

SEP 22 1987

STATE OF WISCONSIN WISCONSIN EMPLOYMENT
BEFORE THE ARBITRATOR RELATIONS COMMISSION

In the Matter of the Petition of

NORTHWEST UNITED EDUCATORS

To Initiate Mediation-Arbitration
Between Said Petitioner and

Case 21
No. 37984
MED/ARB-4190
Decision No. 24352-A

SCHOOL DISTRICT OF
ST. CROIX FALLS

APPEARANCES:

Shannon E. Bradbury on behalf of the District
Alan D. Manson on behalf of the Union

On May 11, 1987 the Wisconsin Employment Relations Commission appointed the undersigned Mediator-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 a mediation session, and thereafter, an arbitration hearing on June 16, 1987 in St. Croix Falls, 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 September 1, 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 only issues in dispute in this proceeding are the salary schedule and extra-curricular salary schedule for the 1986-87 school year.

The Union proposes that the 1985-86 schedule be increased by 6.5 percent per cell. The Board proposes a 3.88 percent increase per cell. The Union's proposal results in a 7.6 percent wage increase, or an average salary increase of approximately \$1800 per returning teacher. The Board's offer results in a 5 percent wage increase, or an average salary increase of approximately \$1200 per returning teacher. The parties are approximately \$40,000 apart

The Union also proposes a 6.5% increase in the extra-curricular schedule, while the Board proposes a five percent increase--about an \$800 difference.

The parties also disagree as to what districts should be treated as comparables in this proceeding, the District arguing that the only comparables which should be considered are those in the Upper St Croix Valley Athletic Conference, while the Union argues that all settled districts in CESA #11 should be considered.

UNION POSITION.

Where, as here, there is no settlement pattern within an athletic conference, and there is an overwhelming settlement pattern within a geographic area, it is appropriate to look beyond the athletic conference so that the teacher versus teacher comparability factor in the Statutes is appropriately considered. This position is consistent with prior arbitral decisions.¹ Relatedly, Arbitrator Imes just recently awarded a 6.5 percent per cent increase for 1986-87 in Grantsburg School District (Med/Arb-4129, Dec No. 24273-A)--a district within this District's conference-- based upon a group of comparables beyond the Athletic Conference.

Comparison of a settlement pattern in CESA #11 is logical since all districts in the CESA participate in various programs of an educational nature. Based upon such considerations, other arbitrators have established comparability pools based upon CESA membership.²

Based upon a comparison of settlements in CESA #11 districts, the Union's final offer is slightly below average both in terms of dollar and percentage increases. The Board's offer however is dramatically below average in both respects. Furthermore, the Union's offer, taken as a whole, barely maintains the District's historical ranking among CESA #11 comparables, while the Board's offer results in a precipitous decline in that ranking.

Regarding the cost of living factor, there is abundant arbitral precedent holding that the best indicator of the cost of living is the pattern of settlements among comparables.³ In that regard, the Upper St. Croix Valley teacher settlement pattern has been much closer to the statewide settlement pattern than the cost of living for the past three years. Thus, the Union's

¹ Citations omitted.

² Citation omitted.

³ Citation omitted.

offer should not be viewed in isolation as it relates to the cost of living. Rather, when the general level of 1986-87 teacher settlements is considered, the Union's offer is more reasonable than the District's.

Regarding the interests and welfare of the public, the District's proposal would make the District far less competitive in the teacher market. In addition, it would be an insult to those teachers presently working in the system and could lead to the exodus of some experienced teachers.

Furthermore, there has been no showing that the economy within the District differs from the economic conditions which exist in other northwest Wisconsin school districts.

In response to the District's reliance on comparisons of average salaries, there is a serious problem with the reliability of such comparisons. Average teacher salary is a function of the total years of experience and academic training of an entire school district staff placed on a single salary schedule. The District provides no data indicating to what extent its staff is above or below the Conference average with respect to years of experience and academic training. Thus, comparisons of average salaries should be given little weight in this proceeding.

DISTRICT POSITION

Although the District does not argue inability to pay, the ability of the District's taxpayers to continue to support the District's programs is an issue that must be addressed. In that regard the State's unemployment figures are one relatively current gauge of the County's economy. Simply put, in April 1987, the most recent data available, Polk County had an unemployment rate of 7.7%, 1.6% above the State average. If 1987 to date averages are taken into account, the results are more grim--and the situation has deteriorated since the end of 1986.

Another indicia of the state of the economy in the County is the tax delinquency rate. Since 1982, delinquencies in the County have risen some 72%.

The District also has the highest levy rate in the Conference, some 2.85 points above the Conference average, and 1.69 above the next highest district. Relatedly, the District's cost per student is the highest among the Conference schools.

At the same time, total real estate values in the District have been decreasing, and relatedly, a significant decline in the value of farmland in the District has also occurred. To further exacerbate this situation, farm property taxes have risen at a much higher rate than total property taxes in recent years.

All of these factors strongly support the District's assertion that the taxpayers in the District are having an increasingly difficult time supporting their public schools through the property tax.

Additional support for the reasonableness of the District's position may be found among the wages and settlements of other public and private sector employees in the area. Significant weight should particularly be given to other public sector agreements in the area since the public employers in the area are facing similar economic constraints as the District.

On the comparability issue, the District should be compared with other districts in the upper St. Croix Valley Athletic Conference. The Union's effort to compare the District with other districts in CESA #11 has specifically been rejected by another arbitrator in another arbitration case involving the St. Croix Falls School District.⁴ In this regard, districts should be allowed some relative stability in the make-up of the group to which they will be compared in proceedings such as this, and utilization of the Union's proposed comparables would clearly change the rules of the game, contrary to the clear and mutual expectations of the parties during the negotiations which preceded this proceeding. The districts in CESA #11 have nothing in common except for the fact that they have been grouped together by an arbitrary legislative enactment. Districts in CESA #11 are located in five counties in which no other Athletic Conference district is located. There is no evidence in the record that the Union's proposed comparables share any common economic conditions, an often utilized prerequisite for comparability.

On the other hand, districts in the Athletic Conference share both a common economy and historic inter-reliance

Because there is only one settled district in the Athletic Conference which can readily be compared with the District, teacher salary comparisons should carry comparatively lesser weight in this case than in situations where comparable settlement patterns exist. Instead, greater weight should be given to cost of living and settlements among other public and private sector employees.

⁴Decision No. 22307-A, 6/19/85, JC Fogelberg

If the limited data pertinent to the Athletic Conference is considered, it is noteworthy that the District had the second highest average salary in the Conference. It also had the second highest dollar per teacher increase in 1985-86.

If the purpose of this interest arbitration procedure is to establish more uniformity among comparables, the Board's offer should be adopted. Since adoption of the Union's offer would increase the differences between high and low paying districts in the Conference that already exists.

Relevant cost of living increases also support the reasonableness of the Board's offer, which would result in gains in real dollars for the District's teachers.

DISCUSSION:

On the comparability issue, while the undersigned agrees that the record does not provide a sufficient basis to utilize all CESA #11 districts as comparables, it does not seem unreasonable to utilize, for limited comparability purposes, the six settled districts in CESA #11 which are geographically adjacent to districts in the Athletic Conference, i.e., Spooner, Shell Lake, Cumberland, Turtle Lake, New Richmond, and Hudson. While the undersigned concedes that size differentials and potential differences in economic conditions in these districts requires that the comparisons made herein be given lesser weight than in other cases where settlement patterns among clearly established comparables exist, it does not seem unreasonable to consider at least the range of the value of the settlements in these districts--rather than specific benchmark comparisons, which the undersigned agrees would be unfair based upon the fact that these districts have not traditionally been considered the District's comparables--in determining the relative comparability of the parties' proposals in this proceeding. In addition, because these districts do not constitute a traditionally accepted group of comparables, greater weight must therefore be given to other statutory criteria in determining the relative reasonableness of the parties' proposals.

In that regard, based upon the totality of the record, the undersigned is persuaded that a meritorious case has been made for moderation in the size of the District's settlement based upon recent cost of living increases, the size of increases that have been granted to other groups of public and private sector employees in the area, and not unimportantly, the state of the economy in the area and the impact that increased costs will have on

taxpayers in the District. However, in order to determine what would constitute a moderate increase in the District, one cannot ignore what the general level of teacher settlements have been in districts in the surrounding area. In that regard, the record indicates that such settlements range from approximately 5.7% to 7.5% per cell increases, with most settlements falling in the 6-7% per cell range. Utilizing this data as a basis of comparison, one might persuasively argue that a moderate, but comparable settlement would fall within the 5.5 to 6% per cell range.

When the parties offers are viewed in this context, it would appear that the Union's proposal, though generally comparable with teacher settlements in the area, is somewhat more than can be justified under these circumstances. On the other hand, the District's proposal falls too far off the mark--when compared to area teacher settlements-- to be characterized as a comparable, but moderate settlement.

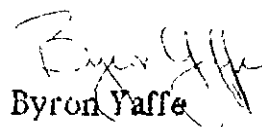
In view of the significant disparity that exists between the District's proposal and the general level of teacher settlements in the area, the undersigned is compelled to select the Union's offer as the more reasonable of the two at issue herein, even though equity dictates a more moderate increase than the Union has proposed.

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

ARBITRATION AWARD

The Union's final offer shall be incorporated into the parties' 1986-87 collective bargaining agreement.

Dated this ^{23rd} day of September, 1987 at Madison, Wisconsin


Byron Yaffe
Arbitrator