

APR 23 1986

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

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In the Matter of an Arbitration
between

GILLETT EDUCATION ASSOCIATION

and

GILLETT SCHOOL DISTRICT

* * * * *

Case 17
No. 35623 MED/ARB 3482
Decision No. 23033-A

Appearances:

Mr. Ron Bacon, Executive Director, Northeast Educators;
for the Union.

Mr. Warren Eiseth, District Administrator; for the
Board.

Before:

Mr. Neil M. Gundermann, Arbitrator.

Date of Award:

April 22, 1986.

ARBITRATION AWARD

The Gillett Education Association, hereinafter referred to as the Association, and the Gillett School District, hereinafter referred to as the District, reached an impasse in negotiations which occurred under a limited reopener in their existing agreement. The Association petitioned the Wisconsin Employment Relations Commission to initiate mediation/arbitration to resolve the dispute. The Commission, after having conducted an investigation, initiated mediation/arbitration. The undersigned was selected by the parties as the mediator/arbitrator.

A meeting was held at Gillett, Wisconsin on February 5, 1986. When mediation efforts failed to resolve the dispute, a hearing was held at which time the parties were afforded the opportunity to offer evidence and make such arguments as were pertinent. The Association filed a post-hearing briefs.

POSITIONS OF THE PARTIES:

Association's Final Offer:

1. Increase each cell on the salary schedule by 7.64%.
2. Amend the Agreement to provide that the Board pay \$202.14 toward family health and dental insurance premiums, and \$75.72 toward single health and dental insurance premiums.

Board's Final Offer:

1. Increase each cell on the salary schedule by \$1,000.00 and drop first step.
2. Board contribute \$180.90 toward family plan premiums and \$67.46 toward single plan premiums of insurance programs sponsored under the Agreement.

Association's Position:

It is noted by the Association that only two of the eight school districts in the Conference are settled at the present time. Coleman reached a voluntary settlement, and Peshtigo was involved in an arbitrated settlement. It is contended by the Association that a benchmark analysis of both the Coleman and Peshtigo settlements indicates that both of those settlements resulted in increases at the benchmarks in excess of that being sought by the Association in the instant case.

The increase at the benchmarks of BA, BA+7, BA Max, MA, MA+10, MA Max and Schedule Max for Coleman was 7.87%, and for Peshtigo 10.16%. In the instant dispute, the District's increase at the benchmark is 7.08%, while the Association's increase is 7.64%. It is emphasized by the Association that its increase at the benchmark is .23% lower than the voluntary agreement of benchmarks in Coleman, and a full 2.52% lower than the arbitrated Peshtigo benchmarks. In contrast, the District's offer is .79% lower than Coleman, and 3.08% lower than Peshtigo. Thus, even if the Association prevails in the instant case, its settlement will not keep pace with other Conference settlements.

The Association emphasized that its offer does not involve any catch-up; it is only attempting to maintain the current ranking.

The Association also argues that the re-opener under which the current proceeding is authorized does not allow negotiations for an increase in the State Teacher Retirement System employe contribution. In both Peshtigo and Coleman, the districts agreed to pick up the one percent increase in the employe contribution. The Gillett teachers will not be able to secure this benefit at the present time.

As a result of the increase, the teachers will have to pay toward the STRS. The Association argues, therefore, that its proposal to increase insurance contributions is fully justified. Even at the levels proffered by the Association in its final offer, teachers will still be required to pay 11% of their health and dental premiums.

For all of the above reasons, the Association contends that its final offer is the more appropriate of the final offers being considered by the arbitrator. Additionally, the District's

final offer gives smaller increases in both dollar and percentage terms to experienced teachers than to new teachers. As a result of taking away a step from the salary schedule, veteran teachers are penalized. The District's only testimony at the hearing was the average 1985 Union settlement was 2.3%. However, the District could not identify whether that included settlements for Wisconsin teachers. It is obvious from the exhibits that the Association's offer is more in line with "teacher" 1985-86 settlements in Wisconsin than is the District's.

District's Position:

It is the District's position that increases of the magnitude sought by the Association, under the current economic conditions, are not warranted based either on the economic condition of the community or upon settlements in other areas. It is noted by the District that settlements in the private sector have been equaling approximately 2.3%. The Association in the instant case is asking for substantially larger increases than those afforded to any other employees.

Additionally, the District notes it is essentially a rural district and subject to the problems confronting the agricultural community at the present time. It is unreasonable to offer increases of the magnitude sought by the Association when residents of the District who are paying for those increases have suffered substantial losses in earnings as a result of the agricultural problems.

The District contends that a \$1,000 increase per cell is a significant increase to those employees who will also receive an incremental increase. The only employees who will not receive incremental increases are those employees who may be at the maximum of a lane; however, they will be guaranteed an increase of \$1,000.

The District argues that the current rates of insurance contribution made by the District are more than fair, as they represent a substantial portion of the insurance premium required to provide the teachers with adequate insurance coverage. The District contends there is no reason at the present time to raise the insurance premium contribution as requested by the Association.

For all of the above reasons, the District contends that its final offer is the more reasonable of the final offers presently before the arbitrator, and requests that the arbitrator award the District's final offer.

DISCUSSION:

The evidence establishes that for 1984-85, the District was below the average of the athletic conference at most of the benchmarks. The District was competitive at the BA Base, but was below the average at the BA Maximum, MA Base, MA Maximum and Schedule Maximum. At the MA Maximum, it was the lowest of Conference schools and at the Schedule Maximum the District was second lowest. The fact that the District was below the average at all but one of the benchmarks is not the controlling factor, however, it does establish the District's position vis-a-vis other schools in the Conference.

The District's final offer includes the elimination of the first step on the salary schedule and an increase of \$1,000 per cell. It is costed by the District at 6.7%. The Association's final offer is to increase each cell 7.64% and is costed at approximately 9.7%. The following table compares the respective offers compared to the 1984-85 Conference average at the benchmarks.

Final Offers Compared to 1984-85 Conference Average
and District's 1984-85 Position

	<u>BA Base</u>	<u>BA Max</u>	<u>MA Base</u>	<u>MA Max</u>	<u>Sch Max</u>
1984-85 Conf. Average ¹	14,615	22,753	15,979	25,427	26,438
Board's Final Offer	16,180	22,643	17,439	24,668	26,018
Assoc. Final Offer	15,767	23,297	17,054	25,476	26,929
1984-85 Board Position	14,648	21,643	15,844	23,688	25,018

¹Figures from Peshtigo Arbitration Decision.

Under the District's final offer, its relative position at the BA Base and the MA Base is substantially improved as a result of dropping the first step of the salary schedule and adding \$1,000 to each cell. However, under the District's final offer it does not reach the Conference average for 1984-85 at the BA Maximum, the MA Maximum or the Schedule Maximum. In contrast to the District's final offer, the Association's final offer exceeds the 1984-85 Conference average at the BA Maximum by \$544, at the MA Maximum by \$49, and at the Schedule Maximum by \$491.

The 1984-85 Conference average at the benchmarks is only significant to the extent that there are limited comparables for the 1985-86 agreement as only two of the Conference districts have agreements for 1985-86. These districts include Coleman and Peshtigo. Both of those districts were higher at the benchmarks for 1984-85 than was the District. Despite this fact, Coleman has increased the salaries at the benchmarks by 7.87% and Peshtigo by 10.16%. It must be noted that Peshtigo placed the greatest increases at the MA lanes. Both the Coleman and Peshtigo settlements resulted in increases in excess of both the District's final offer and the Association's final offer. Regardless of which final offer is awarded in this case, the District will fall further behind Coleman and Peshtigo. The gap will widen further in dollars than the percentages indicate, as both Coleman and Peshtigo had higher salaries in 1984-85 than did the District.

If the Coleman and Peshtigo settlements are representative of the range of settlements in the Conference as those settlements relate to the benchmarks, the District will fall further below the Conference average in 1985-86. While there may be valid reasons for the District to be below the Conference average at the benchmarks, (neither final offer changes the District's relative position), there is no rationale advanced by the District to support a conclusion that the District's position should continue to deteriorate at the benchmarks.

Due to the nature of the District's final offer, an increase of \$1,000 at each cell, the percent of increase is reduced at the BA Maximum (4.62%), at the MA Maximum (4.23%), and at the Schedule Maximum (3.99%). In percentage terms, the more experienced teachers are receiving less of an increase than less experienced teachers. Additionally, the distribution of increases does nothing to encourage teachers to obtain additional training in their profession.

Based on the evidence, it is the opinion of the undersigned that the Association's final offer regarding the salary schedule is the more appropriate of the final offers.

The remaining issue involves the payment of insurance premiums. Under the current agreement the District pays \$180.90 toward a family plan and \$67.46 toward a single plan. The District proposes no change in this contribution. The Association is proposing the District pay \$202.14 toward the family plan and \$75.72 toward the single plan. The payments include health insurance and dental insurance.

The Association argues that as a result of the limited reopener in its agreement it cannot request the District to contribute the additional one percent to the State Teacher Retirement System and the increase in the payment of insurance premium will partially offset the one percent. It is further argued by the Association that its members will still pay 11% of the insurance premium.

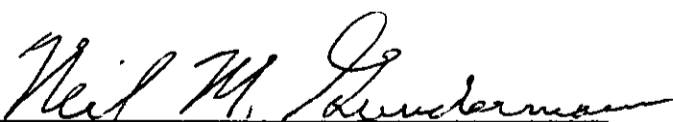
There is evidence in the record indicating that five of the districts in the athletic conference pay 100% of the family and single health insurance premium. However, the evidence further indicates that the premiums paid by those districts are substantially less than the premiums paid by this District. This is undoubtedly attributable to the fact that the premium paid by the District includes both health and dental insurance in a single contribution. Without knowing what comparable districts do in regard to the payment of dental insurance, no reasoned conclusion can be arrived at from the record evidence. In the absence of such evidence, it is the opinion of the undersigned that the Association has not met its burden of proof regarding this issue. However, this case does not turn on the issue of insurance contribution; the overriding consideration is the salary schedule and in that regard the Association's final offer is the more reasonable.

The District argues that the residents of the District are experiencing financial difficulties due to the fact that the District is primarily agricultural in nature. The undersigned recognizes the real and significant difficulties confronting agricultural communities throughout the Midwest. However, there is no evidence that this community is suffering disproportionately compared to other districts in the Conference. The fact that the District's salaries are below those of other Conference districts may be reflective of the District's overall economic base. There is no claim in this case that the District cannot finance either final offer.

Having reviewed the record and having given consideration to the statutory guidelines, the undersigned renders the following

AWARD

That the Association's final offer be incorporated into the 1985-86 agreement along with those previously agreed to items.


Neil M. Gundermann, Arbitrator

Dated this 22nd day
of April, 1986 at
Madison, Wisconsin.