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BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Petition of	:	
	:	
TOMORROW RIVER SCHOOL DISTRICT	:	
	:	
To Initiate Arbitration	:	Case 11
Between Said Petitioner and	:	No. 39479 INT/ARB-4586
	:	Decision No. 25087-A
	:	
TOMORROW RIVER	:	
EDUCATION ASSOCIATION	:	
	:	

Appearances:

Mr. William C. Bracken, Director, Employee Relations, Wisconsin Association of School Boards, Inc., appearing on behalf of the District.

Mr. David W. Hanneman, Executive Director, Central Wisconsin Uniserv Council-South, appearing on behalf of the Association.

BACKGROUND

On January 25, 1988 the Wisconsin Employment Relations Commission appointed the undersigned as arbitrator to resolve the impasse between the parties by selecting the total final offer of one or the other parties and issue a final and binding award pursuant to Section 111.70(4)(cm)6 and 7 of the Municipal Employment Relations Act. A hearing was held on March 15, 1988 in Amherst, Wisconsin. The parties were present and were afforded opportunity to present such documents and testimony as they deemed relevant. Post hearing and reply briefs were filed in the case.

THE FINAL OFFERS

DISTRICT FINAL OFFER:

The final offer of the District is as follows:

NOTE: All provisions of the 1986/87 Agreement shall continue the 1987/89 Agreement except for any tentative agreements reached and the final offer below

1. Salary Schedule (see attached scattergram)

	1987/88	1988/89
BA Base	\$ 16,700	\$ 17,550
Vertical Increments	625	640
Horizontal Increments	325	335

2. Extra-Curricular (see attached Appendix A)

	1987/88	1988/89
	6.7% Increase	6.2% Increase

3. Disability Insurance. Effective thirty days after arbitrator's award, change existing disability program by raising maximum monthly benefit from \$1000 to \$2000 and increase benefit level from 60% to 66 2/3% with the same thirty day waiting period.

SALARY SCHEDULE 1987/88

BASE =	16700		VERT =	625		HORZ =	325	
STEPS	1	2	3	4	5	6		
YEARS	BS	BS+8	BS+16	BS+24	BS+42/MS	MS+8		
0	16700	17025	17350	17675	18000	18325		
1	17325	17650	17975	18300	18625	18950		
2	17950	18275	18600	18925	19250	19575		
3	18575	18900	19225	19550	19875	20200		
4	19200	19525	19850	20175	20500	20825		
5	19825	20150	20475	20800	21125	21450		
6	20450	20775	21100	21425	21750	22075		
7	21075	21400	21725	22050	22375	22700		
8	21700	22025	22350	22675	23000	23325		
9		22650	22975	23300	23625	23950		
10		23275	23600	23925	24250	24575		
11		23900	24225	24550	24875	25200		
12			24850	25175	25500	25825		
13				25800	26125	26450		
14					26750	27075		
15						27700		

SALARY SCHEDULE 1988/89

BASE =	17550		VERT =	640		HORZ =	335	
STEPS	1	2	3	4	5	6		
YEARS	BS	BS+8	BS+16	BS+24	BS+42/MS	MS+8		
0	17550	17885	18220	18555	18890	19225		
1	18190	18525	18860	19195	19530	19865		
2	18830	19165	19500	19835	20170	20505		
3	19470	19805	20140	20475	20810	21145		
4	20110	20445	20780	21115	21450	21785		
5	20750	21085	21420	21755	22090	22425		
6	21390	21725	22060	22395	22730	23065		
7	22030	22365	22700	23035	23370	23705		
8	22670	23005	23340	23675	24010	24345		
9		23645	23980	24315	24650	24985		
10		24285	24620	24955	25290	25625		
11		24925	25260	25595	25930	26265		
12			25900	26235	26570	26905		
13				26875	27210	27545		
14					27850	28185		
15						28825		

Extra-Curricular Pay Schedule

	1986/87	FY8 +6.7%	FY9 +6.2%
Athletic Director	\$1,549	\$1,653	\$1,755
Football - Head Coach	\$1,549	\$1,653	\$1,755
Football - Assistant Coach	\$1,170	\$1,248	\$1,325
Wrestling - Head Coach	\$1,549	\$1,653	\$1,755
Wrestling - Assistant Coach	\$1,170	\$1,248	\$1,325
Wrestling - Jr. High Intramural	\$271	\$289	\$307
Basketball - (boys) - Head Coach	\$1,549	\$1,653	\$1,755
Basketball - (boys) - Assistant Coach	\$1,170	\$1,248	\$1,325
Basketball - (boys) - 8th Grade Coach	\$563	\$601	\$638
Basketball - (boys) - 7th Grade Coach	\$563	\$601	\$638
Basketball - (girls) - Head Coach	\$1,549	\$1,653	\$1,755
Basketball - (girls) - Assistant Coach	\$1,170	\$1,248	\$1,325
Basketball - (girls) - 8th Grade Coach	\$563	\$601	\$638
Basketball - (girls) - 7th Grade Coach	\$563	\$601	\$638
Baseball - Head Coach	\$1,170	\$1,248	\$1,325
Baseball - Assistant Coach	\$893	\$953	\$1,012
Softball - Head Coach	\$1,170	\$1,248	\$1,325
Softball - Assistant Coach	\$893	\$953	\$1,012
Volleyball - Head Coach	\$1,170	\$1,248	\$1,325
Volleyball - Assistant Coach	\$893	\$953	\$1,012
Cross Country - Head Coach	\$1,170	\$1,248	\$1,325
Track - Head Coach	\$1,170	\$1,248	\$1,325
Track - Assistant coach	\$893	\$953	\$1,012
Elementary Basketball Coach	\$171	\$182	\$193
Elementary Basketball Coach	\$171	\$182	\$193
Elementary Flag Football Coach	\$114	\$122	\$130
Elementary Flag Football Coach	\$114	\$122	\$130
Senior High Cheerleader Advisor	\$278	\$297	\$315
Junior High Cheerleader Advisor	\$205	\$219	\$233
Annual Advisor **	\$336	\$359	\$381
Forensics Advisor **	\$412	\$440	\$467
Drama/Play/Musical Coach, per act **	\$173	\$185	\$196
Student Council Advisor **	\$336	\$359	\$381
Prom Advisor	\$190	\$203	\$216
Junior Class Advisor	\$150	\$160	\$170
Senior Class Advisor	\$175	\$187	\$199
Pep Band Director	\$525	\$560	\$595

Extra-curricular activities will be offered on the basis of Board Policy
 **May not receive additional compensation if a part of a curricular
 assignment

ASSOCIATION FINAL OFFER:

All of the provisions of the 1986-87 NEGOTIATED AGREEMENT shall continue in the 1987-89 Agreement except for the tentative agreements reached and the following final offer:

1. Salary

1987-88 - BA Base \$16,839.00, vertical increment \$644.00, horizontal increment \$340.00 applied to the same salary structure (see attached schedule).

1988-89 - BA Base \$17,834.00, vertical increment \$682.00, horizontal increment \$360.00 applied to the same salary structure (see attached schedule).

2. Extra-Curricular Pay Schedule: Appendix A

1987-88 - increase all 1986-87 amounts by 8.3% rounded to the next highest dollar (see attached schedule).

1988-89 - increase all 1987-88 amounts by 7.73% rounded to the next highest dollar (see attached schedule).

3. Disability Insurance:

Delete lines 26-27 from page 15 of the 1986-87 NEGOTIATED AGREEMENT and substitute the following for said deletion:

Long Term Disability Insurance. The District will purchase a 90% Long Term Disability Insurance Plan which will have a 90 day waiting period for all professional employees. The specifications of the plan shall be equal to WEA INSURANCE TRUST PLAN.

(Note: This plan shall be implemented as soon as possible within 30 days of the arbitration award).

SALARY SCHEDULE 1987-88

BASE = 16839

VERT = 644

HORZ = 340

STEPS	1	2	3	4	5	6
YEARS	BS	BS+8	BS+16	BS+24	BS+42/MS	MS+8
0	16839	17179	17519	17859	18199	18539
1	17483	17823	18163	18503	18843	19183
2	18127	18467	18807	19147	19487	19827
3	18771	19111	19451	19791	20131	20471
4	19415	19755	20095	20435	20775	21115
5	20059	20399	20739	21079	21419	21759
6	20703	21043	21383	21723	22063	22403
7	21347	21687	22027	22367	22707	23047
8	21991	22331	22671	23011	23351	23691
9		22975	23315	23655	23995	24335
10		23619	23959	24299	24639	24979
11		24263	24603	24943	25283	25623
12			25247	25587	25927	26267
13				26231	26571	26911
14					27215	27555
15						28199

SALARY SCHEDULE 1988-89

BASE = 17834

VERT = 682

HORZ = 360

STEPS	1	2	3	4	5	6
YEARS	BS	BS+8	BS+16	BS+24	BS+42/MS	MS+8
0	17834	18194	18554	18914	19274	19634
1	18516	18876	19236	19596	19956	20316
2	19198	19558	19918	20278	20638	20998
3	19880	20240	20600	20960	21320	21680
4	20562	20922	21282	21642	22002	22362
5	21244	21604	21964	22324	22684	23044
6	21926	22286	22646	23006	23366	23726
7	22608	22968	23328	23688	24048	24408
8	23290	23650	24010	24370	24730	25090
9		24332	24692	25052	25412	25772
10		25014	25374	25734	26094	26454
11		25696	26056	26416	26776	27136
12			26738	27098	27458	27818
13				27780	28140	28500
14					28822	29182
15						29864

Appendix A

Extra-Curricular Pay Schedule

	1987-88	1988-89
Athletic Director	\$1,678.00	\$1,808.00
Football - Head Coach	\$1,678.00	\$1,808.00
Football - Assistant Coach	\$1,268.00	\$1,367.00
Wrestling - Head Coach	\$1,678.00	\$1,808.00
Wrestling - Assistant Coach	\$1,268.00	\$1,367.00
Wrestling - Jr. High Intramural	\$ 294.00	\$ 317.00
Basketball - (boys) - Head Coach	\$1,678.00	\$1,808.00
Basketball - (boys) - Assistant Coach	\$1,268.00	\$1,367.00
Basketball - (boys) - 8th Grade Coach	\$ 610.00	\$ 658.00
Basketball - (boys) - 7th Grade Coach	\$ 610.00	\$ 658.00
Basketball - (girls) - Head Coach	\$1,678.00	\$1,808.00
Basketball - (girls) - Assistant Coach	\$1,268.00	\$1,367.00
Basketball - (girls) - 8th Grade Coach	\$ 610.00	\$ 658.00
Basketball - (girls) - 7th Grade Coach	\$ 610.00	\$ 658.00
Baseball - Head Coach	\$1,268.00	\$1,367.00
Baseball - Assistant Coach	\$ 968.00	\$1,043.00
Softball - Head Coach	\$1,268.00	\$1,367.00
Softball - Assistant Coach	\$ 968.00	\$1,043.00
Volleyball - Head Coach	\$1,268.00	\$1,367.00
Volleyball - Assistant Coach	\$ 968.00	\$1,043.00
Cross Country - Head Coach	\$1,268.00	\$1,367.00
Track - Head Coach	\$1,268.00	\$1,367.00
Track - Assistant Coach	\$ 968.00	\$1,043.00
Elementary Basketball Coach	\$ 186.00	\$ 201.00
Elementary Basketball Coach	\$ 186.00	\$ 201.00
Elementary Flag Football Coach	\$ 124.00	\$ 134.00
Elementary Flag Football Coach	\$ 124.00	\$ 134.00
Senior High Cheerleader Advisor	\$ 302.00	\$ 326.00
Junior High Cheerleader Advisor	\$ 223.00	\$ 241.00
Annual Advisor **	\$ 364.00	\$ 393.00
Forensics Advisor **	\$ 447.00	\$ 482.00
Drama/Play/Musical Coach per act **	\$ 188.00	\$ 203.00
Student Council Advisor **	\$ 364.00	\$ 393.00
Prom Advisor	\$ 206.00	\$ 222.00
Junior Class Advisor	\$ 163.00	\$ 176.00
Senior Class Advisor	\$ 190.00	\$ 205.00
Pep Band Director	\$ 569.00	\$ 613.00

Extra-curricular activities will be offered on the basis of Board policy.
 **May not receive additional compensation if a part of a curricular assignment.

THE ISSUES

The final offers of the parties join three main issues. They are percentage wage increase, extra curricular pay schedule and disability insurance. Associated with the wage increase proposals is an issue concerning the application of the increase to the salary schedule.

The Association described the differences in the offers of the parties in a concise manner in its brief at pages 7 and 8 as follows:

In the area of wages as expressed in the salary schedule, the offers of the parties are as follows for 1987-88:

	<u>Association Offer</u>	<u>Board Offer</u>
Base Salary	\$16,839 (<u>5.9%</u> inc. over '86-87)	\$16,700 (<u>5.0%</u> inc. over '86-87)
Vertical Increment	\$ 644 (<u>5.9%</u> inc. over '86-87)	\$ 625 (<u>2.8%</u> inc. over '86-87)
Horizontal Increment	\$ 340 (<u>5.9%</u> inc. over '86-87)	\$ 325 (<u>1.2%</u> inc. over '86-87)

For 1988-89 the offers of the parties are as follows:

	<u>Association Offer</u>	<u>Board Offer</u>
Base Salary	\$17,834 (<u>5.9%</u> inc. over Assoc. offer for '87-88)	\$17,550 (<u>5.1%</u> inc. over Board offer for '87-88)
Vertical Increment	\$ 682 (<u>5.9%</u> inc. over Assoc. offer for '87-88)	\$ 640 (<u>2.3%</u> inc. over Board offer for '87-88)
Horizontal Increment	\$ 360 (<u>5.9%</u> inc. over Assoc. offer for '87-88)	\$ 335 (<u>3.1%</u> inc. over Board offer for '87-88)

In the extra curricular area, both parties propose a continuation of the same positions for each of the two years that received compensation in 1986-87. The Association and the Board offers increase all wages in the extra curricular area by the same percentage as the percentage increase in the wage package offered by the party. For the Association the percentage increase for 1987-88 was 8.3%, and for the Board the increase was 6.7%. For the Association the percentage increase in 1988-89 was 7.73%, and for the Board the increase was 6.2%.

In the area of long term disability insurance, both parties have proposed a modification in the long term disability plan which was in effect during the 1986-87 year. The Association proposes that the plan would pay 90% of the normal wage of the teacher after a 90 day waiting period. The Board has proposed that the plan would pay 66 2/3% of the teacher's wage after a 30 day waiting period. "

DISCUSSION

THE COMPARABLES

Both parties addressed the issue of comparables in their briefs. Both argued that those schools comprising the athletic conference should be afforded the primary consideration because the parties themselves have made comparisons to those schools in their past negotiations and Arbitrator Kerkman accepted the athletic conference schools as the most comparable in the most recent arbitration between the parties.

While the parties do not disagree about using the athletic conference schools as the primary set of comparables, they do disagree about the use of any other school comparables.

The Association argued that because the State of Wisconsin provides funding for schools, teachers in Wisconsin who provide similar services due to their teaching license should be compared one to the other state wide. They also contend the district should be measured against the district or districts that are contiguous to it. In this case the district is contiguous to the district of Stevens Point, which is the major economic hub of central Wisconsin. Being contiguous to a major city and economic hub of the area, impacts on the economics of any such contiguous district. The Association cited a number of arbitral decisions intending to support their argument that the economy of Stevens Point impacts on the teachers of Tomorrow River in that they often live in the contiguous area, work in one or the other contiguous area and shop in the same bread basket market area.

The District rejects the argument that statewide data should be used to compare to district teachers. They contend arbitrators have routinely rejected comparisons to statewide comparisons because they ignore the dynamics of the local labor market, size considerations, and other budgetary measures of comparisons that can be made among athletic conference schools.

The District also argues that the matter of comparables was settled by the prior arbitration award of Kerkman. They contend that enlargement of the comparables to others than those set by the prior arbitrator and utilized voluntarily in past negotiations between the parties would create uncertainty and confusion to the bargaining process between the parties.

A reading of the Kerkman Award reveals that because both parties presented comparability data of the athletic conference schools and because the parties had used the athletic conference schools as a basis of comparison in past negotiations, he would also first consider that set of comparables. I do not read his decision as saying that he would not or should not look at any other comparability data

for supportive or second or third consideration purposes. I do not believe the Wisconsin Statutes exclude nor are arbitrators excluded from looking at other than what may be clear primary comparables. Other comparability data may be relevant in a particular case where there is insufficient primary data available or where it may be supportive of one position or the other. In all cases the arbitrator must consider it in the light of availability of other more directly relevant evidence and determine the relative relevance and weight, if any to be attributed to any such evidence. For the above reasons I will not reject as wholly irrelevant, comparability evidence other than which all parties and the arbitrator may view as the primary and most relevant evidence.

In this case there are sufficient settlements for 1987-88 and 1988-89 at other districts in the athletic conference to make it a valuable primary source. Before examining such data it is desirable to analyze the final offers of the parties and determine their respective costs. The district prepared what they identified as Chart I at page 10 of their brief and offered a concise analysis of said differences. At page 11 of their brief they set forth a revised costing of their total offer for 1988-89 based upon revised estimated insurance cost increases as follows:

...

Chart I below highlights the cost information submitted in this case:

CHART I
SALARY ONLY AND TOTAL PACKAGE COSTS,
BOARD AND UNION OFFERS, 1987-88 AND 1988-89

	Increase Per Teacher							
	1987-88				1988-89			
	Salary Only		Total Package		Salary Only		Total Package	
	\$	%	\$	%	\$	%	\$	%
a. Board Offer	1,424	6.8	2,115	7.7	1,382	6.2	1,992	6.8
b. Union Offer	1,747	8.3	2,463	9.0	1,763	7.7	2,456	8.2

Source: B-5,5a, 36, 37, 49 & 50.
U-20 & 21

Thus, it can be seen from the above chart that on salary alone, the parties are \$324 per teacher apart the first year or a grand total of \$17,883. In the second year, the parties are \$380 apart on salary only or \$20,973. On a total package basis, in the first year, the parties are \$349 per teacher apart or a total of \$19,262. In 1988-89, on a total package basis, the parties are \$464 apart per teacher or \$25,610.

(District Brief)

In summary, over the two year contract, the parties are \$813 per teacher apart or nearly \$45,000 on a total package basis.

The Board now believes that the 1988-89 costs attributed to each party's final offer are understated. Reason: recent estimates of health insurance increases have sky-rocketed! In the above chart and indeed in the Board's projection of total package costs, the Board estimated a health insurance increase of 15 percent in 1988-89. Based on recent insurance industry trends and projections, this figure is too low. Recent estimates from the WEAIT, the current carrier, indicated that 25 to 30 percent will be more likely.

Therefore, the Board wishes to note the following revised costing of the second year of the contract based on a 25 percent health insurance increase. [After all, the Board has already agreed to pay the same proportion in 1988-89 that it paid in 1987-88]

CHART II
REVISED
TOTAL PACKAGE COSTS
BOARD AND UNION OFFERS
1987-89

	<u>Increase Per Teacher</u>	
	<u>1988-89</u>	
	<u>Total Package</u>	
	<u>\$</u>	<u>%</u>
A. Board offer	2,156	7.3
B. Union offer	2,614	8.8

Note: Costs assume 25 percent increase in health insurance; all other items the same as above.

(District Brief)

Association exhibits 20 and 21 contained settlement data from other districts in the athletic conference and are attached hereto following this page.

District exhibits 36 (corrected) and 49 (corrected) are the district's counterparts to the above Association exhibits and are attached hereto following this page.

As one can see from an examination of said exhibits, both parties have used the same districts for the most part. Both have excluded the same districts from their respective exhibits for basically the same reasons. Although there are slight differences in the exhibits of each, the results are very consistent one to the other.

On a percentage basis, the Board computes the average settlement for 1987-88 of the comparables to be 6.8% compared to the Association's computation of 7.04%. The District's offer at 6.8% is therefore identical to the average (District's computation) or 0.2% below the average (Association's computation).

The Association's offer of 8.3% is therefore 1.5% or 1.3% above the average of the other settlement averages, depending upon which exhibits one uses.

For the 1988-89 contract year the District computes the comparable average to be 6.6% and the Association computes it to be 6.84%. The District offer is 6.2% and the Association offer is 7.7%

An analysis of the above percentage data on a literal comparative basis results in the conclusion that the District's offer is the closest to the averages for the two contract years.

If one analyzes the dollar amount of increases generated by the respective offers as compared to the average of the comparables one finds that the district offer generates \$1,424 (District computation) per returning teacher or \$1,430 (Association computation) for the 1987-88 contract year. The District computes the average of the comparables to be \$1,570 whereas the Association computes it at \$1,593.

1988-89 SALARY SETTLEMENTS
CENTRAL WISCONSIN CONFERENCE

SCHOOL DISTRICT	TEACHER FTE	AVERAGE SALARY		AMOUNT OF INCREASE	
		1987-88	1988-89	DOLLAR	PERCENT
OSHDALL	51.24	27,429	28,028	1,600	5.8
MENOMINEE INDIAN	78.75	25,104	26,761	1,657	6.6
FORT EDWARDS	28.02	26,940	28,548	1,607	6.0
WEAUCHESTER-FREMONT	59.68	24,381	26,195	1,813	7.4
WILBROOK	44.60	22,371	23,151	1,780	7.9
	Weighted:	27,529	28,677	1,750	6.3
	Unweighted:	24,544	26,155	1,610	6.5
	Average:	25,237	28,366	1,650	6.5
	Number in Averages:	5			

Final Offers:

TONGRIPPOW RIVER BOARD	55.19	22,478	23,860	1,382	6.2
TONGRIPPOW RIVER UNION	55.19	22,801	24,564	1,763	7.7

NOTE:

Average salary is equal to total salary schedule costs (including longevity) divided by FTE.

Source: WASH School District Settlement Database
03/23/88

(B) +/- Average	-2,809	-3,096	-287	-0.4
(U) +/- Average	-2,486	-2,392	+ 94	+1.1

1987-88 SALARY SETTLEMENTS
CENTRAL WISCONSIN CONFERENCE

SCHOOL DISTRICT	TEACHER FTE	AVERAGE SALARY 1986-87	1987-88	AMOUNT OF INCREASE DOLLAR	PERCENT
ALMOND-BANCROFT	21.00	19,546	21,196	1,650	8.4
BONDUEL	31.24	25,779	27,429	1,649	6.4
MANAWA	31.00	22,700	23,808	1,108	4.9
MARION	53.00	27,991	24,395	1,494	6.1
MENOMINEE INDIAN	78.75	23,238	25,104	1,866	8.0
FORT EDWARDS	38.32	25,131	26,946	1,761	7.0
SHILOTON	34.00	24,855	25,295	1,440	5.8
WYAUWEGA-FREMONT	59.60	24,967	24,581	1,610	7.0
WILD ROSE	44.60	20,729	22,371	1,644	7.9

highest	19,779	21,196	1,417	7.2
lowest	17,545	21,196	3,651	20.8
average	25,119	24,581	1,370	5.5
range in averages	2			

Final Offers:

TOMORROW RIVER BOARD	55.19	21,054	22,478	1,424	6.8
TOMORROW RIVER UNION	55.19	21,054	22,801	1,747	8.3

NOTE:

Average salary is equal to total salary benefits plus fringe being longevity divided by FTE.

Source: WASB School District Settlement Database
03/23/88

(B) +/- Average	-2,056	-2,203	-146	0.0
(U) +/- Average	-2,056	-1,880	+177	+1.5

CENTRAL WISCONSIN ATHLETIC CONFERENCE
 SETTLEMENT DATA
 1988-89

<u>DISTRICT</u>	<u>\$ PER FTE</u>	<u>SALARY % INCREASE</u>
Wild Rose	1,760	7.86
Port Edwards	1,703	6.32
Menominee Teachers	1,679	6.69
Bonduel	1,600	n/a
Weyauwega	1,592	6.48
AVERAGE	1,667	6.84

FINAL OFFERS

Amherst - Assoc.	1,763	7.73
- Board	1,383	6.15

Wild Rose and Bonduel have tentative agreements

CENTRAL WISCONSIN ATHLETIC CONFERENCE
SETTLEMENT DATA
1987-88

<u>DISTRICT</u>	<u>\$ PER FTE</u>	<u>SALARY % INCREASE</u>
Menominee Teachers	1,866	8.03
Port Edwards	1,764	7.00
Almond	1,650	8.48
Bonduel	1,650	n/a
Wild Rose	1,646	7.93
Weyauwega	1,614	7.03
Shiocton	1,447	6.00
Manawa	1,104	4.83
AVERAGE	1,593	7.04
Marion	1,400	6.10
Amherst - Assoc.	1,753	8.33
- Board	1,430	6.79

Marion's salary schedule will be adjusted on May 20

Wild Rose and Bonduel have tentative agreements

SOURCE: CWUC RESEARCH

According to the district's figures, the District offer would yield \$146 less than the average and the association offer would yield \$177 more than the average.

For the contract year 1988-89 the district offer would yield \$287 less than the average while the association offer would yield \$94 more. The district computed the average for 1988-89 to be \$1,669.

An overall analysis and literal comparison from the dollars per returning teacher perspective yields a conclusion that the association offer is the closest to the average of the comparables.

The association also made a detailed comparison of teachers at this district to teachers at other comparable districts for the period 1983-84 through the 1988-89 final offers. Their exhibits revealed that at seven selected benchmarks in 1983-84 teachers at this district ranked 13th as a high to 17th out of 17 districts compared in the athletic conference. In 1986-87 they ranked from a high of 9th to a low of 15th out of 15 comparables. Association exhibit #16 covers 1986-87 and shows this district to be \$323 (the smallest amount at the various benchmarks) at the BA-MIN benchmark below the average of 15 districts to that of \$3,445 below the average at the BA-MAX benchmark.

For the 1987-88 school year the Association used six other districts from the other sixteen. For 1988-89 they were able to use only two. In my judgment the small number of districts from which data is available makes any conclusions drawn therefrom quite incomplete and of doubtful value. I find the benchmark ranking process in this case to be of doubtful help.

The Association's point made by the benchmark ranking exhibits was to show that the teachers at this district have historically ranked below the average of the comparables. There appears to be no dispute about that fact.

The district argues that,

"There is no wholesale catch-up argument that can be made that given the fact that the parties have always voluntarily agreed upon this placement and historical ranking. An arbitrator should not disturb the position that the parties have voluntarily elected to be placed.

...
It is important for the arbitrator to realize that the ranking of Tomorrow River will not change appreciably under either the Board or Union's final offer. It is certainly true that 'not all districts can be above average.'"

The district also argued that the parties had reached a voluntary settlement as recent as the last prior contract. Where a voluntary settlement of such recent origin exists, one could presume that the parties agreed and settled upon the district being at the relative comparative ranking with others as existed at the settlement of the voluntary contract.

The district further argued that such ranking in the lower quarter of the comparables is explainable and justified by the below average equalized value per student in the district and the fact that the district simply does not have the economic resources some of the other districts possess.

The Association countered the district's arguments by the following arguments found at pages 57 and 58 of their brief wherein they said,

"In the athletic conference in 1986-87 the cost per member was an average of \$3,449.94. Tomorrow spent \$2,812.06, or 637.88 less than the conference average. The conference levy rate for 1986-87 was an average of 14.48 whereas in Tomorrow River it was only 11.56. Thus, tomorrow River spends less on kids and has a lower tax rate as a result. (AX. 23). The 1986-87 conference average teacher/pupil ratio was 14.4, whereas in Tomorrow River it was 16.0. The conference average total instructional cost was \$2,556.00 whereas in Tomorrow River it was \$2,050.00. The conference

average for salaries and fringe benefits was \$2,232.00 but in Tomorrow River it was \$1,871.00. The conference average for comparison costs was \$3,827.00, but in Tomorrow River it was only \$2,978.00 (AX 24). Thus Tomorrow river teachers have more students, less money for supplies, equipment, salaries and fringe benefits than do other teachers in the conference and the District spends less on education than the average district in the conference.

In the conference, Tomorrow River is average in the number of teachers it employs. Its student body is slightly larger than average. The per capita income for residents of the Tomorrow River School District is average as compared to the conference. The employment of residents in manufacturing is slightly less than average and the employment of residents in agriculture is about average as compared to the conference (AX 25). Thus, the Tomorrow River School District is an average district as compared to the conference and should be required to pay its teachers at no less than the average for the conference. The Association offer produces this result, the District offer does not."

The District also advanced the argument that the most relevant comparison in this case is that of 'overall compensation'. (factor h.) The District valued the total package increase of the district at 7.7% and the Association offer at 9.0 % for 1987-88 and 7.3% for the District verses 8.8 % for the Association for 1988-89

District exhibit 38 contains the total package settlement costs of seven of the comparable schools for 1987-88 and shows an average percentage settlement of 7.4%. District exhibit 51 contains data from three schools for the year 1988-89. They compute an average cost of 7.6% for the comparables.

The district referred to the anticipated increase in health and dental insurance costs as impacting on the total package costs of the respective final offers. The District anticipates that the cost of insurance will increase approximately 25% in the second year of the contract and thus causing an increase of one-half of one percent for the second year.

The Association contended that the stipulations between the parties which included a side letter of agreement served to place a cap on the amount that the District would assume in the event insurance increased. In fact if the insurance costs increased by the amount predicted by the district, teachers would end up contributing and paying a portion of such increase, thus reducing their take home pay.

The above arguments of the parties is a mixed bag. It would appear that an evaluation of the two final offers from a percentage standpoint and from a total package standpoint would cast the district's final offer in the more favorable light. Comparison of the salary offers from a dollars per returning teacher standpoint would seem to cast the Association's final offer in the more favorable light. The economic data (see Association quoted reference to such data at pages 14 and 15 of this decision, supra) fairly indicates that this district is an average district. It is not disadvantaged by any one or more conditions that should place it at or near the bottom of the comparables.

The districts argument that it is at its current ranking among the comparables because the parties have agreed to such rank position through voluntary negotiations is an argument that begs the question. Simply because someone has always worn tennis shoes does not mean that they cannot at some point wear dress shoes similar to compatriots. Why then should a teacher who has always, to date, been paid less than another doing identical work, continue to always be paid less where at some point in time it is shown that both employers have comparable abilities to pay? It is a fact of life that as among a number of districts there will be some higher than others and some lower than others. Where an average is ascertained, however, it would seem appropriate that some consideration be afforded the relative ranking of the district involved to its comparables. I would find the association final offer to be more favored based on the relative rank consideration.

DISCUSSION ON SALARY SCHEDULE

The district contends the Association offer constitutes a drastic change from the status quo of past bargaining changes to the vertical and horizontal steps of the salary schedule. The contend that the parties have always bargained three components in constructing the salary schedule in the past. They were 1) raise in BA base; 2) raise in the vertical increment; and 3) raise in the horizontal increment. At no time in the past have the parties mutually agreed to raise the BA base, vertical increment and horizontal increment by the same constant percentage. The Association offer proposes to do exactly what the parties have never done in the past. They contend arbitrators have been very consistent in holding that status quo positions should not be radically changed unless extremely persuasive cases are made to do so. They contend such principle should be applied to this issue in this case.

In support of its contention that the status quo is the fact that the parties have never applied a straight percentage to the various components in increasing the salary schedule, the District set forth the following chart in its brief at page 15 as follows:

CHART III

Percentage Increases on Vertical Increment,

Horizontal Increment and BA Base

1984-85 to 1988-89

Tomorrow River School District

	<u>Percentage Increase From Prior Year</u>		
	<u>Vertical Increment</u>	<u>Horizontal Increment</u>	<u>BA Base</u>
1984-85	11.9%	11.5%	5.3%
1985-86	7.1	7.2	7.2
1986-87	15.8	3.2	5.9
1987-88 (B)	2.8	1.2	5.0
(U)	5.9	5.9	5.9
1988-89 (B)	2.4	3.1	5.1
(U)	5.9	5.9	5.9

Source: Tomorrow River Salary Schedules in U-138.

The district argues that given the fact that 59% of the teachers are located within the first two lanes of the salary schedule, the past practices of the parties in negotiating specific increases at each of the three areas, above referenced, affords more flexibility to the parties to address the direct increases to where they will benefit the most teachers.

The Association addressed the District's argument in its reply brief as follows:

The District's arguments on the salary schedule are at best incorrect. It must be remembered that the Association proposed a base salary in dollars, a horizontal increment in dollars, and a vertical increment in dollars exactly in accord with the practice of the parties (Ax. 4, 4 A). Similarly the District proposed dollars for the base, dollars for the horizontal and dollars for the vertical. Neither party proposed the 1986-87 dollars for the base, horizontal, or vertical. Both parties proposed different dollars for the base, horizontal and vertical for both 1987-88 and 1988-89. Both parties proposed to modify the status quo on dollars if in fact there is a status quo on dollars. However, the District proposes a salary structure change and the Association does not! The following chart describes the structure of the salary schedule and the impact on the structure that the offers of the parties will have.

YEAR	BA BASE	HORZ. INC.	HORZ. INC./ BA BASE	VERT. INC.	VERT. INC./ BA BASE
1983-84	\$13,300	\$ 260	0.0195	\$ 438	0.0329
*1984-85	\$14,000	\$ 290	0.0207	\$ 490	0.0350
** (1984-85)	(14,000)	(270)	(0.0193)	(450)	(0.0321)
1985-86	\$15,010	\$ 311	0.0207	\$ 525	0.0350
1986-87	\$15,901	\$ 321	[0.0202]	\$ 608	[0.0382]

(A)1987-88	\$16,839	\$ 340	[0.0202]	\$ 644	[0.0382]
(B)1987-88	\$16,700	\$ 325	0.0195	\$ 625	0.0374

(A)1988-89	\$17,834	\$ 360	[0.0202]	\$ 682	[0.0382]
(B)1988-89	\$17,550	\$ 335	0.0191	\$ 640	0.0365

*Result of Kerkman award.

**Board final offer before Kerkman which was rejected by Kerkman (Ax. 7).

NOTE: 1983-84, 1984-85, and 1986-87 are all voluntary settlements.

NOTE: The increment ratios for the Association offer for 1987-88, and 1988-89 are the SAME AS EXISTED IN 1986-87 the last voluntary agreement between the parties. The increment ratios for the Board offer attempt to return the schedule to values LESS THAN THE LAST VOLUNTARY SETTLEMENT. (Please see AB 35-38).

The District argues "The Union is also directing more dollars to the top of the salary schedule as opposed to raising each salary on schedule by a constant flat dollar amount." (Emphasis added). (DB 16). The Union offers dollars for the base, horizontal and vertical for 1987-88 and 1988-89. The District does not offer flat dollars to each salary on the schedule! If the District does not offer flat dollars then why argue that the Association should? The District changes the salary schedule structure. The Association holds the salary schedule structure constant!

It appears to me that there is no status quo with respect to this issue. The parties have simply negotiated increases to the salary schedule each contract term. That is precisely what the proposal of each does in this case. One could interpret the Association offer in separate segments or if one converted it to dollar amounts it would be consistent with the act of negotiating the BA base, vertical increments and horizontal increments individually. I can simply find no status quo consideration in this issue.

On analyzing this issue I find that the Association offer is to be preferred. The evidentiary material on ranking revealed that the greatest difference between the salary schedule at this district to that of the average of the comparables was at the BA-Max and MA-Max of the schedule. In 1986-87 this district was \$3,445 below the average of the comparables at the BA-Max compared to being only \$323 below the average at BA-Min. The differences at the MA-Max were similar.

The district offer in this case would serve to enlarge such differences. The Association offer would serve to slightly narrow the differences. In that respect the Association final offer is deemed to be more favorable.

DISCUSSION ON COST-OF-LIVING

The District used the July 1986 to July 1987 CPI to show a 3.9% increase in the cost of living. The district argues that the CPI should be applied literally with weight afforded thereto equal to any other statutory factor. Further, such factor strongly favors the district final offer.

The Association argues that one must conclude that neither party afforded the cost of living factor great weight because both final offers exceeded the increase in the CPI. The association also argues that the only way to assess the relative weight that the parties have afforded such factor over the years is to review their historical treatment of such factor in conjunction with all other

factors and the level of settlements. In this case the District has not supplied sufficient evidence upon which any such analysis can be made. This factor should therefore be given very little weight in this case as opposed to other more relevant factors.

As I have held in prior cases, each statutory factor, in my judgment, is entitled to equal consideration one to the other. No where in the Statute can one find a provision directing the arbitrator to afford one factor more weight and consideration over another. Each must be given due consideration and weight in the final analysis as the evidence taken as a whole requires.

In this case it is clear that the cost-of-living factor most favors the District final offer.

DISCUSSION ON COMPARISON TO PRIVATE AND OTHER PUBLIC EMPLOYEES GENERALLY

The District presented evidence into the record concerning the level of increases given to other school district employees. Their evidence was that such other employees received a 4.5% wage increase for 1987-88 with the exception of administrators who received a 5.1% increase.

The district presented evidence in the form of general wage increases granted in private employment generally in the state of Wisconsin and the United States. They contended the levels of settlements in the private sector as well as state employees and other public employees generally ranged from approximately 2.0% to 5.3% with the majority being between 2 and 4%.

The District also presented into evidence a WASB Special Report (ex. 112) that was intended to rebut some of the findings and conclusions in the Endicott Report referred to by the Association.

The Association argued that any comparison of the wages of teachers should be limited to comparison to other employees with similar training and experience. Teachers have bachelors degrees and beyond. They therefore should be compared to other professionals who have comparable educational training. They contend the Endicott Report (Assoc. ex. 91) supports such contention and indicates that in comparison to private comparable employment, teachers are paid lower.

The Association compared the fringe benefit packages and actual production hours, excluding vacations, holidays, etc. to that of teachers and argued that the fringe benefit package for private employees is generally better than that of teachers and that after deduction of vacation, holidays, etc. from the normal work year of employees in the private sector, the total annual work hours of private employees is approximately equal to that of teachers.

A review of the total record evidence on this area of consideration leaves one unpersuaded by the superiority of either argument. Each has meritorious points. I cannot conclude that either point of view is to be preferred over the other on the basis of the evidence in this record.

DISCUSSION ON LONG TERM DISABILITY INSURANCE ISSUE

On this issue the District proposes that the previous 30 day, 60% LTD policy be changed to a 30 day waiting period, 66 2/3% LTD policy. The Association proposes a 90 day waiting period, 90% LTD policy. The district proposal would also increase the monthly maximum benefit from \$1,000 to \$2,000. The Association proposal would increase the maximum monthly benefit to \$4,500.

The District contends its offer should be selected for the following reasons:

1. The district's proposed plan is superior to that proposed by the Association because a teacher can qualify much quicker and therefore the insurance plan would pay a disabled teacher while off due to disability during the early off time rather than have sick leave accumulations used up for such purpose. Because of the short waiting period used up to this time, there is not a large sick leave accumulation built up by employees. Additionally, over 1/4 of the teaching staff has been in the district for four years or less and have not accumulated a large amount of sick leave to cover them for any extended period of disability.

2. There is little incentive for an employee to return to work with a ninety percent pay-out plan.

3. There is a lack of competition in supplying the plans.

4. A new long term disability plan is not needed. They contend the Association has not shown any need for the change. Additionally, the District Administrator testified that in his fourteen years with the district, no one has utilized the long term disability plan.

The Association argued that their exhibit # 26 shows that the 90 day plan is the most common plan among the comparable schools in the conference. Twelve schools have a 90 day plan compared to four who have a 67 day plan. From the comparability viewpoint, the Association proposal is to be preferred.

They further argue that when LTD insurance first became available back in the 1960's it was a tax free benefit and the best plan that could be obtained was a 66 2/3 plan. The tax laws have been changed recently so that such benefits are taxed. A 66 2/3 plan would yield a net benefit to the recipient of approximately 50% now. A 90% plan would yield approximately 67% of gross salary. It is the tax law change that has caused most other districts to switch to the 90% plan. There is no valid reason for this district to not do

likewise.

The Association also points out that the 90 day plan costs about half what the district's plan does.

From a review of the evidence and arguments of the parties on this issue I find the Association proposal to be most supported by the comparables and the merits of the issue itself.

SUMMARY

Both parties stated in their presentations that in their respective opinions, the issue involving the extra-curricular schedule was as important as the other main issues and one that would not be controlling in any event over the other two main issues. Argument and evidence was largely omitted by both parties and the arbitrator will do likewise.

It is obvious at this point that the final offers of both parties are reasonable. Each is supportable by application of various statutory factors. Neither is found to be heavily favored in the composite over the other. It seems to me that the considerations and application of the statutory factors to the salary and salary schedule offers of the parties results in a stand-off. Neither is subject to a greater support in the factors over the other.

In the final analysis, the issue that moves this case in favor of one of the parties, is the disability insurance issue. As above stated, I find the Association position on said issue to be most supported by the relevant considerations bearing on such issue.

It therefore follows, based upon the total record herein, the discussion set forth above and consideration of the statutory criteria and arguments of the parties, that the undersigned issues the following decision and,

AWARD

The final offer of the Association, along with the stipulations of the parties, as well as the terms of the predecessor agreement which remained unchanged through the bargaining process, are to be incorporated into the written collective bargaining agreement of the parties.

Dated at Madison, Wisconsin this 11th day of July, 1988.

A handwritten signature in cursive script, appearing to read "Robert J. Mueller", is written over a horizontal line.

Robert J. Mueller