

MAR 24 1983

IN THE MATTER OF MEDIATION-ARBITRATION) FINAL OFFER INTEREST
) ARBITRATION WISCONSIN EMPLOYMENT
)) RELATIONS COMMISSION
) WERC Case VIII, No. 30298
) Decision No. 20026-A
) MED/ARB-1885
)
) March 14, 1983
 between)
 School District of Grantsburg)
 -and-)
 Northwest United Educators)
))

APPEARANCES

For School District of Grantsburg

Edward Coe, Attorney, Rice Lake, Wisconsin
 Stanley Peer, School Board President
 Wade Brask, School Board Member
 LaVerne Sandberg, School Board Member
 Merlin A. Johnson, Superintendent of Schools
 Russ Satterlund, High School Principal
 William Stapp, Junior High School Principal

For Northwest United Educators

Alan Manson, Executive Director
 Richard Peper, Negotiating Team Member
 Suzanne Helene, Negotiating Team Member
 Steve Johnson, Negotiating Team Member
 Mary Heimbuch, Negotiating Team Member
 Russ Erickson, Negotiating Team Member

JURISDICTION OF MEDIATOR-ARBITRATOR

On August 5, 1982, the Parties, School District of Grantsburg (hereinafter "School District") and Northwest United Educators (hereinafter "NUE") exchanged their initial proposals on matters to be included in a new collective bargaining agreement to succeed the agreement which expired on June 30, 1982, that thereafter the Parties met on two occasions in efforts to reach an accord on a new collective bargaining agreement, that on August 27, 1982, the NUE filed the instant petition requesting that the Wisconsin Employment Relations Commission initiate mediation-arbitration pursuant to Section 111.70(4)(cm)6 of the Municipal Employment Relations Act, that on October 13, 1982, Andrew Roberts, a member of the Commission's staff, conducted an investigation which reflected that the Parties were deadlocked in their negotiations, and, by October 13, 1982, 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 Commission having, on October 21, 1982, issued an Order requiring that mediation-arbitration be initiated for the purpose of resolving the impasse arising in collective bargaining between Northwest United Educators and Grantsburg School District on matters affecting wages, hours and conditions of employment of all full-time and regular part-time teachers, excluding administrative personnel, 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 November 1, 1982, been advised that the Parties had selected Mr. Richard John Miller, New Hope, Minnesota, as the mediator-arbitrator.

Mediation was held on December 10, 1982, at 4:00 p.m. in the Grantsburg High School. It proved to be unsuccessful. The arbitration proceedings convened on December 15, 1982, at 4:00 p.m. in the Grantsburg High School. Following receipt of positions, contentions and evidence, the Parties filed post hearing briefs that were received on January 31, 1983. The Parties also submitted reply briefs that were received on February 14, 1983, after which the hearing was considered closed.

POSITIONS OF THE PARTIES

There are two issues in this arbitration for the 1982-83 contract. They involve wages and calendar.

NUE proposes a 1982-83 salary schedule with a BA Base of \$12,730 and retention of the same index and language. In addition, NUE proposes to add two in-service days (March 31 and May 27) for a total of 184 workdays.

The School District proposes a 1982-83 salary schedule with a BA Base of \$12,353 and retention of the same index and language. The School District proposes no change in the total number of workdays from 1981-82, which was 182.

There was some disagreement over the costing of the two offers. NUE in the Introduction of its post hearing brief states: "NUE proposes an 8.8 percent wage rate increase, while the District proposes a 5.6 percent wage rate raise." This statement is correct in that each cell on the 1981-82 salary schedule will increase by either 5.6% or 8.8%. What this fails to include is the cost of the increment and fringe salary costs, which yields an overall average salary increase under the School District's final offer of 6.7% and 9.9% under NUE's final offer. However, the cost of the increment and all other total package costs were considered by the mediator-arbitrator. It is found that the School District final offer represents an 8% total package increase, while the NUE final offer represents a 10.88% total package increase (attachment to School District's reply brief).

ANALYSIS OF THE EVIDENCE

The mediator-arbitrator evaluated the final offer of the Parties pursuant to the criteria set forth in Wisconsin Statutes 111.70(4)(cm)7. Those eight factors are as follows:

- 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 with other employees performing similar services and other employees in public employment in the same and comparable communities and in private employment in the same and 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 stipulated that it has the ability to fund NUE's total package increase of 10.88%. The only caveat is that NUE's total package exceeds the "cost controls" which prohibits a school district from increasing its per student cost by more than 10.5% per year. Disregarding changes in student population (a decrease of 24 students from the 1981-82 school year to the 1982-83 school year - School District Exhibits #17 and #17A), any increase in labor costs above the 10.5% requires a reduction in other school costs to make up the difference. The School District's total package offer, representing an 8% increase, will allow it to remain within the cost control limitations. However, even with NUE's offer of 10.88%, the School District can still fund the proposal without hardship to the taxpayers and students.

B. Stipulations of the parties.

School District Exhibit #7 provides a summary of those stipulated changes and the percentage of increase represented by each of those changes. Premiums for health, dental, vision, life and disability insurance increased 20.47% or \$17,697 actual dollars. Co-curricular pay, summer pay, unit leader pay and safety coordinator pay each increased around 8%. In addition, the School District must pay the employee's share of teacher's retirement and social security, which results in additional fringe benefit costs for the School District.

As a result of these stipulations, NUE members have received, by agreement, benefits additional to those resulting solely from the salary schedule. These were calculated in the total package costs and were considered by the mediator-arbitrator.

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.

The School District is located in Burnett County, where property taxes are collected to operate the School District. This area is experiencing severe economic distress.

School District Exhibit #32 shows per capita personal income for the years 1975 through 1980 for Burnett County and those counties contiguous to it. For every year that data is available, Burnett County has had the lowest per capita personal income, by a rather substantial margin, of all of the counties in that area of the state. Burnett County is also a county of high unemployment. School District Exhibit #33 indicates that the average unemployment through the month of October of 1982 is 9.6% compared with the 1981 average of 7.1%. On a monthly basis, it is evident from School District Exhibit #33 that unemployment in Burnett County was substantially worse in 1982 than it was in 1981 in each of the months reported.

School District Exhibit #36 shows the pattern of deferral of taxes in the School District of Grantsburg over the past nine years. That Exhibit shows a steadily increasing amount of deferred taxes up to the current year rate of 37.82% deferred. That Exhibit also shows that as of December 15, 1982, \$121,544.38 taxes were delinquent, which is 11.34% of the total tax levy for the year. This high rate of delinquent taxes provides further evidence of the economic distress of residents of the

School District. It also provides evidence of an increasing problem in school operation when budgeted revenues are not collected. All of the above Exhibits, however, do not prove that the School District is unable to fund NUE's total package offer of 10.88%.

D. Comparison of wages, hours, and conditions of employment with other employees performing similar services and other employees in public employment in the same and comparable communities and in private employment in the same and comparable communities.

Arbitrator Kerkman, in the 1981-82 arbitration decision in Grantsburg selected seven school districts (i.e., Siren, Frederic, Luck, Osceola, St. Croix Falls, Unity and Somerset) as the comparable communities to be used in applying this statutory criteria. The School District seeks to maintain this practice, while NUE has consistently proposed all settled school districts in the northwest section of Wisconsin in the area on the map in NUE Exhibit #12, including the Upper St. Croix Valley Schools of Somerset and Webster, of which Grantsburg is a member. The schools proposed by NUE are: Amery, Arkansaw, Boyceville, Drummond, Durand, Elmwood, Hudson, Maple, Menomonie, Mondovi, New Richmond, Plum City, Port Wing, Prescott, Somerset and St. Croix Valley.

Arbitrators have often, but certainly not exclusively, used athletic conferences in northwest Wisconsin in prior arbitration decisions. Arbitrators have frequently gone outside the athletic conference when circumstances exist as in this situation with only two settlements in the Upper St. Croix Valley Conference. Webster, while a conference school, has a difficult to decipher merit plan, which lead the Parties to exclude it last year when all other conference schools were settled.

The mediator-arbitrator finds that the School District's proposed comparability group would be the best if most of that group had settled contracts for the 1982-83 school year. This, however, is not the case in that only Somerset has settled. This lone settlement should not establish a pattern nor is it entitled to significant weight.

The mediator-arbitrator, therefore, finds that the comparability group contained in NUE Exhibit #25 (i.e., Altoona, Amery, Arkansaw, Bruce, Drummond, Durand, Elk Mound, Hudson, Mondovi, Plum City, Port Wing, Somerset and Spring Valley) is the best for this case based upon the following reasons:

1. These 13 schools in northwest Wisconsin settled for 1982-83 on a one-year basis.
2. This group excludes the largest school districts in northwest Wisconsin (i.e., Superior, Ashland, Eau Claire and Chippewa Falls) to retain demographic balance.
3. Grantsburg ranks slightly below in size.
4. All of the comparables are within an 85 mile radius from Grantsburg.

The weighted average percentage rate increases from 1981-82 to 1982-83 in these 13 schools in 5 benchmark areas is as follows (NEU Exhibit #25):

Average Percentage Increase in Benchmarks from 13 One Year 1982-83 Settled Contracts in Northwest Wisconsin

<u>BA Base</u>	<u>BA TOP</u>	<u>MA BASE</u>	<u>MA TOP</u>	<u>SCHEDULE MAXIMUM</u>
9.0%	8.8%	9.5%	8.8%	8.7%

The Exhibit clearly supports NUE's final offer when comparing employees performing similar services in comparable communities.

The statute also provides for comparison of wages, hours, and conditions of employment "with other employees generally in public employment in the same community." The School District submits, in School District Exhibit #18, the pattern of settlements with other employees in the School District of Grantsburg. Those settlements range from the settlement with administrators at a 4.1% increase over the prior year up to the non-instructional staff with a 7.54% increase over the prior year. All of those settlements are less than the 8% offer of the School District to teachers in this arbitration proceeding. Clearly, the other settlements in the School District, for the 1982-83 school year, show the School District offer at 8% to be the more reasonable of the final offers. However, more weight should be given to the results obtained in NUE Exhibit #25, in that it compares Grantsburg teachers with teachers in comparable communities.

The issue of the 1982-83 calendar is confined to whether or not there will be two additional in-service days for teachers on March 31 and May 27, which increases the contract days to 185 and the workdays to 184. The 1982-83 calendars have been agreed upon by all the districts proposed by the School District as comparables (including Webster). They, therefore, should be used for comparison purposes. School District Exhibit #24 supports NUE's proposal by establishing 186 days as the average for number of duty days and 188 days as the average for number of contract days.

Normally teachers do not desire to add specific days to the calendar. Arbitrator Kerkman's award in 1981-82, however, contained statements that the shorter than average number of workdays in Grantsburg was a negative factor relative to the teacher's request for wage catchup. It is only fair to schedule these days and bring Grantsburg into the mainstream for calendars and wages in the area schools. NUE's final offer accomplishes this goal, while the School District's final offer falls short.

E. The average consumer prices for goods and services, commonly as the cost-of-living.

NUE submits that the Minneapolis CPI Index is preferred over the School District's proposed index of U.S. All Cities Average because northwest Wisconsin is within the Minneapolis-St. Paul geographic region. The mediator-arbitrator agrees.

The final offers in this case were formulated during the summer of 1982 and made official in October of 1982. Thus, the period of time around June and July 1982 is most relevant when viewing the economy in hindsight.

Based upon the U.S. All Cities Average, the CPI increased 6.5% from July 1981 to July 1982, while during this same time, the Minneapolis-St. Paul CPI Index increased 10.1% (Second Corrected School District Exhibit #31 and NUE Exhibit #54). Clearly, NUE's final offer at 10.88% exceeds the Minneapolis-St. Paul CPI Index. It, however, compares more favorably than the total package increase offered by the School District at 8%.

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 of Grantsburg is the leader among those schools proposed by them in the areas of working days and insurance benefits. In the area of days, the School District has less than any of these schools. This is the reason why NUE proposed two additional days in order to reach the average among these schools. School District

Exhibits #25 and #26 clearly show that the School District has been the leader and continues to be the leader in employer-paid insurance benefits among all of their comparable school districts. However, when the actual dollars spent on insurance for Grantsburg teachers are combined with the actual wages spent on the same teachers and when their totals are compared to the comparability group suggested by the mediator-arbitrator for wages in all settled schools so far this year, the total compensation factor shows that Grantsburg is about average. This factor, therefore, does not favor either Party in this case to any great extent.

G. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

NUE submitted a copy of the award in the Baldwin-Woodville Mediation-Arbitration case as an attachment to its post hearing brief. This school has 75 FTE teachers and is located about 50 miles from Grantsburg. That mediator-arbitrator awarded 8.5% to each cell. All of these factors (size, location and settlement) establish the legitimacy of the mediator-arbitrator's proposed comparability group and clearly favors NUE's final offer on wages.

No other significant changes in circumstances have occurred during the pendency of the arbitration proceeding, except the CPI has continued at a very low level of increase.

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.

The mediator-arbitrator is cognizant of the slumping economy, the lowering of milk and commodity prices and poor state finances. In addition, all of the other information in the Exhibits prepared by the Parties regarding this factor was carefully analyzed. All of this, however, does not persuade the mediator-arbitrator to rule in the School District's favor, especially in light of the other factors previously discussed.

AWARD

That any and all stipulations entered into by the Parties and NUE's final offer be incorporated into the 1982-83 agreement effective July 1, 1982.


Richard John Miller

Dated this 14th day of March 1983

New Hope, Minnesota