

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Petition of

WASHBURN EDUCATION ASSOCIATION

To Initiate Arbitration
Between Said Petitioner and

WASHBURN SCHOOL DISTRICT

Case 22
No 37924
ARB-4169
Decision No. 24306 A

APPEARANCES

Kathryn J. Perna, Esq. on behalf of the District
Barry Delaney on behalf of the Association

On April 13, 1987 the Wisconsin Employment Relations Commission appointed the undersigned Arbitrator pursuant to Section 111.70(4)(cm) 6 and 7 of the Municipal Employment Relations Act in the dispute existing between the above named parties. Pursuant to statutory responsibilities the undersigned conducted an arbitration hearing on June 25, 1987 in Washburn, Wisconsin during the course of which the parties presented evidence and arguments in support of their respective positions. Post hearing exhibits and briefs were filed by the parties which were exchanged by August 26, 1987. Based upon a review of the foregoing record, and utilizing the criteria set forth in Section 111.70(4)(cm) Wis Stats, the undersigned renders the following arbitration award

ISSUE.

The final offers of the parties deal solely with 1986-87 and 1987-88 salary increases, and resulting accompanying increases in severance pay, credits beyond the Master's degree, extra duty pay, and activity and supplemental pay

For 1986-87 the District proposes increasing wage rates by 6% per cell while the Association proposes a 6.4% increase per cell. For 1987-88 the District proposes a 5.75% per cell increase, while the Association proposes a 6.2% per cell increase. The Board's 1986-87 proposed wage increase amounts to

7.26%, or an average increase of \$1608 per teacher. The Association's 1986-87 proposal amounts to a 7.66% increase, or \$1,697 per teacher. When total compensation is compared, the District's 1986-87 proposal amounts to a 6.98% increase, or \$2,050 per teacher, while the Association's proposal amounts to a 7.35% increase, or \$2,159 per teacher.

For 1987-88 the District's proposal amounts to a 6.98% or \$1,659 per teacher increase and the Association's proposal amounts to a 7.38% or \$1,760 per teacher increase. The impact on total compensation of the Board's proposal is a 7.72% or \$2,425 per teacher increase, while the Association's proposal would amount to an 8.08% or \$2,548 per teacher increase.

Both parties agree that the Districts in the Indianhead Conference schools are comparable, however, the District contends that in this proceeding, the Hurley School District should not be considered and that the Mercer School District settlement should be given relatively less weight than other comparable settlements.

ASSOCIATION POSITION:

The Mercer and Hurley School Districts have been used as comparables within the Indianhead Conference for all arbitration cases within the 1985-86 and 1986-87 school years. In order to assure stability and continuity, it is therefore necessary to include these two districts as part of the comparable pool in this proceeding.

For 1986-87 the Association's offer is much closer to each of the seven benchmark average settlements, while being exactly the same or below average on five of seven benchmarks. The District's offer is below the average on all seven benchmarks. For 1987-88, the Association's offer is again much closer to each of the seven benchmark average settlements. Thus, both in terms of percentage increases and dollar increases, the Union's offer is more equitable when compared with the average settlements for both years than the Board's offer.

Relatedly, the Association's offer is below the Conference average. In light of this fact, the Board's offer simply cannot be justified.

The Association's offer also maintains the District's ranking at all seven benchmarks while the District's offer drops the District's rankings at the MA Maximum benchmark. In 1985-86 the District ranked last at six of the seven benchmarks. At the end of the two years, the Association's offer

would maintain the District's 1985-86 ranking while the District's offer would rank the District last on all seven benchmarks

Over the two year period of the offers, the Association's offer ties the lowest settlement in terms of percentage increases, while the District's offer is almost one percent below the lowest settlement. In terms of dollar increases, even the Association's offer is below the lowest settlement for the two year period, while the Board's offer widens the dollar gap between the District and the settled districts.

With respect to cost of living, many arbitrators have found that the best basis for judging the cost of living factor is the pattern of settlements in comparables.¹ Based upon this principle, the other district settlements within the Athletic Conference are better barometers of the CPI for the area and how this factor should affect teaching salaries

Clearly the financial ability of the District is there to meet the costs of the Association's proposal since the total dollar difference between the parties' offers is so small, about \$3,200 the first year and \$6,900 the second year. In this regard the District has not claimed inability to pay nor has it provided any exhibits indicating a hardship within the District's finances.

In its comparison with private sector and other municipal settlements, the District failed to include relevant data on total compensation. It also selected only a few public and private sector relationships to compare, which does not establish what is happening within comparable communities as a whole. Furthermore, rather than comparing the District with other public and private employers in Bayfield County, a comparison should be made with other settled districts in Bayfield County. Such a comparison clearly supports the reasonableness of the Association's proposal.

Relatedly, although the District contends that Bayfield County is uniquely economically depressed, three other settled districts exist in that same environment, and those settlements are clearly closer to the Association's position herein than the District's.

With respect to other settlements in the District, there is no dispute that the District's teachers should receive an increase higher than non-teaching staff. The question is how much higher should the increase be? This can best be answered by comparing what other districts have done.

¹ Citations omitted

DISTRICT POSITION:

On the comparability issue, the Hurley School District should not be considered in this proceeding since the relevant settlement in that District was for three years--1985-88, and since Hurley did not become a member of the Indianhead Athletic Conference until 1986-87, when it was already into the second year of its settlement.

The Mercer 1986-87 settlement should also be given less weight because its settlement is the second year of a two year agreement

On the salary issue, this dispute lends itself to a traditional benchmark analysis of the parties' salary proposals. In this regard, the Association's proposal causes a greater movement away from the average difference that has been maintained between the District and its comparables in the past. In addition, the District's offer more closely maintains the rank which the District has held among its comparables

The record indicates that the Board offer is above the Conference average. In view of that fact, the Association's offer simply cannot be justified.

When comparable settlements are analyzed, it is noteworthy that although nine of the ten comparable districts have settled for 1986-87, only two have settled for 1987-88, both of which are at the tailend of multi-year settlements. Since the two settled districts do not represent a 1987-88 settlement trend, the arbitrator is compelled to look at other statutory criteria to determine the appropriate 1987-88 wage increase. When the parties' offers are measured against the other statutory criteria, the Board's two year offer of 14.24% wages only emerges as more reasonable and justified than the Union's offer of 15.04%. The record as a whole indicates a trend toward moderation of settlement, and the Board's total two year offer is reflective of that trend.

It is also relevant to the resolution of this dispute that the fringe benefits received by the District's teachers are extremely competitive. In fact, the District's teachers receive benefits that rank at the top with those benefits received by teachers in comparable districts. Furthermore, since the District's teachers are totally protected from any increase in the cost of their insurance benefits during the life of this agreement, that factor must be weighed against those teachers in other districts who will be required to negotiate any increased cost of health insurance for the 1987-88 school year.

In support of the reasonableness of the District's position, comparisons with the cost of living demonstrate that the salaries of the District's teachers have outpaced the rate of inflation. In this regard, due to updates made in the market basket used to measure the CPI, the CPI should, standing alone, be used to measure the reasonableness of the respective offers.

Relatedly, when a comparison is drawn between the costs of the parties' offers and the individual increases afforded to the teachers with the appropriate measures of the cost of living, the Board's offer is more reasonable than the Association's. Since the CPI measures the increases of all goods and services, including insurance costs, the total package of the parties' offers is the most appropriate measure to use in a comparison with inflation indices. The Board offer for 1986-87 more than quintuples the July, 1986 CPI-W rate and nearly doubles the 1987 inflation rates, thus providing a significant improvement in the economic position and well-being of the District's teachers over the term of the 1986-87 agreement. In view of this fact, how can the Association's offer--which further exceeds the CPI--be justified?

It also appears likely that the Board's offer of 7.75% for 1987-88 will once again significantly exceed the anticipated increase in the CPI.

The District's wage offer is also more reasonable in light of private sector, area municipal settlements, and other school employee settlements within the District, factors which the Statute specifically directs the arbitrator to consider. In this regard, arbitrators have recognized the importance of maintaining internal bargaining consistency among bargaining units of the same employer.² While both the Board and the Association offers exceed the increases received by others in the District, the Board offer is closest to maintaining internal consistency.

It is also important to note the less than favorable economic conditions in the county in which the District is located when compared to the counties in which the other districts in the Athletic Conference are located.

DISCUSSION:

With respect to the comparability issue, the undersigned will utilize the Mercer settlement for 1986-87, even though it is in the second year of a two year agreement, since currently, under Wisconsin Statutes, such two year agreements are expected to become the norm in public sector negotiations.

² Citation omitted.

subject to this interest arbitration process. Accordingly, the decisions the parties make regarding the content of such two year agreements will have to be given more weight than has been the case in the past, when such agreements were the exception rather than the rule.

On the other hand, because the Hurley agreement is a three year agreement, clearly an unusual arrangement in the context of these proceedings, it will not be utilized as a comparable for the 1986-87 school year dispute.

Based upon the fact then that there is only one potentially comparable settlement to utilize in the dispute over the 1987-88 school year, namely the Drummond settlement, the undersigned is of the opinion that no conclusions may be reached regarding what the pattern of comparable settlements in public education is likely to be for that year. Accordingly, other statutory criteria will have to be utilized in order to evaluate the relative reasonableness of the parties' offers for that year.

Since the record does not indicate that any of the District's comparables have restructured their salary schedules or frozen teachers on the schedules so that years of teaching experience do not correlate with placement on the schedules, the undersigned believes that a conventional seven point benchmark comparison can be utilized in this proceeding to analyze the relative impact of the parties' offers for the 1986-87 school year. To that end, the undersigned has constructed the following benchmark comparison tables to facilitate that analysis:

PA Base

	85-86	86-87	Increase	
			\$	%
Comparable Average	15243	16195	952	6.2
District	15519	B16450	931	6.0
		A16512	993	6.4
± Average	-276	B-255	-21	.2
		A+317	+41	+2
Rank among 9	3	B3		
		A3		

BA 7th Step

	85-86	86-87	Increase	
			\$	%
Comparable Average	18871	20049	1178	6.2
District	15795	B19923	1128	6.0
		A19998	1203	6.4
± Average	-76	B-126	-50	-.7
		A-51	+25	+2
Rank Among 9	7	B7		
		A7		

MA Maximum

	85-86	86-87	Increase	
			\$	%
Comparable Average	22477	23880	1403	6.2
District	22615	B23972	1357	6.0
		A24062	1447	6.4
+/-Average	-138	B-92	-46	-2
		A-182	-44	-2
Rank Among 9	5	B6		
		A6		

MA Minimum

	85-86	86-87	Increase	
			\$	%
Comparable Average	16477	17535	1058	6.4
District	17018	B18039	1021	6.0
		A18107	1089	6.4
+/-Average	+541	B-504	-37	-4
		A-572	+31	0
Rank Among 9	2	B2		
		A2		

MA 10th Step

	85-86	86-87	Increase	
			\$	%
Comparable Average	22537	23981	1444	6.4
District				
	22636	B23994	1358	6
		A24055	1449	6.4
--- Average				
	-97	B+17	-56	-4
		A+104	-5	0
Rank Among 9				
	5	B6		
		A6		

MA Maximum

	85-86	86-87	Increase	
			\$	%
Comparable Average	24943	26540	1597	6.4
District				
	25757	B27302	1545	6
		A27405	1648	6.4
--- Average				
	-814	B+782	-52	-4
		A+865	-51	0
Rank Among 9				
	3	B3		
		A3		

Schedule Maximum

	85-86	86-87	Increase	
			\$	%
Comparable Average	25526	27475	1652	6.4
District	27134	B28762	1627	6
		A28871	1736	6.4
W/- Average	+1308	B+1234	-25	-4
		A+1393	+84	0
Rank Among 9	2	B3		
		A3		

The foregoing indicates that the Association's proposal appears to be slightly more comparable than the District's, particularly at the benchmarks on the MA column. On the BA column, the District's proposal is slightly more comparable at the BA base based upon the dollar value of its proposed increase, the Association's proposal is slightly more comparable at the BA 7th step based upon the dollar value of its proposed increase, while at the BA maximum, neither party's proposal is significantly more comparable than the other's. At the schedule maximum, the District has proposed a more comparable dollar increase, while the Association has proposed a more comparable percentage increase.

These comparisons indicate, that although the Association's proposal appears to be slightly more comparable than the District's, neither party's proposal is significantly off the mark based upon comparable settlements.

When the parties' 1986-87 total package proposals are compared, although the total package costing of other comparable districts is notoriously unreliable, even utilizing the District's calculations, the Association's proposal is the more comparable of the two.

Based upon these comparability considerations, and the fact that the record does not demonstrate that there is anything sufficiently unique about the District to justify deviation from the 1986-87 comparable settlement

pattern, the undersigned concludes that the Association's proposal for that year is the more reasonable of the two at issue herein.

As indicated above, because a comparable settlement pattern has not been established for the 1987-88 school year, other statutory factors must be considered in determining the relative reasonableness of the parties' proposals for that year. The factors which the undersigned deems to be most relevant for that purpose are increases in the cost of living, and settlements among other relevant groups of public and private sector employees.

In that regard while it is evident that teacher settlements in public education have generally exceeded other public and private sector settlement trends, as well as the rate of inflation during the last several years, with justification, the undersigned agrees with Arbitrator Fleischli's conclusions in a recently issued award³ that the moderation which has occurred in the rate of inflation as well as the moderation in settlements which has become evident among other groups of employees in the public sector as well as in the private sector justifies at least a parallel moderation in the size of teacher settlements at this time.

The instant record, while not evidencing clear settlement trends in other sectors of employment, does support the reasonableness of a conclusion that there exists a trend toward moderation in the area in which the District is located, both in the rate of inflation as well as in the size of increases that have been either granted to and/or agreed to by other public and private sector employees, including other groups of employees working for the District. This evidence supports the reasonableness of the District's second year wage proposal of approximately 7%, which far exceeds the relevant rate of inflation, and which also significantly exceeds the level of increases which the record indicates have been granted to any other groups of employees in the area.

Based upon these considerations, it is the undersigned's opinion that the District's proposal for the 1987-88 school year is the more reasonable of the two at issue herein.

The undersigned is thus confronted with the dilemma of choosing between two final offers, each of which contain preferable proposals for different school years--the Association's proposal being more reasonable for 1986-87 and the District's being more reasonable for 1987-88.

³ Muckwonago Area School District, WERC Dec. No. 24084-A (6/30/87)

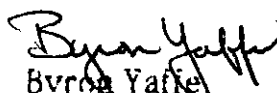
Though, in the undersigned's opinion, the call is a close one, the totality of the record supports the overall reasonableness of the District's two year proposal. This conclusion is based primarily on the fact that the Association's 1986-87 proposal has been found to be only slightly more comparable and therefore reasonable than the District's, the difference between the parties in their second year offers is greater than the first year and other statutory criteria simply do not support the reasonableness of the Association's second year proposal. For all of these reasons, the District's two year proposal, which amounts to a wage increase of over 14%, is, in the undersigned's opinion, both adequate and reasonable.

Based upon the foregoing considerations, the undersigned hereby renders the following.

ARBITRATION AWARD

The Board's final offer shall be incorporated into the parties' 1986-88 collective bargaining agreement.

Dated this 17th day of September, 1987 at Madison, Wisconsin.


Byron Yaffe
Arbitrator