

IN THE MATTER OF ARBITRATION )  
 )  
 between )  
 )  
 School District of Winter )  
 )  
 and )  
 )  
 Northwest United Educators ) April 19, 1982  
 )))))))

FINAL OFFER INTEREST ARBITRATION  
  
WERC Case XXVII No. 27805  
MED/ARB-1101  
Decision No. 19189-A

APPEARANCES

APR 23 1982

For School District of Winter

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

Edward J. Coe, Attorney, Coe, Dalrymple, Heathman & Arnold, Rice  
Lake, Wisconsin  
Barry Bay, Administrator  
Nick Bass, School Board Member  
Willard G. Villiard, School Board Member  
Jim Schuchardt, Principal  
Sharon Thompson, School Board Member

For Northwest United Educators

Al Manson, Executive Director  
Stan Hall, Head Negotiator  
David Sanders, Unit Director

JURISDICTION OF MEDIATOR-ARBITRATOR

On February 12, 1981, the Parties exchanged their initial proposals on matters to be included in a new collective bargaining agreement to succeed the agreement which expired on June 30, 1981; that thereafter the Parties met on two occasions in efforts to reach an accord on a new collective bargaining agreement; that on April 13, 1981, the Parties filed the instant stipulation requesting that the Commission initiate Mediation-Arbitration pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Relations Act; that on July 21, 1981, James D. Lynch, a member of the Commission's staff, conducted an investigation and, thereafter, Lionel L. Crowley, a member of the Commission's staff, continued said investigation with the Parties via telephone, which investigation reflected that the Parties were deadlocked in their negotiations, and by November 24, 1981, the Parties submitted to said Investigator their final offers, as well as a stipulation on matters agreed upon, and thereupon the Investigator notified the Parties that the investigation was closed; and that said Investigator has advised the Commission that the Parties remain at impasse.

The Wisconsin Employment Relations Commission having, on December 8, 1981, issued an Order requiring that mediation-arbitration be initiated for the purpose of resolving the impasse arising in collective bargaining between School District of Winter and Northwest United Educators on matters affecting wages, hours and conditions of employment of full-time employees engaged in teaching including classroom teachers, guidance counselors and librarians; and on the same date the Commission having furnished the Parties a panel of Mediator-Arbitrators for the purpose of selecting a single Mediator-Arbitrator to resolve said impasse; and the Commission having, on January 4, 1982, been advised that the Parties had selected Richard J. Miller, New Hope, Minnesota, as the Mediator-Arbitrator.

Pursuant to Section 111.70(4)(cm)6.b of the Municipal Employment Relations Act, the Mediator-Arbitrator on Thursday, February 18, 1982, at 1:00 p.m. in the School Board Conference Room, Winter, Wisconsin, was successful in mediating all impasse items except salary for the 1981-82 school year. At approximately 7:00 p.m. on the same day, the Parties proceeded to final offer arbitration regarding the only remaining issue at impasse. The Parties filed post hearing briefs and the Northwest United Educators filed a reply brief which was received on April 10, 1982, at which time the hearing was considered closed.

POSITIONS OF THE PARTIES

The School District proposes the following 1981-82 salary schedule to be effective October 1, 1981:

	<u>Step</u>	<u>BA</u>	<u>BA+10</u>	<u>BA+20</u>	<u>MA</u>	<u>MA+10</u>
	1	11,600	11,875	12,150	12,425	12,700
1.05	2	12,180	12,469	12,758	13,046	13,335
1.10	3	12,760	13,063	13,365	13,668	13,970
1.16	4	13,456	13,775	14,094	14,413	14,732
1.22	5	14,152	14,488	14,823	15,159	15,494
1.26	6	14,616	14,963	15,309	15,656	16,002
1.30	7	15,080	15,438	15,795	16,153	16,510
1.34	8	15,544	15,913	16,281	16,650	17,018
1.37	9	15,892	16,269	16,646	17,022	17,399
1.40	10	16,240	16,625	17,010	17,395	17,780
1.43	11	16,588	16,981	17,375	17,768	18,161
1.46	12	16,936	17,338	17,739	18,141	18,542
1.49	13	17,284	17,694	18,104	18,513	18,923

The Northwest United Educators submit the hereinafter salary schedule for 1981-82 school year effective July 1, 1981, as its final offer:

	<u>Step</u>	<u>BA</u>	<u>BA+10</u>	<u>BA+20</u>	<u>MA</u>	<u>MA+10</u>
	1	11,550	11,850	12,150	12,450	12,750
1.05	2	12,128	12,443	12,758	13,073	13,388
1.10	3	12,705	13,035	13,365	13,695	14,025
1.16	4	13,398	13,746	14,094	14,442	14,790
1.22	5	14,091	14,457	14,823	15,189	15,555
1.26	6	14,553	14,931	15,309	15,687	16,065
1.30	7	15,015	15,405	15,795	16,185	16,575
1.34	8	15,477	15,879	16,281	16,683	17,085
1.37	9	15,824	16,235	16,646	17,057	17,468
1.40	10	16,170	16,590	17,010	17,430	17,850
1.43	11	16,517	16,946	17,375	17,804	18,233
1.46	12	16,863	17,301	17,739	18,177	18,615
1.49	13	17,210	17,657	18,104	18,551	18,998

ANALYSIS OF THE EVIDENCE

The Mediator-Arbitrator evaluated the final offer of the Parties in accordance with the criteria enumerated in Wisconsin Statutes 111.70(4)(cm)7. The criteria includes:

- A. The lawful authority of the municipal employer.
- B. Stipulations of the parties.
- C. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.

- D. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally in public employment in the same community and in comparable communities and in private employment in the same community and in comparable communities.
- E. The average consumer prices for goods and services, commonly known as the cost-of-living.
- F. The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- G. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- H. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

#### A. THE LAWFUL AUTHORITY OF THE MUNICIPAL EMPLOYER

The School District, exclusive of those items specifically noted in the Master Agreement between the Parties, retains all management rights and functions as well as administrative controls that it has by law (Article II, Management Rights and Responsibilities). The only relevant legal limitation on the authority of the School District under the law is the "cost control" limitation. Simply stated, the Wisconsin Statutes prohibit a school district from increasing its per student cost by over 10 1/2 percent per year. Disregarding declining student enrollments, any increase in labor costs above 10 1/2 percent compels a greater decrease in other school expenditures to make up the difference.

When the cost control limitation is compared to the total package cost of the final offer of the Parties, as shown in Board Exhibit #10 (NUE - 13.9%, School District - 12%), the conclusion is inescapable that the final offer of the School District is preferable to the final offer of the Northwest United Educators. Furthermore, since the final offers of both Parties are in excess of the cost control limitation, the School District must trim its expenditures to make up the difference with little time to do so in this school year.

#### B. STIPULATIONS OF THE PARTIES

The Parties have made two stipulations regarding the 1981-82 contract. The first stipulation, entered during the investigation stage of the mediation-arbitration proceeding, dealt only with the school calendar. The second stipulation made during the mediation phase amended Article IX, Personal Leave, Part C, by replacing the first sentence with: "When a day of personal leave is taken by a teacher, thirty dollars per day will be deducted from the pay of the teacher." Another mediated change was that the School District shall pay, for each teacher enrolled in the group hospital insurance plan, up to \$37.20 per month for each teacher enrolled under the single plan, and up to \$96.36 per month for each teacher enrolled in the family plan. The second stipulation also incorporated six proposals advanced by Northwest United Educators, two involving language changes and four dealing with economic increases to the School District. The first language change allows the Board to pay a new teacher above

or below the salary schedule. The second change deleted from the contract the assignment of extra duties to teachers. The four involving additional costs to the School District were an increase in snow days without make up from two to three, an increase in sick leave accumulation from 70 to 80 days, the addition of long-term disability insurance at Board expense starting April 1, 1982, and an increase in the extracurricular pay schedule of 10 percent across the board.

The Parties also agreed upon a side letter that in the event the Parties have not agreed upon a new contract for the 1982-83 school year by January 1, 1983, when health insurance premiums are adjusted by the insurance carrier, the School District will continue to pay the total dollar cost of health insurance for teachers until settlement is reached.

As a result of the stipulation, the employees have received, by mutual consent, additional benefits to those being offered through the salary schedule. While the insurance costs are computed as a part of the total package increase, the other benefits are in addition to salary. They were considered by the Mediator-Arbitrator as additional benefits beyond the cost of total package.

C. THE INTERESTS AND WELFARE OF THE PUBLIC AND THE FINANCIAL ABILITY OF THE UNIT OF GOVERNMENT TO MEET THE COSTS OF ANY PROPOSED SETTLEMENT.

During the course of the arbitration proceedings, the School District acknowledged that it had the economic resources to pay for any proposed final offer. However, it must be noted that a substantial portion of the cost of operating the School District is derived from the local property tax paid by citizens in Sawyer County, who are suffering from a higher rate of unemployment than the statewide average for 1981 (Board Exhibit #8) and that Sawyer County had the lowest per capita income of the ten-county area in the years 1976 and 1979 and the next to the lowest income in those counties in 1975, 1977 and 1978 (Board Exhibit #6).

Although the Board exhibits on unemployment were confined to one year (1981) and the critical years (1980 and 1981) were missing from the per capita personal income exhibit, no rebuttal evidence was introduced by NUE to refute the conclusions derived from these exhibits. Clearly, this is the best evidence available to show the economic condition of Sawyer County.

D. COMPARISON OF WAGES, HOURS AND CONDITIONS OF EMPLOYMENT OF THE MUNICIPAL EMPLOYEES INVOLVED IN THE ARBITRATION PROCEEDINGS WITH THE WAGES, HOURS AND CONDITIONS OF EMPLOYMENT OF OTHER EMPLOYEES PERFORMING SIMILAR SERVICES AND WITH OTHER EMPLOYEES GENERALLY IN PUBLIC EMPLOYMENT IN THE SAME COMMUNITY AND IN COMPARABLE COMMUNITIES AND IN PRIVATE EMPLOYMENT IN THE SAME COMMUNITY AND IN COMPARABLE COMMUNITIES.

The essential difference between the final offer of the Parties is that the School District proposes its 1981-82 salary schedule to be effective October 1, 1981; NUE proposes its salary schedule to be fully retroactive (July 1, 1981).

The difference between the two offers, as measured by what the 1981-82 staff would be paid under both, is approximately \$12,000, or about \$300 per teacher.

NUE proposes that the comparability group of schools, for purpose of evaluating the respective salary offers of the Parties, should be made up of the schools in the Lakeland Conference, the Heart O'The North Conference and the Upper St. Croix Valley Conference. That argument was predicated on the fact that the Heart O'The North Conference and the Upper St. Croix Valley Conference are geographically adjacent to

schools in the Lakeland Conference of which the School District is a member. NUE Exhibit #8 shows the 31 schools for 1980-81 and ranks them by teacher full-time equivalency. It is clear from this exhibit that the Lakeland Conference schools are, with but two exceptions (Flambeau and Bruce), smaller than any of the school districts in either the Heart O'The North Conference or the Upper St. Croix Valley Conference when comparing staff members. This is an unfair comparison because the larger schools, especially those in the Heart O'The North Conference, pay larger salaries than small school districts such as those in the Lakeland Conference. The best comparability group, therefore, for purposes of ascertaining a fair and equitable salary award, are Lakeland Conference schools. These schools are comparable in that they are located in the same general geographic area, their enrollments are comparable, and by virtue of being in the same athletic conference, their extracurricular programs are comparable.

There are eight school districts in the Lakeland Conference larger than Winter and six are smaller. The mean enrollment of the conference schools is 542.5 students, 14.5 students less than the enrollment in Winter. The average enrollment of the 15 schools in the conference is 537, 20 less than the enrollment at Winter. This evidence shows that the School District is approximately in the middle of the Lakeland Conference schools.

Board Exhibits #14-17 show that the actual salary with the retroactivity date of October 1, 1981, maintains the comparability from preceding years, while NUE's final offer steadily advances the Winter teachers in comparison to other Lakeland Conference Schools, as follows:

<u>Salary Level</u>	<u>78/79 Rank</u>	<u>79/80 Rank</u>	<u>80/81 Rank</u>	<u>Board Salary Rank</u>	<u>Union Offer Rank</u>
BA+0	8	7	7	7	7
BA+0 Max.	9	7	9	8	6
BA Max.	9	9	9	9	6
MA+0	10	10	7	7	5
MA+0 Max.	10	10	10	10	8
MA Max.	9	9	10	9	8

This compilation of data shows that the only reduction in rank by Winter teachers in the 1980-81 school year was at the BA+0 maximum step and at the MA maximum step. The Board's final offer actually acts as catch up at those two steps and in addition does provide some further improvement for the future through the increased salary schedule which is not fully retroactive.

Further support for the School District's final offer is found in Board Exhibit #10 wherein the comparability of total package increases for 1981-82 of settled school districts in the Lakeland Conference shows an average increase of 12.17% (calculating Siren School District at 12.2%, not 11.1%). Thus, the delay implementation date allows the School District to increase the salary schedule to substantially the levels sought by NUE (with the differences in the bases of the five lanes being anywhere from zero to \$50 and with the Board's offer ahead of NUE's by \$50 in the first lane and NUE's ahead of the District's by \$50 in the last) but at the same time tempers the cost from a 13.9% total package to 12.0% total package, which was shown to be excessive on the basis of comparative data.

F. THE AVERAGE CONSUMER PRICES FOR GOODS AND SERVICES, COMMONLY KNOWN AS THE COST-OF-LIVING.

Whether the Mediator-Arbitrator uses the data from NUE Exhibits #96 and #97 or Board Exhibit #9, the conclusion is inescapable that the School District's final offer of 12% (total package) more accurately

reflects the trend in the consumer price index. For example, the CPI increase for 1980 was either 13.5% (using data from NUE Exhibit #97) or 12.4% (using data from Board Exhibit #9) and in 1981 that increase was 8.9% (Board Exhibit #9). If the School District's figure is used for comparability purposes, that increase on a school year basis from July to July in the 1980-81 school year was 10.7%. The increase from July of 1981 through December of 1981 is 2.6% which, annualized, would produce 5.2% annual rate. The School District's offer, at 12%, is 1.3% higher than the increase in CPI in the preceding 1980-81 school year and more than double the annualized rate from the first six months of the 1981-82 school year. On the other hand, the NUE offer at 13.9% (total package) exceeds any calculation of increase in CPI, even using its own data for 1980 and then applying it to current CPI data.

F. THE OVERALL COMPENSATION PRESENTLY RECEIVED BY THE MUNICIPAL EMPLOYEES, INCLUDING DIRECT WAGE COMPENSATION, VACATION, HOLIDAYS AND EXCUSED TIME, INSURANCE AND PENSIONS, MEDICAL AND HOSPITALIZATION BENEFITS, THE CONTINUITY AND STABILITY OF EMPLOYMENT, AND ALL OTHER BENEFITS RECEIVED.

The School District provides the full dollar amount of the premium costs for health insurance and is adding the entire cost of long-term disability premiums during the 1981-82 contract. In addition, the School District incurs additional costs for teachers' retirement and social security and, coupled with health insurance, the amount for the 1981-82 school year will be \$112,202 which amounts to 16.7% of the salaries (Board Exhibits #12 and #13).

The bargaining unit members also receive other benefits in the form of leaves. Sick leave accumulates at the rate of 10 days per year with a maximum accumulation of 80 days, being increased in 1981-82 from 70 days. In addition, teachers can receive up to a maximum of five days for personal leave without an explanation for seeking the leave. Teachers are also eligible for three days of professional leave to participate in workshops, conventions, conferences and similar activities. Three days of funeral leave with pay and full pay while serving on jury duty are other examples of these benefits.

The heretofore data, however, is without exact information on leaves and insurances from other collective bargaining contracts, public and private, which is an essential tool to ascertain whether in fact these benefits are in the mainstream or not with comparable employees. Without this data, the Mediator-Arbitrator cannot make a valid comparability study or a valid conclusion about these benefits.

G. CHANGES IN ANY OF THE FOREGOING CIRCUMSTANCES DURING THE PENDENCY OF THE ARBITRATION PROCEEDINGS.


The only significant change since the commencement of the arbitration proceedings is the continued decline in the CPI up to and including the most recent figures for January, 1982. This steady decline lends further credence to the School District's final offer.

H. SUCH OTHER FACTORS, NOT CONFINED TO THE FOREGOING, WHICH ARE NORMALLY OR TRADITIONALLY TAKEN INTO CONSIDERATION IN THE DETERMINATION OF WAGES, HOURS AND CONDITIONS OF EMPLOYMENT THROUGH VOLUNTARY COLLECTIVE BARGAINING, MEDIATION, FACT-FINDING, ARBITRATION OR OTHERWISE BETWEEN THE PARTIES, IN THE PUBLIC SERVICE OR IN PRIVATE EMPLOYMENT.

This section was not given great weight because such other factors normally or traditionally taken into consideration were previously discussed in the heretofore criteria.

AWARD

Having reviewed the contentions, arguments and evidence of both Northwest United Educators and the School District of Winter in light of the statutory criteria, the School District of Winter's final offer, together with the stipulations of the Parties made during bargaining and mediation, as well as those provisions of the predecessor collective bargaining agreement, are to be incorporated into the 1981-82 collective bargaining agreement as required by statute.

  
Richard John Miller  
Mediator-Arbitrator

Dated this 19th day of April 1982  
Minneapolis, Minnesota