

IN THE MATTER OF ARBITRATION BETWEEN)
)
ROSHOLT EDUCATION ASSOCIATION)
)
AND)
)
SCHOOL DISTRICT OF ROSHOLT)

Case IX
No. 30030 MED/ARB-1806
Decision No. 19933-A

Introduction

On May 12, 1982 the Rosholt Board of Education the Board of Education and the Rosholt Education Association commenced negotiations under a contract reopener provided for in the bargaining agreement. The parties reached agreement on several items. They were unable to resolve the salary schedule of the current contract for the 1982-83 school year, however.

On June 30, 1982 the Association filed a petition with the Wisconsin Employment Relations Commission requesting the initiation of mediation/arbitration pursuant to Section 111.70(4)(cm)6, Wis. Stats. WERC Investigator, met with the parties on September 1, 1982 in an effort to mediate a voluntary settlement. At the conclusion of that meeting, the Investigator concluded that the negotiations were deadlocked, and final offers were submitted by the parties on September 15, 1982.

The parties selected John Flagler to serve as Mediator/Arbitrator. On December 20, 1982, a public hearing was held in which the parties explained their final offers and the Arbitrator heard citizen reactions to the positions. On December 21, 1982, further mediation was pursued. As a result, both parties modified their final offers but still were unable to reach a settlement. An arbitration hearing was then held and the parties presented evidence in support of their respective positions. At the close of the hearing, the parties agreed to submit written briefs and reserved the right to file reply briefs. The parties submitted their briefs on February 7, 1983.

Statement of Issues

A. Final Offer of the Board

The Board's 1982-83 final offer regarding salary increases the BA base from \$11,975 to \$12,500 for the first semester and \$12,800 for the second semester. The offer increases the MA base from \$13,025 to \$13,560 for the first semester and \$13,950 for the second semester. Additionally, the Board has proposed to maintain the increment structure of the 1981-82 salary schedule.

The Board's proposed salary schedule represents a dollar increase of \$45,623.00 over 1981-82. This is an average teacher wage increase of \$1,201 or 7.88%. The total package cost of the Board's final offer is \$817,674.27, which is \$64,827.62 or 8.61% above the 1981-82 wage and benefit costs. This represents an average teacher total compensation increase of \$1,706.

B. Final Offer of the Association

The Association has proposed to increase the BA base from \$12,100 to \$13,200 and the MA base from \$12,934 to \$14,112. In addition, the Association has proposed a change in the status quo relative to the salary schedule. They have added an additional experience increment, which is credited upon the fourteenth year of experience.

The Association's final offer represents a dollar increase of \$58,152.00 over 1981-82. This is an average teacher wage increase of \$1,530 or 10.04%. The total package cost of the REA's final offer is \$829,236.67. This is a total increase of \$76,390.02 or 10.15%. This represents an average teacher total compensation increase of \$2,010.

Criteria to be Utilized by the Arbitrator
in Rendering the Award

The criteria to be utilized by the Arbitrator in rendering the award are set forth in Section 111.70(4)9cm, Wisc. Stats., as follows:

(7.) 'Factors considered.'

In making any decision under the arbitration procedures authorized by this subsection, the mediator-arbitrator shall give full weight to the following factors:

- 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 the 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 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 pension, 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.

Discussion

Interest arbitrators strive for consistency in order to provide the parties with a framework of improved predictability concerning the probable outcomes of the process. The virtue of predictability is that it encourages the parties to settle their contract disputes through direct negotiations.

The pursuit of consistency, however, may obscure the fact that each contractual impasse poses distinct and separate problems. The special character of those problems requires great care in determining which data are the most useful, and what weight should be assigned to the various, often contradictory, statutory criteria.

While this review addresses each of the required decision-making standards, the selection of the Board's position as the more reasonable recognizes the greater weight which attaches to recent dramatic changes in the economy. These changes affect each of the criteria in ways which must be factored into the final decision.

Review of interest arbitration over the years shows that most arbitrators consider those factors that the parties themselves rely on in contract negotiations. In a real sense, the arbitrator is a surrogate for the parties when they reach impasse. The proper arbitral role is to carry forward the search for a resolution to the settlement the parties themselves may well have arrived at had they not exhausted their own remedies. This means that the interest arbitrator is not

free, anymore than is the grievance arbitrator, to dispense his/her own brand of industrial justice, to embark on new seas beyond those the parties' alone are responsible for navigating.

To remain a faithful surrogate requires the interest arbitrator to reconstruct as aptly as the available information permits, the essence of the bargaining relationship -- the evidence and the arguments the parties themselves traditionally rely on to resolve their differences. This is the only approach which can nourish the collective bargaining relationship. The alternative would erode the parties' sense of responsibility for fashioning their own settlements and substitute external judgement for internal accommodation -- a result inimical to the purposes of the statute.

The order of appearance of the various criteria, and the amount of attention given each in the respective briefs provides a guide to the relative importance the parties attach to the factors they wish the arbitrator to consider. The rationale for selection of the more reasonable last offer develops accordingly.

1. The Comparability Criteria. Experienced negotiators recognize that there is no ideal comparison sample. Notwithstanding their imperfections, however, salary comparisons continue to be part of the standard furnishings of collective bargaining. What actually happens in negotiations, of course, is that the competing comparison pools tend to be increasingly "purified" by reciprocal challenges until something approaching consensus is reached on an acceptable group of fairly like-situated communities.

Interest arbitrators perform much the same kind of pruning process. It is rare that one party's comparison sample stands as unassailably "correct" while the other's is utterly meritless. These are bright people who serve their respective constituencies as advocates in interest disputes. Wisdom and truth abides in both houses.

Removing the less representative communities from both samples produces the kind of comparison group commonly arrived at in extended bargaining. If this combined comparison pool were the sole determinant of the proper salary schedule in this matter, the result would fall at about the fortieth percentile of the difference between final offers, thus slightly favoring the Board's position. The other statutory criteria must be weighted and factored into the final result, however.

Typically, as the criteria are weighed in interest arbitration, some tend to favor one party's position while others support the competing offer. It is the net effect of the variously weighted criteria that determines the final choice. In the present matter, the balance of factors increasingly shifts the calibration to the Board's favor.

2. The Current State of the Economy Directly Affects Criteria g. - Changes in circumstances during the pendency of the process; Criteria h. - traditional determinants of collective bargaining outcomes; and Criteria c. - the interests and welfare of the public.

Public sector bargaining can never be insulated from the general economic environment in which it takes place. The same forces shaping the current state of national and regional economies exert a powerful influence on bargaining outcomes in public employment.

When inflationary pressures were eroding the real wages of teachers at a rate of over 12% a year, their unions correctly argued for at least partial restoration of these losses through catch-up adjustments. The present decline to about one-third of that rate of inflation diminishes the vitality of that argument proportionately in the instant case.

When unemployment was low, farm prices relatively stable, and both wages and profits rising, teachers properly asserted the right to share in prosperity. There are few sectors of society spared by the continuing misfortunes of the economy. With some exceptions, the historical pattern shows that most public employees tend to lag behind in sharing both prosperity and hardship caused by fluctuations in the business cycle. The Board's offer is consistent with the economic downturn phase of this pattern, reflecting far less "sacrifice" for the teachers than is the common lot of most citizens in the current economic slump.

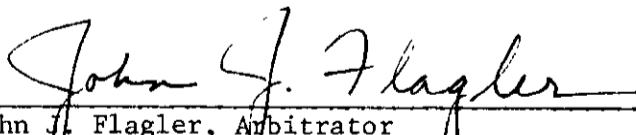
Consideration of developments during the pending of these proceedings serves to further reinforce the selection of Board's offer as the more reasonable. Among the observable trends which influences the present decision is the decline in the size of adjustments in the economic packages for comparable districts which have settled more recently. Like most data pools in this complex field, the results are a mixed bag. When single year settlements are disaggregated from multi-year agreements, however, and cast on a time line, the direction of movement can be readily discerned. That direction is unmistakably towards more modest settlements than were common before the economic slump deepened.

Summary

A well established principle of arbitration limits the scope of review to only those facts and considerations which properly dispose of the dispute. While I have carefully considered all the statutory criteria bearing on the selection of the more reasonable final offer, extended commentary on each can serve no useful purpose. The present decision rests firmly on the weighting assigned to the most significant standards, reviewed in the foregoing discussion, applicable to the particular circumstances of this case.

Decision

The final offer of the Board is, hereby, determined to be the more reasonable and shall be incorporated into the Agreement with all other items already agreed to by the parties.



 John J. Flagler, Arbitrator

3/6/83

 Date