

STATE OF WISCONSIN
BEFORE THE MEDIATOR-ARBITRATOR

JUL 22 1986

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of Arbitration Between
STOCKBRIDGE EDUCATION ASSOCIATION
and
STOCKBRIDGE SCHOOL DISTRICT

Case 5
No. 35839 MED/ARB-3561
Decision No. 23331-A

Arbitrator:
Gordon Haferbecker

APPEARANCES:

Dennis W. Muehl, Executive Director, Bayland Teachers United, on behalf of the Association/Union.

William Bracken, Membership Consultant, Wisconsin Association of School Boards, on behalf of the District/Board/Employer.

BACKGROUND

This dispute concerns the negotiations over the collective bargaining agreement between the parties to replace their existing contract which expired July 31, 1985.

On April 15 and April 24, 1985, the parties exchanged their initial proposals for a 1985-86 contract. Thereafter the parties met on three occasions in an effort to reach an agreement. On October 17, 1985, the Association filed a petition for Mediation-Arbitration pursuant to the Statutes. On November 19, 1985, Stephen Schoenfeld, a member of the Commission staff, conducted an investigation which reflected that the parties were deadlocked in their negotiations. By February 25, 1986, they had submitted to the Investigator their final offers and Investigator Schoenfeld notified the Commission that the parties were still at impasse. On March 4, 1986, the Commission submitted a panel of five arbitrators to the parties from which they were to choose one. On March 12, Gordon Haferbecker of Stevens Point was selected as Mediator-Arbitrator and the Commission notified the Arbitrator of his appointment on March 19, 1986.

A mediation session was conducted by the Mediator-Arbitrator on June 3, 1986 but was not successful in resolving the deadlock. The parties proceeded to arbitration on the same afternoon. Exhibits were presented and testimony was heard. It was agreed that briefs would be exchanged through the Arbitrator on June 27, with a possible extension to July 10, 1986, if needed. The Union's brief was received on June 28 and the Board's copy was held by the Arbitrator until receiving the Board's brief on July 10. Upon receipt of the Board's brief, the record was closed.

ISSUES

The disputed issues in this case are the salary schedule, driver's education pay, and compensation for the plays director for the 1985-86 contract year. The District is proposing a salary schedule beginning at \$14,900 at the B.A. lane. The Association is proposing a B.A. starting salary of \$15,100. In addition, the Union proposes an increase to both the horizontal and vertical increments of the salary schedule--8% on the vertical from \$620 to \$670 at the BA-Min lane, and 43% on the horizontal from \$280 to \$400.

On the other extra-curricular issues, the Board proposes to continue the driver's education teacher's hourly rate at \$8.00, while the Union offer's to increase it by \$.50 to \$8.50. The compensation of 1.8% of the BA Base (or \$252) for the "plays director" in 1984-85 is proposed to be increased to 4% by the Board, and to 5% by the Association, in 1985-86.

SUMMARY OF PARTIES' POSITIONS

The parties, at the arbitration hearing and subsequent to it, provided considerable evidence for the Arbitrator to consider. The Association submitted 83 exhibits and the District presented 128 exhibits. Each presented arguments for their case in the form of briefs submitted after the hearing. In the briefs, both parties stressed the salary issue as being most important. Each party presented argument and evidence as to the appropriate comparables with which to analyze each offer. While, on the salary issue, the Association placed more emphasis on a "bench mark" comparison with its comparables, the District emphasized total package dollar and percentage increase comparisons. It is not practical for the Arbitrator to review in detail all of the data and arguments presented by the parties, but I will attempt to include the most important material.

Association's Position.

The Union argues that Stockbridge is a unique school district because of its very small size and because it is bounded on the west by Lake Winnebago. Also, Stockbridge is not in an athletic conference and thus, has no normal and usual comparables. Therefore, using the established and agreed upon criteria of geographic proximity, the Union suggests ten area schools which should make up the comparability group: Brillion, Chilton, Elkhart Lake, Hilbert, Kaukauna, Keil, New Holstein, Reedsville, Valders, and Wrightstown. The Board's proposed comparables (of only Brillion and Hilbert), although appropriate as part of the larger group suggested by the Association, are, when taken alone, too narrow in scope to be meaningful and are self-serving. While the Board wants to suggest on one hand that Stockbridge operates in a vacuum, it proffers exhibits on the area economy and data on many other school districts. The Board cannot have it both ways--the arbitrator should use the Union's comparable list.

The Association suggests that in a case such as this, where erosion of relative position is a consideration, state-wide averages are relevant and should be used by the Arbitrator. Many arbitrators, including the Arbitrator here, have recognized the value of state-wide information in terms of relative position because it presents a visualization of an industry-wide pattern or, at least, a relationship over a period of time, in terms of all school districts in the state of Wisconsin. However, regarding the Employer's presentation of non-professional private sector wage information, because of its vague nature and the fact that it has been traditionally rejected by arbitrators because of its non-comparable (non-professional) nature, this data should be discounted and not be a determinative factor.

The Association argues that the pattern of settlements among the comparables establishes the local cost-of-living. It is appropriate to give greatest consideration to the settlements arrived at with employees performing similar work under similar economic circumstances. Arbitrators have traditionally utilized the pattern of settlement standard--a standard which was originally and successfully argued by school boards. Even if 2-year agreements are excluded from the analysis, the Association offer (of \$1,986 average per returning teacher) is only \$81 higher than the pattern, while the Board offer (of \$1,368) is substantially below the cost-of-living pattern as measured by the salary settlements of the comparables--\$537 less per teacher or 28% below the pattern. And when total compensation is considered, Stockbridge teachers are clearly at a disadvantage--they lack other forms of compensation (dental, life, and long term disability insurance), which are the norm, plus have woefully inadequate salaries.

The Union suggests that the Stockbridge teachers are in a position to obtain the salary advancement provided by the Association's offer. A number of arbitrators has recognized the need for "catch-up" in certain circumstances and have favored percentage increases greater than the settlement pattern. The Association avers that its offer is justified because of the clear need for the Stockbridge teachers to "catch-up" with the comparables.

The District has presented no evidence of inability to pay the Union's offer. In fact, the evidence points to the contrary. Also, the

Board has provided no evidence that the farm problem it cites is any different in this district as compared with other districts in the state. The Union takes exception to misleading nature of Board's evidence which purports that 78.28% of the district is agricultural--it only reflects the number of residents living outside of incorporated municipalities and does not reflect the classes of land such as residential, commercial, manufacturing, or agricultural, all of which can be found outside incorporated areas. 78% rural does not mean 78% agricultural.

It is the Association's position that benchmark comparisons should carry primary weight in this case over an analysis of total package costs and/or dollar increase comparisons. The use of benchmarks is common practice in arbitration cases, and arbitrators are quoted in support of benchmark analysis. Using this method, the Association makes many historical comparisons of its offer to the District's proposal including: schedule ranking, percent of best, median percentages, and dollar differences to average. All these comparisons support without question the Association's wage offer. The Association also developed a system to compare "lifetime" earnings or "schedule production" over a period of 25 years. Clearly, according to this data, Stockbridge is not the place to work if one's goal is to maximize earnings. The Board's offer in 1985-86 further discourages career teaching in the Stockbridge District. Likewise, when considering statewide averages, the Board's offer would accelerate the erosion of salaries at every benchmark and, in particular, at the MA and Schedule Maximum. Thus, the Association's offer only attempts to maintain previously established wage relationships with comparable schools and to prevent further deterioration of wage relationships with the comparables locally as well as statewide.

The Union believes its offers on the extra curricular positions are supported by the facts. With the ten school average drive education pay being \$9.27, the Union proposal of \$8.50 is too low. And with the plays director position having been upgraded in 1985-86 to include more responsibilities than those found in the comparable schools, the Association's 5% position is preferable.

An assessment of each party's offer in light of the relevant facts and the statutory criteria confirms the reasonableness of the Association's offer which should be chosen by the Arbitrator.

District's Position.

The District argues that Stockbridge School District has two fundamental characteristics: it is rural, small, and highly taxed; and it is poor. The Board's exhibits clearly show that Stockbridge deserves special attention to its unique characteristics of being an area of low income, with high priority taxes directed toward education, all of which compel moderation of wage increases. With last year marking the return to a formal salary schedule after abandoning it for three years, the Union is seeking too many changes in too short of a time for the District to absorb. This is especially true of the structural changes the Association is proposing in the salary schedule. And further, the exhibits submitted by the Union showing that Stockbridge will receive more state aid in 1985-86 are irrelevant to the current dispute since the Board is not arguing that it cannot pay the Union's proposal, but rather that the taxpayers would have difficulty paying for the 12.6% increase the Association is proposing.

The Board alleges that the only two districts that can rightfully be termed comparable are Brillion and Hilbert for several reasons. First, many previous arbitrators have placed the districts in the Union's list of comparables into a variety of other comparable groupings. However, Stockbridge does not appear in any of the comparable groupings. Thus, there is a long established arbitral practice of excluding Stockbridge from comparisons with these other districts. Second, the characteristics of Stockbridge do not conform in any important factors with the Union's list of comparables. On the critical elements of pupil enrollment and full time equivalent teachers, the Association's list includes districts far too big. The Union's own evidence proves that Stockbridge cannot realistically be compared to Kaukauna, Keil, New Holstein, Valdars, or

Chilton based on size alone. And finally, the Board's comparable choices fulfill the criteria of geographic proximity.

The District submits that its cost figures are more accurate than those submitted by the Union. The salary only costs (the same for each party) show that the Board's offer is 7.8% or \$1,368 per teacher on the salary schedule only, while the Union's offer is 11.3% or \$1,985 per teacher. The total package costs (disputed by the Union) are 9.3% or \$2,084 per teacher for the Board offer, and 12.6% or \$2,837 per teacher for the Union proposal. The economic climate of a small rural school district is not conducive to salary increases on the magnitude that the Association is advancing.

The rural nature of the Stockbridge School District is causing economic problems based upon the farm crisis. The Employer presents many exhibits which illustrate the economic problems facing the farmers in Wisconsin and nation-wide. The problems stated in these exhibits are affecting many residents of the district, curtailing their ability to pay taxes. To make matters worse, state-wide basis school spending is out pacing inflation by a larger margin than ever before. The District's package may prove to be two and one-half times greater on a percentage basis than the increase in the CPI for calendar year 1986. The Board believes its 9.3% increase is not a "restraint" on school spending that is being called for by State government officials, but is more of a "restraint" than the "open-the-floodgates" proposal of the Union's 12.6% demand.

The District submits that the general public interest and the employee interest as expressed in the Union offer are opposed. The Board's final offer more reasonably balances the public interest with the employee interest. In light of the state of the economy and general economic hardships experienced by the taxpayers who must foot the bill, the Union's final offer will require taxpayers to shoulder a greater burden at a time when restraint and moderation are warranted. Many arbitrators, including the Arbitrator here, have emphasized the importance of the impact of the economic environment on ability and willingness of the taxpayers to fund large increases.

The District argues the comparability data favor its final offer. The Board believes that the Arbitrator should give greater emphasis and reliance on data from 1984-85 and less on prior years' data. The Union's long-term historical perspective must be discounted since the parties voluntarily agreed on all of these settlements. The comparability data favor the Employer's offer because: Stockbridge has kept pace with the level of comparable settlements, which is a terrific achievement for a district with fewer resources than its neighbors; the Board submitted many documents showing that no other employee group in the area, state or the country is obtaining settlements of the magnitude of 12.6% salary increase as the teachers are demanding in Stockbridge; a local private school's 1985-86 settlement was about 6% increase; among area firms in the private sector (none located in Stockbridge) several had no wage increases, some decreases, while others small increases ranged from 2.5% to 6.0%; the Board's offer is closer to the settlement pattern at only 1% above the average, and the Union proposal an unbelievable 4.2% above the average on total package cost increases; last year's settlement of 7.4% total package increase is an indicator of where the settlement should be this year; and the other employee groups in the district only received salary increases from 5.6% to 6.0%.

The Board believes the other issues of the salaries for driver's education and play director positions to be of minor significance and neither offer on these issues is inherently unreasonable.

The District argues that its offer of a 7.8% salary and 9.3% total package increase in an economy with an inflation rate of 3.1% over the relevant time period, clearly strikes a responsible and fair balance between the public interest and the needs of the District's employees. The Employer, in this most difficult round of bargaining, has attempted to construct a final offer which satisfies both concerns. The Arbitrator should choose the District's offer as more reasonable.

DISCUSSION

Before beginning a discussion of the offers vis-a-vis the statutory criteria, the Arbitrator would like to comment on the quantity and quality of data provided by the parties in this case. A case such as this tends to take on a complexity all its own as one becomes more and more acquainted with the dispute. Both offers in this case, in particular, turn out to be very close as the data is analyzed. This Arbitrator is very appreciative of the parties, especially the Union, for providing excellent source material from which to look at the offers from different perspectives. Without material such as was provided here, the Arbitrator's job becomes very difficult indeed. Both parties did a very professional job in presenting their sides in the dispute and providing the Arbitrator with the material needed to make an informed decision.

Extra Curricular Pay.

This issue does not involve the whole extra curricular schedule but only concerns pay increases for two of the extra curricular assignments. The parties agree that this is a minor issue and that the Arbitrator's decision should be based upon which general teacher salary schedule should be adopted--the Union's or the Board's. While the Union offer on this issue is a little higher than that of the Board, the District conceded that neither offer on this issue was unreasonable. A brief analysis of the information related to comparability shows the Union's offer on the two assignments to be more reasonable. However, the Arbitrator agrees with the parties that this is a very minor issue compared to the salary schedule dispute and will place little weight on this issue.

Cost of Living.

Both the District and the Association proposals exceed the increase in the CPI in the year preceeding this contract year. The Association's offer is more in excess of the inflation rate than the District's offer. The Union points out that many arbitrators have held that actual current contract settlements are an appropriate measure of how the parties have considered the significance of the inflation factor. The Arbitrator also notes that one reason that salary increases for teachers have exceeded the inflation rate in recent years is the public recognition that teacher salaries need to be increased particularly in relation to other professional salaries in order to attract and hold high quality persons in the teaching profession.

Under either the Board or Union offer, the teachers would gain in real income in 1985-86 in Stockbridge. In view of the recent decline in inflation and the current economic situation, I find the Board's position on this issue to be a little more reasonable. However, as in most recent teacher salary settlements, cost of living has usually not been the determining factor in the decision. Other statutory criteria, such as teacher salary comparables, have been given more weight.

Private Sector Pay Increases.

The Board points out that private sector settlements (if there were increases) have been in the 2.5% to 6% range. The District's offer is above the average while the Union's offer is substantially higher.

Teacher increases in recent years have been above private sector settlements. The differential reflects the efforts being made at the State and national level to pay teachers at a better rate in order to make their salaries more competitive with other professions. However, it is difficult to justify as large a percentage increase as the Union is proposing here. The Association's proposed 11.3% salary increase is nearly double the 6% achieved in some of the highest private sector settlements. On the basis of this statutory criterion, the Employer offer is more reasonable.

Comparable School Districts.

As the parties noted, it is difficult to find appropriate comparables since Stockbridge has the smallest enrollment of the districts in the geographic area and does not belong to an athletic conference. Both parties emphasized comparables in the geographic area but neither side's comparables were satisfactory to the Arbitrator. The District's comparables, only two other districts, is too limited a comparison. The Union's list of 10 comparables includes districts much larger than Stockbridge. For example, in 1984-85 Kaukauna had an enrollment of 2,902 students and a full-time equivalent (FTE) faculty of 154, compared to Stockbridge's enrollment of 196 and faculty of 17. (Union Exhibits 8 & 9)

The Arbitrator has selected five comparables which are believed to be a more reasonable comparability group. These are Brillion and Hilbert which the Board used and three other smaller districts: Elkhart Lake, Reedsville, and Wrightstown. All these districts have contracts for 1985-86 with the exception of Wrightstown where final offers were available. Wrightstown, Reedsville, and Elkhart Lake have FTE's and enrollment comparable to Brillion, which the Employer found to be acceptable. On the next page is the Arbitrator's Chart 1 comparing these districts with Stockbridge.

Salary and Total Package Comparisons.

A comparison of the final offers of both parties with the Arbitrator's comparables shows some facts about overall compensation favorable to the District's offer and some favorable to the Union's proposal. 1) In salary dollars per teacher and in package dollars per teacher, the Board's offer is the lowest of the comparables. 2) In the percentage increase for salary and for the total package percentage, the Union's offer is the highest of the comparables. 3) As far as the percentage in poverty is concerned, Stockbridge is slightly above the average for families and a little below the average for individuals. 4) Stockbridge teachers are below the other districts in fringe benefits, not having long term disability insurance, dental insurance, or life insurance. (However, two of the comparables have only one of these three fringe benefits.)

Both the dollar per teacher increase and the percentage increase, along with the level of benefits, are important considerations. Clearly, the District's dollar increase is much too low in comparison to the comparables (\$550 below the average). Equally as apparent, is that the Union's percentage increase is far too high (2.26% above the average). More dollars offered by the Board and a more moderate percentage increase and an increase in a fringe benefit offered by the Union would have provided a more reasonable settlement. However, the Arbitrator must choose only one of the two final offers as presented.

The dollar increase comparisons favor the Union offer and the percentage increase comparisons favor the Employer offer. The teachers are more concerned with the dollar increases, but the public and the taxpayers are more concerned with the percentage increases which can be seen to have a visible impact on the school budget and the tax levy. The teachers see their overall compensation level as below standard because of a lack of certain fringe benefits, and it may be that a small, rural district like Stockbridge finds it difficult to provide all of the comparable benefits.

On the criterion of overall compensation, the Arbitrator finds both offers to be equally unreasonable.

Benchmark Comparisons.

In Chart 2 on page 8, the Arbitrator compares the 5 comparables (4 settled districts plus the lower of the Wrightstown offers) with Stockbridge concerning the impact of the salary proposals on the ranking of Stockbridge, based on benchmark salaries for 1985-86. For a

CHART 1
 ARBITRATOR'S COMPARABLE GROUP
 COMPARISONS OF SALARY COSTS, FRINGE BENEFITS, AND POVERTY

District Name	FTE	SALARY COSTS				FRINGE BENEFITS			POVERTY		District Name
		Avg/FTE Package \$ Cost	Avg/FTE Package % Cost	Avg/FTE Salary \$ Cost	Avg/FTE Salary % Cost	Dental Ins	LTD Ins	Life Ins	% Family	% Person	
Brillion	52.5	2,334	8.54	1,777	7.48	yes	yes	yes	4.33	5.65	Brillion
Elkhart Lake	47.5	2,700	9.57	1,994	9.23	yes	yes	yes	3.95	4.89	Elkhart Lake
Hilbert	30.0	2,244	8.38	1,725	8.47	yes	no	no	2.64	3.40	Hilbert
Reedsville ¹	41.3	2,666	10.49	2,094	10.39	yes	no	no	5.36	6.80	Reedsberg
Board Wrightstown Union	40.8	2,811	10.07	2,002	9.61	yes	yes	yes	5.17	6.29	Wrightstown
		2,847	10.20	2,028	9.73						
Average ²	42.4	2,551	9.41	1,918	9.04	100%	60%	60%	4.29	5.41	Average
Board to Avg Stockbridge ³ Union to Avg	18.7	2,084	9.30	1,368	7.90	no	no	no	4.42	5.14	Stockbridge
		- 467	+ .11	- 550	- 1.24						
		2,837	12.60	1,985	11.30						
		+ 286	+ 3.19	+ 67	+ 2.26						

Sources: Union Exhibits 32, 37, 38; and Board Brief p. 1.

¹ Arbitration award. ² Uses Wrightstown Board offer. ³ Stockbridge Board calculations.

few years preceding 1984-85, Stockbridge had no salary schedule so a historical benchmark comparison is not possible.

CHART 2
BENCHMARK COMPARISONS
RANKING OF STOCKBRIDGE WITH THE ARBITRATOR'S COMPARABLES

Years	BA-Min	BA-7	BA-Max	MA-Min	MA-10	MA-Max	S-Max
1984-85	6	3	3	6	6	6	6
1985-86 Union	5	4	4	6	4	6	6
Board	6	5	5	6	6	6	6

Sources: Union Exhibits 14, 16, 18, 20, 34.

It is clear from the above that Stockbridge would drop in rank somewhat among the comparables under the Employer's offer and would improve only slightly under the Association's offer. Therefore, the Union's offer appears to be more reasonable on the benchmarks by best maintaining the status quo.

The Union in its brief argues adamantly that Stockbridge has lost ground to the comparables and, therefore, their high percentage offer is justified as "catch-up." It is apparent from the historical data the Union presented on benchmark comparisons that Stockbridge has lost ground in the last several years. For example, in 1981-82 the Stockbridge district ranked very high (first on two of the benchmarks) on the low-education side (BA-Base through MA-Base) of the schedule. In 1984-85 it ranked relatively low on this same side (last in one of the benchmarks). The Union believes that this is strong evidence of erosion and justifies a "catch-up" percentage increase (higher than the comparables). The Employer argues very compellingly that the contract of the years previous to this contract dispute were negotiated settlements--entered into voluntarily by the parties--and have not much bearing on this dispute.

The Arbitrator finds merit in both arguments here. I would not be adverse to the Union gaining back lost ground through the arbitration process if it can justify such a need. In interest arbitration the arbitrator attempts to determine where the parties would have ended up had they voluntarily settled. On benchmark analyses, this usually means the parties maintaining the same rank position in relation to the comparables. "Catch-up" would mean the justification to move up in rank. And, as in all changes gotten through arbitration, the burden of proof is great on the party proposing the change. In this case, however, the record, because of the lack of a salary schedule for several years, has a gap. This Arbitrator does not know just when the Stockbridge district lost ground to the comparables. Did the Union negotiate a contract in 1982-83 which essentially dropped the district to the ranks it now holds, and then voluntarily lived with the results for several years? Or has there been a gradual erosion since 1981-82? Without this information it is hard for this Arbitrator to know just to what the Union is trying to "catch-up." But more importantly, without the bargaining history, the Arbitrator is unable to have a sense as to how important the need to "catch-up" is.

Another problem with the benchmark analysis and "catch-up" in this case, is that Stockbridge is such a small school. Is Stockbridge really out of line with schools its size? Had the record contained more salary information about school districts of FTE of around 20 (perhaps even statewide data), there could have been a better determination of the justification of "catch-up."

The Arbitrator finds that, while the Union was unable to completely justify the need to "catch-up", on the basis of the benchmarks, the Union offer is more reasonable than the Employer.

Salary Schedule Structure.

The parties did not discuss this issue at any length in their briefs and exhibits, but the Arbitrator considers this to be a very important factor to be considered in his decision.

The Union is proposing a major change--increasing the vertical experience increments by about 8% and the horizontal increments by 43%. (Board Exhibit 16) The following Chart 3, using the Arbitrator's comparables, compares the districts on this matter.

CHART 3
ARBITRATOR'S COMPARABLE GROUP
COMPARISONS OF VERTICAL AND HORIZONTAL INCREMENTS
1985-86 SALARY SCHEDULES

District Name	BA Base	Vert at BA-Base	Vert Inc Amt	Vert at MA-Base	Horz at BA-Base
Brillion	15,150	606	18	661	454
Elkhart Lake	15,685	659	6	690	150
Hilbert	15,030	580	30 & 55	665	225
Reedsville	15,615	645	0	645	300
Board Wrightstown Union	16,070	600	15	660	275
	15,350	620	15	680	300
Average*	15,366	622	14	668	286
Board Stockbridge Union	14,900	620	10	650	280
	15,100	670	10	700	400
1984-85	14,000	620	10	650	280

Sources: Union Exhibits 34; and Board Exhibit 3

*Includes Wrightstown using Union offer.

It is clear that the Association is proposing a major salary schedule structural change, particularly in increasing the horizontal increment (rewarding educational credits) from \$280 to \$400. The average of the 5 comparables is 286, which is almost identical with the Stockbridge schedule for 1984-85 and the Board's offer for 1985-86. Of the comparables, only Brillion (at \$454) is above the Association's proposed \$400 lane differential. An inspection of the Union's comparables (Union Exhibit 34) shows also that only one other school (Valders at \$600) is above the Union's offer on the horizontal differential.

In teacher contracts, differentials in the horizontal and vertical increments are normally fairly constant from year to year--the salary structure remains unchanged--and salary increases that are negotiated

usually are based on increases at the BA Base. When the parties embark on changes in the structure of a salary schedule, it becomes an important issue because of the impact of such changes on future budgets and competitiveness of the salary schedule. Such changes have very subtle implications for the parties and should be negotiated and not imposed by an arbitration award.

The Union, indeed, is proposing a major schedule structure change. Can a small school like Stockbridge afford this proposal, not just for 1985-86, but for the future as well? Are there other schedule changes which the parties might find more helpful to the teachers and the District? Might a more moderate change be desirable?

The Arbitrator finds the Employer's position on this issue to be more reasonable. Possibly the parties may want to negotiate some improvement in the horizontal increment to encourage teachers to get more education, but the Union proposal seems out of line at this time.

Ability to Pay.

The Board has not argued that it would be impossible to meet the Union's wage proposal, but it has argued that it would be a hardship to the taxpayers of the District to bear the tax burden of an increase in the salary package of 12.6% (Board's figure). However, the Board failed to show how the agricultural situation is worse in the Stockbridge District than in comparable districts, and the poverty statistics presented show that Stockbridge is not much different than neighboring districts.

More supportive of its case are the comparisons it made with its comparables (even though its comparable group was inadequate). The data shows that Stockbridge has a low teacher per pupil ratio, a high cost per pupil, and low state aid. The District tax levy increased 11.5% between 1984-85 and 1985-85, highest of the three schools (Board Brief, p. 3).

However, the Union counters these claims that Stockbridge is a poor district by pointing out that the District received a 200.8% increase in State Aid in 1985-86 over 1984-85. In other words, if the district was poor in the past, it is no longer.

To try and understand a little better this counter-claim by the Union, the Arbitrator constructed Chart 4, on next page. Using Union Exhibit 11 and the pupil enrollments for 1984-85 (Union Exhibit 8), per pupil state aid figures for 1984-85 and for 1985-86 were calculated. This was done to try to see just what kind of impact the 200.8% increase had on Stockbridge when compared to the comparables.

The data clearly shows that Stockbridge, indeed, has received far less state aid than the other comparable districts. For instance, in 1984-85, Stockbridge only received \$235 in state aid per pupil. This compares to the next lowest \$788 (Brillion) and the highest \$1,115 (Wrightstown). While the huge increases to Stockbridge did help to lessen the gap between it and its comparables, in 1985-86 Stockbridge is still far behind (\$708 compared to \$1,051 or 48.4% below the next highest) the comparables in state aid per pupil. Of all the data, this most conclusively shows to the Arbitrator the financial position of the Stockbridge District. At least as far as dollars returning to the district from the State, Stockbridge has been very low and is still behind. This means more dollars per pupil must be raised locally to maintain services comparable to other districts, and thus a heavier tax burden on the local taxpayer.

On the ability to pay criterion, while the District does have the ability to pay the Union's offer, the Arbitrator finds that, when considering the financial conditions within the Stockbridge district, especially the State Aid situation, the Employer's offer is more reasonable.

CHART 4
 ARBITRATOR'S COMPARABLE GROUP
 COMPARISONS OF STATE AID

District Name	Pupils	State Equalized Aid 1984-85		State Equalized Aid 1985-86		School Aid Credit 1985-86		Total State Aid 1985-86		Aid Percent Increase 85-86 84-85	
			Per Pupil		Per Pupil		Per Pupil		Per Pupil		
Brillion	838	659,926	788	710,060	847	170,742	204	880,802	1,051	33.47%	
Elkhart Lake	825	910,921	1,104	977,004	1,184	162,642	197	1,139,646	1,381	25.11%	
Hilbert	474	428,997	905	473,659	999	119,468	252	593,127	1,251	38.25%	
Reedsville	744	616,668	828	683,476	918	146,826	197	830,302	1,116	34.64%	
Wrightstown	708	789,091	1,115	752,146	1,062	151,446	214	903,592	1,276	14.51%	
Stockbridge	196	46,130	235	68,365	349	70,393	359	138,758	708	200.80%	

Sources: Union Exhibits 8 and 11.

Interest and Welfare of the Public.

As the District points out, the Board has to balance the need for professional teacher salaries that attract and hold high quality personnel against the willingness and ability of the District and State taxpayers to finance salary increases. There is citizen pressure, at least at State and local levels, to moderate salary increases and resultant tax increases. In a district that is predominantly rural, it is hard to justify the double digit salary increase package that is proposed by the Union. In this case, also, the Union is seeking a larger increase than it secured in 1984-85, even though there has been a further deterioration in the economic position of the farmers in the District.

The Arbitrator concludes that the interest and welfare of the public would be better served by the more moderate salary proposal of the District than the higher salary proposal of the Union.

CONCLUSION

The offers of both parties are unreasonable. In comparison with other comparables, the Board's dollar increase proposal is much too low and the District's teachers decline in rank where they are already low among the comparables in benchmark comparisons. The Association is proposing too large a percentage increase in a period of difficult economic times for the taxpayers in a small rural district. The Employer offer should have provided a larger dollar increase to bring Stockbridge teachers closer to the salary increases offered by the comparables. The Union offer should have been more moderate and could have included "catch-up" in the area of fringe benefits. The Arbitrator must choose between two unreasonable offers--to select the least unreasonable.

On the statutory criteria of cost of living, private sector wage increases, ability to pay, and the interest and welfare of the public, the Arbitrator finds the Employer offer to be somewhat more preferable than the Union. On the secondary issue and on benchmark comparisons the Union's offer is somewhat preferred. On total compensation, the Arbitrator finds both offers equally unreasonable because the District's low offer on the dollars and lack of comparable fringe benefits is counterbalanced by the Union's excessively high offer on a percentage basis. And finally, on the very important issue of the salary schedule structural changes, because such changes should be settled by the parties through negotiation and not imposed by an arbitrator, the Employer status quo offer is more reasonable.

Taking into account the statutory criteria and the briefs and exhibits of the parties, the Arbitrator finds the District final offer to be preferable to that of the Association.

AWARD

The final offer of the Stockbridge School District, along with agreed upon stipulations, shall be incorporated into the 1985-86 collective bargaining agreement between the parties.

Dated this 21th day of July, 1986 at Stevens Point, Wisconsin.

Gordon Haferbecker
Mediator/Arbitrator