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AUG 04 1986

Mediation/Arbitration \*  
 of \*  
 AREA BOARD OF VOCATIONAL, \*  
 TECHNICAL AND ADULT EDUCATION \*  
 DISTRICT ONE (Eau Claire) \*  
 and \*  
 DISTRICT ONE TEACHERS' \*  
 ASSOCIATION, WEAC, NEA \*  
 re \*  
 1985-1986 Salary Schedule Dispute \*  
 WERC Case 140, No 35948, MED/ARB-3617 \*  
 \* \* \* \* \*

AND IN THE MATTER OF  
RELATIONS, CAMES

ARBITRATION AWARD

Decision No. 23309-A

INTRODUCTION

The Area Board of Vocational, Technical and Adult Education, District One, hereinafter called the Board, and the District One Teachers' Association, WEAC, NEA, hereinafter called the Association, were unable to reach agreement upon their 1985-1986 Agreement after negotiations and mediation by a staff member of the WERC. On November 4, 1985 the Association and the Board filed for mediation/arbitration. On January 9, 1986, the WERC mediator found that the parties were deadlocked and by January 30, 1986, the parties submitted their final offers and a stipulation on matters agreed upon. The WERC ordered mediation/arbitration on February 20, 1986, and, in an order dated March 19, 1986, appointed the undersigned as mediator/arbitrator.

Mediation by the mediator/arbitrator took place on June 12, 1986 but was unsuccessful and was followed thereafter by arbitration on the same date. Briefs were exchanged through the arbitrator on July 24, 1986. Appearing for the Board was James M. Ward, Attorney/Negotiator of Riley, Ward & Kaiser; appearing for the Association were Leigh Barker and Charles Garnier, WEAC Representatives.

ISSUE

The sole issue in dispute was the 1985-1986 salary schedule. Under the final offer of the Board, each cell in the 1984-1985 salary schedule would be increased by 5.0%; under the final offer of the Association, each cell would be increased by 5.9%.

BACKGROUND

The parties agreed that the appropriate "comparables" included the other VTAE Districts in Wisconsin except for Nicolet and Fox Valley. The comparables therefore consisted of the 13 districts which had reached voluntary settlements for 1985-1986.

The basic Association argument was that the relative standing of the District had been eroded in the nineteen eighties and that the final offer of the Association should be selected because it maintained the ranking of the District and prevented further erosion. The Association argued also that its offer was more closely in line with the settlement pattern established by the other districts than was the Board offer. The Association argued that salary increases since 1979 did not exceed increases in the consumer price index. The Association also discounted the financial problems of the district, suggesting that they were no worse than those in other farming areas and that sufficient funds had been placed in reserve to meet the Association offer.

The Board argued that its offer did not seriously affect the ranking of the District, calling the arbitrator's attention to the various devices used by some other districts to improve their salary schedules without giving continuing teachers the full benefit of such changes. The type of changes referred to were the freezing of increments and/or movement on steps, the deletion of steps at the bottom of the schedule and the addition of steps at the top. The Board also argued that its offer was proper when compared to the

contiguous districts and districts of the same size as the Eau Claire district. The Board noted that the financial situation of the District warranted some consideration, pointing out the District had relatively low per capita income, a relatively large decrease in assessed valuation and a relatively high proportion of its population that made its living through farming. The Board pointed out that its final offer exceeded the increase in the consumer price index in the past year

#### DISCUSSION

Both the Board and the Association claim that their respective offers of 5% and 5.9% are in line with the settlements of the comparables. The Association states that:

With thirteen of the fifteen VTAE District contracts settled for 1985-86, a settlement pattern has been clearly established. . . . The unweighted average percent per cell increase for 1985-86 of the settled districts is 5.86%, based on Association Exhibit #51. (Association Brief, p. 2)

The Board suggests that:

A more valid basis for comparison may result by excluding from the analysis the four districts which froze increments for the 1985-86 school year. Using Board Exhibit 5 as a gross reference point, the mean settlement among the remaining nine districts is 5.33% per cell. Pursuant to this analysis, the Board's final offer of 5% per cell is considerably closer to the mean than the Association's final offer of 5.9% per cell. (Board Brief, p. 12)

The arbitrator found deficiencies in both the Board Exhibit 5 and the Association Exhibit 51. Although the Association notes that some of the increases listed on Exhibit 51 are for districts that froze increments for 1985-86, its average of 5.86 does not take this factor into account and therefore overstates the increase for four districts. Also, Association Exhibit 51 does not show the increase granted in the Indianhead District.

Furthermore, there are disagreements between the percent increases shown on Board Exhibit 5 and Association Exhibit 51. The Board shows that the Lakeshore District increase in 1985-86 was 7.75% while the Association shows that it was 7.80%. The arbitrator checked these figures against the data shown in Association Exhibits 20 and 21 and Board Exhibits 7 and 8 and found that 7.75% is the correct figure. The Board showed the Green Bay increase to be 5.25% while the Association stated it was 5.75%. The arbitrator checked those figures against Association Exhibits 31 and 32 and Board Exhibits 7 and 8 and found the correct figure to be approximately 5.77%.

The arbitrator was unable to resolve the difference between the Board and Association estimates for the Southwest District. The Board claimed that the increase per cell was 5.25% while the Association claimed it was 5.5% (See Board Ex. 5 and Assoc. Ex. 51). By use of Association Exhibits 33 and 34 and Board Exhibits 7 and 8, the arbitrator determined that the percent increases varied from 6.37% at the BA Min to 4.64% at the BA Max. The arbitrator was forced, therefore, to exclude the Southwest District from his calculation of the average increase.

The arbitrator calculated the average increase in the eight districts which increased the salary schedule by some percent increase per cell. The average increase of the eight districts (Milwaukee, Blackhawk, Madison, Waukesha, Moraine Park, La Crosse, Green Bay and North Central) for 1985-86 was 5.41%.

Next, he estimated a value of the increments to be subtracted from the increase in the four districts which froze increments in order to make them comparable to the other districts and recalculated the average using the twelve districts. The parties did not supply information from which the arbitrator could calculate directly the value of the increment in 1985-86 in the four districts that froze increments in 1985-86 (Lakeshore, Mid-State, Indianhead and Gateway). However, Association Exhibits 45, 47, 49, and 50 and Board Exhibit 2 for Blackhawk, Milwaukee, Green Bay, Waukesha and Eau Claire enabled

the arbitrator to calculate the cost of the increments in those districts for 1985-86 and average them. The average value of the increments in those five districts in 1985-86 was 1.5%.

The arbitrator used this figure of 1.5% as his estimate of the average value of what the increment would have been in the four districts that froze increments. Then, the arbitrator reduced the value of the increases in those four districts (Lakeshore, Mid-State, Indianhead and Gateway) by 1.5% to make them comparable to the other districts and then calculated the average estimated cell increase for the twelve districts. The average was 5.40%

The arbitrator concluded therefore that the Board offer was marginally preferable to the Association offer in so far as matching the pattern of settlements in the VTAE districts in the state because 5.4% was slightly closer to 5.0% than to 5.9%

A further test of the final offers is to determine how selection of each one would affect the ranking of the Eau Claire District among the other VTAEs. For the purpose of determining the ranking, the arbitrator determined that he must exclude the four districts that inflated the benchmarks by freezing increments. The arbitrator used Board Exhibits 7 and 8 with some changes as the basis for determining the ranking of Eau Claire at the "four corners" (BA Min, BA Max, MA Min and MA Max) in 1984-85 and in 1985-86 under the Board and Association final offers. The arbitrator added \$580 to the Wausau salaries at each benchmark in both 1984-85 and in 1985-86 in accordance with the information supplied by the Association (See Association Brief, p. 12). Also, the arbitrator excluded Indianhead, Nicolet, Mid-State, Fox Valley, Lakeshore, and Gateway because of increment freezing, restructuring and not settled. This left ten districts including Eau Claire.

In 1984-85, Eau Claire ranked 4th, 4th, 5th, and 5th at the four corners. Under the Association offer for 1985-86 it would continue to rank 4th, 4th, 5th, and 5th. Under the Board offer it would rank 4th, 6th, 5th, and 7th. At the BA Max, Green Bay and Wausau which had been \$84 and \$72 behind Eau Claire in 1984-85, moved to \$116 and \$23 ahead of Eau Claire. At the MA Max, La Crosse and Fond du Lac, which had been \$57 and \$201 behind Eau Claire, moved to \$18 and \$162 ahead of Eau Claire. Although these changes are marginal, it is clear that in so far as rankings are concerned the Association offer is preferable to the Board offer.

Given that the Board offer more closely follows the settlement pattern but that the Association offer maintains the ranking of Eau Claire better than the Board offer, the arbitrator finds that, in so far as comparability goes, the offers are equal. Clearly, a salary schedule based on a per cell increase of 5.45%--halfway between the final offers--would have maintained the approximate ranking of Eau Claire and would have been approximately equal to the settlement pattern. Since the arbitrator is persuaded that so far as comparability is concerned, the offers are equidistant from the figure he would have picked if he were not forced to choose one of the final offers, he turned to the other factors listed in the statute for guidance.

In so far as cost of living is concerned, the arbitrator believes that recent CPI figures support the Board position but notes that longer term CPI comparisons favor the Association position. Furthermore, since COL changes are usually reflected in the comparability data--that is, settlements in the private sector and in the major public sector settlements reflect changes in the CPI and in turn through the mechanism of comparability are linked through various chains to settlements in the VTAEs--the arbitrator does not believe that the cost of living factor provides independent grounds for the selection of a final offer in this dispute.

The remaining factor, the financial resources of the Board and the public interest, favor the selection of the Board offer. Association Exhibit 98 shows that Eau Claire has the fifth highest operational mill rate of the 16 VTAE districts. Eau Claire per capita income is the third lowest of the 17 VTAE districts listed on Board Exhibit 17 and has the lowest per capita valuation of the 17 districts listed on Board Exhibit 13. The arbitrator recognizes that the difference in total costs of the increased salaries and fringe benefits between the two offers is only about \$46,000 (Board Ex. 2) and that the reserve set aside to cover the possible loss of the arbitration dispute is more than

twice that amount. Also, the arbitrator realizes that the Board is not claiming an inability to pay the cost of the Association's final offer. Even so, the arbitrator believes that the financial status of the Eau Claire district relative to the other VTAEs warrants his choice of the Board's offer in this dispute.

Given that each offer is equally off from the figure the arbitrator would have chosen based on comparability and maintaining the settlement pattern and ranking of the Eau Claire district, the arbitrator believes that the fiscal situation in the Eau Claire district relative to that of the average VTAE tips the scales in the Board's direction.

Finally, it should be noted that this award is being issued after the close of the school year and at the time the parties are negotiating the 1986-87 agreement. To the degree that the arbitrator's choice of the Board offer for 1985-86 lowers the salaries more than is proper (because of the limitation forcing him to choose one of the final offers), the parties can take this into account in calculating the increase in 1986-87 that will generate the proper salary schedule for the Eau Claire district.

AWARD

For the reasons given above, and with full consideration of the statutory criteria and the exhibits and arguments of the Association and the Board, the arbitrator selects the final offer of the Board.

7/30/86

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July 30, 1986

*James L. Stern*

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James L. Stern  
Mediator/Arbitrator