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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Petition of:

GLIDDEN FEDERATION OF TEACHERS, LOCAL 3237, WFT, AFT, AFL-CIO

To Initiate Mediation Arbitration Between Said Petitioner and

GLIDDEN SCHOOL DISTRICT

Decision No.
24253-A

Appearances: William Kalin, Staff Representative, for the Federation.
Sue Mertig, School Board Member, for the Employer.

Glidden Federation of Teachers, Local 3237, WFT, AFT, AFL-CIO, hereinafter referred to as the Federation, filed a petition with the Wisconsin Employment Relations Commission, hereinafter referred to as the Commission, wherein it alleged that an impasse existed between it and the Glidden School District, hereinafter referred to as the Employer, in their collective bargaining. It requested the Commission to initiate Mediation/Arbitration pursuant to Section 111.70(4)(cm)6 of the Municipal Employment Relations Act. A member of the Commission staff conducted an investigation in the matter.

At all times material herein, the Federation has been and is the exclusive collective bargaining representative of certain employees of the Employer in the collective bargaining unit consisting of all teachers, excluding substitute teachers, principals, district administrators and all noncertified employees. The Federation and the Employer have been parties to a collective bargaining agreement covering wages, hours and working conditions of the employees that expired on June 30, 1986. On March 15, 1986, notice to open negotiations was served by the Federation and the parties exchanged their initial proposals on September 16, 1986. Thereafter, the parties met on one occasion in an effort to reach accord on a new collective bargaining agreement. On December 15, 1986, a Commission staff member conducted an investigation that reflected that the parties were deadlocked in their negotiations and by February 3, 1987 the parties submitted their final offers. The Commission concluded that an impasse existed between the parties within the meaning of the Municipal Employment Relations Act and ordered that Mediation/Arbitration be initiated for the purpose of issuing a final and binding award to resolve the impasse between the parties. It directed the parties to select a Mediator/Arbitrator and to notify the Commission of the individual selected. Upon being notified on February 16, 1987 that the parties had selected Zel S. Rice II, the Commission issued an order on February 19, 1987 appointing him as the Mediator/Arbitrator to endeavor to mediate the issues in dispute. Should such endeavor not result in resolution of the impasse, the Commission directed the Mediator/Arbitrator to issue a final and binding award to resolve the impasse by selecting either the total final offer of the Federation or the total final offer of the Employer.

On February 27, 1987, the Commission advised the Mediator/Arbitrator that a timely petition had been filed with it by at least five citizens within the jurisdiction served by the Employer requesting that the first meeting with the parties be in the form of a public hearing. The Mediator/Arbitrator scheduled the public hearing for March 17, 1987.

At the public hearing, William Kalin, Staff Representative of the Wisconsin Federation of Teachers, explained the final offer of the Federation and the final offer of the Employer. Cleon Schmidt, a taxpayer, stated that residents of the school district were behind on taxes and being forced to give up health insurance. He pointed out that farmers were having a difficult time because their gross income was declining and their real estate taxes were increasing. He stated that five farms in the area had been repossessed in the last year. Schmidt is a trucker for loggers and he stated that his insurance expense went up and the demand for his services declined. Carol Schoch stated that both she and her husband work. She pointed out that she is getting no increase this year and her husband took a cut four years ago and just got back to the same pay level that he was receiving four years ago. Chippewa Industries, the primary industry of the area, has given layoffs to sixty employees. Five mills in the area have closed doors and seven have shut down until there is an increase in business. Doris Larson pointed out that the teachers who live in the area have many advantages. Michael Radtke, a former teacher and school board member, pointed out that Mellen gave its teachers a 6.4 percent increase voluntarily for the 1986-87 school year. The teachers in the masters degree lanes received 7.4 percent increases. He stated that the issue to be decided was whether the Employer's teachers should be paid less than the average. He pointed out that some of the Employer's teachers teach six separate courses in an eight hour school day and that requires six different preparations. Some teachers have over thirty students in the class. Penny Lepkowitz stated the question is whether the Employer can support the increase. Sue Mertig, a school board member, pointed out that ten students are taught at home and this cost the Employer \$20,000.00 in school aids. She thought that the Employer's teachers were paid better than those in the nearby community of Butternut. Mertig pointed out that her husband works for the County and has to be prepared to be paid in the lower brackets because everyone else in the area is. Barbara Schlottke stated that the Employer's students are unprepared for college because of the training given by the Employer. She did not believe that the students were getting quality education from the Employer. Al Dotzauer pointed out that teachers have to obtain an education and a degree and it would be a waste of time if they didn't get a decent wage. He stated that circumstances in the area required people who live there to put up with low salaries. He felt that the quality of the education provided by the Employer was good and those students who went on to college had no trouble. Pearl Augustine works for the Employer as a paraprofessional and pointed out that teachers make three times as much as she does. She is certified as a cook by the State of Wisconsin and receives a minimum wage. She pointed out that teachers work nine months while most people work 2080 hours per year.

After every person in attendance at the public hearing who desired to speak had been given an opportunity, the meeting was terminated and the mediation

phase of the proceedings began. There was a joint meeting with the parties and several separate meetings with the representatives of the Employer and the Federation. It became obvious to the Mediator/Arbitrator that neither party would make the moves necessary to resolve the impasse. Accordingly, the mediation phase of the proceeding was declared at an end and the arbitration hearing began.

The Federation proposal, attached hereto and marked Exhibit A, proposed to add a Step 12 to the 1985-86 salary schedule and increased the resulting schedule by 6 percent to generate the 1986-87 salary schedule. The Employer's final offer, attached hereto and marked Exhibit B, proposed a 6 percent increase per cell and no additional step. The only difference between the two proposals is that the Employer's proposal calls for eleven experience steps and the Federation's proposal calls for twelve.

The Employer's 1985-86 salary cost was \$459,551.00. Its salary proposal for 1986-87 school year would have a cost of \$496,234.00. That would be an increase of \$36,683.00 over the preceding year. The Employer's 1985-86 salary cost and fringe benefit cost was \$591,060.00 and its proposal for the 1986-87 school year would have a salary and fringe benefit cost of \$638,010.00. The Employer's proposal would result in an increase in the cost of salaries and fringe benefits over the preceding year of \$46,950.00 or 7.94 percent. The Federation proposal would have a 1986-87 salary cost of \$505,556.00 and that would be an increase of \$46,005.00 over the preceding year. The Federation's proposal would result in a 1986-87 salary and fringe benefit cost of \$649,203.00. That would be an increase of \$58,143.62 or 9.84 percent. The Federation's proposal has a salary cost of \$9,322.00 more than the Employer's proposal. The Employer's proposal represents a 7.9 percent increase in salary cost and the Federation's proposal represents a 10 percent increase in salary cost. The Employer's proposal represents a 7.94 percent increase in salary and fringe benefit cost; while the Federation's proposal represents a 9.84 percent increase in salary and fringe benefit cost.

The Employer is a member of the Indianhead Conference consisting of the school districts of Ashland, Bayfield, Butternut, Drummond, Hurley, Mellen, Mercer, Solon Springs, South Shore, Washburn and the Employer. Those school districts, along with Ondossagon and Park Falls, comprise Comparable Group A. The Employer had the lowest BA minimum salary in Comparable Group A every year between the 1980-81 school year and the 1984-85 school year. In the 1985-86 school year, the Employer's BA minimum salary ranked next to the lowest in Comparable Group A. In the 1980-81 school year the Employer's BA maximum salary ranked eighth in Comparable Group A and every year since then its BA maximum salary has ranked next to the last in Comparable Group A. The Employer's MA minimum salary ranked tenth in Comparable Group A during the 1981 school year and it ranked next to the bottom during the 1981-82 and 1982-83 school years. In the 1983-84, 1984-85 and 1985-86 school years the Employer's MA minimum salary ranked third from the bottom in Comparable Group A. The Employer's MA maximum salary ranked fourth from the bottom in Comparable Group A during the 1982-83 school year and it has ranked third from the bottom every school year since then.

In the 1981-82 school year the BA minimum salaries in Comparable Group A ranged from the Employer's low of \$11,261.00 to a high of \$12,460.00 at Hurley. The percentage increases in the BA minimum salaries in Comparable Group A that year ranged from a low of 7 percent at Solon Springs to a high of 13.74 percent at Bayfield. The Employer gave its BA minimum teachers a 7.5 percent increase. In the 1982-83 school year the BA minimum salaries in Comparable Group A ranged from the Employer's low of \$12,218.00 to a high of \$13,328.00 at Bayfield. The percentage increases in the BA minimum salary that year ranged from a low of 7 percent at Solon Springs to a high of 10.25 percent at Hurley. The Employer gave its teacher's an 8.5 percent increase. The 1983-84 BA minimum salaries in Comparable Group A ranged from the Employer's low of \$13,073.00 to a high of \$14,400.00 at Hurley. The percentage increases in the BA minimum salary that year ranged from a low of 4.83 percent at Hurley to the Employer's high of 7 percent. In the 1984-85 school year, the BA minimum salaries ranged from the Employer's low of \$13,890.00 to a high of \$15,225.00 at Hurley. The percentage increases in the BA minimum salary that year ranged from a low of 4.99 percent at Park Falls to a high of 6.5 percent at Mellen, South Shore and Washburn. The Employer gave its BA minimum teachers a 6.25 percent increase that year. In the 1985-86 school year the BA minimum salaries in Comparable Group A ranged from a low of \$14,706.00 at Butternut to a high of \$16,139.00 at Hurley. The Employer's BA minimum was \$14,793.00. The increases in the BA minimum that year range from a low of 5.75 percent at Butternut to a high of 7.5 percent at Solon Springs. The Employer increased its BA minimum salary by 6.5 percent that year. Eight of the school districts in Comparable Group A have reached agreement on 1986-87 salaries. The BA minimum increases range from a low of 6 percent at South Shore, Solon Springs and Butternut, to a high of 6.5 percent at Bayfield, Drummond, Hurley and Mercer. Both the Employer and the Federation propose to increase the BA minimum salary by 6 percent for the 1986-87 school year and it would be \$15,681.00. Butternut has a 1986-87 BA minimum salary of \$15,588.00 and that is the only school district in Comparable Group A with a lower 1986-87 BA minimum salary than the Employer. The 1981-82 BA maximum salaries in Comparable Group A range from the Employer's low of \$16,889.00 to a high of \$19,344.00 at Hurley. The percentage increases that year ranged from a low of .91 percent at Ondossagon to a High of 12 percent at Hurley. The Employer increased its BA maximum salary by 7.48 percent which was the third smallest percentage increase in Comparable Group A. The 1982-83 BA maximum salaries in Comparable Group A range from a low of \$17,596.00 at Solon Springs to a high of \$21,327.00 at Hurley. The Employer's BA maximum salary that year was \$18,327.00 and ranked next to the lowest in Comparable Group A. The percentage increase in the BA maximum salary in the 1982-83 school year ranged from a low of 4 percent at Butternut to a high of 10.25 percent at Hurley. The Employer increased its BA maximum by 8.51 percent. The 1983-84 BA maximum salaries in Comparable Group A ranged from a low of \$18,476.00 at Solon Springs to a high of \$21,320.00 at Phillips. The Employer had the next to the lowest BA maximum salary in Comparable Group A that year. The percentage increases in the BA maximum salaries in Comparable Group A during the 1983-84 school year ranged from a low of 4.82 percent at Hurley to the Employer's high of 7.01 percent. The 1984-85 BA maximum salaries in Comparable Group A ranged from a low of \$19,584.00 at Solon Springs to a high of \$23,637.00 at Hurley. The Employer's BA maximum salary of \$20,835.00 was the next to the lowest in Comparable Group A during the

1984-85 school year. The percentage increase for the BA maximum salaries in Comparable Group A during the 1984-85 school year ranged from a low of 4.98 percent at Park Falls to a high of 6.5 percent at Mellen, South Shore, and Washburn. The Employer increased its BA maximum salary for the 1984-85 school year by 6.24 percent. The 1985-86 BA maximum salaries in Comparable Group A ranged from a low of \$21,053.00 at Solon Springs to a high of \$25,055.00 at Hurley. The Employer's BA maximum salary of \$22,189.00 was the next to the lowest in Comparable Group A that year. The percentage increases for the BA maximum salary in Comparable Group A for the 1985-86 school year ranged from a low of 6 percent at Hurley and Bayfield to a high of 8.71 percent at Ondossagan. The Employer increased its BA maximum salaries 6.5 percent for that year. Eight school districts in Comparable Group A have reached agreement on their 1986-87 salary schedule and BA maximum salaries range from a low of \$22,316.00 at Solon Springs to a high of \$26,684.00 at Hurley. The Employer proposes the 1986-87 BA maximum salary of \$23,521.00 and the Federation proposes \$24,305.00. Only Solon Springs has reached agreement on a BA maximum for the 1986-87 school year that is lower than the Employer's proposal and only Drummond and Hurley have reached agreement on a higher BA maximum for the 1986-87 school year than the Federation proposes.

The 1981-82 MA minimums in Comparable Group A range from the Employer's low of \$12,387.00 to a high of \$13,559.00 at Hurley. The percentage increases that the school districts in Comparable Group A had received that year ranged from a low of 7 percent at Solon Springs to a high of 13.05 percent at Bayfield. The 1982-83 MA minimums in Comparable Group A ranged from a low of \$12,897.00 at Butternut to a high of \$14,206.00 at Mercer. The Employer had an MA minimum of \$13,440.00. The percentage increases in the MA minimum salary in Comparable Group A in the 1982-83 school year ranged from a low of 4 percent at Butternut to a high of 10.25 percent at Hurley. The Employer increased its MA minimum by 8.5 percent that year. The 1983-84 MA minimum salaries in Comparable Group A ranged from a low of \$13,703.00 at Butternut to a high of \$15,670.00 at Hurley. The Employer's MA minimum that year was \$14,378.00. The percentage increases in the MA minimum salary in the 1983-84 school year ranged from a low of 4.82 percent at Hurley to a high of 7.32 percent at Drummond. The Employer increased its MA minimum salary by 6.98 percent that year. The 1984-85 MA minimum salaries in Comparable Group A ranged from a low of \$14,559.00 at Butternut to a high of \$15,963.00 at Mercer. The Employer's MA minimum salary in the 1984-85 school year was \$15,279.00. The percentage increases in the MA minimum salary that year ranged from a low of 4.99 percent at Park Falls to a high of 6.5 percent at South Shore and Washburn. The Employer increased its MA minimum salary by 6.27 percent that year. The 1985-86 MA minimum salaries in Comparable Group A ranged from a low of \$15,396.00 at Butternut to a high of \$17,562.00 at Hurley. The Employer's MA minimum salary was \$16,272.00. The percentage increases in the MA minimum salaries in the 1985-86 school year ranged from a low of 5.75 percent at Butternut to 10.69 percent at Phillips. The Employer increased its MA minimum salary for the 1985-86 school year by 6.5 percent. Among the eight school districts in Comparable Group A that have reached agreement for the 1986-87 school year, the MA minimum salaries range from the low of \$16,320.00 at Butternut to a high of \$18,158.00 at Mercer. The Employer and the Federation both propose an MA minimum salary of \$17,249.00 for the 1986-87 school year.

The 1981-82 MA maximum salaries in Comparable Group A range from a low of \$18,430.00 at Solon Springs to a high of \$21,265.00 at Ondossagan. The Employer's MA maximum that year was \$18,578.00 and it was the next to the lowest in Comparable Group A. The percentage increases in the MA maximum during the 1981-82 school year ranged from a low of 7 percent at Solon Springs to a high of 12 percent at Hurley. The Employer increased the MA maximum salary by 7.49 percent that year. The 1982-83 MA maximum salaries in Comparable Group A ranged from the Employer's low of \$20,160.00 to a high of \$23,208.00 at Hurley. The percentage increases in the MA maximum salary in Comparable Group A ranged from a low of 3.97 percent at Butternut to a high of 10.25 percent at Hurley. The Employer increased its MA maximum salary in the 1982-83 school year by 8.52 percent. The 1983-84 MA maximum salaries in Comparable Group A ranged from a low of \$20,706.00 at Solon Springs to a high of \$24,328.00 at Hurley. The Employer's MA maximum was \$24,328.00. The increases in the MA maximum in Comparable Group A during the 1983-84 school year ranged from a low of 4.83 percent at Hurley to a high of 7.3 percent at Drummond. The Employer increased its MA maximum salary 6.98 percent that year. The 1984-85 MA maximum salaries in Comparable Group A ranged from a low of \$21,948.00 at Solon Springs to a high of \$25,722.00 at Hurley. The Employer's MA maximum in the 1984-85 school year was \$22,919.00. The 1984-85 percentage increases for the MA maximum in Comparable Group A ranged from a low of 4.98 percent at Park Falls to a high of 6.5 percent at Washburn. The Employer increased its MA maximum salary that year by 6.27 percent. In the 1985-86 school year, the MA maximum salaries in Comparable Group A ranged from a low of \$23,594.00 at Solon Springs to a high of \$27,322.00 at Ondossagan. The Employer's MA maximum was \$24,408.00. The percentage increases received by teachers at the MA maximum in Comparable Group A during the 1985-86 school year ranged from a low of 6 percent at Hurley and Bayfield to a high of 10.27 percent at Phillips. The Employer increased its MA maximum by 6.5 percent that year. Eight school districts in Comparable Group A have reached agreement on MA maximum salaries for the 1986-87 school year. The MA maximum salaries among those eight schools range from a low of \$25,064.00 at Butternut to a high of \$29,037.00 at Hurley. The Employer proposes an MA maximum for that year of \$26,814.00 and the Federation proposes \$27,708.00. Only Hurley has agreed to a higher BA maximum salary than the Federation proposes and three schools have agreed to lower MA maximum salaries than the Employer has proposed.

The 1981-82 schedule maximum salaries in Comparable Group A ranged from the Employer's low of \$18,578.00 to a high of \$22,137.00 at Ondossagan. The percentage increases in the schedule maximum salary that year ranged from the Employer's low of 7.49 percent to a high of 12 percent at Hurley. The 1982-83 schedule maximum salaries in Comparable Group A ranged from a low of \$20,032.00 at Butternut to a high of \$23,762.00 at Ondossagan. The Employer's schedule maximum salary that year was \$20,890.00. The percentage increases in the schedule maximum that year ranged from a low of 6.05 percent at Butternut to the Employer's high of 12.44 percent. The 1983-84 schedule maximum salaries in Comparable Group A ranged from a low of \$21,247.00 at Solon Springs to a high of \$24,774.00 at Ondossagan. The Employer's schedule maximum salary that year was \$22,350.00. The percentage increases in the schedule maximum salaries in Comparable Group A ranged from the low of 3.05 percent at Hurley to a high of

7.15 percent at Mercer. The Employer increased its schedule maximum salary by 6.99 percent in the 1983-84 school year. The 1984-85 schedule maximum salaries in Comparable Group B ranged from a low of \$22,522.00 at Solon Springs to a high of \$26,259.00 at Ondossagan. The Employer's schedule maximum salary in the 1985-86 school year was \$23,752.00. The percentage increases in the schedule maximum salary in the 1984-85 school year ranged from a low of 4.99 percent at Park Falls to a high of 6.56 percent at Washburn. The Employer increased its schedule maximum salary by 6.27 percent that year. The 1985-86 schedule maximum salaries in Comparable Group A ranged from a low of \$24,114.00 at Butternut to a high of \$28,434.00 at Ondossagan. The Employer's schedule maximum salary that year was \$25,296.00. The percentage increases in the schedule maximum salaries in Comparable Group A during the 1985-86 school year ranged from a low of 6 percent at Bayfield and Hurley to a high of 11.87 percent at Phillips. The Employer increased its schedule maximum salary by 6.5 percent. Eight school districts in Comparable Group A have reached agreement on their 1986-87 school year salaries and the schedule maximums range from a low of \$25,561.00 at Butternut to a high of \$29,325.00 at Drummond. The Employer proposes a schedule maximum salary for the 1986-87 school year of \$26,814.00 and the Federation proposes a schedule maximum salary of \$27,708.00. Only two schools that have reached agreement have a lower schedule maximum salary than the Employer proposes and five schools have a higher schedule maximum than the Federation proposes. The percentage increases in the schedule maximum in Comparable Group B ranged from a low of 1.44 percent at South Shore to a high of 10.38 percent at Mercer.

The Employer and four other schools in Comparable Group A have not yet reached agreement on a 1986-87 salary schedule. The other schools are Ondossagan, Park Falls, Phillips and Washburn. In the 1985-86 school year, the Employer reached agreement with the Federation that provided an average salary increase per teacher of \$2,345.00 or 11.81 percent. The total package resulted in an average increase in cost per teacher of \$3,032.00 or 11.46 percent. In the 1985-86 school year, Park Falls had an average increase in salary per teacher of \$1,809.00 or 9.15 percent. The average increase in cost per teacher at Park Falls was \$2,432.00 or 9.43 percent. The 1985-86 average increase per teacher at Phillips was \$1,952.00 or 9.95 percent. The average increase in cost per teacher at Phillips that year was \$2,651.00 or 10.11 percent. The average increase in salary per teacher at Washburn during the 1985-86 school year was \$1,836.00 or 8.77 percent. The average increase in cost per teacher at Washburn that year was \$2,387.00 or 8.59 percent.

The 1986-87 health insurance premiums in Comparable Group A for a single person ranges from the Employer's low of \$56.02 per month to a high of \$77.43 at Phillips. The family premiums range from a low of \$160.40 per month at Mercer to a high of \$205.50 at Park Falls. Every school in Comparable Group A pays 100 percent of both the single and family health insurance premiums. The dental insurance premiums for single coverage in Comparable Group A during the 1986-87 school year range from a low of \$7.10 at Mercer to a high of \$20.00 at Hurley. The Employer's single coverage dental insurance premium of \$19.22 per month is the second highest in Comparable Group A. The monthly dental insurance premium for family coverage in Comparable Group A ranges from a low of \$32.72 per month at Washburn to the Employer's high of \$51.19.

The Employer projected a salary and fringe increase in its 1986-87 budget of \$38,518.00 which was a 6.5 percent increase for the total package. The Employer's 1986-87 proposal would result in a 7.97 percent increase that would result in an increase in cost of \$47,242.00 which is \$5,762.00 over the projected budget figure. The Federation's proposal with the additional step on the salary schedule would result in an increase in cost of 9.84 percent. That is an increase over last year's salary and fringe benefits of \$58,144.00 and is \$19,626.00 over the projected budget figure. The Employer's proposal would provide an increase for every teacher in the system ranging from a low of 5.68 percent to a high of 17.02 percent and the overall increase in salaries would be 7.97 percent. Butternut is the nearest school district in Comparable Group A and it proposes a BA minimum of \$15,588.00 and a BA maximum of \$23,944.00. The MA minimum for the 1986-87 school year at Butternut is \$16,320.00 and the MA maximum is \$25,064.00. The MA+16 credit benchmark at Butternut is \$16,647.00 during the first year and reaches a maximum of \$25,561.00 after eleven years of experience. As of March 1, 1987, 212 school districts in Wisconsin had reached agreement on wages, hours and working conditions for the 1986-87 school year. The average total package increase was 7.8 percent.

The Employer's proposal would provide its teachers with 1986-87 school year salaries ranging from a low of \$15,524.00 to a high of \$25,873.00. The dollar increase per teacher would range from a low of \$879.00 to a high of \$2,370.00 and the average dollar increase per teacher would be \$1,682.00. The average increase in cost per teacher resulting from the Employer's proposal for salaries and fringe benefits would be \$2,147.00.

Chippewa Industries Inc. is the major industry in the Employer's school district. It has been having great financial problems and has been unable to make payments on its delinquent taxes. On Monday, January 5, 1987, the County Board gave it an extension of time in order to make payments on its delinquent taxes. Chippewa Industries was subject to tax title for 1981 and 1982 taxes. It owed taxes to the County, including interest and penalties, in an amount of more than \$70,000.00. Six other properties in Ashland County were subject to tax deeds but that action was deferred at the January 5 meeting of the Ashland County Board. Two years ago Chippewa Industries owed the State and Federal governments \$440,000.00 in unemployment taxes. That amount is now less than \$180,000.00. A number of the mills in the area have gone out of business and others have shut down until prices improve. Those mills that are still operating are purchasing lumber on a reduced basis.

The total number of students in Comparable Group A range from a low of 294 at Mercer to a high of 634 at Bayfield. The Employer has an enrollment of 323. The total number of teachers in the school districts in Comparable Group A range from a low of 18 at Mercer to a high of 50 at Ashland. The Employer has 24 teachers. Its pupil-teacher ratio is 13.46 while the average pupil-teacher ratio in Comparable Group A is 12.94.

FEDERATION'S POSITION

The Federation argues the difference between its offer and that of the

Employer of \$11,193.00 amounts to .82 percent of the Employer's total budget for the 1986-87 school year. It points out that the Employer's mill rate decreased from 15.281 in the 1985-86 school year to 14.814 in the 1986-87 school year. The Federation argues that the construction of the new school does not affect the Employer's ability to pay because the costs were covered by fire insurance receipts. The Federation asserts that the Employer lags behind comparable districts in salaries. It points out that in the 1985-86 school year the Employer's teachers lost ground in actual dollars even though they received a comparable percentage increase because they were at a very low starting point. The Federation contends that the Employer's proposal would push them farther behind other school districts than they already are while its proposal would provide some catchup but leave them behind most of the comparable districts. The Federation contends that its proposal to add a Step 12 to the salary schedule is an economical means of accomplishing some gain in relative rank. It points out that six school districts in Comparable Group A have more steps on the BA lane than the Employer and eight have more steps on the MA lane. The Federation argues that the Employer's pupil-teacher ratio is 13.46 compared to an average pupil-teacher ratio of 12.94 in Comparable Group A and the Employer's teachers teach seven classes per day while teachers in ten of the school districts in Comparable Group A teach six or less classes per day. The Federation argues that there is no persuasive evidence to indicate that the economic lot of the Employer's residents differs substantially from that of tax payers in the surrounding communities who have paid their teachers more than the Employer does. The Federation argues that its voluntary cooperation with the Employer has lead to a reduction in the insurance costs and its other fringe benefits are similar to those of other school districts in Comparable Group A. The Union argues that the overriding criteria is the issue of wages of other employees performing similar services in comparable communities. It takes the position that the Employer's teachers wages compare most unfavorably.

THE EMPLOYER'S POSITION

The Employer argues that economic conditions in the district are extremely poor. It points out that 140 students are eligible for free lunches and an additional 72 students are eligible for reduced price lunches. The Employer contends that 117 families with students in the district are low income families, which is an increase of 61 since 1980. It asserts that 47 students in the school district are from families receiving AFDC. The Employer points out that Chippewa Industries has gone from a full complement of 100 employees to a present staff of 24. It argues that Chippewa Industries is \$70,000.00 delinquent on taxes and nearly as much in arrears on their electric bill and is near bankruptcy. The Employer contends that the other basic industries of farming and wood products are in a very depressed condition with low prices and considerable unemployment. It points out that Butternut and Mellen, two nearby school districts in the comparable group, do not have a twelfth step on the salary schedule and neither does South Shore. The Employer contends that Butternut has one less horizontal step on the salary schedule than it does. It asserts that the Federation proposal would place the Employer \$2,147.00 higher at the top of the salary schedule than Butternut while the Employer's proposal would place it \$1,253.00 higher than Butternut. It points out that Butternut

has thirteen more students and three fewer teachers than the Employer. The Employer takes the position that when the cost of living has increased very little and the people in the district are unable to maintain their level of disposable income a total package increase of 9.84 percent for the year is not justified. It asserts that its proposal of a 7.97 percent total package increase is more reasonable than the Union's proposal.

DISCUSSION

Economic conditions in the Employer's area are very marginal. One hundred forty students of the total enrollment of 323 are eligible for free lunches and 72 more are eligible for reduced price lunches. One hundred seventeen families in the district are low income families and that is an increase of 61 since 1980. Forty-seven students in the school district are from families receiving AFDC. A major employer in the area has reduced the number of its employees by 75 percent and its financial situation is very delicate. The farming and wood products industries are depressed. Rural property owners are having difficulty paying their real estate taxes and some of them are subject to tax deed. Five farms in the area have been repossessed. The evidence establishes that the economic conditions in the area of the Employer are anything but prosperous. The Federation argues that there is no persuasive evidence indicating that the economic lot of the Employer's residents differs substantially from that of taxpayers in the surrounding communities. The record does not include much evidence with respect to the economic conditions in the communities in the area that make up Comparable Group A, but many of them are facing difficult times. The evidence establishes that the Employer's teachers receive salaries that are lower than most of the other school districts in Comparable Group A. Over the period from the 1980-81 school year to the 1985-86 school year the Employer's BA minimum salaries have been the lowest or the next to the lowest in Comparable Group A every year. The nearby school district of Butternut and the more distant district of Solon Springs have had BA minimum salaries in the same general range as the Employer. The Employer's BA maximum salary has been the next to the lowest in Comparable Group A every year since the 1981-82 school year and only Solon Springs has paid less. The Employer's MA minimum salary ranked next to the lowest or third from the lowest in Comparable Group A in every school year since the 1981-82 school year. Butternut and Solon Springs have paid MA minimum salaries in the same general range as the Employer. Butternut has paid the lowest MA minimum salary in Comparable Group A every year since 1982-83 school year and in the 1985-86 school year it was almost \$900.00 below the Employer. The Employer's MA maximum salary ranked third from the lowest in Comparable Group A beginning in the 1981-82 school year. Since the 1982-83 school year Solon Springs and Butternut have both ranked below the Employer but their MA maximum salaries were in the same general range. In the 1985-86 school year Butternut and Solon Springs had MA maximum salaries about \$800.00 lower than the Employer. The record reveals that the Employer's salaries have been among the three lowest in Comparable Group A at every bench mark almost every year since the 1980-81 school year. The percentage increases that the Employer has given to its teachers each year have been about average in Comparable Group A. Because the Employer's salaries have been low the dollar differential between the salaries paid to the Employer's teachers and those of most of the other school districts in Comparable Group A has increased.

Both the Employer and the Federation have proposed 6 percent increases per cell for the 1986-87 school year. Three of the school districts that have reached agreement in Comparable Group A for the 1986-87 school year have proposed 6 percent increases and the other five are in the 6.5 percent range. Butternut and Solon Springs, the school districts that have normally paid teacher salaries in the same range as the Employer, have negotiated 6 percent increases for their teachers. The only real difference in the Union's proposal and that of the Employer is that the Union proposes a twelfth step in the salary schedule. Six school districts in Comparable Group A have more experience steps in the BA lane than the Employer and eight have more steps on the MA lane. The addition of a single step to the salary schedule increases the cost of it over the Employer's proposal by \$9,322.00 or 2 percent. Twelve of the Employer's teachers would qualify for the extra step. In addition to the 6 percent increase in their experience step, those twelve teachers would receive an additional experience step increase ranging from a low of \$784.50 for three teachers at the BA maximum to \$878.00 to the teachers in the MA+15 lane.

The Union's proposal has value in that it encourages the Employer's most experienced teachers to continue teaching there. It is in the public interest to negotiate salary schedules that will retain the most experienced teachers. Increasing the number of experience steps does not encourage those teachers at the maximum experience step to move laterally on the salary schedule by obtaining additional training.

The Employer's BA maximum salary in the 1985-86 school year was next to the lowest in Comparable Group A but it has been at that same rank in Comparable Group A since the 1981-82 school year. The Federation's proposal would raise the BA maximum to \$24,305.00 which would rank third among the eight school districts in Comparable Group A that have reached agreement for the 1986-87 school year. That means that at least five school districts and perhaps more will have a lower BA maximum salaries than the Federation proposes. The Employer's proposal would provide a BA maximum for the 1986-87 school year of \$23,521.00 and that would be the next to the lowest BA maximum among the schools in the Comparable Group that have reached agreement on salaries for the 1986-87 school year.

At the very worst the proposal would retain the same ranking in Comparable Group A for the 1986-87 school year that the Employer had during the 1985-86 school year. The Federation's proposal for an MA maximum for the 1986-87 school year would be \$26,735.00. That would be the third lowest among the school districts in the Comparable Group that have reached agreement for the 1986-87 school year which was the same ranking that the Employer had in the 1985-86 school year. The Employer's proposal would have an MA maximum of \$25,873.00 which would also be the third lowest among those schools in Comparable Group A that have reached agreement on salaries for the 1986-87 school year. The Federation's proposal would have a schedule maximum salary for the 1986-87 school year of \$27,708.00. Of the eight school districts in Comparable Group A that have reached agreement for the 1986-87 school year, three have lower schedule maximum salaries than the Federation proposes. All but two of the school districts in Comparable Group A that have reached agreement for the 1985-86

school year would have higher schedule maximum salaries than the Employer proposes. The Employer's proposal would retain the same ranking in Comparable Group A for the schedule maximum salary in the 1986-87 school year that it had in the 1985-86 school year.

The Arbitrator can understand the desire of the Federation to increase the salaries of its most experienced teachers by another step on the salary schedule. It would narrow the dollar differential that has developed between its most experienced teachers and those of other school districts in Comparable Group A. It is difficult to justify the dollar differential between the salaries proposed by the Employer for its most experienced teachers and those received by teachers in other school districts in Comparable Group A with similar experience and training. However it is equally difficult to propose a salary schedule that provides increases ranging from a low of \$1,925.00 to as much as \$2,361.00 to the Employer's twelve most experienced teachers who have not obtained any additional training.

The Employer's salaries rank among the lowest in Comparable Group A at almost every bench mark but those ranking are the result of collective bargaining. In the absence of a uniform scale of pay for all teachers in Comparable Group A there is always going to be a school district that ranks first and a school district that ranks last. Those rankings are ordinarily determined through collective bargaining between employers and teachers who are familiar with local circumstances including economic conditions and who have designed a salary schedule that is satisfactory to both of them. When that process brings about a ranking at the various bench marks that remains consistent over a period of years this arbitrator is reluctant to impose a new salary schedule that disturbs those rankings. If a unique set of circumstances arises that creates a major new inequity an arbitrator might be inclined to impose a new salary schedule to correct that inequity. In this case there are no new circumstances. The Employer's teachers have been ranked and continued to be ranked near the bottom of Comparable Group A at each of the bench marks since at least the 1980-81 school year. The dollar differential between the salaries paid by the Employer to its teachers and the salaries paid by a number of the other school districts in Comparable Group A to teachers with equal training and experience has increased. On the other side of the coin the Employer's taxpayers are in a very difficult economic situation. All of the economic forces that impact upon the Employer's taxpayers are having a negative effect on them. At least for the moment the prospects for the taxpayers in the Employer's school district are anything but bright. In the face of these circumstances the Employer has proposed a salary increase of 6 percent for each cell of its salary schedule. The increases that have been agreed to by the eight school districts in Comparable Group A who have reached agreement for the 1986-87 school year range from 6 percent to 6.5 percent in each cell of their salary schedules. Although the Employer is on the low side of that range, its proposal is in the ball park and is not unreasonable.

The Arbitrator is satisfied that the salaries paid by the Employer to its teachers are low when compared to the salaries paid by most of the school districts in Comparable Group A to teachers of equal training and experience.

The proposal of the Federation would partially address that problem by providing the largest increases to those teachers who are now receiving the highest salaries. The Arbitrator is satisfied that the economy of the area makes it difficult for the Employer to agree to any improvements in the salary schedule. In the face of those circumstances the Employer has proposed a 6 percent increase for each cell of the salary schedule. That is fairly close to the percentage increase pattern established by those school districts in Comparable Group A that have reached agreement for the 1986-87 school year. In view of the economic conditions in the area such a proposal meets the criteria of the interest and welfare of the public. An argument can be made that the interest and welfare of the public would be well served by restructuring the salary schedule in a manner that would encourage the Employer's most experienced teachers to remain with it. However the economic profile of the area in which the Employer is located indicates that the interest and welfare of the public would best be served if the Employer's teachers received a percentage increase similar to that received by the other school districts in Comparable Group A without a restructuring of the salary schedule. The problem of encouraging the Employer's most experienced teachers will remain but it can best be resolved by the parties through collective bargaining. A new salary schedule may not be the only way to address the problem. Other possibilities include longevity payments or other inducements that would be attractive to the Employer's most experienced teachers.

The Federation's proposal comes closer to meeting the statutory criteria of comparison of wages, hours and conditions of employment of the Employer's teachers with the wages, hours and conditions of employment of other employees performing similar services in comparable communities. The Employer's proposal provides salaries very close to those of the nearby community of Butternut but the salary schedules of the two school districts lag far behind those of most other school districts in Comparable Group A. It is difficult to deny the Employer's teachers a wage schedule comparable to that received by many other teachers of equal experience and training in Comparable Group A even though they come from an area with a depressed economy. One might fairly ask how the Employer can pay the market price of the area for commodities used by the school district but still not pay its teacher's salaries closer to those received by most of the other teachers in Comparable Group A with similar experience and training. The answer seems to be that the Employer and the nearby school district of Butternut have reached agreement with their teachers over a period of years that salaries for its teachers will be at the very bottom of Comparable Group A. Those economic forces that compelled the Employer and the Federation to agree to salary schedules that lag far behind the salaries in the rest of Comparable Group A still exist. There has been no improvement in those conditions and in fact they may have taken a turn for the worse. Those circumstances make the Employer's proposal more reasonable than that of the Federation even though the Employer's teacher's salaries lag behind the rest of Comparable Group A.

While the Employer has not stated that it lacks the financial ability to meet the cost of the Federation's proposal, it does contend that imposition of that schedule would cause it to exceed its projected budget figure for the

1986-87 school year by more than \$19,000.00. Even the Employer's proposal will result in a cost almost \$6,000.00 over the projected budget figure. The interest and welfare of the public demand that the Arbitrator select the Employer's final offer. It would provide an increase for every teacher in the system ranging from a low of 5.68 percent to a high of 17.02 percent and the overall increase in salaries would be 7.97 percent. At a time when the cost of living has increased very little and most of the taxpayers in the Employer's school district are unable to even maintain the level of their disposable income, a total package increase of 9.84 percent for the year is not in the interest and welfare of the public. This is not the time for "catch up" in this school district. A 6 percent per cell increase fits the pattern established by those school districts in Comparable Group A that have reached agreement. It is exactly the same as the agreement between the teachers and school district in the nearby community of Butternut which has economic conditions similar to that of the Employer.

While neither the Employer nor the Federation relied on the cost of living to justify their proposals, the fact is that the increase was very small during the 1985-86 school year. That factor would not justify an increase similar to that proposed by the Employer. Needless to say, it would not justify the Federation's proposal. The overall compensation received by the Employer's teachers was not a factor in this case. The Employer provides fringe benefits in the form of insurance and retirement contributions similar to that provided by all of the other school districts in Comparable Group A.

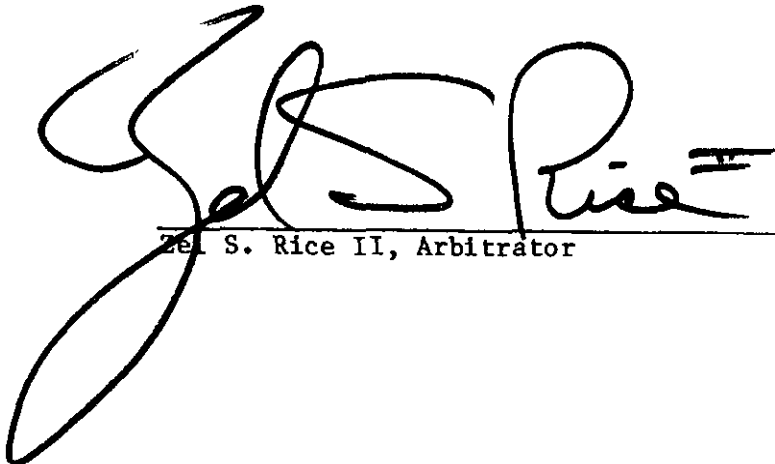
Arguments can be made that would justify the Federation's proposal. Its teachers are required to take the same training and attain the same degree of competence as other teachers in Comparable Group A. Their salaries have lagged behind the other school districts in the comparable group, but they have reached that point as a result of collective bargaining. In the current economic climate facing the Employer, this Arbitrator is not willing to impose a new salary structure and depart from the percentage increase pattern. Something should be done to improve the wages of the Employer's teachers or it will not get good new teachers or keep the ones it has, but the economic conditions in the area do not justify establishing a new salary structure that benefits only the most experienced and best paid teachers.

It therefore follows from the above facts and discussion thereon that the undersigned renders the following

AWARD

After full consideration of the criteria set forth in the Statutes and after careful and extensive examination of the exhibits and briefs of the parties, the Arbitrator finds that the Employer's final offer more closely adheres to the statutory criteria than that of the Federation and directs that the Employer's proposal contained in Exhibit B be incorporated into an agreement containing the other items to which the parties have agreed.

Dated at Sparta, Wisconsin, this 4th day of June, 1987.



J. S. Rice II

J. S. Rice II, Arbitrator