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STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

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| In the Matter of the Petition of | : | |
| WAUSAU SCHOOL DISTRICT | : | Case 28 |
| To Initiate Arbitration Between Said | : | No. 38889 |
| Petitioner and | : | Decision No. 24932-B |
| WAUSAU EDUCATION ASSOCIATION | : | ARB-4443 |
| | : | |

Appearances:

Mulcahy & Wherry, S. C., Attorneys at Law, by Mr. Ronald J. Rutlin, appearing on behalf of Wausau School District.

Mr. Thomas J. Coffey, Executive Director, Central Wisconsin UniServ Council-North, appearing on behalf of Wausau Education Association.

ARBITRATION AWARD:

On November 23, 1987, the Wisconsin Employment Relations Commission appointed the undersigned Arbitrator to issue a final and binding Award pursuant to Section 111.70 (4) (cm) 6. and 7. of the Municipal Employment Relations Act, to resolve an impasse existing between Wausau School District, referred to herein as the Employer, and Wausau Education Association, referred to herein as the Association, with respect to certain issues as specified below.

On December 7, 1987, the undersigned advised the parties that they had until December 21, 1987, to notify the Arbitrator and the Wisconsin Employment Relations Commission of their intent to withdraw their final offer, if they desired to do so. Neither party provided advice that they wished to withdraw their final offer, and hearing was held on February 3, 1988, at Wausau, Wisconsin, at which time the parties were present and given full opportunity to present oral and written evidence and to make relevant argument. The proceedings were not transcribed, however, briefs were filed in the matter. Briefs were received by the undersigned on March 14, 1988.

THE ISSUES:

The issues in dispute in this matter are the salary schedules to become effective for the 1987-88 and 1988-89 school years. The Employer proposes a salary schedule for 1987-88 beginning at \$17,981 and ending at MA + 36, Step 14 at \$34,736.

For 1988-89, the Employer proposes a salary schedule beginning at \$18,839 and ending at the MA+36, Step 14 position at \$36,293.

The Association proposes for 1987-88 a salary schedule of \$18,400 and ending at the MA+36 lane, Step 14 at \$35,646.

For 1988-89, the Association proposes a starting salary of \$19,400 and a top salary at the MA+36 lane, Step 14 position of \$37,610.

The Employer proposes a 4% salary only increase for 1987-88 and a 5.5% salary only increase for 1988-89. The Association proposes a 6.55% salary only increase for 1987-88 and 6.32% salary only increase for 1988-89.

The Employer proposed increase results in a \$1200 per returning teacher salary increase for 1987-88, and \$1716 salary only increase for 1988-89. The Association

offer results in a \$1965 average salary increase per returning teacher for 1987-88, and \$2020 average salary increase per returning teacher for 1988-89.

When considering package increases, the Employer offer results in a 4.32% increase for 1987-88, and 5.84% for 1988-89, compared to the Association offer of a package increase of 6.67% for 1987-88 and 6.62% for 1988-89. The package cost per returning teacher resulting from the Employer offer is \$1605 average per returning teacher for 1987-88 and \$2313 for 1988-89, compared to an average package cost per returning teacher resulting from the Association offer of \$2531 for 1987-88 and \$2682 for 1988-89.

THE CRITERIA

The parties have directed evidence and argument to the statutory criteria at Section 111.70 (4) (cm) 7, which directs the Arbitrator to consider and give weight to when making his decision. Those factors are as follows:

- 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 employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes performing similar services.
- e. Comparison of the wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes generally in public employment in the same community and in comparable communities.
- f. Comparison of the wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes 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 employes, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, 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.
- j. 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, factfinding, arbitration or otherwise between the parties, in the public service or in private employment.

POSITIONS OF THE PARTIES:

EMPLOYER POSITION:

1. The appropriate comparable pool is the Wisconsin Valley Athletic Conference and the comparable grouping established by Arbitrator Vernon in his Award dated May 12, 1986, must be rejected.

2. The Employer's offer maintains its current wage leadership position among its proposed comparables at those points of the salary schedule where the vast majority of the teachers are placed. The Employer argues that the foregoing is accurate,

irrespective of whether one compares rank order among the Employer proposed comparables, or whether one compares the salaries proposed here to the average salaries among the Employer proposed comparables.

3. The Employer contends that the Association has failed to meet its burden of proof establishing that the proposed changes to the salary schedule, which its offer contains, the Association offer increasing the differential between the master's degree lanes from \$350 to \$375 in 1987-88 and to \$400 in 1988-89.

4. The interest and welfare of the public will be better served by the selection of the Board's final offer.

5. The Employer final offer guarantees that the District teachers will receive salary and fringe benefit increases that exceed the increase in the cost of living.

6. The Employer's final offer is higher than those provided to other area public sector employees.

7. The Employer final offer will provide the Association with compensation that significantly exceeds the compensation received by other area professionals and private sector employees.

8. The continuity and stability of employment in the District favors the adoption of the Employer final offer.

9. The national studies do not support the higher wage offer of the Wausau Education Association.

ASSOCIATION POSITION:

The Association argues as follows:

1. The Association selection of its comparability grouping is consistent with arbitral practice and provides the proper basis for comparisons in this dispute.

2. Three standard measures of salary comparisons unequivocally establish the Association offer to be the more reasonable.

- a. The average salary dollar increase per returning teacher.
- b. Percentage increase per full time equivalency.
- c. Comparison of benchmarks.

3. The Association offer best meets the interest and welfare of the public.

4. The settlement pattern is the commonly accepted method of measuring the cost of living criteria.

5. The Employer's evidence on the criteria of other private and public employment wage comparisons is fragmentary and does not meet the commonly accepted standards of the best evidence for this type of case.

6. The overall compensation criterion supports the Association position.

DISCUSSION:

THE COMPARABLES

The Employer advocates that comparable school districts upon which the Arbitrator should rely are those contained within the Wisconsin Valley Athletic Conference, i.e., Antigo, Rhinelander, Merrill, D. C. Everest, Marshfield, Wisconsin Rapids and Stevens Point.

The Association proposes that the comparable school districts should be the largest school districts in the state, excluding Green Bay, Madison, Racine, Kenosha, Milwaukee and the Milwaukee suburban districts. The Association comparable districts

are: Eau Claire, Sheboygan, LaCrosse, Oshkosh, Fond du Lac, Stevens Point, Wisconsin Rapids, Beloit, Janesville and Appleton.

The comparable school districts advocated by the Association are those which were adopted by Arbitrator Vernon in his Award involving these same parties issued on May 12, 1986, wherein he adopted the Employer final offer for the school years 1985-86 and 1986-87. Arbitrator Vernon in his dicta established that the primary reason for his selection of the comparables which the Association is now advocating was based on his opinion that the smaller schools within the conference, with the exception of Stevens Point and Wisconsin Rapids, were too small to be compared to the School District of Wausau. Vernon opined as follows:

Under the facts and circumstances of this case, the Arbitrator finds it inappropriate to limit the comparables to the athletic conference schools. Four of the schools (Marshfield, Merrill, Antigo and Rhinelander) are less than half the size of Wausau, and D. C. Everest is only about 60 per cent of the size of Wausau. Only Stevens Point and Wisconsin Rapids are within an acceptable range. Even then, Wausau is substantially larger than Wisconsin Rapids and somewhat larger than Stevens Point. While Wausau has been included by Arbitrators in the appropriate comparable groups in the five smallest schools in the athletic conference, this situation is clearly distinguished. It is one thing to include one large school in a broader group of smaller schools. One school is not likely to significantly distort comparisons. It is quite another thing to limit the comparison of the same large school to the same group of smaller schools. The potential for distortion in the latter case is much greater.

On the other hand, the Arbitrator cannot accept the 20 largest districts -- excluding Milwaukee -- advanced as the appropriate comparable group by the Association. For the same reason that the smaller districts in the athletic conference are non-comparable, the districts of Madison, Green Bay, Kenosha and Racine are not comparable. These districts are more than twice as large as Wausau, just as Wausau is twice as large as Marshfield, etc. Additionally, many of the 20 largest schools are under the Milwaukee sphere of influence, and for that reason must be rejected. . . .

Additionally, it is the Arbitrator's opinion that because of their proximity Stevens Point and Wisconsin Rapids, when possible, will be given greater weight than the other schools.

The Association argues that arbitral authority has consistently held that once comparables have been established they should not be disturbed unless there are strong factors suggesting that these comparables are now inappropriate. The Association contends that arbitral authority holds consistently that tampering with comparables leads to instability in the bargaining process and should be avoided.

The Employer argues that Arbitrator Vernon erred when he selected the foregoing school districts now relied on by the Association as the comparables. The Employer cites arbitration awards which have consistently held that the athletic conference is an appropriate indicia to determine comparable school districts. (Citations omitted) The Employer further argues that the sole basis for Vernon's determination of the comparable school districts now relied on by the Association was based on size and, therefore, all other criteria normally relied on to establish comparabilities were ignored.

Both parties rely on arbitral authority supporting their position with respect to the comparables. The undersigned agrees that the arbitral authority relied on by the parties is accurate. While the arbitral authority is accurate, it, nevertheless, in this dispute leads to drastically different results. These circumstances bring to mind the comments of Arbitrator Margery Gootnick, where in League of Voluntary Hospitals, 67 LA 293, she opined:

Comparability is an issue pregnant with difficulty. The concept of comparing employees in one industry with those in another, or one employer with another in the same industry, presents the complexities inherent in different job functions and different circumstances. Unless there is a

stipulation in which parties agree upon a standard comparability base, the best I can hope for is a guide rather than a decisive answer to appropriate increases. I am confronted with a plethora of information, all purporting to demonstrate on the one hand 1199 members are underpaid, and on the other hand that they are exceedingly well remunerated. It is only natural to assume that each side will marshal the evidence in a manner consistent with its point of view on wages.

The question, then, is whether the Employer has fulfilled its burden to cause this Arbitrator to overturn the findings of Arbitrator Vernon with respect to the comparables. The Employer submits Exhibit Nos. 12 through 28 which provide logistical data supporting the Employer's contention that the athletic conference should be considered the comparable school districts for the purposes of this arbitration. The exhibits set forth the geographic proximity, the state aid per pupil, the equalized value per member, the school cost per pupil, the full value tax rate, the FTE teachers, the student population, state aid per pupil trends, equalized value per member trends, school cost per pupil trends, full value tax rate trends, enrollment trends, FTE teacher trends, a history of FTE teachers, 1980 through 1985, a history of fall admission counts, 1980 through 1986, school cost per member history, 1980 through 1984, state aid per member history, 1980 through 1985, full value tax rate history, 1980 through 1985, equalized valuation per member, 1980 through 1985. The foregoing data satisfies the undersigned that except for comparisons of sizes of the districts, the logistical data provided by the Employer in these exhibits satisfies the generally accepted criteria for identifying comparable communities under the arbitration statute governing these proceedings. What the Employer has not done, however, is to provide evidence showing that the Vernon comparables adopted by the Association are inappropriate. The record only contains the Vernon Award, which speaks to the size of the districts as his reason for selecting the comparables now espoused by the Association, and Employer Exhibit No. 55 which speaks to the criteria for establishing the comparability of the districts which the Association espouses and the Employer opposes. Employer Exhibit No. 55 is a comparison of wage rates among the Association comparables, and the Employer proposed comparables for police officers, fire fighters, DPW laborers for 1987 and 1988. There is nothing in the data contained in Employer Exhibit No. 55 which would cause the undersigned to set aside Vernon's comparability findings, though it may well establish a geographic wage distinction paid among the Vernon comparables compared to the wage rates paid in the instant community.

Because the comparables previously established for the parties should not be disturbed unless there is sufficient reason to do so; and because the Employer has failed to establish sufficient evidence on which to conclude that the Vernon comparables as espoused by the Association should be set aside; the undersigned now concludes that those comparables relied on by the Association are proper.

The impact of the foregoing conclusions, however, is tempered by reason of the changes in the criteria which were enacted by the Legislature effective May 7, 1986. On that date, the criteria were modified in the statute at Ill.70 (4) (cm) 7. Previously, criteria d read: "Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes performing similar services and with other employes generally in public employment in the same community and in comparable communities and in private employment in the same community and in comparable communities." Effective May 7, 1986, what had been contained in criteria d was split into the criterias d, e and f of the revised statute. Criteria d now reads: "Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes performing similar services." Thus, it appears to be the legislative intent that when comparing wages, hours and conditions of employment of the employes involved in the arbitration with wages, hours and conditions of employment of other employes performing similar services, the Arbitrator need no longer make those comparisons strictly among comparable communities. The Legislature obviously deleted that reference in what remains criteria d comparing wages of those involved in the arbitration with the wages of employes performing similar services. Consequently, it would follow that when comparing wage rates of teachers and patterns of settlement in teacher units, that

those comparisons be made with employes performing similar services without respect to whether the communities in which the comparisons are made are comparable. However, where geographic differences in wage rates are clearly established by the record, those geographic differences must necessarily impact the comparisons and the attendant conclusions.

The new criteria e and f, however, continue to speak to comparisons made within the same community and in comparable communities. Criteria e refers to making comparisons with other employes generally in public employment and criteria f refers to making comparisons with other employes in private employment in the same community and in comparable communities. In this matter, however, the Employer evidence with respect to wages paid and pattern settlements in the public sector is for units in the same community, only. Similarly, for wage settlements in the private sector, those patterns of settlement in this record refer to settlements in the same community as well, except for national data, which is published by national services.

Based on the foregoing, the comparisons will be made on all of the evidence adduced at hearing with respect to patterns of settlement among teachers and wage rates paid to teachers for all of the communities proposed by both the Association and the Employer.

When comparing patterns of settlement and wage rates among public employes generally and in the private sector, the undersigned looks to employes in the same community because that is where the parties have adduced evidence in the record.

TEACHER PATTERNS OF SETTLEMENT AND SALARY COMPARISONS

Turning first to a comparison of patterns of settlement which reflect the industry practice as to how contracts within the teaching or education field are being settled, we find that the data in this record supports the Association offer. The Employer is noticeably low in its first year offer in comparison with the patterns of settlement, irrespective of whether one compares average dollar per returning teacher or percentage increase. The Employer proposes a \$1200 average per returning teacher, representing a 4% increase. The Association proposes \$1965 per returning teacher, representing a 6.55% increase. Among the settled comparable districts advocated by both the Employer and the Association, the average dollar per returning teacher ranges from \$1700 at Janesville for 1987-88 to a high of \$2221 at Stevens Point, for an average of \$1919 per returning teacher. The percentage increases among those settled comparables for 1987-88 range from a low of 5.8% at Janesville and Fond du Lac to a high of 8% at Stevens Point. The percentage average is 6.69%. Thus, the Association proposal is within the range of average dollar per returning teacher among the settled districts and the percentage proposed by the Association is within that range as well. Clearly, the Employer offer for 1987-88 is deficient when making the foregoing comparison of patterns of settlement, irrespective of whether that comparison is made on an average dollar per returning teacher or a percentage. The Employer is approximately \$700 below the average per returning teacher, and is 2.69% below the average percentage settlement for 1987-88.

Among the five settled districts for 1988-89 consisting of Beloit, Oshkosh, Sheboygan, Wisconsin Rapids and Fond du Lac, the average dollar per returning teacher ranges from a low of \$1757 at Beloit to a high of \$2050 at LaCrosse. The percentage for that year ranges from a low of 5.97% at Fond du Lac to a high of 6.4% at Wisconsin Rapids. The Association average dollar per returning teacher of \$2020 and 6.3% falls within that range. The Employer offer of \$1715 and 5.5% is slightly below the range.

It is clear from the foregoing discussion that the patterns of settlement favor the Association offer, primarily because of the year 1987-88, where the Employer is \$700 and 2.69% below the average of the settlements which have been considered. In all of the foregoing discussion, there has been no comparison of settlements among the remaining athletic conference schools proposed by the Employer, because there is no evidence of settlements with respect to those districts, except for the districts of Stevens Point and Wisconsin Rapids, which also are included among the comparables proposed by the Association. Employer Exhibit No. 31 reflects the status of bargaining at the time of hearing, and it establishes that

the districts of Antigo, D. C. Everest, Marshfield, Merrill are in the final offer stages. The district of Rhinelander is not set forth for 1987-88. The same districts are in final offer status for 1988-89 as set forth in Employer Exhibit No. 32, except that there is no data for Rhinelander or for Stevens Point, whose agreement expires at the end of the 1987-88 school year. If one were to consider the final offers along with the two settled districts of Stevens Point and Wisconsin Rapids, the first year offer of the Employer is deficient, because the average settlements, when considering the Board offer and the settlements which have been reached in Stevens Point and Wisconsin Rapids, average \$1694 or 6.24%. The \$1200 and 4% offer of the Employer for 1987-88, when compared to the average of the settled districts and the board offers, continues to be deficient. Obviously, if one were to assume that the Union offer were accepted in those districts which are in final and binding arbitration, the conclusions would be even more positively reinforced.

From all of the foregoing, then, the undersigned concludes that industry practice with respect to patterns of settlement for teacher contracts reflected by the record evidence in this matter supports an adoption of the final offer of the Association here.

We turn now to a comparison of salary rates. Because the record reflects that a significant portion of the teachers involved in this dispute reside at the top of the salary schedule; and because the record further reflects that there have been settlements among those districts for which comparison data has been furnished, where increments have been frozen and, therefore, mid point comparisons may not be valid; and because the undersigned is satisfied that the top rates of a schedule reflect the top potential that a teacher can earn; the undersigned will rely on comparisons at the top of the schedule for these purposes. Comparing the maximum salary schedule for 1987-88 with other districts contained within this record, we find that the Association offer would produce a maximum of \$35,646 and the Employer offer \$34,736. The maximum of the salary schedules among Stevens Point, Oshkosh, LaCrosse, Wisconsin Rapids, Sheboygan, Janesville, Beloit and Fond du Lac range from \$34,751 at Beloit to a high of \$39,417 at Stevens Point. The average of the eight settled districts is \$36,528. It is clear from the foregoing that the Association offer more nearly approaches the average than that of the Employer. Furthermore, the rankings in previous years, and the relationship to average, support the Association offer, because Association Exhibit No. 32 establishes that in prior years, when compared to the same school districts, the Association ranked above average of these same schools for the school years 1982-83, 1983-84, 1984-85. Commencing with 1985-86 and 1986-87, the rankings dropped to below the average of these schools. In 1986-87, Wausau ranked \$749 below the average salary of these schools. In 1987-88, if the Association offer is adopted, the Association will continue to be ranked \$882 below the average of these same schools. It follows from the foregoing, that when comparing salary maximums among the settled districts for 1987-88, the Association offer more nearly maintains the relationship heretofore enjoyed. It follows, therefrom, that these comparisons support the Association offer. The foregoing conclusion is buttressed because if the Board offer were adopted, the ranking to average of the settled districts at the salary maximum would be \$1792 below that average.

In making the same type of comparison for 1988-89 among the settled school districts, one finds that a similar picture is portrayed. From Association Exhibit No. 32 we find that the teacher offer at the salary maximum would result in a settlement \$697 below the average of the settled districts, and the Employer offer would result in a salary maximum of \$2014 below the salary maximum. Clearly, the Association offer is supported by this comparison.²

- 1/ In making schedule maximum comparisons, the undersigned has taken the schedule max without longevity.
- 2/ All of the foregoing data taken from Association Exhibit No. 32 has been recalculated by the undersigned to include the Fond du Lac School District settlement which was submitted post hearing.

Employer Exhibit No. 103 establishes the schedule max among its proposed comparables within the athletic conference for 1988-89, and Exhibit No. 102 establishes the same for the schedule max for 1987-88. As stated previously, however, the only settled districts for 1987-88 are Stevens Point and Wisconsin Rapids among the districts for which the Employer adduces evidence, and those are already included in the Association data. The remaining conference schools remain unsettled, and, therefore, no settlement data can be compared. For 1988-89, only Wisconsin Rapids has a settlement as noted previously. The undersigned, therefore, concludes that the data contained therein is unpersuasive in making comparisons among athletic conference schools which are not settled.

Finally, the undersigned looks to distinctions in geographic wage patterns. The sole basis on which that comparison can be made, based from this record, is found at Employer Exhibit No. 55. Employer Exhibit No. 55 sets forth wage rates paid among communities in which the athletic conference school districts reside, compared to wage rates paid among the "Vernon comparables", for police officers, fire fighters and department of public works laborers. The exhibit establishes that police officers in the Valley average are paid at approximately 88% of police officers paid among the average of the Vernon municipalities. The same comparison for fire fighters establishes that fire fighters in the Employer proposed data are paid at approximately 90% of the Vernon average, and that department of public works laborers are paid at approximately 96% of the Vernon average. The foregoing data suggests that the wage rates in Wisconsin River Valley, which includes the athletic conference, tend to be lower than the wage rates paid to municipal employes among the "Vernon comparables". That, however, squares with the findings in the earlier section of this discussion, that the Association offer sets the salary maximums for teachers in this school district at \$882 below the average of the settled districts of the Vernon comparables for 1987-88, and \$697 below those figures for 1988-89. The undersigned, therefore, based on very sparse data, concludes that the Association offer conforms to geographic wage differentials.

From all of the foregoing, the undersigned now concludes that the comparisons of salaries to salaries favor the adoption of the Association offer.

COMPARISONS WITH OTHER PUBLIC SECTOR
EMPLOYEES AND PRIVATE SECTOR EMPLOYEES

Employer Exhibit Nos. 52 through 54 set forth local wage settlements in the public sector for Marathon County, City of Schofield, Village of Rothchild, Town of Weston, City of Wausau, North Central Health Care Facilities. The data shows that Marathon County settled for a wage lift of 3% for 1987, and a wage increase of 3% for 1988. The City of Schofield settled for a 4% wage increase for 1987; the Village of Rothchild settled for a 3.5% wage increase for 1987, and in its department of public works settled for a 3.8% increase for 1988. The Town of Weston settled for a 4.5% increase for its DPW employes, and 4% for its police department for 1987; the City of Wausau settled with its units for approximately a 3% wage lift in 1987 and a 3% wage increase in 1988 for its settled units. North Central Health Care Facilities for its nurses settled for 3% in 1987 and 3% in 1988, and for its support staff a 3% bonus in 1987 and a 3% wage increase in 1988. Thus, the local wage settlements in the public sector are in the 3% to 4% range with 3% settlements predominating for the years 1987 and 1988. Clearly, the wage settlements among public sector employes for 1987 and 1988 more nearly approximate the Employer final offer than that of the Association here. Consequently, this criteria favors the adoption of the Employer offer.

With respect to a comparison with private sector employes, the testimony in this record is that of Mr. Rutlin, who testified with respect to percentages of settlements in the private sector economy. The testimony of Rutlin was that the private sector settlements ranged from a 14% reduction to a 4% increase during this past year. The companies, however, were unidentified and, therefore, the data was not subject to verification by the Association. Consequently, while the testimony was admitted over the objection of the Association, that testimony carries minimal weight for the reasons described above. There is also in evidence, however, Employer Exhibit No. 56 which sets forth national data with respect to settlements for 1987 and 1986. The data reflects that settlements for 1987 in non-manufacturing,

except for construction, with lump sums factored into the settlements, are at approximately 3.7% in the first year. Obviously, the 3.7% national data is closer to the Employer offer here than is that of the Association. From all of the foregoing, the wage settlements in the private sector which are contained in this record support the Employer offer here.

THE COST OF LIVING CRITERIA

Employer Exhibit No. 37 establishes that the cost of living increase of 3.9% is based upon the Consumer Price Index for July. Obviously, the Employer offer of 4% increase for 1987-88 exceeds the Consumer Price Index increase, and is closer to the percentage increase than that of the Association. Consequently, the Employer offer meets the cost of living criteria.

THE INTEREST AND WELFARE OF THE PUBLIC

The Employer argues that salary increases for teachers have increased at an alarming rate between 1981-82 and 1987-88 school years. As a result of those increases, the Employer argues that the Employer has taken measures to reduce the tax burden to the community by: 1) increasing class sizes; 2) reducing and/or eliminating programs such as agriculture, driver education and some technical education programs; 3) reducing the hours of teacher aides. The Employer further argues that the two year total difference in the parties' package final offers of \$1,052,738 is unrealistic because there is a 29.13% tax levy increase from 1980-81 through 1987-88; and because the Fund 10 expenses have increased by 53.2% since 1980-81; and the District is confronted with a \$3.3 million dollar expenditure for asbestos removal from its school district; and the district is confronted with increasing enrollment which will require additional classroom space to be furnished. The Employer then argues that in view of the changes in the economy in Marathon County generally, as well as the changes in the farm economy; and because the impact of the final offers would result in a \$1.49 per thousand dollar increase in the mill rate if the Association offer were adopted, and a \$1 per thousand increase if the Employer offer were adopted, the reasonable balance between the competing interests, i.e., that of the public and that of the Association, would be the adoption of the Employer final offer.

The Association argues that the size of the increase, or the increase in the mill rate, is not adverse to the public interest when one compares the ranking of the Wausau School District to the rankings generally of K-12 districts throughout the state. Association points to its Exhibit No. 5 showing a cost per pupil in the Wausau School District of \$3762, \$164 below the average for the ranking of the Association proposed comparables. The Association points to the fact that Wausau School District ranks 201 with respect to cost per pupil out of approximately 385 K-12 school districts in the state. The Association also argues that the economic climate in the area is generally good, noting particularly, the optimistic assessment of Lee Winberger, President of Wausau Insurance. The Association further argues that the favorable economic trends in the area are supported by Employer Exhibit No. 158, Planning Information for Employment, Training and Industrial Development, Marathon County, 1987.

Finally, the Association argues relative to the interest and welfare of the public that arbitral authority in Janesville School District (Decision No. 22823-A, 4/86); Tomahawk Schools (Decision No. 20146-A, 7/27/83); Tigerton School District, (Decision No. 24280-A, 6/19/87); Horicon School District (Decision No. 21871-A, 1/5/85) all support the conclusion that higher teacher salaries are required, the Association arguing that the public interest cannot be served by adopting a drastically lower wage increase for Wausau Schools than exists among its comparables.

In anticipation of the Association argument that national studies support higher teacher salaries, the Employer argues that the conclusions are inapposite in this dispute, because the quid pro quos recommended in return for the higher salaries proposed in national studies are missing here. The undersigned has considered all of the Employer argument with respect to the national studies that support higher teacher salaries being flawed as it applies to the instant dispute, and rejects same by reason of the arbitral opinion relied on by the Association. The undersigned has also considered the other Employer arguments with respect to the

state of the economy in the community, and is unpersuaded that the public interest is best supported by the adoption of the Employer offer here. The Employer points to the \$1 million plus differences between the offers and to the increased tax levy as a result thereof. If one were to only consider the differences between the offers without determining why those differences exist, the Employer argument could be accepted. However, in examining the causes of the differences between the value of the offers and the attendant tax levy increase, one finds that the distinctions between the offers are caused primarily because of an excessively low offer in the first year of the two year package made by the Employer. In the preceding sections of this Award, the undersigned has concluded the Employer is significantly below the patterns of settlement with respect to its first year offer. It follows from that conclusion that the primary cause of the million dollar difference between the offers of the parties is the low first year offer of the Employer.

The undersigned has fully considered the distinction in the increased mill rate when considering the interest and welfare of the public. Here, there are the competing interest which many arbitrators have addressed, i.e., the interest of the Association and its members in securing a settlement comparable to the settlement patterns which exist, vis a vis the interest of the public in maintaining the tax rate. The Association evidence at its Exhibit No. 5 showing that the school district ranks 201 out of approximately 385 school districts, when comparing per pupil costs, suggests to the undersigned that the instant school district is capable of making a higher effort in support of education. In arriving at this conclusion, the undersigned has fully considered all of the repercussions of the state of the economy in which this school district resides. The evidence is somewhat mixed with respect to the economy generally, although overall, all of the evidence indicates that the economy in the community is improving and will continue to improve for the next several years. The most notable exception to the foregoing is the agricultural economy which is suffering a decline in prices, and which has caused bankruptcies in the farm community. What is missing in order for this to be a controlling factor under interest and welfare of the public is a showing that this community is suffering more adversely than surrounding communities who have set the higher patterns of settlement which have emerged. Absent a showing that this community stands in shoes different from those of the surrounding communities, the undersigned concludes that the interest and welfare of the public criteria does not support the Employer offer.

THE TOTAL COMPENSATION CRITERIA

The Association argues that the total compensation criteria supports its position in this dispute. The evidence satisfies the Arbitrator that the total compensation factor does, in fact, support the Association offer, principally because the Wausau School District enjoys a family health and dental insurance premium which is significantly lower than the average of the Association proposed comparables, and is the lowest among that grouping. The health and dental insurance yearly premiums in this district are \$2291.40 compared to \$2858.76 in Stevens Point, and \$2635.08 in Wisconsin Rapids, the two most comparable districts found by Vernon, and the two settled districts among the Employer comparables. The average of all of the districts, without Wausau, is \$2802.10. The foregoing distinctions in health insurance establish a favorable total compensation picture for the Employer when considering the scheduled max comparisons, inclusive of annual family health and dental insurance, compared to Stevens Point and Wisconsin Rapids as the most comparable communities, and to the Association comparables in general. These conclusions are confirmed by the data contained in Employer Exhibit No. 31, which shows a total compensation amount for 1987-88 of \$2845 for Stevens Point, and \$2638 for Wisconsin Rapids. Thus, the Employer exhibits verify almost exactly the total compensation dollars of the Association exhibits for these two districts. From the foregoing, it follows that the total compensation factors are supportive of the Association final offer.

OTHER FACTORS

The Employer argues that the continuity and stability of employment in the Wausau School District favors the adoption of the Board's final offer. The record evidence establishes that there were 16 terminations in the school year 1986-87, and 12 in the year 1987-88. (Employer Exhibit No. 154) This calculates to a

a turnover rate of about 3.38% for 1986-87 and a 2.53% rate for 1987-88 school year. Employer Exhibit No. 155 establishes that for 1986-87 the Employer recruited 12 new positions, and had an applicant pool of 477 applications from which to make its selection. Employer Exhibit No. 155 further establishes that for 1987-88 there were 800 applications for positions with the District and 3 positions were to be filled. The foregoing establishes, to the satisfaction of the undersigned, that the existing salary rates and presumably those proposed by the Employer, would continue to be adequate to recruit and maintain the teaching staff at a stable level. Consequently, the compensation levels proposed by the Employer are adequate for this purpose.

SUMMARY AND CONCLUSIONS:

The undersigned has concluded that the comparison of salaries of teachers in the instant district with salaries paid to teachers generally favors the adoption of the Association offer; that the patterns of settlement in teacher units favor the adoption of the Association final offer; that the overall compensation criteria supports the Association final offer; and that the interest and welfare of the public supports the Association final offer. The undersigned has further concluded that the cost of living criteria supports the Employer offer; that wage settlements entered into on behalf of other public sector employes in the same community favor the adoption of the Employer offer; that wage settlements in the private sector in the same community support the Employer offer; and that the continuity and stability of employment supports the Employer final offer. It remains to be determined which final offer should be adopted in its entirety.

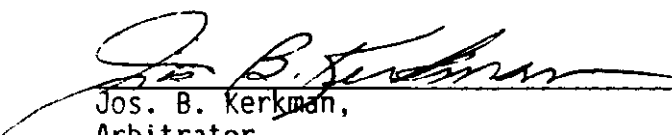
After considerable deliberation, the undersigned is persuaded that the Association final offer should be adopted, because of the deficient offer of the Employer in the first year of this two year Agreement when comparing that offer to the patterns of settlement which have emerged, and when considering the compensation of the teachers here compared to the compensation of teachers in the school districts for which evidence was presented in this proceeding.

Therefore, based on the discussion set forth above, after considering all of the evidence, the arguments of the parties, and the statutory criteria, the Arbitrator makes the following:

AWARD

The final offer of the Association, along with the stipulations of the parties as filed with the Wisconsin Employment Relations Commission, as well as those provisions of the predecessor Collective Bargaining Agreement which remained unchanged throughout the course of the negotiations, are to be incorporated into the parties' written Collective Bargaining Agreement for 1987-88 and 1988-89.

Dated at Fond du Lac, Wisconsin, this 11th day of May, 1988.



Jos. B. Kerkman,
Arbitrator

JBK:rr