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STATE OF WISCONSIN

MEDIATION/ARBITRATION AWARD

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

 In the Matter of the Mediation/Arbitration :
 between :
 THREE LAKES EDUCATION ASSOCIATION :
 and :
 SCHOOL DISTRICT OF THREE LAKES :

Re: Case VI No. 31158
 MED/ARB-2172
 Decision No. 20621-A

Appearances: For Three Lakes Education Association, herein called the Association, Mr. Robert A. Arends, Executive Director, WEAC UniServ Council #21, Route 1, Box 43, Crandon, Wisconsin 54520.

For the School District of Three Lakes, herein called the Board, John L. O'Brien, Esq., of Drager, O'Brien, Anderson, Burgy & Garbowicz, Arbutus Court, Box 639, Eagle River, Wisconsin 54521.

The Association represents a collective bargaining unit of all full-time and part-time certified teaching personnel, including certified librarians and guidance counselors and teaching principals employed by the Board, which is a K-12 district. There are about 44 FTE employees in the unit. This proceeding involves the renewal of a Master Contract that expired by its terms on June 30, 1982.

Bargaining over a renewal of the agreement had commenced on April 29, 1982 when the parties exchanged initial proposals. After several negotiation meetings the Association filed a petition for mediation/arbitration on February 10, 1983. After an investigation and an attempt at mediation by a staff representative of the Wisconsin Employment Relations Commission on April 11, 1983, the parties submitted final offers and the matter was certified by the Commission on May 3 for the initiation of mediation/arbitration pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Relations Act. Then on May 19 the undersigned was notified by the Commission that he had been selected as mediator/arbitrator.

A mediation session was held in Three Lakes on June 17. The mediator/arbitrator was unsuccessful in helping the parties to arrive at a settlement at that session, so a date for hearing was set for August 15. On that date a formal hearing was held and the parties introduced a substantial amount of documentary testimony. There was also testimony of witnesses and the parties were allowed to cross examine witnesses and otherwise to raise questions about one another's testimony. There was no formal record made other than the mediator/arbitrator's hand-written notes. At the conclusion of the hearing it was agreed that the parties would exchange briefs through the arbitrator. That exchange was completed September 29. At the hearing the parties had also agreed that reply briefs would be allowed. An exchange of reply briefs was accomplished by the mediator/arbitrator as of October 18. The record is considered closed as of that date.

The final offers of the parties are attached to this report as Addendum "A" (the Association's final offer) and Addendum "B" (the Board's final offer).

The Association's Position

As can be seen from an examination of Addenda A and B, the Association is requesting certain increases in the salary schedule that would increase rates proportionately more at the higher ranks, i.e., for those employees with greater years of service. Although the offers of both the Association and the Board are identical at the BA base and the MA base, the overall percentage wage increase proposed by the Association is calculated by the Association at 8.32 per cent while the overall wage increase proposed by the Board is calculated by the Association at 6.39 per cent. The Association would increase the employer contribution to the health insurance monthly premium from \$125 per month to \$144.71 per month, while the Board would increase the monthly contribution to \$140.00. The Association would increase the employer dental insurance contribution from \$26.00 per month to \$34.12, while the Board makes no offer on the subject of dental insurance and would thus keep its contribution to the 1981-82 rate of \$26.00.

The Association believes that the salary issue is most important in this dispute. It also believes that the arbitrator should decide the dispute mainly on the basis of comparability, although it also makes an argument concerning the rate of increase in the Consumer Price Index that had occurred in the 1981-82 school year as a basis for its bargaining position for the 1982-83 school year. On that score the Association points out that between August, 1981 and August, 1982 the CPI figure for the North Central Region, Non-Metropolitan Urban Areas, had increased at an annualized rate of 10.3 per cent.

According to the Association the appropriate comparables are the conditions of employment for the other school districts in Cooperative Educational Service Agency No. 2. CESA No. 2 includes all the school districts in Vilas, Oneida, and Lincoln Counties plus some school districts in parts of Langlade, Price, Iron, and Taylor Counties. The Association produced evidence purporting to indicate that the Three Lakes School District is approximately in the middle or slightly above the middle in the ranking of school districts in CESA No. 2 in terms of number of pupils, equalized value behind each pupil, dollar amount spent per pupil, and share of school taxes paid locally. These comparisons are shown in alphabetical order on the table below, (page 3), taken from Association Exhibits 2 through 5 introduced at the hearing. The figures in parentheses indicates the rank of each district according to each of the four factors.

In support of its assertion that the appropriate comparisons for the Three Lakes School District are the other school districts in CESA No. 2, the Association introduced the following comparisons of benchmark increases among these districts as well as the settlements covering 376 of the 419 districts reporting settlements in the State of Wisconsin as of August 8, 1983 (for the CESA No. 2 districts) and July 13, 1983 (for the Wisconsin average). (See page 4)

The Association also introduced schedules showing that historically (since the 1978-79 school year) Three Lakes has been in the middle ranks of the CESA No. 2 school districts at all the benchmark levels, that acceptance of either offer would leave them at approximately the same place at the BA minimum, BA maximum and the MA minimum levels, and that acceptance of the Association's final offer would leave them at about the same place at the MA and Schedule maximum benchmarks, acceptance of the Board's final offer would drop them two places in rank at the MA maximum benchmark and three places in the rank at the Schedule maximum benchmark.

Table 1

Ranking of CESA No. 2 School Districts by Various Measures

<u>School District</u>	<u>Number of Pupils</u>	<u>Equalized Value Behind Each Pupil</u>	<u>Dollar Amount Spent Per Pupil</u>	<u>Share of School Taxes Paid Locally</u>
Antigo	3,317 (2)	\$108,454 (15)	\$2,350 (12)	43.74% (15)
Arbor-Vitae	409 (13)	390,276 (3)	2,409 (11)	91.18% (5)
CESA 2	50 (18)	0 (18)	0 (18)	NA
Eagle River	1,500 (6)	337,915 (6)	2,705 (5)	93.69% (3)
Elcho	495 (12)	259,325 (9)	2,548 (8)	89.23% (6)
Flambeau #1	321 (14)	361,319 (4)	1,890 (17)	43.36% (16)
Medford	2,078 (4)	114,811 (13)	2,196 (15)	50.45% (11)
Mercer	222 (16)	270,376 (8)	3,665 (2)	95.07% (1)
Merrill	3,233 (3)	109,488 (14)	2,549 (7)	46.52% (14)
Minocqua UHS	831 (8)	960,791 (2)	3,026 (4)	88.65% (7)
North Lakeland	236 (15)	1,060,420 (1)	3,727 (1)	92.24% (4)
Phelps	158 (17)	358,062 (5)	3,617 (3)	94.64% (2)
Phillips	1,262 (7)	117,921 (12)	2,480 (10)	47.75% (13)
Prentice	776 (9)	96,140 (16)	2,078 (16)	42.86% (17)
Rhineland	3,437 (1)	131,665 (11)	2,489 (9)	52.31% (10)
Rib Lake	695 (10)	87,762 (17)	2,320 (13)	49.59% (12)
Three Lakes	688 (11)	277,050 (7)	2,667 (6)	87.52% (8)
Tomahawk	1,593 (5)	161,957 (10)	2,281 (14)	67.24% (9)

Table 2
Schedule Benchmark Increases Among CESA No. 2 Districts,
1982-83 Over 1981-82

	<u>BA Min.</u>	<u>BA Max.</u>	<u>MA Min.</u>	<u>MA Max.</u>	<u>Schedule Max.</u>
Antigo	\$1100	\$1786	\$1100	\$1850	\$1850
Arbor-Vitae-Woodruff	972	1401	1167	1791	1791
CESA No. 2	900	1259	1036	1575	1689
Eagle River	679	1029	753	1257	1368
Lac du Flambeau	650	1040	764	1258	1296
Medford	775	1127	875	1382	1382
Mercer	981	1440	1077	1588	1588
Merrill	1025	1626	1025	1723	1728
Minocqua UHS	778	1120	964	1462	1617
North Lakeland	661	1417	841	1719	2066
Phelps	920	1366	999	1537	1621
Phillips	958	1486	1040	1636	1684
Prentice	770	1195	770	1195	1195
Rhineland	1100	1635	1200	1894	1894
Tomahawk	775	1178	896	1420	1520
Elcho		<u>NOT SETTLED</u>			
Rib Lake		<u>NOT INCLUDED</u>			
CESA No. 2 Average as of 8/8/83	870	1340	967	1552	1619
Wisconsin Average as of 7/13/83	883	1361	989	1601	1717
1981-82 Three Lakes benchmarks	11800	18056	13156	21400	22791
1982-83 Association final offer	12850	19538	14206	23202	24738
Assoc. increase over 1981-82	1050	1482	1050	1802	1947
1982-83 Board final offer	12850	19109	14206	22748	23842
Board increase over 1981-82	1050	1053	1050	1348	1051
Amt. above or below CESA No. 2 average Assoc. Final Offer	+180	+142	+83	+250	+328
Board Final Offer	+180	-287	+83	-204	-568
Amt. above or below Wisconsin average Assoc. Final Offer	+167	+121	+61	+201	+230
Board Final Offer	+167	-308	+61	-253	-666

The Association presented figures for health insurance payments among the other CESA No. 2 school districts purporting to indicate that the average employer contribution for 1982-83 is \$149.77, which is \$5.06 higher than the Association's proposed figure and \$9.77 higher than the Board's final offer.

On dental insurance payments by employers in the other CESA No. 2 school districts, the Association's calculated average for 1982-83 is \$31.35. This figure is \$2.77 lower than the Association proposal in this dispute but \$5.35 higher than the Board's final offer.

In general support of its position on salaries the Association points out that a high proportion of teachers and other personnel in the bargaining unit have a substantial number of years of service and that the Board's final offer would leave employees at the BA maximum, the MA maximum, and the Schedule maximum and corresponding positions on the salary schedule at a comparative disadvantage in terms of percentage increases and in comparison with the average increases being granted this year at other CESA No. 2 schools at the maximum levels on their schedules.

The Association also points out that the Board's proposed salary figure at the MA maximum (fourteen years of service) amounts to 6.30 per cent while the figure in the same column for thirteen years of service is only 5.05 per cent. This discrepancy makes the benchmark salary at that level inconsistent with the other proposed salary adjustments in that column and therefore misleading in terms of benchmark comparisons.

In general support of its position the Association points out that the Three Lakes district stands slightly lower than the middle of the comparables in terms of the number of students but slightly higher than the middle in terms of equalized value behind each pupil, which is one indicator of ability to pay. In terms of amounts spent per pupil the Three Lakes district is at a moderate level, as it is in terms of share of school taxes paid locally when compared with the other districts in CESA No. 2.

The Board's Position

The Board's principal argument in favor of its own proposal is based on what it considers to be a very unfavorable comparison between the total percentage cost of the Association's final offer and its own. The Board calculates the total cost of the Association's proposal at 11.81 per cent while its own would cost only 8.95 per cent. The dollar difference between the two positions is approximately \$29,000, most of which is attributable to the higher percentages that the Association is proposing for increases to employees at the higher levels of salary. The Board points out that the pertinent figure for the increase in cost-of-living is not the period between August 1981 and August, 1982 but the period of the 1982-83 school year. During that time the increase in cost-of-living, as represented by CPI figures, is only 3.1 per cent.

The Board also argues that general economic conditions in the nation, but especially in the area, are not conducive to a labor cost increase any greater than the Board has proposed. The Board introduced data purporting to show that land sales had declined in the Three Lakes area, that the number of pupils in the school system had continued to decline, having gone down from 725 in the 1980-81 school year to 705 in the 1981-82 school year to 662 for the 1982-83 school year.* The number of FTE teachers has also declined from

*There was no explanation of the discrepancy between this figure and the figure of 688 provided by the Association.

46.4 in the 1980-81 school year to 45.62 in the 1981-82 school year to the present 43.8. This is only a 5.6 per cent decline in the number of teachers from 1980-81 while the number of pupils had declined 9.1 per cent. Per capita and family income figures for communities in the area were also introduced. These figures purported to show that per capita income for Forest County was about \$2800 smaller and for Oneida County was about \$1000 smaller than the figure for the State of Wisconsin while family income was about \$4500 lower in Oneida County and about \$9,000 lower in Forest County than the State of Wisconsin figure. Similar results were shown for household income.

Other figures were introduced to show that administrative personnel for the District had been granted increases for 1982-83 equal to 8.5 per cent, a figure lower than that the Board is offering to the members of the bargaining unit. Similar results were shown for non-instructional personnel. Various comparisons were also introduced to show the levels of increases in various municipalities in the vicinity and for bargaining units of public employees in Oneida and Forest Counties. In general these increases were well below the percentage figure being offered by the Board in this proceeding.

On the issue of comparability with other collective bargaining settlements the Board made comparisons with Crandon, Eagle River and Rhinelander, the school districts closest to Three Lakes, as well as with the schools in the athletic conference in which Three Lakes participates. These comparisons are shown in Table 3 and 4, page 7.

The Board's main contention on comparability is that the school districts within a twenty-five mile radius of Three Lakes are the most important and that the athletic conference comparisons are of secondary importance. The Board contends that except at the BA maximum level, where the Board's offer is \$1,037 lower and the Association's offer is only \$608 lower than the average of the other three school districts, the Board's final offer is closer to the benchmark averages of those districts and above them in all cases except at the MA Maximum benchmark level, where the Board's final offer is lower than the average by only \$20.

On the health insurance issue, the Board points out that the parties had departed from 100 per cent reimbursement of premium cost in last year's bargaining and that the Association's proposal to return to 100 per cent reimbursement is a reversal of a condition agreed to in the bargaining for the previous labor agreement. The Board presents no evidence and makes no argument concerning its contribution to the dental insurance plan.

Discussion

In the mediation/arbitration legislation there are eight factors to be considered in arriving at an award. In this case there is no issue as to the lawful authority of the municipal employer. Stipulations of the parties include the matters that were settled in earlier collective bargaining and do not have any substantial effect upon these considerations. The factor of "interests and welfare of the public," of course, is paramount throughout all the other considerations, but in this case the issue of ability to pay has not been raised.

It is the other five factors that are important in making this determination. These include the factors of comparability, cost-of-living, overall compensation of the employees in the unit, changes

Table 3

1981-82

	BA	BA Max.	MA	MA Max.	Schedule Top
Crandon	\$11,400	\$17,505	\$12,360	\$18,465	\$19,425
Eagle River	11,800	17,884	13,098	21,854	23,789
Rhineland	12,300	20,965	13,500	23,106	24,006*
Three Lakes	11,800	18,056	13,156	21,400	22,791
Average	11,825	18,602	13,028	21,206	22,001
Three Lakes	-25	-546	+128	+206	+796

1982-83

Crandon	12,186	18,920	13,355	20,189	21,252
Eagle River	12,279	18,918	13,851	23,117	25,157
Rhineland	13,400	22,600	14,700	25,000	25,900*
Average	12,688	20,146	13,968	22,768	23,204
Association Final Offer	12,850	19,538	14,206	23,202	24,738
Board Final Offer	12,850	19,109	14,206	22,748	23,842
Association Final Offer	+162	-608	+238	+434	+1,534
Board Final Offer	+162	-1,037	+238	-20	+638

*Figure from data submitted by Association.

Table 4

1982-83 Settlements - Athletic Conference

	BA	BA 5	MA	MA 5	Schedule Max.
Wabeno	\$11,800	\$18,310	\$13,375	\$19,935	\$20,250
Goodman	11,396	18,205	12,701	18,714	20,015
Phelps	12,420	18,446	13,489	20,747	21,881
Crandon	12,185	18,970	13,355	20,189	21,252
Pembine	12,509	20,228	14,114	21,992	23,860
Average	12,062	18,841	13,406	20,515	21,442
Association Final Offer	12,850 +788	19,538 +696	14,206 +799	23,202 +2,686	24,738 +3,297
Board Final Offer	12,850 +788	19,109 +267	14,206 +799	22,798 +2,232	23,842 +2,401

Note: The districts of Elcho, Florence, Laona, and White Lake are also in the conference but were not settled at the time of the hearing.

in circumstances during the pendency of these proceedings, and other factors "normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment. . ." It is the first among these factors, comparability, on which the parties have placed greatest emphasis in their presentation of evidence at the hearing and in their arguments in their briefs. I turn first to that issue.

In its entirety the pertinent paragraph in the statute reads as follows:

d. Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes performing similar services and with other employes generally in public employment in the same community and in comparable communities and in private employment in the same community and in comparable communities.

In cases like this arbitrators generally expect to use other teacher employment conditions as the appropriate comparables rather than employment conditions of other employees in either the public or private sector. (Presumably there are few private schools in the area around Three Lakes). Therefore, the parties have presented no comparable evidence from the private sector. The Board has produced some wage comparisons of municipal employees in some very small communities in the vicinity of Three Lakes. One or two of these communities are not shown on the state map and none has more than a handful of employees, some of whom are part-time. Although these data show no increases or very small increases in municipal wages, the evidence is so fragmentary and involves such different types of employment that I believe it should not be considered at all in this proceeding. I would be more inclined to use employment conditions data for county employees except that the evidence of this type presented by the Board is also fragmentary. While the Oneida County courthouse, highway, and deputy sheriff units all settled for about 6 per cent, the data presented for Forest County indicated that there had been no settlement in the courthouse and deputy sheriff's units. Although the Board presented economic data for Vilas County, there were no salary comparisons presented for Vilas County. In general, I did not find the information discussed in this paragraph useful in this proceeding.

As indicated above, the Board has presented comparisons of teacher salary levels and increases for Eagle River, Rhinelander, and Crandon school districts. The Board states that it would be satisfied with comparing Three Lakes only with those districts. It has also included comparisons of teacher salaries and increases with other school districts in the athletic conference in which Three Lakes participates. Four of the nine, however, have not settled for 1982-83, thus leaving only five (including Crandon) of the ten districts available for that kind of comparison. Three of the districts in the athletic conference are a considerable distance removed from Three Lakes, being in Florence and Marinette Counties.

My conclusion, based on what the Board has presented as comparable wage, hour, and employment condition evidence is that some of it is useful in making a determination, but it is incomplete. I am also puzzled by the Board's use of a 25 mile radius from Three Lakes for making comparisons and why Phelps (within the 25 mile radius and with data that would have strengthened the Board's case) is left out. It is also apparent that a thirty-mile radius

would have included Minocqua and Woodruff, which presumably would have weakened its case. My problem with this part of the Board's evidence is that I am reluctant to make an award on the basis of comparisons with only three other districts, especially when both parties to the dispute assert that wages are the principal issue and that comparability is the number one criterion for the arbitrator to consider.

The Association's comparables are more useful in the sense that most of them have already settled for 1982-83 and all of them involve the wage, hours, and employment conditions of employees in bargaining units similar to this one. But by using CESA No. 2 as an area of comparison, the Association has introduced employment conditions evidence from some districts that are so far removed geographically from Three Lakes as to raise doubts about the validity of comparisons. Since Three Lakes is near the eastern edge of CESA No. 2 and much closer to its northern than its southern boundary, I think that legitimate questions can be raised about using comparables from Iron, Price, Taylor, Lincoln, and Langlade Counties. And since the Board has confined its own employment conditions comparables to districts in Oneida, Vilas, and Forest Counties (along with the athletic conference school districts, which it considers of secondary importance), it is my opinion that the proper area of comparison includes Vilas, Oneida and Forest Counties. Both parties have relied heavily on wage comparisons from Vilas and Oneida Counties and the Board has used wage and other data from all three counties to support its position. And while the Association would exclude Forest County as being outside CESA No. 2 and having a logging rather than a recreational and tourist economic base, unlike Oneida and Vilas Counties in that respect, it seems to the arbitrator that Forest County must be included since Three Lakes is almost in the exact central position geographically in the three county area.

A comparison of all the districts in these three counties (at least to the extent that the data have been provided to the arbitrator by the parties) will therefore be used as a basis for measuring comparability of wages, hours and employment conditions in this proceeding.

Table 5, which follows on page 10, is a comparison of benchmark increases for nine districts in those three counties which have settled and for which the arbitrator has been provided data by the parties, along with arithmetic averages of the figures and comparisons with the offers of the Association and the Board.

On the basis of these comparisons the Association's final offer is higher than the average settlements of the comparable districts at the benchmark levels but closer to those settlements on the plus side than the Board's final proposal is on the negative side.

Table 6, on page 11, shows comparisons including the same districts except that the 1982-83 rates at the benchmark levels are shown along with comparisons with the Association and Board offers and the differences between them.

On the basis of these comparisons the Association's proposals at the benchmark levels are generally lower than the benchmark salary levels of the comparable school districts but closer than the Board's offers at the benchmark levels.

Table 7, on page 12, shows the comparisons of the same districts for health and dental insurance contributions by employers, along with the averages and the Association and Board offers and the differences.

Table 5

<u>School District</u>	<u>Enrollment</u>	<u>BA Min.</u>	<u>BA Max.</u>	<u>MA Min.</u>	<u>MA Max.</u>	<u>Schedule Max.</u>
Crandon	1053	\$785	\$1465	\$955	\$1724	\$1827
Eagle River	1500	679	1029	753	1263	1368
Flambeau #1	321	650	1040	764	1258	1296
Laona	418	N.S.	N.S.	N.S.	N.S.	N.S.
Minocqua	831	778	1120	964	1462	1617
North Lakeland	236	661	1417	841	1719	2066
Phelps	158	920	1366	999	1537	1621
Rhineland	3437	1100	1635	1200	1894	1894
Wabeno*	634	750	1275	1031	1556	1613
Woodruff-Arbor Vitae	409	972	1401	1167	1791	1791
<u>Averages</u>	<u>900</u>	<u>811</u>	<u>1305</u>	<u>968</u>	<u>1578</u>	<u>1677</u>
Three Lakes	688					
<u>Association Proposal</u>		<u>1050</u>	<u>1482</u>	<u>1050</u>	<u>1802</u>	<u>1947</u>
<u>Board Proposal</u>		<u>1050</u>	<u>1053</u>	<u>1050</u>	<u>1348</u>	<u>1051</u>
<u>Differences between Offers & Averages</u>						
<u>Association</u>		+239	+177	+82	+224	+270
<u>Board</u>		+239	-252	+82	-230	-626

*Since the salary increase figures furnished by the parties for Wabeno differed by about \$50 to \$100, I have used the lower figures, furnished by the Association.

Table 6

<u>School District</u>	<u>BA Min.</u>	<u>BA Max.</u>	<u>MA Min.</u>	<u>MA Max.</u>	<u>Schedule Max.</u>
Grandon	\$12185	\$18970	\$13355	\$20189	\$21252
Eagle River	12479	18918	13851	23111	25157
Flambeau #1	12500	20000	14750	24250	25000
Laona	N.S.	N.S.	N.S.	N.S.	N.S.
Minocqua	13750	19800	17050	25850	28600
North Lakeland	13800	23006	15999	26670	30918
Phelps	12420	18446	13489	20747	21881
Rhineland	13400	22600	14700	25000	25900
Wabeno*	11800	18275	13375	19831	20250
Woodruff-Arbor Vitae	12972	18681	15567	23871	23871
<u>Averages</u>	<u>12812</u>	<u>19855</u>	<u>14682</u>	<u>23280</u>	<u>24759</u>
Three Lakes					
<u>Association Proposal</u>	<u>12850</u>	<u>19538</u>	<u>14206</u>	<u>23202</u>	<u>24738</u>
<u>Board Proposal</u>	<u>12850</u>	<u>19109</u>	<u>14206</u>	<u>22748</u>	<u>23842</u>
Differences between <u>averages & offers</u>					
<u>Association</u>	<u>+38</u>	<u>-317</u>	<u>-476</u>	<u>-78</u>	<u>-21</u>
<u>Board Proposal</u>	<u>+38</u>	<u>-744</u>	<u>-476</u>	<u>-532</u>	<u>-917</u>

* Since the salary increase figures furnished by the parties for Wabeno differed by about \$50 to \$100, I have used the lower figures, furnished by the Association.

Table 7

<u>School District</u>	<u>Medical Insurance Employer Contribution</u>	<u>Dental Program Employer Contribution</u>
Crandon	\$141.66	\$49.44
Eagle River	166.02	44.72
Flambeau #1	153.62	34.12
Laona	N.S.	N.S.
Minocqua	81.32	36.36
North Lakeland	151.96	20.65
Phelps	135.88	33.08
Rhineland	164.25	25.50
Wabeno	150.00	30.06
Woodruff-Arbor Vitae	151.96	33.64
<u>Averages</u>	<u>144.07</u>	<u>34.17</u>
<u>Three Lakes Proposals</u>		
<u>Association</u>	<u>144.71</u>	<u>34.12</u>
<u>Board</u>	<u>140.00</u>	<u>26.00*</u>

*The Board made no offer on this issue. This is the figure in the previous agreement.

On both medical and dental insurance employer contributions the Association offer is almost identical with the averages. The Board's offer is slightly lower on medical insurance and its non-offer is substantially lower on dental insurance.

On the basis of comparability alone, using the area and the districts that I have adjudged to be most appropriate in the circumstances of this case, the Association's final offer is to be preferred.

This leaves the consideration of the other criteria outlined by the statute. The first of these is cost-of-living. In applying this criterion there is no issue of fact. The parties disagree on the appropriate base and time period for measuring the increase. The Association asserts that since the bargaining was for an agreement for the period of August, 1982 to August, 1983, the appropriate time period for measuring the increase in the cost of living was the period of the old contract and what was known at the time that this contract was intended to take effect about the change in cost-of-living in the period ending in August, 1982. This produces a figure of about 10.3 per cent. The Board argues that we now know what the increase has been for the period that the

we can hardly disregard the fact that they were arrived at on the supposition that the CPI was increasing at a faster rate than the rate at which it has increased since that time. While I am sympathetic with the Board position that the increase in the CPI during the past year does not justify the level and amount of increases that were given, to adopt the Board's position would be to determine that the comparables are irrelevant as well as denying the Association's argument as it relates to cost-of-living, i.e., that the 1982-83 settlement should be based on past experience with increases in the cost-of-living, not increases that take place during the term of the agreement. As an arbitrator, I cannot ignore the positions of the parties at the time the dispute started. To do so would undermine the confidence of the parties in proceeding to arbitration, since it would allow the arbitrator to change the rules of the game while the proceeding was taking place. Therefore, although I see virtue in the positions of both parties in relation to the cost-of-living criterion, I must opt for the Association's position. The Association's proposal is not out of line with what was known about increases in the cost-of-living at the time that the negotiations were taking place and before this dispute reached the mediation/arbitration stage.

In its brief the Board has argued that the third criterion to be considered should be "general economic conditions." Although the statute does not specifically describe this as one of the criteria, I believe that it is implied in the other criteria listed in the statute and can be considered in those terms. In this connection the Board has argued that the economy in the area of Three Lakes, specifically in Oneida, Vilas, and Forest Counties, has been stagnant in recent years. This argument was buttressed by figures related to property sales and family and personal incomes in the area, the latter being compared unfavorably to income figure averages for the rest of the state. (The Board also introduced testimony related to wage increases for public employees other than teachers in the area, but I have already stated that I consider these data to be inappropriate in connection with a dispute involving teachers.) The Board argues that the decline in property transfers and the substantially lower family and household income figures indicate that increases in salaries in the amounts proposed by the Association would be inappropriate and inconsistent with the status of the economy in the Three Lakes area. While these figures are impressive, they are considerably diminished in my view by the Association's counterargument that a large share of the taxes and the stimulation of the economy of this area is dependent upon revenue from non-resident taxpayers whose presumed high income is excluded from the figures presented by the Board. This point of view is substantiated by the figures presented by the Association on percentage of school taxes paid locally (Three Lakes is sixth among the eleven comparable districts, or in the middle); equalized valuation per pupil (Three Lakes is seventh among the eleven comparable districts, or slightly below the middle); and in dollar amount spent per pupil (Three Lakes is seventh among the eleven comparable districts or slightly below the middle). Thus, in my opinion the indications of economic health of the Three Lakes community are mixed, and although there are indications that family incomes are somewhat below state averages, it does not appear from the other economic indicators that the community is in any such economic distress that this should overwhelm the comparability and cost-of-living criteria so as to tilt this award in favor of Board's proposal.

There are several other considerations that deserve mention here:

1. The Association has argued that comparable settlements for the entire state should be considered. It cites several other mediation/arbitration cases where such comparisons were allegedly

used as the basis for awards. Although I have not had the opportunity to read those awards, it is my opinion, and I have so stated in a previous case (Cuba City Board of Education and Cuba City Education Association, WERC No. 20100) that such comparisons would have to be based on districts "in comparable communities" in the state in accordance with the "comparability" paragraph in the statute quoted above. The Association has not submitted that kind of data.

2. I have tried to reconstruct the basis for the Board's total dollar figures in its Exhibits 9 and 12 and have been unable to do so. The figures of a 22.15 per cent increase in health insurance and a 54.30 per cent increase in dental insurance cost, if the Association's final offer is selected, are so at variance with the dollar figures for individual teachers (respectively 15.2 per cent and 31.2 per cent) that I must agree with the Association that these calculations contain unstated assumptions that were not adequately explained. It is quite possible that the Board could have explained to my satisfaction how these figures were calculated, but it did not.

3. I am not impressed with the Association's attack upon the Board's other overall estimates of costs, which are based upon actual employment figures for 1982-83. Although these are different from the figures that the Association would have used, it is inevitable that the parties to a dispute such as this (where the proceedings take place a whole year after the school year had started) will disagree as to whether to use actual current personnel figures or the figures that the parties would have used had they completed the bargaining before the school year had started.

4. The Board presented figures purporting to show that its three administrators had received salary and fringe benefit increases for 1982-83 totalling 8.5 per cent, which the Board argues is some three per cent lower than the total amount proposed by the Association. But, as the Association points out, the salary parts of those increases equal an average of 8.56 per cent, with 8 per cent for the administrator, 8 per cent for one of the principals, and 10 per cent for the other principal. Since the figure 8.56 per cent is higher than its own salary increase figure, as calculated by the Association, it argues that it would be willing to settle for the same salary increase figure. But the Board's interpretation of the same figures is that the overall increase is only 8.5 per cent because fringe benefit increases for these individuals were limited. While I am sympathetic with the arguments expressed by both parties on these data, the Board's figures are based on an assumption that its fringe benefits proposal will prevail. But if the Association's proposal is accepted in this proceeding, I suggest that the Board will in all probability apply the fringe benefit settlement to the administrators, which might well bring the total of salary and fringe benefits increase for administrators closer to the level that will apply to teachers. But more to the point, the proposed increases in fringe benefits are in dollars and therefore the percentage increase for the higher paid administrators is bound to be lower than the percentage figure when applied to the salaries of members of the bargaining unit.

In sum, I base my award primarily on the criterion of comparability. I am not satisfied with the areas of comparability proposed by either party and believe that an appropriate area is composed of the counties of Forest, Oneida, and Vilas. On this basis I believe that the final offer of the Association on the issue of wages, health insurance and dental insurance is closer to prevailing settlements and prevailing salary levels and levels of employer contributions to similar insurance plans than is the final offer of the Board.

On the issue of cost-of-living, while I am aware that the Consumer Price Index has risen by only a very modest amount during the school year 1982-83, it would be inconsistent with the use of the comparability criterion to adopt the Board's proposal on the theory that its proposed total percentage increase is closer to the actual increase that has occurred in the Consumer Price Index. It is conceivable that this dispute could have been decided on grounds that the Association's higher increase proposal was inconsistent with current economic conditions as represented by the slower increase in cost-of-living measures and by the effects of the recent recession. The parties, however, both emphasized comparability as the principal criterion for consideration of the arbitrator.

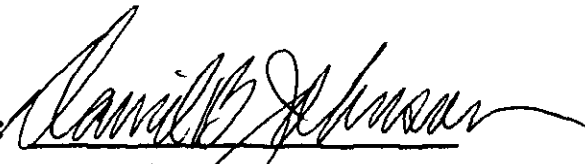
This brings me to the third argument of the Board, that the stagnant economy in the area of Three Lakes, as described by a variety of measurements introduced into the record by the Board at the hearing, does not support an increase as large as that proposed by the Association. In my opinion, however, these data are counterbalanced by the data introduced by the Association purporting to indicate that Three Lakes is in an intermediate position in comparison to other school districts as regards costs per pupil, equalized valuation per pupil and percentage of school taxes paid by the local taxpayers. These data were buttressed by other testimony that a high proportion of the taxes in the Three Lakes school district are paid by summer residents whose incomes are high and are not included in the figures representing the incomes of local families.

This dispute might be argued persuasively either way in terms of cost-of-living and economic conditions in the area, but I think on balance the Association has presented a more persuasive case. As to the issue of comparability of salaries, I believe that the Association's position is clearly more persuasive.

AWARD

The Association's final proposal is chosen as the award in this dispute.

Dated: October 27, 1983
in Madison, Wisconsin

Signed: 

David B. Johnson
Mediator/Arbitrator

APR 27 1983

FINAL OFFER
OF THE
EDUCATION ASSOCIATION OF THE THREE LAKES SCHOOLS
FOR THE
1982-83 COLLECTIVE BARGAINING AGREEMENT
WITH THE
SCHOOL DISTRICT OF THREE LAKES

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

This offer includes the stipulations for changes and inclusions in the 1982-83 collective bargaining agreement.

This offer includes all language in the 1981-82 collective bargaining agreement to remain the same except as modified above or as follows:

Issue #1

Article XXV - Insurance Provisions

Revise Paragraph A as Follows:

Change \$125.00 per month to \$144.71 per month.

Change 1981-82 to 1982-83

Issue #2

Article XXV - Insurance Provisions

Revise Paragraph G as Follows:

Change \$26.00 to \$34.12

Issue #3

Appendix B - Wage Rate Schedule

See Attachment #1

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[Handwritten initials]
4/26/83

APPENDIX B

STEP	1982-83 WAGE RATE SCHEDULE								
	B	+6	+12	+18	+24	+30	M	+6	+12
1	12850	13076	13302	13528	13754	13980	14206	14432	14658
2	13458	13698	13938	14178	14418	14658	14898	15138	15378
3	14066	14320	14574	14828	15082	15336	15590	15844	16098
4	14674	14942	15210	15478	15746	16014	16282	16550	16818
5	15282	15564	15846	16128	16410	16692	16974	17256	17538
6	15890	16186	16482	16778	17074	17370	17666	17962	18258
7	16498	16808	17118	17428	17738	18048	18358	18668	18978
8	17106	17430	17754	18078	18402	18726	19050	19374	19698
9	17714	18052	18390	18728	19066	19404	19742	20080	20418
10	18322	18674	19026	19378	19730	20082	20434	20786	21138
11	18930	19296	19662	20028	20394	20760	21126	21492	21858
12	19538	19918	20298	20678	21058	21438	21818	22198	22578
13				21328	21722	22116	22510	22904	23298
14						22794	23202	23610	24018
15									24738

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 4/26/83

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APR 27 1983

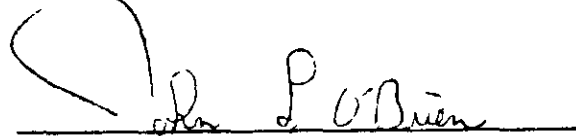
ADDENDUM "B"

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

Final offer of the Three Lakes School District
to the Education Association of Three Lakes
Schools for 1982-83 contract:

1. Salary - as per schedule attached.
2. ~~Extra-Curricular - increase each item~~ ^{DOB}
~~by 7.98%~~
3. Medical Insurance - Change Article XXV, A,
from \$125.00 to \$140.00
per month.

Dated this 26th day of April, 1983



John L. O'Brien
Attorney for School District

4/26/83
A

~~APPENDIX B~~

1982-1983 WAGE RATE SCHEDULE

<u>Steps</u>	<u>B</u>	<u>+6</u>	<u>+12</u>	<u>+18</u>	<u>+24</u>	<u>+30</u>	<u>M</u>	<u>M+6</u>	<u>M+12</u>
	569	580	591	601	612	623	634	645	656
1	12,850	13,076	13,302	13,528	13,754	13,980	14,206	14,432	14,658
2	13,419	13,656	13,893	14,129	14,366	15,603	14,840	15,077	15,314
3	13,988	14,236	14,484	14,730	14,978	15,226	15,474	15,722	15,970
4	14,557	14,816	15,075	15,331	15,590	15,849	16,108	16,367	16,626
5	15,126	15,396	15,666	15,932	16,202	16,472	16,742	17,012	17,282
6	15,695	15,976	16,257	16,533	16,814	17,095	17,376	17,657	17,938
7	16,264	16,556	16,848	17,134	17,426	17,718	18,010	18,302	18,594
8	16,833	17,136	17,439	17,735	18,038	18,341	18,644	18,947	19,250
9	17,402	17,716	18,030	18,336	18,650	18,964	19,278	19,592	19,906
10	17,971	18,296	18,621	18,937	19,262	19,587	19,912	20,237	20,562
11	18,540	18,876	19,212	19,538	19,874	20,210	20,546	20,882	21,218
12	19,109	19,456	19,803	20,139	20,486	20,833	21,180	21,527	21,874
13				20,740	21,098	21,456	21,814	22,172	22,530
14						22,079	22,748	22,817	23,186
15									23,842

School District of Three Lakes
Board of Education Salary Proposal
April 26, 1983