

MAY 09 1988

IN THE MATTER OF ARBITRATION)	INTEREST ARBITRATION
)	WISCONSIN EMPLOYMENT
between)	RELATIONS COMMISSION
)	
Mosinee School District)	Case 16 No. 38906
)	ARB-4448
-and-)	Decision No. 24017-A
)	
Mosinee Education Association)	May 2, 1988
)))))))))))	

APPEARANCES

For Mosinee School District

Dean R. Dietrich, Attorney, Mulcahy & Wherry, Wausau, Wisconsin
 Dr. Louis J. Birchbauer, Superintendent
 William Unertl, Vice-President, School Board
 Emil F. Cillar, School Board Member
 Shirley Strasser, Research Associate, Mulcahy & Wherry

For Mosinee Education Association

Thomas J. Coffey, Executive Director, Central Wisconsin UniServ
 Council, Wausau, Wisconsin
 Sid Lokken, Negotiator
 Carol Bray, Negotiator
 Ted Helldt, Negotiator
 Kay Frank, Negotiator
 Byron Draeger, Negotiator

JURISDICTION OF ARBITRATOR

On April 9, 1987, the Mosinee School District (hereinafter referred to as the "School District," "School Board" or "Employer") and the Mosinee Education Association (hereinafter referred to as the "Association") exchanged initial proposals on matters to be included in a new collective bargaining agreement to succeed the agreement which expired on June 30, 1987; that thereafter the Parties met on five occasions in efforts to reach an accord on a new collective bargaining agreement; that on June 4, 1987, the School District filed an instant petition requesting that the Commission initiate arbitration pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Act; that on September 17, 1987, Edmond J. Bielarczyk, a member of the Wisconsin Employment Relations Commission's staff, conducted a formal investigation which reflected that the Parties were deadlocked in their negotiations, and, by October 19, 1987, the Parties submitted to said 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 a stipulation on matters agreed upon, and thereupon the Investigator notified the Parties that the investigation was closed; and that the said Investigator has advised the Commission that the Parties remain at impasse.

The Commission having, on October 26, 1987, issued an Order requiring that arbitration be initiated for the purpose of resolving the impasse arising in collective bargaining between the Parties on matters affecting wages, hours and conditions of employment of certified teaching personnel, excluding the Superintendent, Principals, Administrative or Supervisory and noncertified employees; and on the same date the Commission having furnished the Parties a panel of arbitrators for the purpose of selecting a single arbitrator to resolve said impasse; and the

Commission having, on November 11, 1987, been advised that the Parties selected Richard John Miller, New Hope, Minnesota, as the arbitrator.

A hearing in the matter convened on February 5, 1988, at 9:00 a.m. in the administrative offices of the School District, Mosinee, Wisconsin. The Parties were afforded full opportunity to present evidence and arguments in support of their respective positions. Post hearing briefs were filed by the Parties and received by the arbitrator on March 28, 1988. Reply briefs were filed in a timely manner and received by the arbitrator on April 6, 1988, after which the record was considered closed.

POSITIONS OF THE PARTIES

There are three items in dispute between the Parties. The first item is the appropriate BA base salary for the 1987-88 school year and the 1988-89 school year. There is an agreement between the Parties to retain the current salary structure. The Association's final offer for the 1987-88 school year increases the BA base salary to \$17,975, which is a 5.37% increase or a \$916 increase. For the 1988-89 school year, the Association's offer increases the BA base to \$18,875, which is a 5.0% increase or a \$900 increase. The School Board's final offer for the 1987-88 school year increases the BA base to \$17,800, which is a 4.34% increase or a \$741 increase. For 1988-89, the School District's offer contains an \$18,580 BA base salary, which is a 4.38% increase or a \$780 increase.

The second item in dispute is the appropriate payment for health and dental premiums for the teachers of the School District. The School Board's position is to revise Article XVI - Salary Schedule and Fringe Benefits, Paragraph F - Health Insurance and Paragraph G - Dental Insurance, to read as follows:

F. Health Insurance

The Board of Education will provide ninety percent (90%) of the single and family premium of Blue Cross/Blue Shield hospital-medical insurance (two single or one family plan payment per family when both husband and wife are employed by the District). Only those actually enrolling in the MEA group plan are eligible. Teachers may enroll in the Greater Marshfield Plan and pay the difference in premium from the current BC/BS premium. Teachers shares will be reduced by \$7,500.00 divided by the number enrolled in the Greater Marshfield Plan. See Appendix B for summary of Greater Marshfield pool contribution calculation.

G. Dental Insurance

The Board of Education will provide ninety percent (90%) payment of the single and family premium of the Blue Cross/Blue Shield basic dental plan (two single or one family plan payment per family when both husband and wife are employed by the District).

The Association's final offer with respect to health and dental insurance is to revise Appendix B-1 and Appendix B-2 by updating as follows:

For the 1987-88 school year the Board shall contribute the following amounts toward hospital-medical insurance and dental insurance:

	<u>Single</u>	<u>Family</u>
Health	\$56.01 (September) \$64.86 (October - August)	\$159.48 (September) \$184.67 (October - August)
Dental	\$14.84 (September) \$16.20 (October - August)	\$49.84 (September) \$54.16 (October - August)

For the 1988-89 school year the Board shall contribute the following amounts toward hospital-medical insurance and dental insurance:

The amounts will be printed in Appendix B-2 when the rates become available.

The third and final impasse item for consideration by the arbitrator is the procedure for updating the base rates that determine extracurricular pay. The School Board's offer is to revise Article XVII - Miscellaneous Compensation, Paragraph A - Extra Pay Schedule, to provide for the base as follows:

1987-88 Base for Extra-Curricular Pay Compensation: \$17,246
1988-89 Base for Extra-Curricular Pay Compensation: \$18,004

The Association's final with respect to this issue is to revise Article XVII - Miscellaneous Compensation, Paragraph A - Extra Pay Schedule, to provide for the base as follows:

1987-88 Base for Extra-Curricular Pay Compensation: \$17,975
1988-89 Base for Extra-Curricular Pay Compensation: \$18,875

ANALYSIS OF THE EVIDENCE

The arbitrator evaluated the final offers of the Parties in light of the criteria set forth in Wis. Stats. 111.70(4)(cm)7, which includes:

- A. The lawful authority of the municipal employer.
- B. Stipulations of the parties.
- C. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.
- D. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees performing similar services.

- E. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees generally in public employment in the same community and in comparable communities.
- F. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees in private employment in the same community and in comparable communities.
- G. The average consumer prices for goods and services, commonly known as the cost-of-living.
- H. The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pension, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- I. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- H. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties in the public service or in private employment.

The lawful authority of the municipal employer.

This factor is not an issue in the instant proceedings. The lawful authority of the Employer permits the retention of rights and responsibilities to operate the School District so as to carry out the statutory mandate and goals assigned to it consistent with the provisions of the collective bargaining agreement between the Parties.

Stipulations of the parties.

The Parties have reached agreement on several issues which are shown as agreed upon and stipulated to for the 1987-88 and 1988-89 school years. (A-3). The arbitrator shall include the stipulations as part of the final award in this matter.

Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees performing similar services.

Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees generally in public employment in the same community and in comparable communities.

Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees in private employment in the same community and in comparable communities.

Both the Association and the School District proposed to use as a comparable pool those school districts delineated by Arbitrator Byron Yaffe in Mosinee School District, Dec. No. 22227 (5/85). That comparability grouping consists of the following school districts: Auburndale, Colby, Neillsville, Nekoosa, Stanley-Royd, Tomahawk and Wittenberg. (E-14). Of those schools, only one school district, Tomahawk, has reached a voluntary settlement for a two-year contract encompassing 1987-88 and 1988-89. The Nekoosa School District has reached voluntary settlement for 1987-88.

The Association is urging the arbitrator to be considered as other comparability groups, the "paper mill town" school districts across the state and comparable data based upon statewide benchmarks. (A-34-63).

In rendering his award, Arbitrator Yaffe explicitly considered and rejected inclusion within the comparable pool of school districts which were not geographically proximate to the Mosinee School District. Arbitrator Yaffe concluded that it would be inappropriate to consider districts located elsewhere within the state as those districts undoubtedly reflected different economic conditions and labor markets.

The general indicia of comparability to establish true comparability include:

1. Geographic proximity;
2. Average daily pupil membership
3. Full-time equivalency staff;
4. Operating costs of the district;
5. Tax base; and
6. Economic characteristics

In comparing one district with another, all of the above factors need not be present or, if present, be identical to establish comparability.

In light of School District Exhibits #16-18 and 20-27, it is clear that no substantial changes in the criteria used to determine comparability has occurred since Arbitrator Yaffe rendered his decision in May, 1985. Clearly, the Mosinee School District is still more comparable to the comparability group as defined by Arbitrator Yaffe than the other "paper mill town" school districts and the other statewide settled schools the Association is urging the arbitrator to consider.

Using past arbitral precedent encourages some predictability and rationality to the arbitration process. Arbitrable precedent certainly lends consistency to the process, especially when that arbitrable precedent involves the same parties. Thus, based upon Arbitrator Yaffe's previous award dealing with the same Parties herein, the Association has failed to demonstrate that the

economic and labor conditions of the "paper mill town" school districts and the statewide district settlements are comparable to that of the Mosinee School District so as to render them part of the Mosinee labor market. Accordingly, the Association's proposal that the arbitrator should utilize comparability groups broader than that which was previously established by another arbitrator and agreed to by the Parties is totally without merit in this proceedings.

The appropriate increase in percentage and dollars at the benchmarks have been used extensively by arbitrators since the beginning of the arbitration process. The benchmark measurement is particularly relevant in this case, since it was the measurement relied on by Arbitrator Yaffe in his previous decision.

An examination of the relationship of Mosinee benchmark salaries to the average benchmark salaries of the comparable districts over the five year period from 1982-83 through 1986-87 shows marked improvement at four of the five benchmarks (BA Minimum, MA Minimum, MA Maximum and Schedule Maximum) with a loss in standing at the BA Maximum. (E-31, 34, 37, 40, 43, 71, 75, 79, 83, 87). With the exception of teachers at the BA Maximum, Mosinee teachers are paid substantially more than the average that their counterparts receive in the other comparable districts. This is important because 61.6 of the School District's 119,695 FTEs, or 51.5%, are located on the Schedule Maximum steps between these benchmarks. (E-8B). In addition, 77.1 teachers, or 64.4% of the Mosinee staff, are located on the Master's degree lanes on Step 6 and below. Clearly, where the majority of the teachers are located, establishes that the Mosinee teachers are highly paid as compared with their counterparts in the other districts in the comparability group.

In this dispute, only two school districts within the comparability group, Nekoosa and Tomahawk, have reached voluntary settlements for 1987-88. (E-29). The settlements and the relationship between the Parties' final offers are as follows:

<u>District</u>	<u>1987-88</u>			
	<u>Wages Only</u>		<u>Total Compensation</u>	
	\$	%	\$	%
Nekoosa	2,392	9.05	2,715	8.29
Tomahawk	1,683	6.34	2,149	6.06
Mosinee	RD: 1,698	6.11	2,098	5.75
	AN: 1,991	7.17	2,680	7.35

The average of the two settlements for wages only for 1987-88 is \$2,038 or 7.70%. The School Board's final wage offer is \$340 below the average compared to the Association's final wage offer which is \$47 below the average. In terms of percent increase, the School District's final wage offer is 1.59% below the average compared to the Association's final wage offer which is .53% below the average.

The average of the two settlements with respect to total compensation for 1987-88 is \$2,432 or 7.17%. The School Board's total compensation offer is \$334 or 1.42% below the average compared to the Association's final wage offer which is \$248 or .18% above the average.

The above comparisons clearly establish that both final wage offers are less than the average settlement rate with the Association's final wage and total compensation offer for 1987-88 being closest to the average increases in both dollars and percentages.

The same relationship holds true when the Parties' final wage offers for 1987-88 are compared at the benchmarks for the comparability grouping of the two settled schools.

CHART I (A-24-26)

DOLLAR INCREASE TO AVERAGE INCREASE ON 7 BENCHMARKS
OF THE ASSOCIATION'S AND THE BOARD'S OFFERS
FOR 1987-1988
SETTLED SCHOOLS IN YAFFE'S GROUPING

	<u>Association</u> <u>+/- Average</u>	<u>Board</u> <u>+/- Average</u>
BA Minimum	-141	-316
BA Maximum	-221	-476
MA Minimum	-178	-370
MA Maximum	-262	-582
Schedule Maximum	-256	-608
MA Maximum with Longevity	-52	-407
Schedule Maximum with Longevity	-46	-433

CHART II (A-27-29)

PERCENTAGE INCREASE TO AVERAGE INCREASE ON 7 BENCHMARKS
OF THE ASSOCIATION'S AND THE BOARD'S OFFERS
FOR 1987-1988
SETTLED SCHOOLS IN YAFFE'S GROUPING

	<u>Association</u> <u>+/- Average</u>	<u>Board</u> <u>+/- Average</u>
BA Minimum	-.98	-2.01
BA Maximum	-.99	-2.02
MA Minimum	-.98	-2.01
MA Maximum	-.97	-2.02
Scheduled Maximum	-.97	-2.03
MA Maximum with Longevity	-.94	-1.97
Schedule Maximum with Longevity	-.94	-1.98

These charts show both Parties' final wage offers are below the settlement trend but the Association's final wage offer for 1987-88 is the closest to the average increases in both dollars and percentages at the benchmarks for the comparable settled schools.

Since both Parties' offers are below average there will be a slippage in rank in terms of dollars and percentages at some of the benchmarks as follows:

CHART III (A-14-23)

SETTLED SCHOOLS IN YAFFE'S COMPARABILITY GROUPING
(1987-1988)

BA MINIMUM

<u>District</u>	<u>86-87</u>	<u>87-88</u>	<u>\$ Increase</u>	<u>% Increase</u>
Nekoosa	16,900	18,200	1,300	7.69
Tomahawk	16,260	17,073	813	5.00
Average	16,580	17,637	1,057	6.35
Mosinee	17,059	A 17,975 B 17,800	916 741	5.37 4.34
+/- Average	+479	A +338 B +163	-141 -316	-.98 -2.01
Rank	1	A 2 B 2	2 3	2 3

BA MAXIMUM

<u>District</u>	<u>86-87</u>	<u>87-88</u>	<u>\$ Increase</u>	<u>% Increase</u>
Nekoosa	23,998	25,844	1,846	7.69
Tomahawk	24,714	25,950	1,236	5.00
Average	24,356	25,897	1,541	6.35
Mosinee	24,620	A 25,940 B 25,685	1,320 1,065	5.36 4.33
+/- Average	+264	A +43 B -212	-221 -476	-.99 -2.02
Rank	2	A 2 B 3	2 3	2 3

MA MINIMUM

<u>District</u>	<u>86-87</u>	<u>87-88</u>	<u>\$ Increase</u>	<u>% Increase</u>
Nekoosa	18,590	20,020	1,430	7.69
Tomahawk	18,793	19,733	940	5.00
Average	18,692	19,877	1,185	6.35
Mosinee	18,767	A 19,774 B 19,582	1,007 815	5.37 4.34
+/- Average	+75	A -103 B -295	-178 -370	-.98 -2.01
Rank	2	A 2 B 3	2 3	2 3

MA MAXIMUM

<u>District</u>	<u>86-87</u>	<u>87-88</u>	<u>\$ Increase</u>	<u>% Increase</u>
Nekoosa	30,122	32,434	2,312	7.68
Tomahawk	29,786	31,276	1,490	5.00
Average	29,954	31,855	1,901	6.34
Mosinee	30,546	A 32,185 B 31,865	1,639 1,319	5.37 4.32
+/- Average	+592	A +330 B +10	-262 -582	-.97 -2.02
Rank	1	A 2 B 2	2 3	2 3

SCHEDULE MAXIMUM

<u>District</u>	<u>86-87</u>	<u>87-88</u>	<u>\$ Increase</u>	<u>% Increase</u>
Nekoosa	32,308	34,792	2,484	7.69
Tomahawk	31,898	33,492	1,594	5.00
Average	32,103	34,142	2,039	6.34
Mosinee	33,194	A 34,977 B 34,625	1,783 1,431	5.37 4.31
+/- Average	+1,091	A +835 B +483	-256 -608	-.97 -2.03
Rank	1	A 1 B 2	2 3	2 3

MA MAXIMUM WITH LONGEVITY

<u>District</u>	<u>86-87</u>	<u>87-88</u>	<u>\$ Increase</u>	<u>% Increase</u>
Nekoosa	30,422	32,734	2,312	7.60
Tomahawk	29,786	31,276	1,490	5.00
Average	30,104	32,005	1,901	6.30
Mosinee	34,480	A 36,329 B 35,974	1,849 1,494	5.36 4.33
+/- Average	+4376	A +4,324 B +3,969	-52 -407	-.94 -1.97
Rank	1	A 1 B 1	2 2	2 3

SCHEDULE MAXIMUM WITH LONGEVITY

<u>District</u>	<u>86-87</u>	<u>87-88</u>	<u>\$ Increase</u>	<u>% Increase</u>
Nekoosa	32,608	35,092	2,484	7.62
Tomahawk	31,898	33,492	1,594	5.00
Average	32,253	34,292	2,039	6.31
Mosinee	37,128	A 39,121 B 38,734	1,993 1,606	5.37 4.33
+/- Average	+4,875	A +4,829 B +4,442	-46 -433	-.94 -1.98
Rank	1	A 1 B 1	2 2	2 3

The benchmark evidence clearly shows that even with the acceptance of the Association's offer for 1987-88, the School District's rank will fall or at best maintain the status quo while the School District's final offer deteriorates these wage relationships. Accordingly, the Association's final offer for 1987-88 is preferred by the arbitrator.

Tomahawk is the only settled school for the 1988-89 school year. (E-30). The settlement and the relationship between the Parties' final offers is best illustrated as follows:

<u>District</u>	<u>1988-89</u>			
	<u>Wages Only</u>		<u>Total Compensation</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Tomahawk	1,854	6.57	2,315	6.10
Mosinee	BD: 1,789 AN: 1,988	6.07 6.68	2,471 2,745	6.40 7.01

The School Board's final wage offer is \$65 below the average compared to the Association's final wage offer which is \$134 above the average. In terms of percent increase, the School District's final wage offer is .50% below the average compared to the Association's final wage offer which is .11% above the average.

The School Board's total compensation offer is \$156 or .30% above the average compared to the Association's final wage offer which is \$430 or .91% above the average.

When percentages are used the Association's final wage offer is closest to the Tomahawk settlement. In terms of dollars under wages and total compensation, and percentages under total compensation, the School District's final offer is closest to Tomahawk. However, it must be noted that when an analysis of the benchmarks is completed, Mosinee's rank order at BA Minimum, BA Maximum, MA Minimum, MA Maximum and Schedule Maximum will not change under either Parties' final offer. (E-33, 36, 39, 42, 45). Therefore, neither of the Parties' final offers for 1988-89 can be judged better or worst than the other since neither improves or deteriorates its relationship with the only settled schools in the comparability group.

The arbitrator is compelled under the law to consider the Parties' final offers with wages paid and settlements reached with other comparable public and private sector employees. The wage settlements reached with the School District's other employees for 1987-88 and 1988-89 ranged from 4% to 5.41%. (E-91). Three different employee bargaining units of the City of Mosinee have voluntarily accepted settlements for 1986 (3.5%), 1987 (3.0%) and 1988 (2.25%). (E-92). Various Marathon County bargaining units, including those professional employees, have accepted wage increases of 2.0% (1/1/87), 1.0% (7/1/87) and 3.0% for 1988. (E-93). Cumulatively, the above analysis clearly demonstrates that the School Board's wage only offer of 6.1% for 1987-88 and 6.1% for 1988-89 is more than generous as compared to the wage rates and settlements reached with other public sector employees.

Comparisons with other private sector professionals (Accountant, Mechanical Engineer, Occupational Therapist, Registered Hospital Nurse and Social Worker) for 1986-87 also demonstrate that under the School Board's offer the Mosinee teachers would be more than fairly compensated for their services. (E-97).

The Mosinee Paper Corporation, a major area employer, recently reached a wages only settlement with its employees at 2% for 1988 and 2% for 1989. (E-95). In addition, the contract settlements achieved nationally in the private sector in the first three quarters of 1987 was 3.3%, showing a gain of .3% over the previous year for the first time since 1980. (E-98).

The above clearly demonstrates that in terms of percentage increases for 1987-88 and 1988-89, the School Board's final wage only offer of 6.1% in each of the school years exceeds the settlement rate reached by public and private sector salaries. However, the School District provided no foundation to establish the relationship between trends in private and public sector wages and the Mosinee teachers' wage schedule. The School District has not provided the wage scales, the job responsibilities or education requirements of the public or private sector employees, all of which is required to make a valid comparison. Thus, no historical connection is developed.

Historically, private and public sector wage increases have been considered by arbitrators but not given great weight in comparison to teacher wage increases. Cornell Schools, Dec. No. 21207-B (Grenig, 5/84); Madison VTAE, Dec. No. 21178-A (Grenig, 3/84); Crandon Schools, Dec. No. 20171-A (Haferbecker, 6/83); Appleton Schools, Dec. No. 17202-A (Kerkman, 1/80); Adams-Friendship Schools, Dec. 20016-A (R.U. Miller, 8/83); Plymouth Schools, Dec. No. 24183-A (Yaffe, 5/87); Osceola Schools, Dec. No. 22427-A (Vernon, 11/87); Woodruff-Arbor Vita Schools, Dec. No. 24660-A (Vernon, 12/87).

Clearly, greater weight must be given to a comparison of teachers' salary schedules with other teachers among the agreed upon or selected comparability group(s) even under the revised statute that separates a comparison of like positions from other public and private sector comparisons. This philosophy guarantees that the Mosinee teachers will be compensated similarly to teachers similarly situated in comparable school districts in the immediate geographic area. Such a comparison of like teacher positions was done in this case which strongly supports the Association's final wage offer for both years.

Since the 1974-75 school year the Mosinee teachers have bargained for and received full payment of single and family plans for health insurance. (A-64). Since 1978-79 teachers have paid only \$2.00 per month single and \$3.50 per month family toward the

cost of the dental insurance premium. (A-64). The Association's final insurance offer maintains the status quo, which provides for full payment of single and family plans of Blue Cross/Blue Shield hospital-medical insurance and provides the dental plan be paid by the School District less \$2.00 per month single and \$3.50 per month family. The School Board's final insurance offer attempts to change the status quo for both the health and dental premium contribution and reduces the contribution to the plans to the 90% level.

An examination of the rate increases occurring in the last seven years for the health and dental plans demonstrate a 124.7% increase for the single plan and 134% for the family plan under Blue Cross/Blue Shield. Under the Greater Marshfield plan the rates for the last seven years increased by 116.6% for the single plan and 117.2% for the family plan. (E-112). Similarly, the dental rates during the same time period have increased by 52.3% for the family plan and 52.4% for the single plan. (E-112).

Since 1980-81, the cumulative increases in the premiums have far outstripped increases in the medical care component of the Consumer Price Increase by 44.5% under the Blue Cross/Blue Shield single plan and 49.2% under the Blue Cross/Blue Shield family plan. (E-113). Moreover, the dental insurance premium has alarmingly increased from 1986-87 and 1987-88 by 8.1% with the health insurance premiums increasing from 15.7% to 17.8% under the plans.

Despite the above evidence, one finds a substantial loss of contribution to the benefits level under the School District's offer. This offer has reduced a longstanding health/dental tax-free benefit by \$21,973, an average of \$183.57 per FTE teacher for 1987-88. The loss for teachers is another \$24,952, an average of \$208.46 per FTE teacher for 1988-89. (E-4-13).

There is no question the School District is proposing a significant change in the status quo. In order for the moving party to sustain its burden of proof in alter the status quo, the following conditions must be met:

1. There must be a demonstrated need for the change;
2. If there has been a demonstration of need, has the moving party provided a quid pro quo for the proposed change.

In 1986-87 the School District was paying \$16.44 per month and \$197.23 per year less than average of the comparable schools toward the cost of the family health and dental insurance. Under the single plans, the School District was paying \$17.53 per month and \$210.34 per year less than the average of those schools. (A-65).

Under the Association's final insurance offer, the School District contribution rate is \$8.70 per month and \$104.43 per year less than the average of the comparable schools for the family health and dental insurance. Under the School Board's final offer, the School District would be contributing \$29.44 per month and \$353.31 per year less than the average amount paid by the comparable schools for the family health and dental insurance. (A-67).

Under the Association's final insurance offer, the School District contribution rate is \$15.93 per month and \$191.13 per year less than the average of the comparable schools for the

single health and dental insurance. Under the School Board's final offer, the School District would be contributing \$22.24 per month and \$266.85 per year less than the average amount paid by the comparable schools for the family health and dental insurance. (A-67).

The foregoing evidence proves beyond a shadow of doubt that the Mosinee insurance rates are lower than the average of the comparable schools. Thus, the compelling need to permanently reduce the health and dental insurance benefits to a 90% level, as proposed by the School District, does not exist.

The second condition required by the party proposing the change is that there must be an equitable quid pro quo. In this case it already has been established that the Association's final wage offer for 1987-88 is closest to the settlement trend among the settled comparable schools. In 1988-89 the Association's final offer is not excessive in light of the only settlement in Tomahawk. Thus, the School District has not made any legitimate attempt to buy-out a longstanding health and dental insurance benefit -- a standard quid pro quo in collective bargaining including arbitration. The net effect of the Employer's wage and health and dental insurance offers would be to forge a backward slide for the Mosinee teachers. The evidence does not warrant either a compelling reason to change or an equitable quid pro quo for acceptance of the School District's final insurance offer of a 90% level.

From 1986-87, the Mosinee teacher's extracurricular salary schedule was based upon a percentage of the RA base. However, in the 1986-87 contract negotiations, the School District agreed to delete the first RA step on the 1986-87 salary schedule for purposes of determining the teachers' salaries. This resulted in a RA base for 1986-87 of \$17,059 for an increase of 9.53% on the RA base. Because the Parties determined that extracurricular salaries premised upon the new RA base of \$17,059 resulted in excessive wage increases, the Parties mutually agreed to the use of a "phantom" RA base of \$16,535 for determining extracurricular pay. The phantom base for extracurricular pay is equivalent to the schedule RA base before the first step was deleted. The Association is attempting in its position on this issue to once again link the teachers' extracurricular salary to the actual RA base and not the mutually agreed upon phantom base.

Since the Association is proposing a change in the status quo, it bears the burden of demonstrating that there is a compelling need to alter the Parties' present method of determining extracurricular salaries. The record is devoid of any evidence that a compelling need exists to alter the status quo. There were no examples of any legitimate problems under the present method. Further, there was no evidence that the present method of extracurricular pay generated amounts inferior to those paid in the comparable schools.

Despite the fact that the School District's offer with respect to extracurricular pay is more acceptable than the Association's offer, this is a minor issue in comparison to the major issues of wages and insurance. The difference in the amount of money between the Parties' extracurricular final offers is very small (\$4,514 for 1987-88 and \$5,393 for 1988-89) compared to the budgetary impact of wages and health and dental insurance. In that the arbitrator is compelled by law to select the final offers of only one Party to this proceedings on all of the impasse items, and since the Association's final offers with respect to the major issues are more acceptable than the School District's final offers, all of the Association's final offers must be awarded.

The average consumer prices for goods and services,
commonly known as the cost-of-living.

Since the Consumer Price Index (CPI) measures the increases of all goods and services, including insurance costs, the total package increases under the Parties' offers are the most appropriate measure to use in a comparison with inflation indices. The following chart is drawn from the data contained in Employer Exhibit #116. The chart compares the Parties' offers (1987-88) with the rate of inflation as of July, 1987, because that rate reflects the month in which the collective bargaining agreement commences, and with December, 1987, the last date recorded on Employer Exhibit #116.

CPI-U

July, 1987	3.9%
December, 1987	4.4%

CPI-W

July, 1987	3.9%
December, 1987	4.5%
School Board Offer (Total Package Cost)	5.75%
Association Offer (Total Package Cost)	7.35%

In light of the increases in the inflationary rate as measured by the CPI, both Parties' offers for the 1987-88 school year will provide a significant improvement in the economic position and well-being of the Mosinee teachers over the term of the new agreement. The School Board's total package offer of 6.40% and the Association's total package offer of 7.01% for the 1988-89 school year both expands this protection even further.

Employer Exhibit #117 represents a comparison of the wage progression over the prior seven years to increases in the CPI as follows:

	<u>Increases in Salary</u>	
	<u>Bd.</u>	<u>Assn.</u>
BA, Steps 6-11	79.1%	80.2%
BA, Steps 1-9	96.8	97.9
MA, Steps 13-22 yrs. Long	78.2	79.3
MA, Steps 7-15	84.5	85.6
U.S. City Average CPI	55.6%	

As shown above, the School District is not in a position of catch-up to an inflationary index on a historical basis. The increases in salary for the last seven years has eased the impact of inflation on the teachers.

The one common statement by most arbitrators on the cost of living criterion is that the wage pattern is the best indicator of the proper cost of living increase. Merrill Area Education Association, Dec. No. 17955 (Kerkman, 1/81); Tigerton School District, Dec. No. 23001 (Gundermann, 6/86); Two Rivers School District, Dec. No. 37302 (Christenson, 3/87); Sheboygan Falls, Dec. No. 18367-A (Imes, 6/85); Janesville School District, Dec.

No. 22823-A (Grenig, 4/86); Manitowoc School District, Dec. No. 22915-A (Fleischli, 4/86). This concept, of course, should apply in times of low inflation as well as times of high inflation.

It is significant that arbitrators have remained faithful to the principle that settlement patterns in the public sector are not consistent with price increases as measured by the CPI, even when those "standardized measures" are not as high as those in the past. While not ignoring CPI increases, arbitrators have given the pattern of settlement in comparables far greater weight in their awards.

While the School District's final offers are closer to the increase in the CPI for the 1987-88 school year than the Association's final offers, there is no rationale basis to limit wage, insurance and extracurricular adjustments to increases in the CPI if the other statutory criteria indicate that a larger increase is justified. Such is case here with the exception of the extracurricular adjustments. The Association has clearly demonstrated in a meaningful manner that its final offers with respect to wages and health and dental insurance are more reasonable when viewed in light of the cost of living as measured by the settlement pattern among the comparables.

The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pension, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

This criterion has been thoroughly addressed in previous discussions and further comment would only be redundant.

The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.

The School Board's final wage offer for the 1987-88 school year represents a 6.11% increase compared to the Association's final offer of 7.17% for a 1.06% difference. The difference in dollars between the two wage positions is \$35,161. (E-6, 10).

The total package cost of the School Board's final offers for 1987-88 is 5.75% compared to 7.35% for the Association's final offers. This represents a 1.60% or \$69,683 difference between the Parties' final offers. (E-6, 10).

The School Board's final wage offer for the 1988-89 school year is 6.07% compared to 6.68% under the Association's final wage offer. This is a difference of .61% or \$58,976. (E-7, 11).

The total package cost under the School Board's final offers is 6.40% while the cost of the Association's final offers is 7.01%. This represents a .61% or \$102,509 difference between the Parties' final offers for the 1988-89 school year. (E-7, 11).

This analysis demonstrates that the total compensation package proposed under the Association's final offers will cause the School District to spend \$172,192 more than is anticipated under the School Board's final offers.

Mosinee like the Auburndale, Colby, Neillsville, Stanley-Boyd and the Wittenberg School Districts are experiencing declining gross equalized value. Both the Nekoosa and Tomahawk School Districts are experiencing an increase in equalized value. (E-26).

Within the School District, 63.8% of the property is residential in character while only 4.3% is dedicated to manufacturing purposes. Nearly thirteen percent of the School District's property is in agricultural and forest land. (E-109). The City of Mosinee residents are bearing an increasing burden of the school costs because of declines in the equalized value in the surrounding townships. (E-102).

The overall increases in the tax levy have moderated while the tax collection rate continues to be between 63% and 73%. (E-125, 105). The tax collection rate for 1987-88 is projected to be 67% which is slightly less than the previous six year average of 68.29%. (E-105).

The equalized value per member in the School District is \$10,000 below the average of the comparable school districts (E-18), yet the cost per pupil is \$425 higher or 13.3% above the average of those schools (E-19). Furthermore, the cost per pupil in the School District increased by 23.76% in 1986-87, the highest rate of increase among the comparable school districts. (E-20).

The full value tax rate in the Mosinee School District ranks third but the rate is within .11 of the average among the comparables. (E-27).

Fund 10 expenses in the School District have increased 65.1% since 1981-82. (E-106). The projected cost per pupil increase for 1987-88 alone is \$300 per pupil or 7.7%. (E-20). 76.3% of all funds available to the School District go to wages and fringe benefits.

Another area of concern is the Governor's budget proposal which is predicated on a freeze in local spending and property tax levies that, if passed by the legislature, would impact on the 1988-89 school year. Notably, this proposal does not include a freeze on wages and fringe benefits. If such a measure was passed it would affect all school districts in the state and Mosinee would not stand in isolation. This would mean that all Wisconsin school districts would be facing the same budgetary problems and probably would result in budget dislocations in other areas to makeup for the loss in revenue.

With approximately thirteen percent of the School District's area in farms and forests, it is noteworthy to mention that the price of milk has dramatically declined since 1981 and in April of 1987 the price of milk fell to its lowest price since 1979. (E-118).

While the above School District exhibits indicate that the District is facing some financial constraints, not unlike other comparable school districts, the economic climate in the Mosinee area is relatively good. The Association has included a series of exhibits that speak to a favorable economic climate. (A-72-84).

The School District has not proved by any standard of proof that it is considerably distinguishable from comparable school districts on the basis of the local economy or based upon the School District's relative ability to support its educational programs. Whether or not the state legislative passes the Governor's property tax relief proposal is mere speculation

at this time. No arbitrator should base his decision on what might happen. An arbitrator must limit himself to only the known facts established in the record.

In this case the evidence establishes that the School District is not less able to pay than comparable school districts or that the interests and welfare of the District's taxpayers mandate that a lower settlement be awarded by the arbitrator to the District than elsewhere. Most noteworthy is the School District's statement at the hearing that it does not have any ability to pay argument in this case. Thus, the School District has the ability to pay for the Association's final offers as warranted by the other considerations under the law. The public interest cannot be served by the School District's final offers which reduce a longstanding insurance benefit without compelling reasons and without an equitable quid pro quo.

Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

The Parties agreed that if the arbitrated award at Neillsville arrived on or before March 18, 1988, it could be included as a comparable. The arbitration award at Neillsville was not released by that stipulated deadline.

Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties in the public service or in private employment.

This factor was not given great weight because such other factors normally or traditionally taken into consideration in the determination of the appropriate award were already considered in the previous statutory factors.

AWARD

Based upon the statutory criteria in Wis. Stats. 111.70(4) (cm)(7), the above evidence and the entire record, the arbitrator selects the final offers of the Association and directs that it, along with any and all stipulations entered into by the Parties, be incorporated into the 1987-88 and 1988-89 collective bargaining agreement.


Richard John Miller

Dated May 2, 1988, at New Hope, Minnesota.