

JUN 26 1986

WISCONSIN EMPLOYMENT

IN THE MATTER OF MEDIATION-ARBITRATION)
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 between)
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 School District of Greenwood)
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 -and-)
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 Greenwood Education Association)
))

INTEREST ARBITRATION COMMISSION
)
)
 Case 12 No. 35851
 MED/ARB - 3569
 Decision No. 23187-A
)
 June 16, 1986

APPEARANCES

For School District of Greenwood

Karl L. Monson, Consultant, Wisconsin Association of School
 Boards, Inc., Madison, Wisconsin
 John D. Kammerud, Superintendent of Schools

For Greenwood Education Association

Mary Virginia Quarles, Executive Director, Central Wisconsin
 UniServ Council - West, Wausau, Wisconsin
 Greenie Jackson, Chief Negotiator
 Jerry Hamm, Negotiator
 Darlene Bucheger, Negotiator
 Dan Lynch, President-Elect

JURISDICTION OF MEDIATOR-ARBITRATOR

On September 20, 1985, the Parties, School District of Greenwood (hereinafter "School District" or "Board") and Greenwood Education Association (hereinafter "Association") exchanged initial proposals on matters to be included in a new collective bargaining agreement to succeed the agreement which expired on June 30, 1985; that thereafter the Parties met on three occasions in efforts to reach an accord on a new collective bargaining agreement; that on October 21, 1985, the School District filed an instant petition requesting that the Wisconsin Employment Relations Commission initiate Mediation-Arbitration pursuant to Sec. 111.70(cm)6 of the Municipal Employment Act; that on January 6, 1986, Mary Jo Schiavoni, a member of the Commission's staff, conducted an investigation which reflected that the Parties were deadlocked in their negotiations, and, by January 6, 1986, the Parties submitted to said Investigator their final offers, as well as a stipulation on matters agreed upon, and thereupon the Investigator notified the Parties that the investigation was closed; and that said Investigator has advised the Commission that the Parties remain at impasse.

The Commission having, on January 14, 1986, issued an Order requiring that mediation-arbitration be initiated for the purpose of resolving the impasse arising in collective bargaining between the Parties on matters affecting wages, hours and conditions of employment of regular full-time and regular part-time certificated teaching personnel employed by the School District including classroom teachers, special teachers, librarians and counselors but excluding substitute and per diem teachers, principals, supervisors and other personnel having evaluative responsibilities over other certified staff members, office and clerical employees and teacher aides; and on the same date the Commission having furnished the Parties a panel of mediator-arbitrators for the purpose of selecting a single mediator-arbitrator to resolve said impasse; and the

Commission having, on January 21, 1986, been advised that the Parties had selected Richard John Miller, New Hope, Minnesota as the mediator-arbitrator.

A public hearing was held on Monday, March 17, 1986, at 8:00 p.m. in the East Gymnasium of the Greenwood High School, Greenwood, Wisconsin. Thereafter, a mediation session was held. It proved to be unsuccessful, except the Parties agreed to increase the pay rate of the Driver's Education teacher from \$8.00 per hour to \$9.00 per hour. The arbitration proceeding was held on Tuesday, April 29, 1986, at 4:00 p.m. in the Board Room of the Greenwood High School. Following receipt of positions, contentions and evidence, the Parties filed post hearing briefs which were received on June 5, 1986, after which the hearing was considered closed. The Parties waived their respective right to file reply briefs.

POSITIONS OF THE PARTIES

The issues before the arbitrator are the salary schedule and duration of the agreement. All other issues have been mutually resolved by the Parties.

For the 1984-85 school year, the salary schedule had the following characteristics (Association Exhibit #2):

BA Base	BA +7	BA Max	MA Base	MA +10	MA Max	Schedule Max
14,283	16,892	18,809	15,348	19,874	23,601	24,592

Teachers off the salary schedule will receive a minimum increase of \$1,300 in salary over last year.

Increments: By Salary Lane

Yrs.	BA	+6	+12	+18	+24	MA	+6	+12	+18
0	426	426	426	426	426	479	479	479	479
1	426	426	426	426	479	479	479	479	479
2	426	426	426	426	453	479	479	479	479
3	426	426	426	426	453	479	479	479	479
4	426	426	426	426	453	479	479	479	479
5	426	426	426	426	453	479	479	479	479
6	479	490	500	511	521	532	543	554	564
7	479	490	500	511	521	532	543	554	564
8	479	490	500	511	521	532	543	554	564
9	479	490	500	511	521	532	543	554	564
10	479	490	500	511	521	532	543	554	564
11		490	500	511	521	532	543	554	564
12		490	500	511	521	532	543	554	564
13			500	511	521	532	543	554	564
14			500	511	521	532	543	554	564
15				511	521	532	543	554	564
16				511	521	532	543	554	564

The School District proposes a 1985-86 salary schedule with the following characteristics (Board Exhibit #2c):

BA Base	BA +7	BA Max	MA Base	MA +10	MA Max	Schedule Max
15,000	17,800	19,800	16,75	20,875	24,375	25,500

Teachers off the Salary Schedule who have a minimum of 16 years experience will receive a minimum of \$1,300 in salary over last year.

Increments: By Salary Lane

Yrs.	BA	+6	+12	+18	+24	MA	+6	+12	+18
0	450	450	450	450	450	450	450	450	450
1	450	450	450	450	450	450	450	450	450
2	450	450	450	450	450	450	450	450	450
3	450	450	450	450	450	450	450	450	450
4	450	450	450	450	450	450	450	450	450
5	500	500	500	500	500	500	500	500	500
6	500	500	500	500	500	500	500	500	500
7	500	500	500	500	500	500	500	500	500
8	500	500	500	500	500	500	500	500	500
9	500	500	500	500	500	500	500	500	500
10	500	500	500	500	500	500	500	500	500
11		500	500	500	500	500	500	500	500
12		500	500	500	500	500	500	500	500
13			500	500	500	500	500	500	500
14			500	500	500	500	500	500	500
15				500	500	500	500	500	500
16				500	500	500	500	500	500

The Association proposes a 1985-86 salary schedule with the following characteristics (Board Exhibit #3c):

BA	BA	BA	MA	MA	MA	Schedule
Base	+7	Max	Base	+10	Max	Max
15,486	18,390	20,326	16,986	21,792	25,530	26,606

Teachers off the salary schedule shall receive at least the following amounts:

- Off the BA, +6, +12 lanes - \$1,418
- Off the BA+18, +24, MA lanes - \$1,518
- Off the MA+6, +12, +18 lanes - \$1,618

Increments: By Salary Lane - for all salary schedule steps in lane.

BA	+6	+12	+18	+24	MA	+6	+12	+18
484	491	500	508	521	534	537	542	545

It is important to note that both Parties have deviated from from the past incremental structure with the School District proposing higher increments at the lower steps and lower increments at the higher (top) steps. The Association, on the other hand, deviates from the past incremental structure by proposing higher increments throughout the entire salary schedule.

The Association has also deviated from the past practice of granting to all employees who are beyond the salary structure the same guaranteed minimum raise. Now, in its final offer, the Association guarantees different minimum raises, depending on the salary lane the teacher is in.

The Association proposes a one year contract (1985-86) while the School District proposes a two year contract (1985-86, 1986-87) with re-openers on economic items only for the second year (1986-87).

ANALYSIS OF THE EVIDENCE

The arbitrator evaluated the final offers of the Parties in light of the criteria set forth in Wis. Stats. 111.70(4)(cm)7, which includes:

- A. The lawful authority of the municipal employer.
- B. Stipulations of the parties.
- C. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.
- D. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in public employment in the same community and in comparable communities and in the 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 employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- G. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- H. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

A. The lawful authority of the municipal employer.

This factor is not an important consideration in that the lawful authority of the School District permits the retention of rights and responsibilities to operate the school system so as to carry out the statutory mandate and goals assigned to it consistent with the provisions of the collective bargaining agreement. Neither Party asserted that the participation of the Board to commit the economic resources of the School District, as a result of this arbitration proceeding, are in dispute.

B. Stipulations of the parties.

Except for the salary and duration issue, the Parties have agreed to all other contract items. The Parties agreed during the mediation portion of the proceedings to increase the pay rate of the Driver's Education teacher from \$8.00 per hour to \$9.00 per hour. None of the original stipulations between the Parties are in dispute. (Association Exhibit #3a; Board Exhibit #4a). As such, the arbitrator shall include the stipulations as part of the final award in this matter.

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.

Board Exhibits #5a, 5b, and 6 disclose the cost of the final offers on the 1984-85 staff moved forward for one step in 1985-86. The best costing data is contained Board Exhibit #6 as follows:

<u>FINAL OFFERS</u>	<u>BOARD</u>	<u>ASSOCIATION</u>
Total Salaries	1,074,242	1,105,940
Percentage Increase in Salary Alone	6.89%	10.04%
Average Salary	21,702	22,342
Average Salary Increase	1,398	2,038
Other Figures		
Total Salaries + Fringes	1,373,740	1,411,561
Percentage Increase Including Fringes	7.14%	10.09%
Average Salary + Benefits	27,752	28,516
Average Increase in Salary Benefits	1,850	2,614

Under the Board's offer 18 teachers are off the salary schedule for 1985-86 while 4 teachers are off under the Association's offer. Under the Association's final offer 17 teachers would be situated at the last step of a given salary lane. (Board Exhibit #5d; Association Exhibit #4d).

The Board's offer continues the normal experience increment movement of the teacher, including moving off the schedule as part of the normal movement through the salary schedule. The Association's offer permits the normal experience movement but after the movement gives the teachers a choice of the greatest salary increase (i.e., if their salary increase was greater by moving on step or whether the off-schedule increase was greater).

The public hearing in this case discloses that the School District is supported by a predominantly rural agricultural economy. This was also buttressed by Association Exhibit #27. The hearing was filled with dreadful financial losses suffered by area farmers who are also the taxpayers of the School District.

The School District is located in Clark County. Board Exhibits #23a-d show the unemployment rates for the State of Wisconsin and Clark County for 1985 and for the first three months in 1986. These Exhibits indicate that the unemployment rate in Clark County exceeds that of the State of Wisconsin as a whole. These Exhibits do not tell the entire financial condition of the farmers because self-employed farmers are also classed as "employers" for unemployment compensation purposes and therefore when they are forced out of business they are not registered in the unemployment compensation figures. Therefore, the previous Exhibits do not show the adverse impact of those farmers who have quit farming and consequently are not now paying property taxes on their former land.

Board Exhibit #25 denotes another tough year (1986) for farmers. Board Exhibit #26 discloses the decreasing farmland values. Board Exhibit #28 shows the decreasing number of farms. Board Exhibits #29, 30 and 31 indicate the troubles facing farmers who lose their farms.

Therefore, the real question here, is whether the arbitrator should force an already depressed farm economy to suffer greater woes by having them finance the Association's offer? The answer to this question cannot be resolved by this criterion alone because state law requires a review of all of the criteria contained in Wis. Stats. 111.70(4)(cm)7. Moreover, the School Board did not advance an inability to pay argument as the budget for school year 1985-86 has been established. This is not unusual because any school board can create a property tax levy rate and engage in borrowing on its own authority. Thus, this factor in mediation/arbitration is usually non-determinative even if the argument is made by the employer.

In addition, the School District is proposing an agreement which covers two years on language (1985-86 and 1986-87) with an economic re-opener and a calendar already established. The Association, on the other hand, proposes total negotiations on all items of the contract for the 1986-87 school year.

The Board believes it is not in the best interest and welfare of the citizens and children of the School District to be involved in another round of total negotiations as soon as the award in this case is rendered. Yet, the Association proposes a one year contract that maintains the status quo. Not only does the Board's offer change the status quo on length of contract, it also deprives the Association of its right to bargain the 1986-87 calendar. The School District, therefore, has not produced convincing rationale to change from the status quo and also to deprive the Association of its right to bargain the 1986-87 calendar to the satisfaction of the arbitrator. As such, the Board's proposal on duration should be rejected.

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

Both of the Parties have utilized the school districts which comprise the Cloverbelt Athletic Conference as the primary set of comparable schools. There are 14 schools in that conference with Greenwood ranking 11th in full-time teacher equivalency and last in enrollment. (Board Exhibits #7, 8a-b). Out of the 14 schools in the conference only five have settled for the 1985-86 school year. (Board Exhibits #15a-g, 19a-c). The Board contends that three of the settled schools (Altoona, Cadott and Fall Creek) should not be considered by the arbitrator because they are influenced by the urban areas of Eau Claire and Chippewa Falls. Therefore, according to the Board, only two schools (Auburndale and Owen-Withee) can be considered as appropriate comparables to Greenwood.

The Association, conversely, argues that the settlement in the Auburndale should be removed from the arbitrator's consideration because it reflects such a low settlement.

In regards to the Board's contention, there was no evidence that shows the urban influence of Eau Claire and Chippewa Falls supposedly has on the settlement trend at Altoona, Cadott and Fall Creek. If indeed, such an influence exists, the School District failed to prove this relationship. As such, the arbitrator must consider these three districts as comparable schools for salary comparison purposes.

Similarly, the Association's contention that Auburndale should be removed from the group of comparable groups is without merit for these reasons. First, the settlement should not be removed because it was a voluntary one rather than one unilaterally imposed upon the parties by a third party. Second, the Association must take the "good settlements with the bad settlements". The arbitrator doubts very much that had Auburndale been higher than the settlement trend rather than lower than average, the Association would be making the same argument to have it removed from the comparability group. Finally, if the arbitrator eliminated Auburndale and the three schools proposed by the School District, that would leave only two settled schools left for salary schedule comparisons. Two schools would not be a valid comparability group, especially when there are three other settled schools in the same athletic conference. The only occasion that two schools might be considered as a valid comparability group would be in a situation where there are no other comparable settlements available to make these salary comparisons. As such, the arbitrator shall use all five settled schools in the Cloverbelt Athletic Conference for salary schedule comparisons.

It is clear that the School District has been able to generally maintain or improve its rankings for the 1982-83, 1983-84 and 1984-85 school years. (Board Exhibits #16a-18e).

Board Exhibits #10a-d, 11a-d and 12a-d show the relationship of Greenwood's salary schedule benchmarks to those of the other conference schools. A summary of the history of the School District benchmarks as related to the averages is as follows:

	BA <u>Base</u>	6th <u>Step</u>	BA <u>Max</u>	MA <u>Base</u>	9th <u>Step</u>	MA <u>Max</u>	Max <u>Salary</u>
1982-83	-274	-709	+357	-518	-1099	-753	-1836
1983-84	-174	-810	-2225	-398	-1045	-421	-807
1984-85	-102	-703	-2236	-405	-1107	-631	-1181

In the 1983-84 school year the School District granted greater than average dollar and percentage increases for the following benchmarks: BA Base, BA Maximum, MA Base, MA 9th, MA Maximum and Schedule Maximum. (Board Exhibits #13a-g). For the 1984-85 school year the Board granted greater than average dollar and percent increases for the following benchmarks: BA Base, BA 6th and BA Maximum. (Board Exhibits #14a-g). This evidence shows that the School District gave greater than average dollar and percentage increases to the MA lanes for 1983-84 and greater than average dollar and percentage increases to the BA lanes for 1984-85.

The fact that the School District has maintained or improved in rank from the 1982-83 to 1984-85 school year does not mitigate in favor of the School District's offer. Even with the alternate year approach on improving the BA lanes one year and the MA lanes the next year, the School District is so behind the average of the conference schools that a catch-up increase is warranted to the magnitude of the Association's salary offer.

In regards to the Parties' offers in relationship to the five settled schools for the 1985-86 school year, the Association analyzed seven benchmarks (BA Minimum, BA 7th, BA Maximum, MA Minimum, MA 10th, MA Maximum and Schedule Maximum) on three factors

(wage rate, dollar increase and percentage increase) using the data from Board Exhibits #19a-c. The Association's offer, on 18 of these 21 factors, is more comparable. (Charts #8-14 of Association Brief). Even on the one benchmark where the Board controls the majority of the factors (MA Minimum), there is no Greenwood teacher on that step nor is there one even in the vicinity.

If Greenwood is ranked with five other settled schools, it is clear that the Association's offer is more reasonable. The Association's offer starts the Association toward regaining its former ranking. In fact, the Board's offer deteriorates that ranking from the 1984-85 school year. (Board Exhibits #16a-19c).

Whether the arbitrator uses dollar increases, percentage increases or rank order for comparison purposes of the five settled conference schools to the Parties' offers, the conclusion is inescapable that the Association's offer best satisfies this criterion and, in fact, illustrates the need for a catch-up raise to become more comparable to these schools.

As Greenie Jackson, the Association's Chief Negotiator testified at the hearing, the Parties determined in 1983-84 to begin a process that would bring those teachers who were paid off-schedule onto the salary schedule. In 1982-83, there had been 16 teachers off-schedule. By 1984-85, the number had been reduced to 10 teachers. (Association Exhibit #7). The Board's offer would raise it to 18 teachers.

In 1982-83, the average paid to those off-schedule was \$1,097. In 1984-85, the average was \$331. Under the Association's offer it would average \$185 in 1985-86. The Board's offer makes the average off-schedule payment \$2,677. This, however, does not mean that the Board's offer has any advantages for those off-schedule. In fact, a review of Association Exhibits #4d and 5d show that all employees fare worse under the Board's offer than under the Association's proposal.

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

Board Exhibits #24a-d disclose the Consumer Price Index (CPI) figures for the hiatus period (July 1, 1985, to date of hearing on April 29, 1986). The latest data available at the time of the hearing was that dated April 22, 1986. The percentage change from July 1985 to July 1986 was 0.7%. It is obvious that the total salary increase offered by the Board (7.14%) and the Association (10.09%) is substantially above that required to keep pace with the CPI. Clearly, the School District's offer is more reasonable when considered in light of this factor.

F. The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

Board Exhibits #20, 21 and 22 show the dental insurance, health insurance, life and long-term disability insurance coverages offered by the School District and the other schools in the Cloverbelt Athletic Conference for the 1984-85 school year. Association

Exhibit #11 indicates the health and dental insurance coverages for the settled schools (except Auburndale) for the 1985-86 school year. These Exhibits prove that Greenwood offers all of the coverages and is in the mainstream of the amounts contributed in those areas compared to the comparable schools.

In that the impasse issues only involve salary and duration, the arbitrator must conclude that the employees are satisfied with the current status of such fringe benefits as vacation, holidays, excused time, insurance pensions, insurance benefits, and the continuity and stability of employment.

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

The Parties mutually agreed that the pendency period would end at the close of the arbitration hearing on April 29, 1986.

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.

This factor was not given great weight because such other factors normally or traditionally taken into consideration in the determination of salary were already considered in the previous statutory factors.

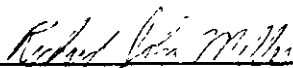
In conclusion, the Association has shown by a clear preponderance of the evidence that its offer is more reasonable than the School District's offer. The Association's final offer represents an approach closer in keeping with its historical relationships with the settled schools in the Cloverbelt Athletic Conference. To find for the School District on the salary issue would require ignoring the clear pattern of settlements among the comparable schools, the need for catch-up and the School District's lack of financial need. To find for the School District on the duration issue would change the status quo and remove the right to bargain the calendar.

Even though the School District has strenuously argued that the economic climate in Clark County is depressed, the comparable schools have suffered from the same economic plight. It is for that very reason that criterion (d) under state law requires comparison of comparable communities in the same geographic area. Thus, the poor economic conditions facing the agriculture community surrounding Greenwood cannot justify erosion of teacher salaries for that community. It, therefore, must be concluded that implementation of the Association's offer will not have an adverse affect upon the interests and welfare of the public since its offer is more similar to the comparable settlements.

AWARD

Based upon the statutory criteria in Wis. Stats. 111.70(4) (cm)(7), the evidence and arguments presented in this proceeding, and for the reasons discussed above, the mediator-arbitrator selects

the final offer of the Greenwood Education Association and directs that it, along with any and all stipulations entered into by the Parties, be incorporated into the 1985-86 collective bargaining agreement.



Richard John Miller
Mediator-Arbitrator

Dated this 16th day of June 1986
New Hope, Minnesota