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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

STATE OF WISCONSIN

BEFORE THE ARBITRATOR

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* In the Matter of the Petition of	*	*
* WEST CENTRAL EDUCATION ASSOCIATION	*	*
* To Initiate Mediation-Arbitration	* Case No. 15 No. 37581	*
* Between Said Petitioner And	MED/ARB-4049	*
* SOMERSET SCHOOL DISTRICT	* Decision No. 24320-A	*
*	*	*

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APPEARANCES

On Behalf of the District: Stephen L. Weld, Attorney at Law  
Mulcahy and Wherry, S. C.

On Behalf of the Association: James Begalke, Executive Director  
West Central Education Association

I. BACKGROUND

On May 22, 1986, the Parties exchanged their initial proposals on matters to be included in a new collective bargaining agreement to succeed the agreement which expired on August 19, 1986. Thereafter, the Parties met on four occasions in efforts to reach an accord on a new collective bargaining agreement. On September 15, 1986, the Association filed the instant petition requesting that the Commission initiate Mediation-Arbitration pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Relations Act. Next, on November 10, 1986, a member of the Commission's staff, conducted an investigation which reflected that the Parties were deadlocked in their negotiations, and, by February 25, 1987, the Parties submitted to the Investigator their final offers, as well as a stipulation on matters agreed upon, and thereupon the Investigator notified the Parties that the investigation was closed and advised the Commission that the Parties remain at impasse.

Thereafter, the Commission ordered the Parties to select a Mediator/Arbitrator and the undersigned was so selected and appointed on March 25, 1987. The Mediator/Arbitrator met with the Parties on June 1, 1987 for the purposes of mediation. These efforts at voluntary settlement were unsuccessful and thereafter an arbitration hearing was conducted. Post hearing briefs were submitted and the Union submitted a reply brief. The record was closed as of August 14, 1987.

## II. ISSUES AND FINAL OFFERS

The only item at issue is wages for 1986-87. Neither Party proposes to change the prior salary schedule structure. The difference is limited to the amount by which the schedule should be increased. The WCEA proposes to increase each cell of the schedule by 6.5% and the Board by 3.5%. The 1985-86 benchmarks and the benchmarks resulting from each offer are found below:

	<u>1985-86</u>	<u>Board (\$ Increase)</u>	<u>WCEA (\$ Increase)</u>
BA Min	\$15,522	\$15,988 (+466)	\$16,531 (+1009)
BA Max	22,678	23,358 (+680)	24,152 (+1474)
MA Min	16,935	17,443 (+508)	18,036 (+1101)
MA Max	26,744	27,547 (+803)	28,482 (+1738)
Schedule Max	28,126	28,970 (+844)	29,954 (+1828)

## III. ARGUMENTS OF THE PARTIES

### A. WCEA

The Union notes at the outset that an important factor in this case is the lack of settlements in the athletic conference. Only one school is settled, Webster, which is difficult to analyze because a traditional salary schedule does not exist. This raises a "key issue" in their mind and that is whether, given the lack of settlements, the final offers are to be compared to other 1986-87 non-athletic teacher settlements or to the private sector and other municipal settlements.

The Union does not believe that the teacher to teacher comparability factor is eliminated due to a lack of conference agreements for 1986-87, particularly since in this case the Parties have never agreed to "traditional" comparables. They suggest the record in this proceeding is void of any testimony or evidence to indicate that in prior teacher salary bargaining the conference schools were used as comparables.<sup>1</sup> In fact, the Union contends the schools of the old CESA #5, the Dunn-St. Croix Athletic Conference, and of St. Croix County have served as the "traditional" comparables in negotiations. In their

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1. Arkansaw, Boyceville, Colfax, Elk Mound, Elmwood, Glenwood City, Pepin, Plum City, Prescott, St. Croix Central, Spring Valley (Dunn-St. Croix Athletic Conference), Baldwin/Woodville, Clear Lake, Glenwood City, Hudson, New Richmond, River Falls, St. Croix Central, Spring Valley (St. Croix County Schools). Arkansaw, Baldwin/Woodville, Barron, Birchwood, Boyceville, Cameron, Chetek, Clayton, Clear Lake, Colfax, Cumberland, Durand, Elk Mound, Ellsworth, Elmwood, Glenwood City, Hudson, Menomonie, New Richmond, Pepin, Plum City, Prairie Farm, Prescott, Rice Lake, River Falls, Shell Lake, Spooner, St. Croix Central, Spring Valley, Turtle Lake.

opinion, Somerset is geographically proximate, similar in size and has been compared to these other schools in arbitration decisions. Additionally, they note other arbitrators when faced with limited settlements in the athletic conference have expanded the comparable group.

The Union focuses most of its attention on the schools of the Dunn-St. Croix Athletic conference since Somerset was a conference member in 1986-87, may again be a conference member and has approximately the same number of pupils, full time equivalent staff, levy rate, per pupil operating costs, and equalized valuation per pupil as other conference schools. Also Somerset was a member of the old CESA #5, as were other conference schools, and is in St. Croix County, in which three conference schools are located. Additionally, the WCEA believes Somerset is a comparable to these other school districts located in St. Croix County as it is a growing urban area strongly influenced by Minneapolis-St. Paul.

Against this background, the WCEA believes its' offer is within the established settlement pattern regarding benchmark dollar and percentage increases at comparable schools. Additionally, they argue that the Board's offer would result in not only a loss in rank but also a loss in the dollar differential or relationships between the 1985-86 Somerset salary schedule benchmarks and comparable schools. On the other hand, they contend under the WCEA offer past dollar relationships at the benchmarks will be maintained closer to what they were voluntarily agreed to in 1985-86.

In terms of specific analytical comparisons, they offer a copious number of charts for each of its comparable groups. To summarize very briefly, the following is noted. On average, all the benchmarks in Somerset in 1985-86 were +\$230 more than the total benchmark average in the Dunn-St. Croix athletic conference. Under the Union offer this positive difference will be reduced to +\$173 and under the Board offer it will become a negative differential of -\$596. Relative to the St. Croix County schools, Somerset's benchmarks were -\$318 behind the average in 1985-86. Under the Union in 1986-87, they would be behind -\$384 and under the Board's offer this would increase to -\$1154. Similar results occur relative to the CESA #11 schools.

In terms of percentage and dollar increases on the benchmarks the data they offer is summarized as follows:

Overall Average Benchmark Increases

			WCEA		Board	
	\$	%	\$	%	\$	%
Dunn-St. Croix A/C	\$1481	6.86	\$1430/6.5		\$660/3.5	
St. Croix County Schools	1495	6.74				
CESA #11	1465	6.72				

Last, they look at average teacher increases in dollars and percentages. These comparisons are as follows:

	<u>\$</u>	<u>%</u>
Board	\$1116	5%
WCEA	1915	8.54
Dunn-St. Croix	1981	8.95
St. Croix County	2007	8.45
Webster	1658	8.5

The Union also offers argument on other statutory criteria as follows: (1) Total compensation. They draw attention to the fact that four of eight conference schools, but not Somerset, include vision insurance as part of the District fringe benefit package and that the Somerset District has a monthly health insurance premium which is lower than the conference average. (2) Public Interest and Welfare. They believe it is in the interest of the public to select the Association's offer since the Board offer will make Somerset less competitive for maintaining a high quality educational staff. (3) Ability to Pay. The Association notes the Board has not raised an ability to pay issue. On the contrary, they submit that Somerset has the ability to pay noting its relatively low levy rate and general economic prosperity. (4) Cost of Living. They argue it is subsumed by the comparability factor.

The Association pays particular attention to the private sector and other public sector comparisons offered by the Employer. They note a number of arbitrators have discounted the value of these comparisons. Moreover, they question the methodology of the Employer wage surveys. In addition, they suggest the Employer does not offer any evidence to indicate that Somerset is unique compared to other conference or county school districts.

#### B. The Employer

The Employer too believes it is significant that there are no settlements in the conference, the traditional vehicle for determining which teachers are providing similar services in comparable communities. In response to this the Employer believes that the other criteria become controlling. With respect to the other criteria, the Employer suggests that the Union concedes that the Employer's final offer is more reasonable because of the Union's exclusive reliance on one subpart of one of the statutory criterion.

It is their position that the Arbitrator cannot disregard all other statutory criteria and still apply the law consistent with its letter, spirit or intent. Nor do they believe the Arbitrator can disregard all other statutorily mandated measures

of comparability or utilize something other than the traditional measure of comparability in applying the one subpart of the one criterion the WCEA contends should be utilized. Instead of going outside the traditional comparable group, they argue this Arbitrator, as did Arbitrator Fleischli in Mayville School District, WERC Dec. No. 24039-A (5/13/87), should be forced to compare the relative importance of the cost of living, increases granted to other public and private sector employees in the community, and the local economy and tax situation versus the settlement pattern in school districts not generally or historically considered comparable.

Against this background, the Board first evaluates the final offers in light of the cost of living. They rely on an analysis of Somerset teacher salaries in relation to the Minneapolis Consumer Price Index which demonstrates that, despite some significant increases in the CPI in the last five years, Somerset teacher salary increases have far outstripped increases in the CPI:

	<u>Cumulative Wage Increases v. CPI</u>				
	<u>BA +12</u>	<u>BQ + 24</u>	<u>BA + 36</u>	<u>MA + 12</u>	<u>August CPI</u>
Board	50.10%	49.31%	48.82%	48.80%	16.1%
Union	53.75%	52.95%	52.46%	52.45%	

Currently, they note that the rate of inflation has hovered near 0% since August, 1985. Thus, the Board's total package increases of 5% is five times the increase in the Minneapolis Index. This economic indicator, in their opinion, does not support the WCEA's proposed 8.29% total package increase.

Next, they argue that the District's final offer provides District teachers with increases in excess of those provided to other public sector employees. In this regard, they principally rely on the settlements for St. Croix County employees which in the health care unit was a wage freeze and in the other units was 3.0%. They also note the 1.0% increases in January and July for the Village of Somerset employees.

They argue another relevant factor in their favor is that the District's final offer provides district teachers with increases in excess of those received by other district employees. The non-instructional staff has received no salary increase this year but will receive retirement coverage effective January 1, 1987. The School District has also settled its transportation contract for the next five years. This contract was based on the CPI-U (the cost of living). The CPI-U index rate will be used for determining a mileage rate and all remaining rates will be paid on the basis of the CPI-U +1%. Thus, they conclude there is virtually no justification offered by the WCEA for the disparity between municipal and district settlements and the teacher wage increase sought by the WCEA in this proceeding.

The Board also looks at private sector wages and asserts the District's offer will provide teachers with wage compensation that significantly exceeds the compensation received by other area professionals. This is based on a survey of private sector professional employees in the St. Croix valley labor market. Comparing the average salary levels for the accountant, computer programmer, systems analyst, production engineer, industrial engineer, engineer supervisor/manager, personnel supervisor/manager, electrical technician, methods and process technician and technical inspector positions with the average salary paid to the Somerset teachers, they see that in 1984 only the systems analyst position's average salary was higher than the teachers' average salary. The Board offer exceeds the average salary in all positions for 1986 except that of the engineer supervisor/manager position and the systems analyst position which received an average salary 2 cents greater than that proposed for teachers. The Union's offer would exceed all average salaries except that of the engineer supervisor/manager. They also note teachers have a 180-day contract year and also compare favorably on an hourly basis.

Given Somerset's economic climate, the public interest and welfare are also argued to support the Board offer. In this regard, they focus on the actual increases received by many teachers. Over 23 employees will receive between a 6 and 7% wage increase. The WCEA's offer, however, will give over 32 employees at least a 9% wage increase and over 14 employees would receive over a 10% increase under the WCEA's offer. This can't be justified in their view in light of other public sector and private sector settlements in the area.

This is particularly true in their opinion since the WCEA wage demand isn't accompanied with accountability or productivity changes. In this regard, they note the Union often relies on national studies in support for higher salaries. However, when read as a whole, these studies propose a plan of action which includes elements tied to higher levels of preparation, skill and accountability on behalf of teachers. It is their opinion that the Arbitrator will search in vain for any recognition or acceptance, within the WCEA final offer, of the need for increasing teacher accountability as a quid pro quo for the salary increases sought.

Next, they buttress their assertion that comparisons to other teachers should be limited to the upper St. Croix athletic conference. This is the approach taken by most arbitrators and they offer a number of citations in support of this. Moreover, the data indicates that Somerset's staff of 44.69 teachers falls well within the Conference's range of 30.97 to 67.95. It's FTE is within six of the average. Its enrollment of 728 students is in the middle of the 582 to 1,191 conference range and within 154 students of the average. The student-teacher ratio among the conference schools is also remarkably consistent and the conference schools are also obviously geographically proximate.

They also argue that since the District has shown that the Upper St. Croix Valley Conference is comparable, the burden of proof shifts to the WCEA to prove that the conference is not comparable or "that comparability is not the critical issue." They don't place much stock in the arbitration awards or the fact that Somerset was once a member of the Dunn-St. Croix athletic conference. Somerset left the conference ten years ago. Additionally, Union exhibit 15 shows that at the January 25, 1985 meeting of the WIAA, a proposal to put Somerset back into the Dunn-St. Croix athletic conference was not even raised. In fact, Somerset's return to the Dunn-St. Croix has been a dead issue since 1981. Last, being in a CESA does not establish comparability in view of the wide diversity among those schools.

The Board does offer comparisons to the Upper St. Croix valley conference. They suggest a chart that shows that Somerset has consistently maintained its ranking among conference schools for the last five years. Additionally, a chart shows that Somerset salaries are extremely close to the average conference salary at each benchmark. Based on this, they conclude Somerset is offering a competitive beginning wage and is pushing its teachers through the schedule - rewarding them for graduate credits and experience and using a disincentive at the BA maximum to discourage stagnation.

With these comparisons in mind, they argue this five year trend towards bringing Somerset salaries in line with the Conference will not be abandoned with the District's offer. On the other hand, it is asserted that the WCEA has provided no justification for a tremendous leap in salaries as would be provided with a 6.5% per cell adjustment.

#### V. OPINION AND AWARD

The only matter unresolved between the Parties is the amount of the salary schedule increase. However, this case is like many others since there are important underlying issues which must be addressed at the outset.

The most significant of the ancillary issues in this case relates to the fact that there are no meaningful settlements in the athletic conference.<sup>2</sup> The Union believes the proper reaction to this is to expand the comparables and let them strictly control as they often do when there is a pattern among traditional comparables. The Board's reaction is basically to throw criteria (d) out the window and let the other criteria control. They argue to adopt the Union's view would be inconsistent with the "letter, spirit and intent" of the law.

2. Webster is settled but it doesn't have a salary schedule. Therefore, it can only be used to compare average teacher increases.

The Arbitrator believes a more middle of the road approach is preferable. In a situation where there are no settlements in the athletic conference, one can't possibly give meaning to all the statutory criteria by totally ignoring settlements in other school districts which may be comparable.

Traditional groups should be adhered to where there are a sufficient number of settlements. This gives continuity and stability in bargaining. However, it is significant that these Parties have never been to arbitration wherein they utilized an agreed-upon set of comparables limited to the athletic conference or had a traditional group established by an arbitrator. Nor is there any convincing evidence that the Parties have used in the course of their bargaining the athletic conference as the traditional set of comparables. It is also somewhat presumptuous to think that they would unquestionably do so since Somerset is quite unique unto the upper St. Croix Valley athletic conference. It is the most southern of eight schools and comes under moderate influence of the Twin Cities labor and product market much more so than most, if not all, the other athletic schools. In fact, parties in other districts that are somewhat removed from Minneapolis/St. Paul to the same degree (i.e., Baldwin/Woodville) voluntarily use Somerset as a comparable. Thus, this all means there is even less reluctance to depart from the athletic conference since no continuity in bargaining methods is being altered.

Even if the athletic conference had been the traditional group, there aren't walls around athletic conferences. There is no valid reason not to look beyond this to schools which share important attributes when there are no settlements. In fact, it is necessary because attention to settlements in similar schools is not only statutorily mandated but a very useful tool in assessing the appropriate wage offer. Other Parties, consisting of many individual board members and teachers, no doubt give consideration to all the statutory criteria. In the process of bringing rational consideration to bear, they make decisions as to the appropriate weight to be given to all the individual criteria taken as a whole. Given the mix of criterial influences in their communities, their settlements pose an objective, broadly based yardstick by which to weigh all the factors in similar communities. This kind of assistance in the form of a collective consensus to the individual arbitrator shouldn't be scorned.

Thus, while the Arbitrator agrees with the Union an expanded set of comparables is appropriate, it is not appropriate to ignore the other statutory criteria. In fact, it has been expressed before in Cochrane-Fountain City School District, Dec. No. 24050, 6/87.

"It is the opinion of the Arbitrator that the comparability factor cannot be ignored merely because there is no pattern in the traditional comparable group. It is necessary and



the traditional group. However, they cannot necessarily be given the same controlling weight as the traditional comparables. The weight to be given to non-traditional comparables diminishes in proportion to the strengths of the inferences which can be drawn from those comparables. The validity of the inferences also depend on the facts and circumstances of each case including the relative value of the evidence on the other criteria."

For instance, when expanding comparables in some cases, few settled schools may be found and/or others with few similarities may be found. Great distances might also be involved. Additionally, a pattern might not be clearly discernible. These all would weaken the inferences to be drawn from criteria (d). On the other hand, in certain individual cases strong inferences might be drawn.

In this case, while the Arbitrator agrees an expanded set of comparables is necessary, he doesn't believe that it should be in the form of the Dunn-St. Croix Conference, St. Croix County School Districts or CESA #11 member schools. A more carefully crafted set of comparables is necessary. CESA #11 is simply too widely diverse in all respects to be a meaningful comparable group. The Dunn-St. Croix athletic conference is too widespread and the St. Croix County group includes schools that are plainly too large to be comparable.

Therefore, the following schools for the purposes of this case, under these unique circumstances, are deemed comparable under criteria (d):

Clear Lake	Baldwin/Woodville
Glenwood City	Spring Valley
St. Croix Central	Prescott

These schools share many similarities with Somerset. All except Clear Lake, to relatively the same degree, feel the influence of the Minneapolis/St. Paul product and labor market with three of the schools also being in St. Croix County. They are all approximately the same size as Somerset and are similar in funding characteristics as the following shows:

	<u>Pupils</u>	<u>Levy</u>	<u>Equalize Value</u>	<u>State Aid</u>
Comparable Average	810	12.05	131,004	1568
Somerset	697	13.75	130,682	1721
Upper St. Croix Valley Athletic Conference (Not including Webster)	841	13.04	144,657	1462

Moreover, the expanded comparable group replicates the upper St. Croix Valley athletic conference group reasonably well in these

respects. In fact, in some respects, the expanded set is more similar to Somerset than the athletic conference. Additionally, none of the schools in the comparable group is outside the range of these characteristics found in the athletic conference.

Also, in terms of distance, they are close (no more than two adjacent districts away) and are closer than several athletic schools.

In utilizing these schools, a benchmark analysis yields the following:

	BA Base		BA Max		MA Base		MA Max		Sched. Max	
	%	\$	%	\$	%	\$	%	\$	%	\$
Average	6.36	1021	6.40	1443	6.38	1122	6.40	1731	6.4	1803
Board	3.5	466	3.5	680	3.5	508	3.5	803	3.5	844
Diff	-2.86	-555	-2.9	-763	-2.88	-614	-2.9	-928	-2.9	-959
Union	6.5	1009	6.5	1474	6.5	1101	6.5	1738	6.5	1828
Diff	-.14	-12	+.1	+31	+.12	-21	+.1	+7	+.1	+25

The data clearly shows that the Union's offer is most consistent with the comparable schools.

How much weight should this be given relative to the other statutory criteria? It is the opinion of the Arbitrator that under these circumstances these "expanded comparables" should carry great weight.

This is largely because of the striking similarities between Somerset and these other schools and the similarity of this group as a whole in many respects with the athletic conference. Another reason is that the weight to be given St. Croix County public sector settlements and private sector wages is already reflected by consensus in the Baldwin/Woodville, Glenwood City and St. Croix Central settlements. These are all in St. Croix County.

Additionally, all these schools are remote satellite communities to the Twin Cities affected by the same cost of living influences. It has long been held that the settlement pattern was an accurate reflection of the appropriate weight to be given the cost of living. This was true when settlements were shy of the cost of living and the same should apply if settlements exceed the cost of living.


Even if the Arbitrator were to substantially discount the weight to be given to the expanded comparables, it would be difficult to go so far as to justify the great difference between the Board's offer and these settlements which follow a general trend in the area. On average, the Board's offer is

\$763 off at each benchmark. This is over \$60/month. There isn't enough evidence to justify such a divergency even in the absence of "traditional" comparables. Somerset isn't an island onto itself and the strength of these comparisons cannot rationally be ignored.

In view of the foregoing, the Association's offer is deemed more appropriate.

AWARD

The Final Offer of the Association is accepted.

  
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Gil Vernon, Arbitrator

Dated this 30<sup>th</sup> day of November, 1987 at Eau Claire, Wisconsin.