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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

+ +	
In the matter of the petition of the	+
ELCHO TEACHERS' ASSOCIATION	+ CASE X
To Initiate Mediation-Arbitration	+ NO. 31165 MED/ARB-2178
Between Said Petitioner and the	+ Decision No. 20632-A
SCHOOL DISTRICT OF ELCHO	+ +
+ +	

APPEARANCES:

R. A. Ahrens, Executive Director, WEAC Uniserv Council No. 21, on behalf of the Association;

William Bracken, Membership Consultant, Wisconsin Association of School Boards, on behalf of the Board.

ARBITRATION AWARD:

On May 19, 1983, the Wisconsin Employment Relations Commission appointed the Undersigned as Mediator-Arbitrator, pursuant to its authority under Section 111.70 (4) (cm) 6.b. of the Wisconsin Employment Relations Act, to resolve the impasse in collective bargaining for the 1982-1983 Agreement between the Elcho Teachers' Association, hereinafter referred to as the "Association," and the Board of the School District of Elcho, hereinafter referred to as the "Board." In response to a petition filed by five (5) citizens of the District, a public hearing was held at 7:00 PM, June 8, 1983, at which time members of the public along with representatives of the parties were provided the opportunity to make statements, offer facts and opinions, and to ask questions. At about 7:30 PM, when there were no more people wishing to be heard, the hearing was adjourned and mediation was begun. As of June 9, 1983, the impasse remained. The undersigned then notified the Wisconsin Employment Relations Commission of the intention to conduct an arbitration pursuant to Subsection 6.c of the same statute. That hearing was conducted beginning at 11:00 AM, August 17, 1983, at the Elcho High School. The parties were present and afforded the opportunity to present oral and written evidence and make relevant argument. Neither party requested a transcript and none was made. The parties exchanged post hearing briefs and reply briefs by October 3, 1983. The record was then closed.

STATUTORY CRITERIA:

Section 111.70 (4) (g) 7. ff. "Factors considered." In making any decision under the arbitration procedures authorized by this subsection, the mediator-arbitrator shall give weight to the following factors:

- a. The lawful authority of the municipal employer.
- b. The 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 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.
- 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 employes, including 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.

FINAL OFFERS OF THE PARTIES

ASSOCIATION:

That ARTICLE - XIX, INSURANCE PROVISIONS, Paragraph G be changed with regard to the dollar amount only from \$28.00 to \$35.00 (This section describes the Board contribution to the employee premium to the family dental plan); and,

That the following salary schedule be adopted for the 1982-1983 school year:

Yrs.	Dollars								
	BS	BS+6	BS+12	BS+18	BS+24	BS+30	MS	MS+6	MS+12
0	12086	12383	12679	12976	13273	13569	13866	14169	14472
1	12638	12938	13239	13540	13841	14142	14445	14747	15048
2	13189	13494	13799	14104	14409	14714	15024	15324	15625
3	13741	14050	14359	14668	14978	15287	15603	15902	16202
4	14292	14606	14919	15232	15546	15859	16182	16480	16778
5	14844	15161	15479	15797	16114	16432	16761	17058	17355
6	15395	15717	16039	16361	16682	17004	17339	17636	17932
7	15947	16273	16599	16925	17251	17577	17918	18213	18509
8	16499	16829	17159	17489	17819	18149	18497	18791	19085
9	17050	17384	17719	18053	18387	18721	19076	19369	19662
10	17602	17940	18279	18617	18956	19294	19655	19947	20239
11	18153	18496	18838	19181	19524	19866	20234	20525	20815
12	18705	19052	19399	19745	20092	20439	20813	21103	21359

BOARD:

That the following salary schedule be adopted for the 1982-1983 school year:

Yrs.	Dollars								
	BS	BS+6	BS+12	BS+18	BS+24	BS+30	MS	MS+6	MS+12
0	11672	11933	12193	12454	12714	12975	13340	13608	13861
1	12204	12464	12725	12985	13246	13506	13892	14152	14413
2	12735	12996	13256	13517	13777	14038	14444	14705	14965
3	13276	13527	13788	14048	14309	14569	14997	15257	15518
4	13798	14059	14319	14580	14840	15101	15549	15809	16070
5	14330	14590	14851	15111	15372	15632	16101	16362	16622
6	14861	15122	15392	15643	15903	16164	16654	16914	17175
7	15393	15653	15914	16174	16435	16695	17206	17467	17727
8	15954	16185	16445	16706	16966	17227	17758	18019	18279
9	16456	16716	16977	17237	17498	17758	18311	18571	18832
10	16987	17248	17508	17769	18029	18290	18863	19124	19384
11	17519	17779	18040	18300	18561	18821	19415	19676	19936
12	18050	18311	18571	18832	19092	19353	19968	20228	20489

POSITIONS OF THE PARTIES

ASSOCIATION:

1. The most suitable comparables are school districts available are the districts served by the Cooperative Educational Service Agency 2 (CESA 2) and the school districts included in the state average furnished by the Department of Education of Wisconsin.

2. The appropriate benchmarks are BS Base (BS), BS Maximum (BS MX), MS Base (MS), MS Maximum (MS MX), and Schedule Maximum (SCH MX) because they best take into account the career status of the majority of the teachers.
3. Use of either the districts in CESA 2 or those already settled in the Northern Lakes Athletic Conference (NLAC) will demonstrate that the Association Final Offer only maintains the position of the Elcho teachers while the Board Final Offer would erode the position of the Elcho teachers.
4. The Elcho teachers are career teachers. Accepting the Board Offer and accepting the status quo in the amounts between the steps and lanes penalizes the career employees most, especially those beyond the twelfth step.
5. The Consumer Price Index at the outset of the contract, June, 1982, had increased 10.9% from the year before while the Association Offer only increases the average cell in the contract by 8.77% while the Board Offer is obviously too low at 4.22%.
6. The Board's attempt to show total costs of their comparable districts is not acceptable here because the evidence offered to prove it was not accurate and there was no opportunity to examine those who prepared the cost sheets nor any opportunity to inspect documents from which it was prepared. (The Association objected to the use of this information for those reasons during the proceedings.)
7. The teachers in Elcho have settled at levels below the other school districts over the past four years and have settled at levels far below the respective cost of living increases for those same years.
8. "The Association believes the wage rates being offered under each offer to career teachers to be the most distinguished and critical issue to be considered by the arbitrator....The Board's offer has its greatest negative impact on the bulk of its employees."

BOARD:

1. The school districts that comprise the NLAC form a reliable foundation upon which valid comparisons can be made. The Union's reliance on CESA 2 school districts and the state average are without merit and have been rejected by many arbitrators. The best comparability pool is the NLAC.
2. Given the prolonged economic recession and the negative consequences on the citizens of the Elcho District, moderation in pay and fringe benefits is warranted.
3. The Board's offer of 8.9% is fair and equitable to its employees and taxpayers. The Union's offer of 13.4% is excessive and cannot be justified in light of the poor economic conditions and low inflation rate. The Board's calculations of total cost must be accepted by the Arbitrator since the Union has not submitted contrary figures.
4. Elcho citizens have below average income and pay a larger share of property taxes than the surrounding area. A significant number of residents are on fixed incomes.
5. The Union has never justified its random, wage increases that completely distort and restructure the salary schedule. Arbitral precedent demands rejection of an offer that modifies the parties' relationship via the arbitration forum instead of at the bargaining table.
6. Elcho's salaries are competitive with the comparable schools'.
7. The Board's final offer best matches the prevailing settlement trend among comparable schools. The Union's offer exceeds the going rate by a significant amount.
8. The Board's final exceeds the relevant cost of living by a substantial amount, guaranteeing real income advances for the employees.
9. The Union's final offer of 13.4% is unreasonable and runs counter to the interests and welfare of the public. The Board's 8.9% final offer strikes a

reasonable balance between its citizens and employees.

10. Since the Board has already agreed to absorb the 44% increase in health insurance costs, the Union's offer to increase (the Board's contribution to) dental insurance by 25% is unwarranted.

11. Overall, the Union's package exceeds the "zone of reasonableness" as established by the statutory criteria because of its exorbitant price tag and radical deviation from the current salary schedule structure. The Board's total package is more equitable when measured against the same criteria.

FINDING OF FACTS

For purposes ease in making the findings and conducting the discussion and conclusions, especially in reducing information to tabular form, the following districts will be shown by the familiar name listed below:

Goodman-Armstrong	--	Goodman
Beecher-Dunbar-Pembin	--	Pembin
Arbor Vitae-Woodruff	--	Arbor Vitae
Northland Pines	--	Eagle River
Lakeland UHS	--	Minoqua

1. It will be assumed as fact for purposes of these findings that either offer will meet the statutory criteria of "ability to pay" and "lawful authority of the employer" since there is no argument nor evidence was introduced by either party about these criteria.

2. There are ten districts in the NLAC:

Elcho	Three Lakes	Phelps	Crandon
Florence	Laona	Wabeno	Goodman
White Lake	Pembin.		

Five had agreements settled for 1982-1983 at the time evidence was submitted in the instant matter. The farthest district is 65 miles straight-line distance from Elcho. They are all within the same economic area.

3. There are eighteen districts in CESA 2:

Rhineland	Antigo	Merrill	Medford
Tomahawk	Eagle River	Phillips	Minoqua
Prentice	Rib Lake	Three Lakes	Elcho
Arbor Vitae	Flambeau 1	Mercer	Phelps
CESA 2	North Lakeland		

All lie within sixty-five miles of Elcho and can be described as lying in the same economic area as Elcho. Sixteen of these districts have settled contracts for the 1982-1983 school year.

4. The districts in the NLAC range in size from 158 pupils to 1,053 pupils. The districts in CESA 2 range from 50 pupils to 3,437 pupils with ten of the eighteen districts having less than 1,000 pupils. Those ten can be said to parallel the NLAC for purposes of these findings.

5. According to Board exhibits 5, 6, 7, 9, 10 and Association exhibits 3, 4, 5, 2A, 3A, 4A, Elcho is neither the highest nor the lowest with regard to the following factors: budgeted expenditures per pupil, cost per pupil, pupil/teacher ratio, levy rate, equalized value per member, and effective yield per mil.

6. Elcho is one of three districts in the NLAC which receives no state aid per pupil.

7. The Association objected to the entry of Board exhibit 27 dealing with the costs of teachers contracts as stated in item 6 in their position above. It was ruled that they would be used only in a broad and limited fashion. Except as that exhibit shows that both final offers in Elcho fall within the extreme limits of the NLAC districts, the exhibit warrants no further treatment here.

8. NLAC districts benchmarks at the 12th step, as suggested by the Board, are displayed here (dollar signs are omitted. Figures in parentheses are relative rankings):

1981-1982 Contract Year					
District	BS	BS 12th	MS	MS 12th	MS MX 12th
Crandon	11400 (3)	17505 (2)	12360 (4)	18465 (3)	19425 (2)
Goodman	10600 (6)	16837 (3)	11905 (6)	17436 (6)	17785 (6)
Pembine	11413 (2)	17869 (1)	12878 (1)	19466 (1)	21171 (1)
Phelps	11500 (1)	16615 (5)	12490 (3)	17700 (5)	18320 (4)
Wabeno	11000 (5)	16500 (6)	12275 (5)	17775 (4)	18030 (5)
Elcho	11200 (4)	16810 (4)	12800 (2)	18630 (2)	19130 (3)

1982-1983 Contract Year					
Crandon	12185	18970	13355	20189	21252
Goodman	11334	18100	12577	19569	19843
Pembine	12509	19585	14114	21335	23204
Phelps *	12420	17442	13489	18673	19292
Wabeno	11751	18234	13306	19800	20111
Elcho Board	11672 (5)	17519 (5)	13340 (3)	19415 (5)	19936 (4)
Elcho Asso.	12086 (4)	18153 (4)	13866 (2)	20234 (2)	20815 (3)
Average of the five Districts without Elcho	12039	18466	13368	19913	20734

Difference between the offers and the average is:

Board	-367	-927	-28	-498	-798
Association	+47	-313	+498	+321	+81

* Because Phelps settled with no advancement in steps, the next lowest step was used for Phelps to insure an equal comparison.

Using the BS MX, MS MX, and SCH MX, instead of the 12th step, the following comparisons occur in those three lanes (The BS Base and the MS Base are not effected):

	BS MX	MS MX	SCH MX
1981-1982 Contract Year			
Elcho Ranking	(2)	(3)	(3)
1982-1983 Contract Year			
Average of five Districts	18804	20466	21396
Elcho Board	18050 (6)	19968 (5)	20489 (4)
Elcho Association	18705 (3)	20813 (2)	21392 (3)

Differences as above:

Board	-654	-498	-907
Association	-99	+347	-4

9. Using the ten districts in CESA 2 with less than 1,000 pupils for the Association benchmarks, these are the averages and the rankings by comparison with those sixteen districts. The actual contract amounts are contained in Association exhibits 13, 14, 15, 16, and 17 and verified with the copies of the contracts of those districts:

1981-1982 Contract Year					
	BS	BS MX	MS	MS MX	SCH MX
Elcho Ranking	(10)	(5)	(7)	(8)	(7)

1982-1983 Contract Year

Average of					
9 Dists.	12931	19298	14786	22635	23832
Elcho Bd.	11672 (10)	18050 (10)	13340 (9)	19968 (8)	20489 (8)
Elcho Asso.	12086 (10)	18705 (5)	13866 (7)	20813 (7)	21392 (7)

10. The second and third pages of Board exhibit 2 show the last year's salaries and the salaries calculated for the final offers in the instant matter. By comparing the two, the following facts can be determined. There are 35 returning teachers of whom 13 were beyond the maximum step last year and are, of course, beyond the maximum step this year. 17 of 35 have advanced one educational lane this year.

11. The increase in the Consumer Price Index for the five years starting from the outset of the contract year in 1978 to the outset of the contract year in 1982 is shows an increase of 51% -- 106.1 to 160.2. For the four years prior to this year, the increase is 36%. At the beginning of the 1982-1983 contract, the rate of increase was 10.9%, at the middle of the year - 5.8%, and at the end of the year - 1.9%.

12. Over the past four years the benchmarks for Elcho have increased 18% to 31%, depending on the benchmark, compared with the 36% increase of the CPI. Using the five year increase and including the final offers, the Association offer makes the cumulative increase range from 25% to 43% compared to the CPI increase of 51%. The Board offer would result in an increase about 5% lower than the Association offer at each benchmark.

13. As shown in Board exhibit 1, pages 2 and 3, the rate of increase in gross salary for individual teachers will range from 4.49% to 15.15% or an average of 11.79% if the Association offer is accepted. For the Board offer the range is .63% to 10.31% with an average of 7%.

DISCUSSION AND CONCLUSIONS OF LAW

At the outset of the mediation/arbitration process the parties were aware that the final offers were disparate to the extent that one was twice the other, or half the other depending on the point of view. The Board was going to have to pay much more in salaries than seemed reasonable to them if the Association prevailed. The teachers were going to have to accept salaries for this year that were well below salaries paid to their peers in the surrounding districts if the Board prevailed. At first view, the perceptions of the parties seem to be absolutely correct.

Looking at the increases as merely compensating for the increase in the cost of living, an average increase of 7% seems to be moderate and an increase of 11.29% seems excessive. Even though the cost of living increase in June, 1982, was over 10%, the teachers experienced an average increase of about 5% to 6% over the year and a mere 1.9% for a twelve month total in cost of living increase. Thus, the 7% figure in the Board's offer seems proper taken only in terms of an increase in pay to cover the cost of living.

It should then follow that the Board offer would cause the pay of the Elcho teachers to equal or exceed the pay in comparable districts. At least, it should follow that the Board offer would not erode the position of the Elcho teachers with regard to their counterparts. It should follow, as well, that the Association offer should advance the position of the Elcho teachers with their counterparts. Remarkably the comparable information laid out in Fact 8 and Fact 9 show the opposite to be true. No matter whose comparables are used and whose benchmarks are used, the Board offer generally does erode the relative standing of the Elcho teachers while the Association offer merely holds their relative placement when compared with their relative standing among the comparable districts during the 1981-1982 school year. Not even the Board comparables support the Board's position that it is paying a comparable wage. Looking at the average in the NLAC for this year, the Association offer ranges from \$313 below the average at BS 12th step while the other four benchmarks exceed the average from \$47 to \$498. The Association is lower in all cases and ranges from \$28 to \$927 below the average. To be safe, the undersigned compared some random salaries within the interior of contracts submitted as exhibits to insure that the Association had not skewed its lanes

and lines to show their offer to be comparable at the benchmarks and high within the schedule. The interior lanes and steps did not vary from the benchmarks.

Before proceeding, it is necessary to discuss the selection of comparables in the instant matter and the respective benchmarks. The Board argued that the NLAC was the only suitable set of comparables. The NLAC comparables consisted of the five settled districts along with the final offers of the parties to the impasse in the White Lake District. At the same time, the Board in its brief disparaged two of the five districts because Crandon was settled by a consent award and Phelps settled without an incremental increase for this year. In Fact 8 it was easy enough to compensate for the Phelps settlement. White Lake was not used because the at least one of the final offers will be irrelevant as a comparable and both of them may be irrelevant. To rely on that set of comparables by itself would be shaky at best for those reasons. Besides, there is nothing mandatory in athletic conferences. Where they supply a block of solid comparables, they may well be used. When they are weak or when there is a better set of comparables, the others can be used or two sets can be used. To strike a reasonable compromise in selecting the comparables, the Undersigned accepted the Board benchmarks and the five settled districts in the NLAC and accepted the ten districts in CESA 2 that parallel the athletic conference. The CESA districts surround Elcho while Elcho is on the western edge of the NLAC. More of the CESA districts are settled and a much greater percentage of them are settled. The NLAC has a large group of districts that are economically more depressed with limited resort areas. While Elcho shares the same economical problems as the rest of Northern Wisconsin, it also shares some of the advantages of a resort area. The CESA districts include comparable districts in that regard also.

Although the benchmarks entered by the Board were used for their districts, they are really less relevant in the instant matter than the schedule maximums wanted by the Association. At least one-third of the teachers in Elcho are beyond the schedule. Using the maximum steps in the lanes tends to take this into account since those teachers will be at one or the other lane maximum. Benchmarks must somewhere take this into account. As it turned out, they all generally favored the Association offer.

The Board never argued that Elcho was among the higher paid districts in 1981-1982 and, thus, not entitled maintain the position. In fact, with relation to the others in the NLAC, Elcho is about average, low in some, high in others, and generally about average. In that year they rank 4 at BS, 4 at BS MX, 2 at MS, 2 at MS MX, and 3 at SCH MX. With six districts with which to compare, that is about average. So, it is not a case in the instant matter that the Board is backing off of being a wage leader with their offer in the instant matter. Nor can it be said that the Association offer brings the Elcho teachers to a position of leadership in wages in the NLAC. Using the 10 smallest districts in CESA 2, as the Association proposes, tends again to show that the Board offer merely maintains the status quo. And, that status quo in these comparables is in fact lower than the average. No matter what criterion is used, the Board offer cannot be said to maintain a comparable position for the teachers.

Then why is it that the Board has to pay so much more than would seem to be warranted by the CPI, even when one considers incremental increases? The answer lies in a convergence of factors. For the past four years the settlements have been substantially below the CPI. Although the increments will absorb some of that gap in any single year, sooner or later there has to be an adjustment. There are also only 6 Elcho teachers in the bottom quadrant of the pay schedule. Thus, the district suffers or gains because the bulk of the teachers are career teachers, well advanced in experience. Then there is the phenomenal situation where over half of the teachers have advanced one educational increment between the contracts. Finally, the unsettled districts in the NLAC - Florence, White Lake, Three Lakes, and Laona - have tended to be salary leaders in the conference. The use of the remaining five districts, as the Board proposes, skews the averages and relative placements in favor of the Board's case. Those factors tend to converge at a time when the Board feels least comfortable in giving those kinds of gross raises.

With regard to the dental insurance increase, the additional \$7.00 per month does not change the placement or average comparisons in any way as to better the placement of Elcho. A final decision will not be affected substantially

by the inclusion or exclusion of that factor.

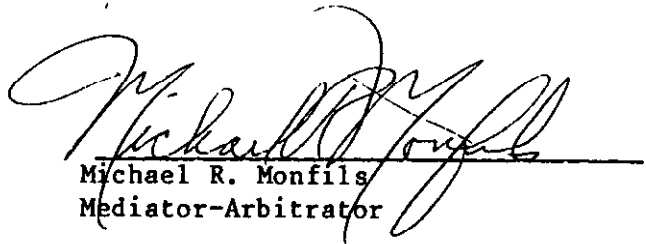
The Undersigned is then faced with choosing between a rigid definition of the cost-of-living and its effects over a limited period of time and a rigid incremental structure or with choosing a salary schedule for the teachers that is competitive with the comparable districts and rewards their efforts and expectations in line with their peers. As little as one should like to increase the labor costs this given year by 11% for the District, to do otherwise would fly in the face of fairness by reasonable standards. All of the other comparable districts could not have been acting in a vacuum, ignoring what is the real economic setting in Northern Wisconsin and gratuitously giving exorbitant salaries.

It follows then from all of the foregoing and from considering the record in its entirety, from the argument and briefs of the representatives, from the statutory criteria, the undersigned makes the following:

AWARD

The final offer of the Association, along with all tentative agreements previously entered into by the parties, as well as the terms of the predecessor Collective Bargaining Agreement between the parties which remain unchanged, are hereby included in the Collective Bargaining Agreement between the parties for the year 1982-1983.

Dated at Green Bay, Wisconsin, this 1st day of November, 1983.


Michael R. Monfils
Mediator-Arbitrator