools in terms of dollars. However, the Association's position is strongly favored in that, like all of the comparison districts, it continues the full payment by the District. The District's arguments are important insofar as the District wishes to find a way to hold down health premiums, especially large ones such as occurred this year, but the arguments would be more weighty if the resulting premiums were out of line with those paid by comparison districts, and they are not. Also, there is no basis in the comparison to support the District's proposed method of loans to the teachers, albeit that this would work to the teachers' advantage were they to pay some of the premium themselves.

Cost of Living:

The statutory criteria include consideration of the cost of living. In the arbitrator's opinion the relevant period to consider is the period during which the last agreement was in effect, July, 1980 - June, 1981. It is that experience that the parties would have wanted to factor into their deliberations for a 1981-82 agreement. The arbitrator has obtained these figures, since neither side put them into the record for the period that the arbitrator deems relevant. The figures show that the Consumer Price Index for Urban Wage Earners and Clerical Workers increased 10.7%, as did the All Urban Consumers Index [GERR 948:39-40] for the 12-month period preceding July, 1981.

Both parties have made final offers in excess of the change in the cost of living for the preceding year. Since the District's offer is the lower of the two, its offer more closely reflects the change of cost of living for this one-year period.

Overall Compensations:

In their briefs, both parties addressed themselves to the issue of overall compensation. The District's calculations, at page 16 of its brief, show that under the District proposal the increase in salary and fringe benefits for 1981-82 is 11.65%. Utilizing the Association's offer the increase is 12.54%, according to the District.

According to the Association's calculations, shown on its exhibit #30, the overall cost increase of the District's offer is 11.38%, and the cost increase of the Association's offer is 12.26%.

	<u>Association Total Package</u>	<u>District Total Package</u>
Association Calculation	12.26%	11.38%
District Calculation	12.54%	11.65%

The District presents figures at page 28 of its brief comparing its total package increase to those of the other Lumberjack schools, although it presents none of the backup data to show how the calculations were made. These figures show increases for 1981-82 of:

Ashland	11.03%
Lakeland	10.01%
Medford	10.20% (not including health insurance)
Park Falls	11.60%
Tomahawk	13.22%
Phillips	11.65% (District)
	12.54% (Association)

Assuming these figures to be correct, it would appear that using either offer, Phillips would rank 2nd of 6, in the percentage increase given over 1980-81 levels.

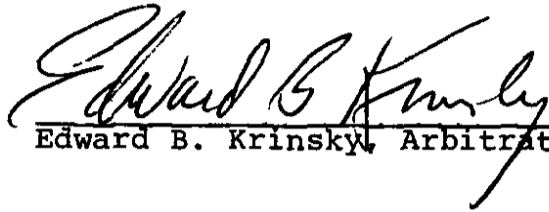
#### CONCLUSION

The arbitrator has reviewed each offer carefully, and weighed them against the statutory criteria of section 111.70(4)(cm)(7), Wis. Stats. which are to be considered by the mediator/arbitrator. He has concluded that both offers are reasonable, and in fact there is very little basis for choosing between them. Under the statute, however, the arbitrator is compelled to make a choice in favor of one offer. Both offers improve the relative salary standing of Phillips at the MA level, in comparison to other conference schools, and both provide salaries and overall compensation in excess of the change in the cost of living.

As stated above, the arbitrator has concluded that in the areas of salary distribution and health insurance premiums, the comparisons with other conference districts favor the Association's final offer. In the arbitrator's judgment, these factors which favor the Association, outweigh the fact that the increase in total compensation is higher than the increase in the cost of living and the increases granted by comparable districts.

Based on the foregoing facts and discussion the arbitrator awards  
in favor of the final offer of the Association.

Dated this 5<sup>th</sup> day of May, 1982.

  
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Edward B. Krinsky, Arbitrator