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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

* * * * *

* In the Matter of Interest Arbitration *

* Between *

* SCHOOL DISTRICT OF SEVASTOPOL * Case No. 4 *

* and * No. 37923 *

* SEVASTOPOL EDUCATION ASSOCIATION * Arb - 4168 *

* Decision No. 24910-A *

* * * * *

Represented by: Clifford B. Buelow and Lon D. Moeller,
Attorneys at Law - Davis and Kuelthau, S. C.
on Behalf of the District

Dennis W. Muehl, Director - Bayland Teachers
United, on Behalf of the Association

I. BACKGROUND

On August 19, 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 June 30, 1986. Thereafter, the Parties met on two occasions in efforts to reach an accord on a new collective bargaining agreement. On December 4, 1986, the Association filed the instant petition requesting that the Commission initiate Arbitration pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Relations Act. On February 16, 1987, a member of the Commission's staff, conducted an investigation which reflected that the Parties were deadlocked in their negotiations, and, by October 14, 1987, the Parties submitted to the Investigator their final offers, written positions regarding authorization of inclusion of nonresidents of Wisconsin on the arbitration panel to be submitted by the Commission, as well as stipulations on matters agreed upon. Thereafter, the Investigator notified the Parties that the investigation was closed and advised the Commission that the Parties remain at impasse. Next, the Commission directed the parties to select an Arbitrator. The undersigned was so selected and was appointed on November 5, 1987.

Thereafter the Parties continued to meet in an attempt to resolve the dispute without success. The Parties agreed to waive a hearing agreeing to submit exhibits and briefs through the mail. Principal exhibits were mailed January 25, 1988.

Rebuttal exhibits were mailed February 8, 1988. Principal briefs were filed on March 9, 1988 and reply briefs were received March 29, 1988.

II. FINAL OFFERS AND ISSUES

The only unresolved issue in the Parties' final offers is the amount to increase the salary schedule in 1986-87 and 1987-88. The District has proposed a two-year agreement for 1986-87 and 1987-88 with base salaries of \$16,286 and \$16,813 for each of these respective years. The SEA has proposed a two-year agreement with base salaries of \$16,450 and \$17,125 respectively. On an average teacher basis the increase proposed by each Party costs out as follows:

	DISTRICT		ASSOCIATION	
	<u>1986-87</u>	<u>1987-88</u>	<u>1986-87</u>	<u>1987-88</u>
Salary Increase	5.91%	5.21%	6.95%	6.07%
Salary Per Teacher	\$1,442	\$1,345	\$1,695	\$1,582
Package Increase	6.07%	5.90%	7.02%	6.69%
Package Per Teacher	\$1,913	\$1,973	\$2,215	\$2,256

On a benchmark basis the offers break down as follows:

FINAL OFFERS BY BENCHMARKS						
		BA	BA Max	MA	MA Max	Sch. Max
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<u>Association</u>	1986-87	\$16,450	\$27,965	\$17,980	\$29,495	\$30,260
	\$ Increase					
	over '85-86	775	1,317	865	1,407	1,884
	% Increase					
	over '85-86	4.94%	4.94%	5.05%	5.01%	6.64%
<u>Board</u>	1986-87	\$16,286	\$27,686	\$17,816	\$29,216	\$29,981
	\$ Increase					
	over '85-86	611	1,038	701	1,128	1,605
	% Increase					
	over '85-86	3.89%	3.89%	4.10%	4.02%	5.66%

The Parties are also at great odds over the ancillary issue of comparables. This will be explored in more detail below.

III. ARGUMENTS OF THE PARTIES

A. Comparables

1. The District

The District proposes the present Packerland Athletic Conference be utilized as the comparable group. The Packerland Conference consists of Algoma, Gibraltar, Kewaunee, Luxemburg-Casco, Oconto, Oconto Falls, Sevastopol, Southern Door and Sturgeon Bay. Generally speaking, they believe this to be the appropriate comparable grouping since (1) these school districts are all in close geographic proximity, are affected by the same political, social and economic factors and thus best represent the District's relevant labor market, and (2) Arbitrators have traditionally and consistently held that the athletic conference is the best definition of the appropriate comparables.

The District anticipated that the Association will propose that the "Peninsula" or "old Packerland Conference" schools are the relevant districts for comparison purposes. The "Peninsula" school districts consist of Algoma, Denmark, Gibraltar, Kewaunee, Luxemburg-Casco, Mishicot, Sevastopol, Southern Door and Sturgeon Bay. Of these school districts, all but Denmark and Mishicot are members of the Packerland Conference. However, they note that Denmark and Mishicot dropped their limited participation in the Packerland Conference in 1984 to join the Olympian Athletic Conference. Conversely, Oconto and Oconto Falls both joined the Packerland Conference in 1984 on a full-time participation basis. They don't believe the Association has given a compelling reason to depart from the athletic conference. Moreover, they believe there is basis to distinguish Mishicot and Denmark based on proximity to Green Bay and its labor markets.

The District also notes in rebuttal brief that the Association argues that the Board is seeking to alter the "historical" and "traditional" comparison group by adding Oconto and Oconto Falls and excluding Denmark and Mishicot. However, the District argues this argument ignores an obvious fact. This is that the Parties' comparables have never been determined, either through joint agreement or arbitration. Moreover, the District argues the SEA has done absolutely nothing to substantiate its claim that the Old Packerland Conference represents "the historical comparison pool used by the parties in negotiations." The District, on the other hand, submits that they have presented compelling evidence which favors the selection of the Packerland Conference as the determinant of the Parties' comparables.

The District also notes that the Association further claims that "arbitrators have consistently identified Door County, northeastern Brown County and Kewaunee County School Districts as comparable." This is irrelevant in their opinion since the arbitration awards cited by the SEA in which the Old Packerland Conference was established as the appropriate group of

comparables, either by stipulation of the parties or by arbitral determination, were all decided before Denmark and Mishicot left the Conference to join the Olympian Conference. The District acknowledges that Oconto and Oconto Falls were rejected as comparables for Kewaunee in 1986 and were deemed secondary comparables for Luxemburg-Casco in 1987 in School District of Kewaunee, Dec. No. 23-382-A (Yaffe, 1986); and Luxemburg-Casco School District, Dec. No. 24-049-A (Fleischli, 1987). However, to them this is not surprising, considering the geographic location of Kewaunee and Luxemburg-Casco relative to Denmark and Mishicot. Moreover, Arbitrator Yaffe's reluctance to expand Kewaunee's comparables to include Oconto and Oconto Falls is further explained by the fact that the Parties themselves had stipulated to the Old Packerland Conference as their comparables in a prior arbitration award. On the other hand, Arbitrator Weisberger updated Southern Door's comparables in 1985 to include Oconto and Oconto Falls not only because they had been added to the Packerland Conference, but also because Oconto and Oconto Falls were similar in character to Southern Door and to other districts in the Conference.

B. The Association

The Association believes that the "Peninsula Schools" (AX2 and AX3) constitute the primary comparables in this dispute. Generally speaking this is because these nine schools are contiguous and have a historical bond that is recognized by many arbitrators. This includes Algoma, Denmark, Gibraltar, Kewaunee, Luxemburg-Casco, Mishicot, Sevastopol, Southern Door and Sturgeon Bay. Thus, the Association contends that the Board's attempt to include Oconto and Oconto Falls to the exclusion of Denmark and Mishicot is without merit because it would alter the traditional and established primary comparison pool.

Additionally, the Association argues that the fact the WIAA has realigned athletic conferences frequently in recent years should not have a bearing on traditional comparable groups. If parties rely on WIAA determination of athletic conferences for the selection of comparables in teacher bargaining, then the parties will no longer have a consistent standard for evaluating their offers, but, rather, a "moving target" established by an entity which should have no interest in the collective bargaining process.

Arbitrators, with the exception of Arbitrator Weisburger have all upheld the use of the Peninsula Schools. This includes Arbitrator Yaffee's recent decision in Kewaunee. Thus they submit that there is no reason to redefine the primary comparability group. Moreover Oconto and Oconto Falls are not even contiguous to the nine Peninsula Schools nor are they even in the same CESA unit.

C. Salary Schedule

1. The District

First, in support of its offer, the District provides a comparative analysis relative to other Packerland School Districts. Noting that all the other schools have settled for 1986-87 they believe that average dollar and percentage settlements per teacher favor their offer. The average increase per teacher for 1986-87 was 6.04% or \$1,458. This means the Board offer of 5.91% and \$1,442 per teacher is substantially closer than the Association's offer of 6.95% and \$1,695. The same is true on a total package basis. Accordingly, they submit the Association offer is excessive.

Even though these comparisons favor the Board, they believe that the settlements in Oconto, Oconto Falls and Gibraltar should be distinguished and thus afforded little, if any, weight by the Arbitrator. This is because Oconto and Oconto Falls settlements involved an element of catch-up. Gibraltar should be discounted because (a) it is one of the wealthiest districts in the state and (b) because it is insulated by its tourism industry from the economic downturn felt in other conference schools.

Excluding these three schools, the Board recalculates the average teacher increases and submits that the data shows the District's final offer is greater than the average salary percentage increase, average salary dollar increase, and average package dollar increase of these settlements and closer to the average than the SEA's offer with respect to package percentage increase.

Also the District submits that even if Denmark and Mishicot are included in a salary analysis, the data nonetheless supports the District final offer. Although they detail a number of reasons why Denmark in particular should be distinguished. Mishicot's settlement at \$1,868 in salary per teacher should also be distinguished in their opinion since it was an Arbitrator's decision rather than a voluntary agreement. An Arbitrator's settlement, in their view, is irrelevant since the purpose of this proceeding is to determine which Party's final offer is closest to where the Parties would have settled voluntarily had they been able to do so. The Mishicot award was a "winner take all" result, therefore, provides no guidance whatsoever as to where the Parties would have settled voluntarily. Additionally, the award relied on different comparables.

Turning its attention to 1987-88, the District notes that six of the nine school districts in the Packerland Conference have settled for 1987-88: Gibraltar, Kewaunee, Oconto, Oconto Falls, Southern Door and Sturgeon Bay. They walk through a number of comparisons. When all settlements are considered the District's final offer is closer to the average salary

percentage increase and average salary increase per teacher of these settlements than is the Association's final offer. Again, the same is true if the package costs of these settlements are analyzed. The average salary increase was 5.63% or \$100 less than the Board settlement, whereas the Association was .44% and +\$137 above the average. They also present a comparison without Gibraltar asserting that without it the District's offer is clearly closer to the average salary percentage increase, average salary dollar increase, average package percentage increase and average package dollar increase.

They also present a combined two year analysis. They present the following:

PACKERLAND CONFERENCE
1986-87 AND 1987-88
SALARY AND TOTAL PACKAGE SETTLEMENTS

	<u>Salary Increase</u>	<u>Salary Per Teacher</u>	<u>Package Increase</u>	<u>Package Per Teacher</u>
Total average settlements for 1986-87 and 1987-88.	11.67%	\$2,903	12.16%	\$3,987
Board Final Offer for 1986-87 and 1987-88	11.12%	\$2,787	11.97%	\$3,886
+/-	-.55%	-\$116	-.19%	-\$101
SEA Final Offer for 1986-87 and 1987-88	13.02%	\$3,277	13.71%	\$4,471
+/-	+1.35%	+\$374	+1.55%	+\$484

They assert this data shows that the District's offer is virtually identical to the total two year conference average in terms of package percentage increase and package increase per teacher and substantially closer than the Association's final offer with respect to salary percentage increase and average salary increase per teacher. Therefore, they argue because the Association cannot arguably establish any justification for the Parties to jump well above the conference average for 1986-87 and 1987-88, the District's final offer is inherently more reasonable and should be accepted by the Arbitrator.

The results are much the same in their opinion when the "Old Packerland Conference" is utilized. On a two-year basis, the average salary increase was 11.80% or \$2,980 per teacher.

This means the District's offer is .68% or -193 below the average. The Association is +1.22% or +297 above the average.

The District also believes that if the Arbitrator finds these settlements to be inconclusive, or determines that the Parties' final offers for 1987-88 present a close question, the District submits that an analysis of the Parties' prior wage and salary settlements (1982-83 to 1985-86) further demonstrates the reasonableness of its offer. Basically they believe that in each of these years Sevastopol was near or at the top of the settlement pattern during these years. In addition, the District submits that a review of the Parties' prior year settlements indicates that it has made substantial improvements at the benchmarks relative to the Packerland Conference during this period.

The District next directs its attention to the 'public interest and welfare' criteria. They believe that the general economic conditions do and should influence the wage rates of the public sector employees. In their estimation this factor favors the District because of: (1) the dismal outlook for Sturgeon Bay's shipbuilding industry; (2) the impact that the depressed state of the shipbuilding industry has already had and will continue to have on the District; (3) the disastrous year that Door County cherry growers suffered in 1987; and (4) the generally recognized need for fiscal restraint following Sevastopol's recent settlements and its substantial improvements at the benchmarks.

Their brief explores these assertions in detail. Regarding the shipbuilding industry they note the drastic reduction in employment. This is important since many of these employees live in the Sevastopol district. Specifically as of December 4, 1986, there were 202 residents of the district working at Bay Shipbuilding. In fact, Door County has the second highest unemployment rate in the state at 15.2%. Because of cutbacks only 20 residents are still employed there. This has a great impact because the total population residing within the Sevastopol School District is only 3,859. This is even more significant considering the bleak outlook in the future for these employers.

The other major segment of the economy in the District is the cherry industry. In this regard they submit that the public and interest of the welfare favors their offer since the 1987 cherry season was a financial catastrophe for commercial cherry growers in Door County. Their brief details the situation with cherry growers. One might summarize the District's brief by saying the state of the cherry industry is the "pits."

Last, the District turns its attention to public and private sector settlements and the cost of living. In this regard they argue that settlements entered into by other governmental agencies in the area are closer to the District's final offer than to the Association's final offer. They look to

1986-87 settlements in the city of Sturgeon Bay and Door County noting the average was 4.08% and 4.53% respectively. In addition, all of the county units made substantial health insurance concessions in the form of increased deductibles and implementation of various cost containment options, and, for the first time in 14 years, the Door County Board of Supervisors voted to freeze the wages of its 200 employees for fiscal year 1988. This modesty extended to the professional employees in the City and County.

The private sectors settlements also favor the District's offer. The most significant local private sector settlement in this case is Bay Ship's 18% across the board cut in wages and substantial cut in fringe benefit costs. The record additionally shows that private sector union contracts nationally are being settled at approximately 2.5% increases while white collar salaries are increasing between 3% to 5% depending on job category. Moreover, the median wage increase payable in 1988 under private sector collective bargaining agreements now in effect is only 3% which is down from 3.5% in 1987 and marks the sixth consecutive year in which deferred wage increases have fallen. On a statewide basis, major unions in 1986 settled between 0% and 4%.

Regarding the CPI, they contend this clearly supports the District's final offer because, for the year preceding the effective date of the contract here in dispute, the Milwaukee CPI decreased by .10% while the U.S. CPI increased by only 1.2%. More importantly, the non-metro urban areas - north central states CPI, which includes Wisconsin, increased during this same period of time only .53% according to the Urban Wage Earners & Clerical Workers Index and actually decreased by .30% according to the All Urban Consumers Index. Also it is argued that a historical analysis of the relationship between changes in the CPI and the settlements entered into by the parties further indicates that Sevastopol's teachers have enjoyed a substantial increase in their standard of living.

2. The Association

First, the Association argues that non-teaching settlements in the private and public sectors should be given little weight in this matter. They note that in nearby Sturgeon Bay, Arbitrator Malamud found such evidence to be largely unreliable and irrelevant. This is particularly true in the Association's opinion since there is a clear pattern among comparable teacher units.

Looking to these teacher settlements, the Association argues that settlements in the Peninsula Schools support the Association position and should be determinative in this case. Of the eight schools settled for 1986-87, four were settled voluntarily and four by arbitration. Overall they contend the 1986-87 pattern of settlements is more consistent with the

Association's offer. This is particularly true when emphasis is placed upon voluntary settlements as opposed to arbitration awards in the primary comparability group. Emphasis should be given to these in their estimation since based on the timing of the voluntary settlements they were within the influence of the lower arbitrated settlements. This means they are a better indication of what the parties would agree to voluntarily.

The Association, therefore, avers that the voluntary settlements should carry greater weight in this case than the results of the early arbitration awards. In this regard they present data which analyzes the benchmark increases (in dollars and percents) for 1986-87 in the voluntarily settled schools. The offer of the Association is closer to the benchmark increases both in terms of dollars and percents than in the Board's offer. If anything, the Association offer is too low. It is their position based on these comparisons that the same comparison can be made for the 1987-88 contract year.

The Association next argues that other measures of settlement value within the Peninsula schools supports the Association's offer. The argument is made in anticipation of the Board contending that benchmarks are not a valid measure of settlement value due to the structure changes, freezing of increments, etc. The Association suggests that such an argument has limited validity to the BA and MA Base since they are still consistent barometers of schedule value as are the wage rates, i.e., the top step of each lane representing career salaries of teachers with certain educational background.

Nonetheless, the Association has also provided summary evidence with regard to per teacher settlement value. Looking at all the Peninsula Schools they acknowledge the Association offer in 1986-87 of \$1,695 salary dollars per teacher is \$189 above the \$1,506 average reported for all other Peninsula Schools in 1986-87 and the Board's offer is \$64 below the average. In terms of package percents, with the same exhibits compared, the Association's offer is six tenths percent (.6%) above the average and the Board's offer is thirty five hundredths (.35%) below the average. However, they also submit if one discounts the arbitration awards in Luxemburg-Casco, Sturgeon Bay, Algoma, and Mishicot the voluntary settlement pattern in the remaining schools is \$1,618 in salary dollars and 6.6% total package percent with both measures supporting the Association's final offer in Sevastopol instead of the Board's position.

Further along these same lines they contend the 1987-88 settlement pattern supports the Association's position in the second year of the contract term. They calculate the average per teacher settlement to be \$1,555 (salary only) and 6.5% (total package) in the settled schools. The Associations 1987-88 offer of \$1,583 per teacher in salary dollars and total package of 6.64% is closer to the total pattern than is the Board's offer of \$1,345 per teacher salary dollars and 5.85% total package. Moreover, if the Sturgeon Bay arbitrated

settlement is broken out of the pattern, the Association's offer in year two of the Agreement is clearly preferred when compared to the Board's offer.

Next, it is the position of the Association that statewide comparisons should be given greater weight subsequent to the amendment of 111.70 than the weight given to same criteria prior to the changes in the statute. In fact, the Association also believes that the Board has agreed to the statewide average as a secondary set of comparables for consideration under criteria (d) when it offered data on other schools in Wisconsin (BX17 (a) through 17(c) 13.) When such comparisons are made, they conclude that the Association is much more consistent with the statewide settlements.

The Association acknowledges the District's argument concerning the interest and welfare of the public and its data on the taxing effort of the community. In terms of the taxing effort, generally speaking, they conclude after reviewing a number of factors, that the ability to pay and the community income base are not negative factors in this case, nor is the Sevastopol School District a poverty stricken, overtaxed, under-aided provider of education.

Regarding the interest and welfare of the public, they submit that teacher salaries are an important ingredient in the quality of education and quality education, according to several studies, is paramount to the nation's future.

Regarding general and local economic conditions, the Association contends that the Board is unable to show that Sevastopol is adversely affected by the state of the economy, any more than any other school district in the state of Wisconsin or in the area. This would be required to distinguish the settlements in other schools from Sevastopol.

IV. OPINION AND DISCUSSION

A. Comparables

All the comparables are agreed to except Oconto Falls, Oconto, Denmark and Mishicot. The Arbitrator agrees with the Association that traditional comparable groups shouldn't be disturbed or altered except for very good reason. However, the Arbitrator also agrees with the Board that there is no evidence that these Parties have traditionally employed the 'Peninsula' Schools as their guiding comparable light.

Additionally, the Arbitrator agrees that other arbitration decisions have little or no effect on the question of Oconto and Oconto Falls since most were rendered prior to 1984 when Oconto and Oconto Falls entered the Packerland Conference. Also, the decision in the School District of Kewaunee, Rice, 4/84, Dec. No. 21233-A has little bearing since the Parties had

previously stipulated to the use of the Old Packerland Conference. There is no such bargaining history evident here. Somewhat for the same reasons Arbitrator Yaffe's 1986 decision in Kewaunee (Dec. No. 24049-A) should have little influence. Additionally his reliance on Denmark and Mishicot are distinguished here since they are contiguous to Kewaunee. The same holds true for Arbitrator Fleischli's decision in Luxemburg-Casco, 4/87 (WERC Dec. No. 24049+1).

Thus, there is no particular reason why previous arbitrators' decisions should be binding on these Parties absent mutual agreement as to the appropriate comparables. The comparables should be decided on their own merits based on the unique circumstances of this case.

The conventional reaction by arbitrators is that--in the absence of an agreement or in the absence of bargaining history showing traditional reliance on some other group or in the absence of special circumstances--the Athletic Conference should be held to be the appropriate comparable group. The reasons have long been enunciated for this. Primarily it gives some measure of stability to the collective bargaining process.

The Association did argue that reliance on WIAA alignments could actually lead to instability because of the propensity of the WIAA to make changes. However this is not a case where a WIAA alignment is disturbing or running contrary to a traditionally relied upon comparable group. Moreover, Mishicot and Denmark were involved in the Packerland Athletic Conference to a very limited extent. They participated in the Packerland Conference only for football but not for basketball, wrestling, track, cross-country, baseball or softball. Moreover, Oconto and Oconto Falls joined the Athletic Conference two years ago giving the Parties plenty of time to mutually agree to their exclusion as comparables and/or adjust to their inclusion.

Additionally, there is nothing particularly inappropriate about including Oconto and Oconto Falls. It is true that they by road are quite far from Sevastopol and are close only as the crow or gull (as may be more appropriate in this case) flies. Yet this isn't that important. What is most important is that they are equally removed geographically from Green Bay. Thus, the influence of Green Bay economically and labor-market wise should be similar in Oconto/Oconto Falls and Sevastopol, much more similar than Denmark which is contiguous to Green Bay and De Pere.

Somewhat related to the comparable argument is the fact that within each of their respective comparable groups, the Parties seek to either diminish or exclude certain settlements. For instance, the District seeks to exclude/diminish Gibraltar, Oconto and Oconto Falls. The Association seeks to exclude all arbitrated settlements.

The partisanship of these arguments is quite apparent. Each party seeks to exclude settlements which are higher or lower than its offer. There isn't any compelling reason to exclude Gibraltar, Oconto and Oconto Falls. Gibraltar isn't wholly dissimilar to Sevastopol. They share many attributes. Moreover, comparable groups necessarily often encompass a certain degree of diversity. As for Oconto and Oconto Falls, the catch-up factors--if any--in their settlements isn't so obvious as to cause their exclusion.

Concerning the argument that arbitrated settlements should be excluded, there isn't any particular reason not to give equal weight to these arbitrated settlements. Except in unusual circumstances, arbitrated settlements certainly influence the way parties submit their final offers and they also influence the level of voluntary settlements. Moreover, if there were no voluntary settlement would all arbitrated settlements be ignored and would this case be decided in a vacuum? It certainly would not. In addition, when parties engage in historical benchmark analysis, they don't discount arbitrated benchmarks. Moreover, a series of arbitrated settlements set up an equity consideration which must be accounted for. Thus, there is no reason that the influence of arbitrated settlements shouldn't extend to other arbitration cases. The Arbitrator wonders who would be arguing what if the Associations had prevailed in Algoma, Luxemburg-Casco and Mishicot.

As for the Association's complaint that they were at a disadvantage in Luxemburg-Casco and Sturgeon Bay due to the visible concerted efforts of the boards in the primary comparability group to withhold all voluntary settlements until such time that a lower settlement pattern could be established via arbitration, the Arbitrator does not find this probative. In fact, if there was a concerted effort at coordinated bargaining this effort is hardly different from the strategies employed by many teacher groups. It should be no surprise that there is great consistency in the final offers of employer groups given the fact there often is even greater unanimity among teacher groups.

Thus, in summary all the settlements in the present Packerland Athletic Conference will be relied upon in assessing the final offers.

B. Salary Schedule

If the evidence concerning comparability yields strong inferences as to the reasonableness of the Parties salary offer, the comparability factor is usually given controlling weight in these matters. This assumes, of course, there isn't convincing evidence, such as economic considerations, distinguishing the District at bar from otherwise comparable schools.

In this case, however, for reasons discussed below the comparability factor is rather inconclusive. Moreover, there is

reason--to some extent--to distinguish based on economic considerations Sevastopol from other schools in the Packerland Athletic Conference. Thus the comparisons to other schools don't particularly favor either offer and it is necessary to look to other statutory criteria to "break the tie" so to speak. In doing so it is noted the economic conditions in Sevastopol along with the cost of living and other factors favor the Board's position. Accordingly these factors tip the scales in favor of the Board's offer.

As for the inconclusiveness of the comparability data, the Arbitrator looked to benchmark data (after adding Oconto and Oconto Falls to the data in Associations exhibits 33 and 37 revised) and the average teacher increase data provided by the District.

The average teacher data slightly favored the District as the following charts show:

PACKERLAND CONFERENCE
1986-87 SALARY SETTLEMENTS

<u>School District</u>	<u>Salary Increase</u>	<u>Salary Per Teacher</u>
Algoma	4.84%	\$1,175
Gibraltar	6.80%	\$1,723
Kewaunee	5.88%	\$1,526
Luxemburg-Casco	4.84%	\$1,137
Oconto	6.96%	\$1,573
Oconto Falls	7.13%	\$1,649
Southern Door	6.07%	\$1,474
Sturgeon Bay	5.81%	\$1,405
Average	6.04%	\$1,458
Board Final Offer	5.91%	\$1,442
+/-	-.13%	-\$16
SEA Final Offer	6.95%	\$1,695
+/-	+.91%	+\$237

PACKERLAND CONFERENCE
1987-88 SALARY SETTLEMENTS

<u>School District</u>	<u>Salary Increase</u>	<u>Salary Per Teacher</u>
Gibraltar	6.17%	\$1,642
Kewaunee	5.40%	\$1,489
Oconto	5.97%	\$1,424
Oconto Falls	5.49%	\$1,360
Southern Door	5.61%	\$1,443
Sturgeon Bay	5.13%	\$1,314
Average	5.63%	\$1,445
Board Final Offer	5.21%	\$1,345
+/-	-.42%	-\$100
SEA Final Offer	6.07%	\$1,582
+/-	+.44%	+\$137

PACKERLAND CONFERENCE
1986-87 AND 1987-88
SALARY AND TOTAL PACKAGE SETTLEMENTS

	<u>Salary Increase</u>	<u>Salary Per Teacher</u>	<u>Package Increase</u>	<u>Package Per Teacher</u>
Total Average Settlements for 1986-87 and 1987-88	11.67%	\$2,903	12.16%	\$3,987
Board Final Offer for 1986-87 and 1987-88	11.12%	\$2,787	11.97%	\$3,886
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SEA Final Offer for 1986-87 and 1987-88	13.02%	\$3,277	13.71%	\$4,471
+/-	+1.35%	+\$374	+1.55%	+\$484

Over two years the Board is less than the average per teacher settlement but by a smaller margin than the Association's offer exceeds the average.

Concerning benchmark comparisons, the following shows that the increases at the benchmarks under the Parties offer are, over two years, nearly equal distance above and below the average benchmark increases. However this is a very slight edge for the Association:

1986-87 BENCHMARK INCREASES

	Avg.		Association				Board			
	\$	%	\$	(Diff)	%	(Diff)	\$	(Diff)	%	(Diff)
BA Base	653	3.0	775	(+122)	4.9	(+1.9)	611	(-42)	3.9	(+.9)
BA Max	1121	3.7	1317	(+196)	4.9	(+1.2)	1038	(-83)	3.9	(.2)
MA Base	700	4.0	865	(+165)	5.0	(+1.0)	701	(+1)	4.10	(+.10)
MA Max	1237	4.5	1407	(+170)	5.0	(+.5)	1128	(-109)	4.0	(-.5)
Sch.Max	1272	4.4	1884	(+612)	6.6	(+2.2)	1605	(+333)	5.7	(+1.3)

1987-88

BA Base	684	4.1	675	(-9)	4.1	(*)	527	(-157)	3.2	(-.9)
BA Max	1069	4.0	1148	(+79)	4.1	(+.1)	896	(-173)	3.2	(-.8)
MA Base	820	4.6	771	(-49)	4.3	(-.3)	623	(-197)	3.5	(- 1.11)
MA Max	1360	4.6	1244	(-116)	4.2	(-.4)	992	(-368)	3.4	(-1.2)
Sch.Max	1382	4.5	1292	(-90)	4.2	(.3)	1040	(-342)	3.5	(-1.0)

Two-Year Combined

BA Base	1337	7.1	1450	(+113)	9.0	(+2.0)	1138	(-199)	7.1	(*)
BA Max	2190	7.7	2465	(+275)	9.0	(+2)	1934	(-256)	7.1	(-.6)
MA Base	1520	8.6	1636	(+116)	9.3	(+.6)	1324	(-196)	7.6	(-1.0)
MA Max	2597	9.1	2651	(+54)	9.2	(+.1)	2120	(-477)	7.4	(-1.7)

All Benchmark
Average:

	2060	8.5	2276	(+216)	9.40	(.9)	1832	(-227)	7.73	(-.8)
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Given the equilibrium in the comparable data it would normally be appropriate, as noted above, to go beyond a traditional comparable analysis. In this case, the Arbitrator need look no further than the reduction of employment within the District at Bay Ship Building. 182 people of a total District population of 3,859 lost their jobs between December 1986 and December 1987. This represents nearly 5% of the total population and no doubt a much greater proportion of the working population. One doesn't need an econometric model to appreciate the impact Bay Ship Building alone, not to mention PBI and Palmer Johnson, can have on the property tax payers whether they may have been employed at Bay Ship Building or were employed in a business or service dependent on Bay Ship Building and/or its employees. This kind of situation as far as this record shows

is either wholly distinguished from other Districts and/or occurred subsequent to settlements in other Districts that may be similarly affected.

The economic situation and its impacts definitely cause the District's offer to be in the public interest and welfare to a greater degree than the Association. Well paid teachers are also in the public interest. However the various facets of the public interest must be weighed and when significant economic factors are adversely affecting the public as a whole to the degree they are here, these economic factors shape the public interest to a greater degree over this contract period.

AWARD

The final offer of the District is accepted.



Gil Vernon, Arbitrator

Dated this 13th day of May, 1988 at Eau Claire, Wisconsin.