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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Petition of

OMRO EDUCATION ASSOCIATION

To Initiate Mediation-Arbitration
Between Said Petitioner and

Case 18
No. 35451
MED/ARB-3424
Decision No. 23181-A

OMRO SCHOOL DISTRICT

APPEARANCES:

William G. Bracken, Wisconsin Association of School Boards, Inc., on behalf of
the District

Gary L. Miller, Winnebago Land UniServ Unit-South, on behalf of the
Association

On January 27, 1986 the Wisconsin Employment Relations Commission appointed the undersigned Mediator-Arbitrator pursuant to Section 111.70(4)(cm) 6b. of the Municipal Employment Relations Act in the dispute existing between the above named parties. Pursuant to statutory responsibilities the undersigned conducted a public hearing on March 11, 1986, after which he engaged in mediation with the parties which did not result in resolution of the dispute. The matter was thereafter presented to the undersigned in an arbitration hearing conducted on April 7, 1986 for final and binding determination. Post hearing exhibits and briefs were filed by the parties which were exchanged by May 28, 1986. Based upon a review of the foregoing record, and utilizing the criteria set forth in Section 111.70(4)(cm) Wis. Stats., the undersigned renders the following arbitration award.

ISSUES:

The sole substantive issue between the parties is the salary schedule for the 1985-86 school year. The Board is proposing a BA base of \$15,300 on the same salary schedule structure as last year. The Association is proposing a \$15,600 base on the same structure. The Board's proposal would result in an increase of \$1648 per returning teacher on salary only, or 7.7%. The Association's proposal amounts to a \$2084 salary only increase, or 9.7% for each returning teacher. The total package proposed by the Board would amount to a 7.7% increase or \$2159 per teacher. The Association's proposed total package increase amounts to 9.5% or \$2679 per teacher.

The parties also disagree as to what school districts should be deemed comparables for purposes of this proceeding.

BOARD POSITION.

The school districts that comprise the East Central Athletic Conference are most comparable to the District and should be utilized as comparables in this proceeding. In fact, there have been three arbitration awards issued involving these Athletic Conference districts, and in all three, arbitrators have ruled that the best comparability pool are the Athletic Conference

school districts.¹ Arbitrators have also traditionally and consistently relied upon athletic conference districts in determining comparability.²

Predictability and stability in the parties long term relationship is of paramount importance in deciding comparability. The parties have relied on the Athletic Conference to guide them in reaching voluntary settlements over the past several years. To utilize another comparability group would completely frustrate the parties negotiations in the future.

The Association's proposed comparables on the other hand rely on nothing more than selected settled school districts that favor the Association's position. In fact, many other districts in the general area of similar size and with settled 1985-86 contracts have been excluded from the list of comparables proposed by the Association because the settlements in those districts do not support the reasonableness of the Association's position herein. The Association has failed to provide any objective and quantifiable data that would establish a reasonable foundation for the comparisons it proposes. In fact, the equalized valuation of the Association's proposed comparables demonstrates how dissimilar said districts actually are. In addition, said districts are in different labor markets. In sum, none of the districts the Association proposes has a community of interest with the District.

The Association's proposed comparables also include many districts with non traditional salary schedules which make salary comparisons with the District impossible. In fact, because of the substantial restructuring of salary schedules which has occurred in the District and elsewhere, the best measurement of settlements today is the total package dollar and percent increase

The fact that there are only two school districts settled in the Conference simply means that the arbitrator must look to other statutory criteria in formulating his award. Those criteria include the general state of the economy, the public interest, cost of living, and a record of past settlements in the District.

The economic climate of a small rural school district is not conducive to salary increases of the magnitude that the Association is advancing.

There are certain unique characteristics of the District that should be kept in mind in evaluating the final offers. The District's actual cost per member is the highest among comparable districts. Its total cost per member ranked second of eight comparables. It has the highest levy rate and the lowest equalized valuation per member. It is a rural district with nearly 75% of its total value being defined as rural. Finally, it has the second highest value tax rate of any other comparable.

In addition, on balance, the District's salaries compare quite favorably with other districts in the Athletic Conference

Because of the fact that the District recently compressed its schedule, increments in the District far exceed Conference averages. Thus, teachers in the District reach the highest salaries on the schedule in a shorter period of

¹ Citations omitted

² Citations omitted.

time than do their colleagues. In addition, when looking at the District's rank on the benchmarks, it is clear that it ranks near the middle of the pack.

Furthermore, other settlements in the District and private sector settlements in the area also support the reasonableness of the Board's offer.

The relatively high settlement in the District last year also supports the Board's position herein. Related thereto, no persuasive rationale has been presented why a larger settlement is needed this year: in fact, the trend is downward.

Cost of living data also supports the Board's position herein. In this regard it is noteworthy that the Association's position is nearly three times the CPI rate, which is unreasonable and excessive.

In terms of overall compensation, the District contributes above average rates for health and dental insurance, and no other comparable district offers vision insurance.

Thus, under all of the statutory criteria, the Board's proposal is the more supportable of the two.

ASSOCIATION POSITION:

The following districts should be utilized as comparables in this case: Freedom, Little Chute, North Fond du Lac, Horicon, Markesan, and Westfield. These districts have been selected because of their similarity in size, they are geographically proximate to each other, they are relatively similar based upon school funding criteria, and they are voluntarily settled for the 1985-86 school year. All of these settlements are also relatively current. The Little Chute settlement, the only locked in two year contract, is still relevant since 1985-86 is the first year of a two year contract. Relatedly, Hortonville should not be utilized as a comparable because its' two year, locked-in contract was settled in July, 1984.

Because only two settlements exist in the Athletic Conference, other comparable districts must be utilized in this proceeding. This practice is consistent with substantial arbitral precedent.³

The Association's proposal is clearly more reflective the the prevailing 1985-86 settlement pattern among the District's comparables. In this regard the Association's offer maintains more closely the relationship between the District and the settled average teacher salary among comparables than does the District's offer. The Association's offer also is more comparable when per returning teacher salary only increases are analyzed, either in terms of dollars or percentages. Comparability of the Association's proposal is also supported by a comparison of per teacher package dollar and percentage increases. Furthermore, a traditional benchmark analysis also supports the comparability and reasonableness of the Association's offer. A deterioration of the District's benchmark values over a five year period in five of seven benchmark values further indicates that the Association's offer should be selected. On the other hand, the Board's offer in every case causes a further deterioration of those salary schedule benchmark values.

³ Citations omitted.

Furthermore, it is not in the best interests of the Omro community to have the salaries of the District's teachers so negatively impacted by the Board's proposal. Certainly there is no question about the financial ability of the District to meet the costs of the proposed settlement, and the record does not demonstrate that the economic conditions in the Omro area are any worse than conditions in comparable communities throughout the State, or in the District's comparables. If the District's ability to pay is deemed to be an issue, it should be remembered that the actual cost to the District of both parties' final offers is substantially less due to the turnover of staff between 1984-85 and 1985-86.

It is relevant and noteworthy that the per teacher fringe benefit costs in the District are below the comparable average. In fact, the District's benefits are in line with the benefits provided teachers in comparable districts.

Regarding the Board's attempt to make comparisons with non teacher settlements and conditions of employment, the record fails to demonstrate any similarity of duties, responsibilities, training, etc. with any of these employee groups, and absent such a showing, the Board has failed to meet its burden of proof for the utilization of such comparisons.

DISCUSSION:

On the comparability issue, the undersigned believes that it is appropriate in the instant circumstances to utilize as comparables the following school districts: Freedom, Little Chute, Westfield, and Markesan. All of said districts are located in counties in which districts in the Athletic Conference are located. In addition, all of said districts are of relatively similar size. And lastly, all of said districts have 1985-86 settlements. Regarding the latter criterion, the undersigned has not utilized Hortonville because its 1985-86 agreement was negotiated two years ago as part of a multi-year agreement. The undersigned has however utilized Little Chute, which also has a multi-year agreement since it was recently negotiated and since both parties have indicated that it is an appropriate comparable to utilize in this proceeding. In spite of the foregoing, the undersigned deems the Little Chute settlement to be somewhat less relevant than the others referred to herein since it consists of a multi-year agreement containing a split 1985-86 schedule, and since it is located in an area which is more urban in nature than the District's locale.

In spite of the fact that the undersigned has selected the above four districts as comparables, the undersigned does not believe that the settlements which have been achieved in these four districts should be solely or primarily determinative of this dispute since it does not appear that a clear settlement pattern among comparable districts has been sufficiently established in this case. In this regard it is important to note that six of eight athletic conference districts have not settled, that the two settlements in the Conference are somewhat distinguishable based upon reasons discussed above, and also, not unimportantly, the record does not contain evidence of all settlements that have been reached in districts in the area which are of relatively similar size and character.

In spite of the foregoing conclusion, the four comparable settlements referred to above are relevant to the disposition of this dispute, and in this regard, they indicate the following: In light of the average salary only and total package dollar and percentage increases which have been implemented in these districts, the Association's proposal is clearly the more comparable

of the two. When actual salaries at several lane minimums and maximums on the salary schedule are compared, it would appear that although the Board's proposed salaries are not out of line at the BA maximum and MA maximum, at the BA base, MA minimum, and Schedule maximum, the Board's proposal would result in very low salaries for the District's teachers, comparatively speaking. Thus, based upon all of these considerations, it would appear that the Association's proposal is clearly more comparable, and therefore reasonable, than the Board's proposal.

In this case however the foregoing conclusion must be considered only part of the ultimate determination which must be made, again because of the rather skimpy evidence which is currently available regarding comparable settlements in the area. In such a context other statutory criteria must be considered and applied, and when such other evidence is factored into the determination, in the undersigned's opinion, the weight of the evidence supports the reasonableness of the Board's offer.

That other evidence includes the following. The Board's proposal is more consistent with the value of settlements between the District and other employee groups, and with other private and public sector settlements in the area. It also significantly exceeds relevant increases in the cost of living, thereby generating gains in real income among the District's teachers. It has not been demonstrated that the Board's proposal will significantly alter the comparability of the the conditions of employment of the District's teachers based upon available 1985-86 data. In fact, it would appear that because of the recent restructuring of the District's schedule, its teachers will likely maintain a leading position among the District's comparables in terms of the size of increments which are available to teachers on a yearly basis, and the speed with which they can progress to the maximum of the schedule.

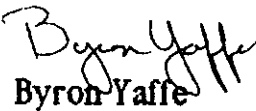
One last consideration also strongly supports the reasonableness of the Board's proposal, and that is the struggling state of the agricultural economy in the area, with its economic impact on many of the citizens in the District and its political impact on individuals who have responsibility for the expenditure of the District's public funding. In light of this economic and political reality, and the correlative need for public bodies such as school districts in such areas to reasonably constrain spending growth, where such restraint is possible without adversely affecting program quality and the comparability of the conditions of employment of the public employees who are needed to provide such services, the undersigned believes that public employer efforts to reasonably constrain such spending should not be ignored. In this regard it is particularly significant that the District appears to have one of the highest levy rates in the area, which provides the Board's with significant reason to be concerned at this time with restraining spending. Under such circumstances, a total package proposal which will result in an average increase of \$2159 per returning teacher and which will not necessarily result in inferior conditions of employment based upon comparability considerations merits the undersigned's support and selection. In fact, the parties agreed to a settlement last year which was relatively similar in value (7.7%) to the Board's offer herein, and there does not appear to be justification in this record, based upon economic or comparability data, to deviate substantially from the value of that settlement herein.

Based upon all of the foregoing considerations, the undersigned hereby renders the following

ARBITRATION AWARD

The Board's final offer shall be incorporated into the parties' 1985-1986 collective bargaining agreement

Dated this 23rd day of June, 1986 at Madison, Wisconsin.


Byron Yaffe
Arbitrator