

MAY 17 1988

STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

In the Matter of the Petition of the	*	
	*	
NEILLSVILLE SCHOOL DISTRICT	*	Case 6
	*	No. 38120
To Initiate Mediation-Arbitration	*	Med/Arb No. 4235
Between the Petitioner and the	*	Decision No. 24587-A
	*	
NEILLSVILLE EDUCATION ASSOCIATION	*	
	*	

APPEARANCES:

Lindner & Marsck, S. C., by Roger E. Walsh, Attorney at Law,  
on behalf of the District

Mary Virginia Quarles, Executive Director, Central Wisconsin UniServ  
Council - West, on behalf of the Association

INTRODUCTION

On August 24, 1987, the Wisconsin Employment Relations Commission (WERC) appointed the undersigned to act as Mediator-Arbitrator pursuant to Section 111.70 (4) (cm) 6.c. through 7.h. of the Municipal Employment Relations Act (MERA) in the dispute existing between the Neillsville School District (hereinafter the "Employer" or the "District" or the "Board") and the Neillsville Education Association (hereinafter the "Union" or "Association"). On October 14, 1987, an a public hearing was held in Neillsville, Wisconsin which was followed by mediation proceedings between the parties pursuant to statutory requirements. Mediation failed to produce a voluntary resolution to the dispute. Accordingly, an arbitration hearing was held December 3, 1987, and the parties agreed to submit briefs and reply briefs. Briefing was completed on February 18, 1988. This arbitration award is based upon a review of the evidence, exhibits and arguments, utilizing the criteria set forth in Section 111.70 (4) (cm), Wis. Stats. (1985).

ISSUE

Should the salary schedule contained in the contract reflect the final offer of the District or that of the Association?

COMPARABILITY

The Association's Position:

The Association has proposed a list of comparables consisting of what it terms the "historic" Cloverbelt Conference. This list contains 14 districts of the 15 present members of the conference. Osseo-Fairchild has been excluded from the list because it joined the conference for the 1986-87 school year.

The Union finds support for this list from the three last arbitration proceedings in the Neillsville District. In all three, the arbitrators have used this list in order to establish what they have described as a stable, consistent and predictable comparable group.

Because Osseo-Fairchild was not involved in those proceedings, the Association argues that to include it among the comparable group here would be to defeat the very purpose expressed by previous arbitrators when analyzing the Neillsville situation.

The Board's Position:

In the main, the District supports the basic comparable group. However, it would include Osseo-Fairchild, arguing that the three previous arbitrators have accepted the fact that schools have left the conference (Nekoosa). If Nekoosa is to be dropped from the

comparability group at once upon leaving the conference, it is only consistent to include Osseo-Fairchild in the comparable group as soon as it joins.

The District further argues that three schools adopted by the Association should not be recognized here.

In the case of Fall Creek, the Board points out that that district is in the middle of a three-year contract. The salary schedule adopted there was instituted at a time when salaries generally were rising at a rate in excess of that rate today. Furthermore, there are peculiarities in the Fall Creek settlement which are not typical of the contracts in place in other Cloverbelt Conference districts.

As for Altoona and Mosinee, the District maintains that they are both much larger than the other Cloverbelt Conference schools, are geographically distant, are not rural in nature, and are subject to the influence of large urbanized districts close by. The District maintains that such disparity has caused arbitrators in other Cloverbelt arbitrations to reject their use as comparables. The Board would have the arbitrator here apply the same analysis, rejecting the use of Altoona and Mosinee in the comparable group.

#### Discussion:

The Cloverbelt Conference might be likened to a piece of weight-lifting equipment, a long bar with weights at either end. These weights are Altoona on the west and Moninee on the east.

A review of the materials presented by the parties indicates that these two districts are unlike their fellow conference members in most of the characteristics used by arbitrators. In other awards, this writer has described an ideal comparable group as consisting of five or more districts, all of which had voluntary settlements. The districts would be geographically proximate, of similar membership and STE size, and would have similar economic and public and private employment conditions. They would even have had a long term acceptability as comparables in other binding arbitrations.

It is interesting to note that two of the three arbitrators involved in previous binding arbitration in Neillsville have accepted the Cloverbelt schools, especially the "class B" schools. In the third proceedings, there were only three of 14 conference members settled at the time the award was issued. It would therefore appear that Altoona and Mosinee have not been universally accepted in the primary comparable group and that their inclusion was caused by a lack of settled conference schools in one previous award. This position is reinforced by the cited awards in other conference schools. Therefore the Altoona and Mosinee districts shall not be used as comparables in this award.

On the hand, the Osseo-Fairchild district appears to have the same general characteristics as the other 13 conference schools. The Board is correct when it states that no reason exists other than late inclusion in the conference for not adding it to the list.

Fall Creek also fits all of the requirements for inclusion in the comparable group. Its present contract appears to have been voluntarily settled and to exclude it solely on the basis of its length of term would again serve to dilute the list of comparables historically appropriate in Neillsville.

We are now left with 13 of the 15 Cloverbelt Conference schools in the comparable group. Cornell, Loyal and Stanley-Boyd are not settled so they will not be used in this award, though they would have been had they been settled. The nine settled schools plus Neillsville offer a large enough group to make general comparables useful for our purposes here.

#### THE STATUTORY CRITERIA

The Statute requires an arbitrator to consider eight criteria in arriving at an award. As in most cases, some of these criteria need not be discussed in depth in this award. For instance, there appears to be no question of the lawful authority of the municipal employer. The stipulations of the parties would indicate that most of the items contained in the contract have been satisfactorily agreed to by the parties.

Likewise, there appears to be no dispute between the parties regarding the overall compensation presently received by the members of the Neillsville Education Association.

The parties have not made the arbitrator aware of any changes in circumstances during the pendency of the arbitration proceedings. Nor have the parties made the arbitrator

aware of any other factors not confined to the other criteria which would affect an award in this matter.

The District maintains that its final offer is closer to the increases in the cost of living as determined by the Consumer Price Index. The Association rebuts this argument, stating that the best gauge for cost of living increases is the level of wage rate increases given to teachers in comparable districts. Furthermore, the Union maintains that cost of living data does not relate to the cost of experience and education increments traditionally applied to teachers compensation.

It would appear that analysis of cost of living increases is in its infancy in Wisconsin. It seems rather certain that this area will be given further study in the future. However, for purposes of this arbitration proceedings, it is evident that both final offers are in excess of the Consumer Price Index. In such a situation, it is difficult to apply this criterion as the controlling criterion except to note that one final offer exceeds the Consumer Price Index by more than the other, a phenomenon not unknown in interest arbitration matters where the salary schedule is the issue.

There is no argument made here that the Employer has a technical inability to meet the costs of any proposed settlement. The issue between the parties here regarding financial ability is related to the interests and welfare of the public and, on the Association's side, the issue of the financial commitment of the Neillsville School District to education.

The District has presented exhibits and arguments regarding the state of Wisconsin agriculture and the economic burdens imposed upon rural taxpayers as a result of the depressed agricultural economy. The Association recognizes that rural areas have been subject to economic stress but would reply that such indicators as farm land values appear to have at least bottomed out and that recent indications are that the agricultural community is becoming more stable economically and may even be recovering. Furthermore, the Union believes that it is not correct to describe the Neillsville School District as being primarily rural, pointing to the substantial public and non-agricultural employment in the District.

In an arbitration proceedings where data is scarce, an analysis of the interests and welfare of the public can be controlling. Yet, the general thrust of the arguments by either side is relatively predictable. The District feels the public will benefit from relatively lower costs, and the Union feels that the public will benefit from an experienced, well-trained teaching staff. Both are, in the main, correct, and when other criteria are available, it does not seem proper to base an award upon the relatively subjective standard of "interests and welfare of the public".

In Neillsville we have available a pool of nine comparable districts to apply the final criterion, that of Sub (d) of the Statutes. There exists here a set of school districts of comparable size, comparable staffing, and comparable salary schedules so large that a salary analysis can be made over the seven traditional benchmarks (BA, BA-7, BA-Max, MA, MA-10, MA-Max, and Schedule Max) that overcomes any difficulty that might arise in a smaller comparable pool.

A comparability pool of this size enables one to make a valid comparison which reduces the relatively high settlements which occurred in Auburndale and Fall Creek on the one hand and the relatively low settlements in place in Colby, Greenwood and Osseo-Fairchild on the other. Use of the BA-7 and MA-10 benchmarks help to reduce the impact at the top of the lanes which is caused by differences in number of steps from one salary schedule to another.

The chart below shows the average ranking of Neillsville among the ten districts in the seven benchmarks and what its ranking in salary, dollar increase, and percentage increase would be should either final offer be accepted.

Ranking in 10 Schools  
Average Position of Neillsville in  
Comparison in Seven Benchmarks

<u>Salary - 85/86</u>	<u>Salary 86/87</u>	<u>Dollar Increase</u>	<u>Percentage Increase</u>
3.57	B. 5.71	6.86	7.57
	A. 3.14	4.0	4.14

As the chart indicates, Neillsville would gain in average ranking for salary should the Union's final offer be accepted, while the District's offer would result in an average ranking loss of more than two positions. The teachers' final offer is slightly above the average

for dollar increase and percentage increase. The Board's is rather more below average in each category.

It is interesting to note here that for the 1985/86 school year, the Neillsville benchmark ranking is first among the comparables in the MA-Min benchmark and never drops below the 6th rank. An overall ranking of 3.57 among the ten comparables would tend to indicate that the support given by the Neillsville School District taxpayer to teachers' salaries ranks above average even though the District may rank below other school districts in terms of tax levy and other measures of tax burden.

A further analysis provides the results shown in the next chart, which indicates the position of Neillsville in relation to the 10 schools for 1985/86 and the position of Neillsville should either final offer be accepted, together with a comparison of average increases in either circumstance in the seven benchmarks.

	Salary			Increase		
	Neillsville	10 School Average	Above (Below) Average	Neillsville	10 School Average	Above (Below) Average
BA-Min 85/86	15,505	15,477	28			
B.	16,184	16,477	(293)	679	1,000	(321)
A.	16,435	16,502	(67)	930	1,025	(95)
BA-7 85/86	19,033	19,174	(141)			
B.	19,862	20,294	(432)	829	1,120	(291)
A.	20,173	20,326	(153)	1,140	1,152	(12)
BA-Max 85/86	23,737	21,963	1,774			
B.	24,766	23,067	1,699	1,029	1,104	(75)
A.	25,157	23,106	2,051	1,420	1,143	277
MA-Min 85/86	17,106	16,837	269			
B.	17,852	18,027	(175)	746	1,190	(444)
A.	18,131	18,055	76	1,025	1,218	(193)
MA-10 85/86	22,839	22,603	236			
B.	23,828	24,080	(252)	989	1,477	(488)
A.	24,206	24,117	89	1,367	1,514	(147)
MA-Max 85/86	26,024	25,645	379			
B.	27,148	27,035	113	1,124	1,390	(266)
A.	27,581	27,078	503	1,557	1,433	124
Schedule						
-Max 85/86	27,428	26,952	476			
B.	28,615	28,707	(92)	1,187	1,755	(568)
A.	29,069	28,753	316	1,641	1,801	(160)

In 1985/86 the Neillsville teachers were an average of \$432 above the average in the seven benchmarks. Where the Board's offer to be accepted, the Neillsville teachers would receive an average wage \$81 above the average in the benchmarks. The Union's offer would result in a decrease to \$402.


The Neillsville dollar increase would be below average in all benchmarks under the Board's offer and would be below average in five of the seven benchmarks should the Association's offer be accepted.

As was stated before, the comparable pool is so substantial that the information gained from benchmark analysis shall be controlling in this arbitration proceedings. In no case does it appear that the Association's final offer would result in a substantive change in comparable ranking in any of the seven benchmarks and the averages indicated in this award would indicate that the Union's final offer is more reasonable than that of the District and must be accepted here.

AWARD

The final offer of the Neillsville Education Association shall be incorporated in the 1986/87 Labor Agreement between the parties together with all items stipulated to between the parties prior to initiation of arbitration.

Dated this 13<sup>th</sup> of May, 1988.

  
\_\_\_\_\_  
ROBERT L. REYNOLDS, JR., Arbitrator