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STATE OF WISCONSIN

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of Arbitration Between

ELROY-KENDALL-WILTON
EDUCATION ASSOCIATION

and

SCHOOL DISTRICT OF ELROY-
KENDALL-WILTON

Case 12

No. 35930 MED/ARB-3606

Decision No. 23327-A

APPEARANCES

Coulee Region United Educators by Gerald Roethel, for the Union.

Wisconsin Association of School Boards by Kenneth Cole, for the District.

BACKGROUND

On October 10 and 30, 1985 representatives of the School District of Elroy-Kendall-Wilton (hereinafter referred to as the "Board") and the Elroy-Kendall-Wilton Education Association (hereinafter referred to as the "Association") exchanged initial proposals for a 1985-86 collective bargaining agreement to be effective July 1, 1985 through June 30, 1986. Thereafter, the parties met on two occasions in an effort to reach a voluntary settlement on a new collective bargaining agreement.

On November 4, 1985, the Association filed a petition with the Wisconsin Employment Relations Commission (WERC), requesting the initiation of Mediation/Arbitration pursuant to Section 111.70 (4)(cm) 6, Wisconsin Statutes. On January 29, 1986, the WERC conducted an investigation and confirmed that the parties were deadlocked in their negotiations. The Board and Association submitted final offers and a stipulation on matters agreed upon. The WERC, on February 28, 1986, certified the impasse and ordered that the parties select a mediator/arbitrator.

On March 17, 1986, Mr. John J. Flagler of Minneapolis, Minnesota was notified of his selection as the mediator/arbitrator. Flagler met with the parties on May 22, 1986. Good faith efforts by both parties failed to resolve the dispute during mediation and the parties invoked arbitration. Two issues, salary schedule and arbitration of grievances, remain before the Arbitrator.

Reply briefs were received on July 30, 1986 at which time the record of these proceedings was closed.

DISCUSSION AND AWARDItem 1: Salary Schedule 1985-86Final Position of the Association:

STEP	III B.A.	IV B.A.+6	V B.A.+12	VI B.A.+18	VII B.A.+24	VIII M.A. or B.A.+30	IX M.A.+6
1	15,430	15,675	15,920	16,165	16,410	16,655	16,900
2	15,935	16,180	16,425	16,670	16,915	17,160	17,405
3	16,440	16,685	16,930	17,175	17,420	17,665	17,910
4	16,945	17,190	17,435	17,680	17,925	18,170	18,415
5	17,450	17,695	17,940	18,185	18,430	18,675	18,920
6	17,955	18,200	18,445	18,690	18,935	19,180	19,425
7	18,460	18,705	18,950	19,195	19,440	19,685	19,930
8	18,965	19,210	19,455	19,700	19,945	20,190	20,435
9	19,470	19,715	19,960	20,205	20,450	20,695	20,940
10	19,975	20,220	20,465	20,710	20,955	21,200	21,445
11	20,480	20,725	20,970	21,215	21,460	21,705	21,950
12	(+1) 20,730	21,230	21,475	21,720	21,965	22,210	22,455
13	(+2) 20,980	21,735	21,980	22,225	22,470	22,715	22,960
14	(+3) 21,230	(+1) 21,985	22,485	22,730	22,975	23,220	23,465
15	(+4) 21,480	(+2) 22,235	22,990	23,235	23,480	23,725	23,970
16		(+3) 22,485	(+1) 23,240	(+1) 23,485	23,985	24,230	24,475
+1		(+4) 22,735	(+2) 23,490	(+2) 23,735	(+1) 24,235	24,480	24,725
+2			(+3) 23,740	(+3) 23,985	(+2) 24,485	24,730	24,975
+3			(+4) 23,990	(+4) 24,235	(+3) 24,735	24,980	25,225
+4					(+4) 24,985	25,230	25,475

The Association relies on two comparison groups -- a group related by size and proximity which has been used by other interest arbitrators who have included Elroy-Kendall-Wilton in their comparison samples -- and a second group consisting of a statewide average.

Fifteen arbitrators have selected districts from the Scenic Bluffs conference in their comparison sample and some arbitrators have consulted state wide averages. The fact that only two districts in the Conference have settled necessitates structuring a larger comparison group from the logical choices presented by the Association. Both comparison groups show the Association's position better conforms to the averages at each of the benchmarks

than does that proposed by the District. Finally, the costs are certainly well within the District's financial ability to absorb.

Final Position of the District

STEP	III B.A.	IV B.A.+6	V B.A.+12	VI B.A.+18	VII B.A.+24	VIII M.A. or B.A.+30	IX M.A.+6
1	15,150	15,400	15,650	15,900	16,150	16,400	16,650
2	15,610	15,860	16,110	16,360	16,610	16,860	17,110
3	16,070	16,320	16,570	16,820	17,070	17,320	17,570
4	16,530	16,780	17,030	17,280	17,530	17,780	18,030
5	16,990	17,240	17,490	17,740	17,990	18,240	18,490
6	17,450	17,700	17,950	18,200	18,450	18,700	18,950
7	17,910	18,160	18,410	18,660	18,910	19,160	19,410
8	18,370	18,620	18,870	19,120	19,370	19,620	19,870
9	18,830	19,080	19,330	19,580	19,830	20,080	20,330
10	19,290	19,540	19,790	20,040	20,290	20,540	20,790
11	19,750	20,000	20,250	20,500	20,750	21,000	21,250
12	(+1) 20,000	20,460	20,710	20,960	21,210	21,460	21,710
13	(+2) 20,250	20,920	21,170	21,420	21,670	21,920	22,170
14	(+3) 20,500	(+1) 21,170	21,630	21,880	22,130	22,380	22,630
15	(+4) 20,750	(+2) 21,420	22,090	22,340	22,590	22,840	23,090
16		(+3) 21,670	(+1) 22,340	(+1) 22,590	23,050	23,300	23,550
+1		(+4) 21,920	(+2) 22,590	(+2) 22,840	(+1) 23,300	+1 23,550	+1 23,800
+2			(+3) 22,840	(+3) 23,090	(+2) 23,550	+2 23,800	+2 24,050
+3			(+4) 23,090	(+4) 23,340	(+3) 23,800	+3 24,050	+3 24,300
					(+4) 24,050	+4 24,300	+4 24,550

With only two conference settlements available in the parties' traditional comparison group, the District argues that the statutory criteria be given little weight. To the extent other conference districts' past rankings shed light on the present dispute, the District points out the Elroy-Kendall-Wilton has consistently exceeded the average conference increases in the past.

For these reasons, the District argues that other statutory criteria should determine the final selection between the competing positions in this matter. Special emphasis must be placed on the interests and welfare of the public and the District's financial ability to meet the costs of improving

salaries. The double digit increase proposed by the Association would consume all of the District's "new money" plus about \$5,000 more -- a burden clearly inappropriate to the declining agricultural sector upon which the District largely relies.

DISCUSSION AND AWARD

Of all the statutory criteria, arbitrators strongly favor comparability of total compensation as the most reliable standard for choosing the more reasonable final salary position in interest arbitration. By far the most valid comparisons are among like-situated school districts which generally tend to be found within athletic conferences. Their common grouping by relative size and geographical proximity therefore leads to certain salary commonalities through collective bargaining and market pressures.

In the present case, however, the fact that only two school districts in the Scenic Bluffs Conference have settled frustrates any possibility of discerning an emerging salary pattern within the parties' traditional comparison group. In similar situations, arbitrators may seek to structure some other acceptable comparison group -- often by "borrowing" selected school districts from contiguous athletic or regional conferences. Sometimes this approach produces a representative sampling of like-situated districts. Other times this approach fails to define an acceptably representative comparison group.

The fundamental consideration which distinguishes valid and reliable comparison groups from mere aggregations is to be found in elemental concepts of sample design. To be included within a valid and reliable statistical sample, the individual school district must be truly representative of the population with which it is grouped. In short, it must share enough of the key characteristics of that comparison group as to provide some confident level of predictive value to the variable being examined (in this case salary levels and trends).

In the present case the Association argues that the selected school districts from surrounding conferences should be included in its structured comparison group because they are of comparable size and proximity, and because other arbitrators have included Elroy-Kendall-Wilton in their comparisons. Careful examination of the resulting sample, however, does not support the conclusion that the proffered comparison group meets acceptable tests of validity and reliability.

I have subjected the Association's structured comparison group to a number of standard statistical tests to assess its sampling validity. Coefficients of variance show that the distribution wanders from acceptable norms by wide margins at several benchmark levels and in its overall composition. The variances are so great at certain benchmarks as to confound any reasonable comparisons.

Examination of the historical data leading to the composite further frustrates the predictive value of the data set. Trend lines within the comparison group often move in erratic directions at various benchmark levels which defies any systematic slotting of Elroy-Kendall-Wilton salary steps as a continuous function of simultaneous extrapolation.

In sum, while I accept as a general proposition the possibility of structuring a comparison group by adding selected school districts from surrounding conferences, the particular comparison group offered here by the Association proves unsatisfactory. Mere size of and proximity obviously do not make selected districts necessarily comparable -- nor are they made intrinsically more representative because other arbitrators have included Elroy-Kendall-Wilton in entirely separate comparison groups.

Indeed, minor sampling errors and systematic sampling biases may be exaggerated by the assumption that the "borrowing" process is reciprocal, i.e., that including Elroy-Kendall-Wilton in some other comparison group renders selected districts in that group representative of Elroy-Kendall-Wilton's traditional conference group.

Granted that there are no perfect comparison groups, the fact remains that -- to paraphrase Orwell -- some groups are more equal than others. The basic reason why the distributional pattern in acceptable comparison groups is less dispersed can be found in bargaining history and in market considerations. Collective bargaining relies heavily on cross comparisons and tends towards standardization of terms and conditions of employment among those districts the parties use as common referents.

The marked variances both within the Association's comparison group and between Elroy-Kendall-Wilton and the comparison group averages at the various benchmarks strongly suggest that no such bargaining induced commonalities can be discerned from these data. The necessary inference counsels that size and proximity in this case are mere coincidental rather than causal or co-variant factors and have little or no explanatory value for purposes of the present analysis.

These findings and conclusions leave no other logical choices but to place greater emphasis on the remaining statutory criteria. In this regard, the Board's offer of 8 percent improvement in salaries far outstrips the 1985-86 earnings experiences of other public employees. Contrasted with the situation of farmers and private sector workers, an 8 percent earnings improvement must be considered uncommonly generous.

In light of the current inflationary increase of about 3 percent, the teachers stand in a genuinely select group whose real wages would improve at a rate far faster than the cost of living. I am fully aware that teacher salaries lagged behind inflationary price rises in the past. The amount of catch up in any given salary year, however, must be tempered by the realities of the taxpayers' declining financial ability to sustain these added costs.

The Association has not successfully contested the District's contention that a double digit salary increase would not only exhaust all new monies but would require either further economies or additional tax revenues to fund. While the District never flatly argued that a double digit salary increase was beyond its ability to pay, considerations of the interests and welfare of the public and the District's general financial condition warrant special consideration in assessing the more reasonable of the final positions.

These competing salary increase proposals must be viewed in a proper context. I simply cannot conclude that a double digit improvement can be justified as more responsive to the interests and welfare of the public than the District's more moderate 8 percent proposal, at a time when farm foreclosures run at a rate rivalling the period of the Great Depression. Neither can I favor the Association's position when viewed against other equitable indicia including the current moderate rate of inflation and the earnings experience of other public employees and private sector workers.

Award: The Board's final salary offer is, hereby, granted.

Item 2: Arbitration of Grievances

The Association proposes to adopt contractual language to arbitrate grievances. The Board opposes any change from the parties' current utilization of WERC staff to resolve disputes in a prohibited practice setting.

DISCUSSION AND AWARD

The record shows that in twenty plus years of the bargaining relationship the parties have experienced only four grievances. Three of these four were settled through direct negotiations and the fourth was resolved through the statutory mechanism.

Arbitrators are traditionally reluctant to author changes in existing systems without persuasive evidence that such modifications would yield improved results. In short, arbitrators favor the adage that "If it ain't broke -- don't fix it."

The parties apparently have managed to make the present system work through good faith efforts to resolve their disputes with minimal recourse to outside assistance. Absent persuasive reasons for disturbing this arrangement, I am not disposed to grant the Association's proposal to install standard grievance arbitration as a feature of the 1985-86 Agreement.

AWARD

The District's position on Item 2 is, hereby, granted.

STIPULATED SETTLEMENTS

All other contractual provisions agreed upon by the parties during negotiations were reviewed by the Arbitrator and found consistent with statutory requirements in all particulars. These are, hereby, incorporated into the Agreement.

Date

9/1/86

John J. Flagler, Arbitrator

John J. Flagler