

JUN 29 1988

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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In The Matter Of The Stipulation Of:

DURAND SCHOOL DISTRICT

-and-

Decision No. 25150-A

WEST CENTRAL EDUCATION ASSOCIATION

To Initiate Arbitration Between Said Parties

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Appearances: Rex Gilligan, Executive Director, for the Association  
Stephen L. Weld, Attorney at Law, for the Employer

West Central Education Association, hereinafter referred to as the Association, and Durand School District, hereinafter referred to as the Employer, filed a stipulation with the Wisconsin Employment Relations Commission, hereinafter referred to as the Commission, wherein they alleged that an impasse existed between them in their collective bargaining. They requested the Commission to initiate arbitration pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Relations Act.

At all times material herein the Association has been and is the exclusive collective bargaining representative of certain employees of the Employer in the collective bargaining unit consisting of all employees engaged in teaching, including classroom teachers, guidance counselors, speech therapists and librarians but excluding administrators, principals, supervisors, coordinators, substitute teachers, noninstructional personnel, office, clerical, maintenance and operating employees. The Association and the Employer have been parties to a collective bargaining agreement covering wages, hours and working conditions of the employees that expired on August 14, 1987.

On May 28, 1987 the parties exchanged their initial proposals on matters to be included in a new collective bargaining agreement. Thereafter the parties met on one occasion in an effort to reach an accord. On July 23, 1987 the Association and the Employer filed the stipulation. A member of the Commission staff conducted an investigation on October 26, 1987 and it reflected that the parties were deadlocked in their negotiations. The parties submitted their final offers to the Commission and the investigation was closed.

The Commission concluded that an impasse within the meaning of Section 111.70(4)(cm)6 of the Municipal Employment Relations Act existed between the parties with respect to negotiations leading toward a new collective bargaining agreement and it ordered that arbitration be initiated for the purpose of issuing a final and binding award to resolve the impasse. It furnished the parties with a panel of arbitrators for the purpose of selecting a single arbitrator to resolve the impasse. On February 15, 1988 it was advised that the

parties had selected Zel S. Rice II as the arbitrator of the dispute. It appointed him as the arbitrator to issue a final and binding award pursuant to Section 111.70(4)(cm)6 and 7 of the Municipal Employment Relations Act by selecting either the total final offer of the Association or the total final offer of the Employer.

The final offer of the Association, attached hereto and marked Exhibit A, proposed that the wage schedule be adjusted by 6% on the base and the current 3.6% vertical index be maintained. The final offer of the Employer, attached hereto and marked Exhibit B, proposed that the wage schedule be adjusted by 6% on the base and the vertical index be changed to 3.5%. The only difference between the positions of the parties is the difference between the proposals with respect to the vertical index.

The 1986-87 salary schedule of the Employer had a cost of \$1,738,693.05. The contract base for that school year was \$16,623.00 and the average salary per employee was \$24,098.31. The salary schedule had base salaries of \$15,623.00 at the BA, \$16,955.00 at the BA +8, \$17,294.00 at the BA +15, \$17,640.00 at the BA +22, \$17,994.00 at the MA base, and \$18,353.00 at the MA +15. There were 11 3.6% step increases in the BA column, 12 3.6% step increases in the BA +8 column, 13 3.6% step increases in the BA +15 column, 14 3.6% step increases in the BA +22 column, and 15 3.6% step increases in the MA and MA +15 columns. The step increases ranged from a low of \$598.00 in the BA column after one year of experience to a high of \$1,084.00 in the MA +15 column after 15 years of experience. The Employer's 1987-88 wage proposal would have a cost of \$1,859,930.75 for the 72.15 full-time equivalent teachers it hires. The new contract base would be \$17,620.00. The percentage increase in the Employer's salary cost would be 6.97% and the average increase per employee would be \$1,680.36. The Association's proposal would have a total cost of \$1,878,497.00 and would also provide a contract base of \$17,620.00. The percentage increase in the Employer's salary cost would be 8.04% and the average increase per employee would be \$1,937.69. The Employer's 1986-87 total package cost was \$2,316,835.00. The Employer's 1987-88 proposal would have a total package cost of \$2,495,245.00. That would be an increase of \$178,410.00 or 7.7% over the preceding year. The average increase in cost per teacher would be \$2,473.00. The Association's 1987-88 proposal would have a total package cost of \$2,517,668.00. The increase over the preceding year would be \$200,833.00 or 8.67%. It would result in an average increase in cost per teacher of \$2,784.00.

Both the Employer and the Association propose a comparable group consisting of the eight schools in the Middle Border Conference. Those schools are Amery, Baldwin, Ellsworth, Hudson, Mondovi, New Richmond, River Falls and the Employer. Those school districts are located in the five counties of Polk, St. Croix, Pierce, Pepin and Buffalo, all of which lie along the western border of the State of Wisconsin. The enrollment in the Middle Border Conference ranges from a low of 1,018 at Mondovi to a high of 2,942 at Hudson. The Employer has an enrollment of 1,078 students which is the second smallest in the conference. The number of full-time equivalent teachers in the Middle Border Conference during the 1986-87 school year ranged from a low of 58.4 at Mondovi to a high of

162.99 at Hudson. The Employer had a full-time equivalent faculty of 67.05 teachers and that was the second smallest in the conference. In the 1986-87 school year it increased its faculty by 5.59% which was the largest percentage increase in the conference. The faculty has been increased to 72.15 teachers for the 1987-88 school year. In the 1986-87 school year the equalized value of the school districts in the conference ranged from a low of \$124,421,805.00 at Mondovi to a high of \$464,415,655.00 at Hudson. The Employer had an equalized value of \$146,856,550.00 and was third from the lowest in the conference. The equalized value declined 7.94% from the preceding year, which was the second largest percentage decline in the conference. The equalized value per student in the conference during the 1986-87 school year ranged from the low of \$125,299.00 at Mondovi to a high of \$172,517.00 at Hudson. The Employer's equalized value per student was \$141,344.00 which was the third highest in the conference. It had declined 11.3% from the preceding year which was the largest decline in the conference. The median family income in the conference in 1980 ranged from a low of \$15,714.00 at Mondovi to a high of \$25,323.00 at Hudson. The Employer's median family income in 1980 was \$16,178.00 and was the second lowest in the conference. The per capita income in the conference in 1980 ranged from a low of \$5,600.00 at Mondovi to a high of \$8,345.00 at Hudson. The Employer's per capita income was \$5,696.00 and was the second lowest in the conference. The percentage of families below the poverty level in the conference in 1980 ranged from a low of 3.3% at Hudson to 10.3% at Mondovi. The Employer had 7.8% families below the poverty level in 1980 and that was the second highest in the conference.

The Employer's BA minimum salary has ranked fifth, sixth or seventh in the conference since the 1980-81 school year. In the 1985-86 and the 1986-87 school years the Employer's BA minimum salary ranked sixth in the conference. Both the Employer's proposal and the Union's proposal would continue the Employer's rank at the BA minimum salary at sixth in the conference. The Employer's BA maximum salary ranked seventh in the conference in the 1980-81 school year. Since that time it has ranked third or fourth in the conference. In the 1986-87 school year it ranked fourth in the conference and both the Employer's proposal and the Association's proposal would retain that rank. The Employer's BA maximum salary plus longevity has ranked between seventh and third place in the conference from the 1980-81 school year through the 1985-86 school year. In the 1986-87 school year the Employer's BA maximum salary ranked fourth in the conference. The Employer's proposal would drop the rank to sixth in the conference and the Association's proposal would place the BA maximum in fifth place. The Employer's MA minimum salary has ranked sixth in the conference from the 1980-81 school year through the 1985-86 school year. In the 1986-87 school year the Employer's MA minimum salary ranked fifth in the conference. Both the Employer's proposal and the Association's proposal would keep the rank of the Employer's MA minimum salary at fifth place in the conference for the 1987-88 school year. The Employer's MA maximum ranked third in the conference during the 1980-81 school year. From the 1981-82 school year to the 1984-85 school year the Employer's MA maximum salary ranked first in the conference. It dropped to second place in the 1985-86 and 1986-87 school year. The Employer's proposal would lower the rank of its MA maximum salary to third place in the conference. The Association's proposal would retain the second place rank. The

Employer's schedule maximum salary ranked sixth in the conference in the 1980-81 school year. In the 1981-82 school year the schedule maximum salary ranked second and in the 1982-83 school year it ranked third. From the 1983-84 school year to the 1985-86 school year the Employer's schedule maximum salary ranked fourth in the conference. In the 1985-86 school year the ranking dropped to fifth. The Employer's proposal would lower the Employer's schedule maximum salary to seventh place and the Association's proposal would retain the fifth place rank.

During the 1985-86 school year the MA +15 maximum in the conference ranged from a low of \$27,357.00 at River Falls to a high of \$32,580.00 at Amery. The Employer had the second highest MA +15 maximum salary that year. In the 1986-87 school year the MA +15 maximum in the conference ranged from a low of \$29,615.00 at Mondovi to a high of \$33,883.00 at Amery. The Employer had slipped to fourth place in ranking in the conference for that year.

The Employer's offer would have a total wage cost of \$1,859,931.00 and the Union's proposal would have a total wage cost of \$1,878,497.00. If the Employer's teachers were placed on the 1987-88 school year salary schedule of Baldwin-Woodville their total wage cost would be \$1,967,155.00. If the Employer's teachers were placed on the wage schedules of Ellsworth, Mondovi, New Richmond, River Falls or Mondovi for the 1987-88 school year the total wage cost would be less than would result from either the Employer's proposal or the Association's proposal. The Baldwin-Woodville and Hudson salary schedules would result in a higher total wage cost for the Employer's teachers than the proposal of either the Employer or the Association.

Pepin County reached agreement with all of its bargaining units on a 3% increase during 1987. In 1988 it agreed to give its highway employees a 2.5% increase and human services employees a 3% increase. It has not reached agreement with the courthouse and law enforcement employees for 1988. All of the Pepin County employees are represented by labor organizations. None of the City of Durand employees are represented by labor organizations. In 1987 the law enforcement and highway employees of the city received an increase of \$80.00 per month and in 1988 they received a \$60.00 per month increase. The Durand Publishing Company gave three of its hourly employees a 10¢ per hour increase in 1988 and two of its salaried employees received increases of \$20.00 per week. The Eau Galle Cheese Factory gave 24 of its hourly employees a 30¢ per hour increase in June of 1987. The Brunkow Hardwood Corporation in the Town of Nelson gave 34 of its hourly employees a 20¢ per hour increase and eight salaried employees received 10% increases. None of those private sector employees were represented by unions. Farm Credit Services of Northwest Wisconsin closed its Durand office along with two others and 40 employees were given layoffs.

In the 1986-87 school year the Employer paid a beginning teacher with a bachelor's degree \$10.94 per hour and the average salary paid to teachers was \$15.91 per hour. Both the Employer and the Union propose a starting salary for a teacher with a BA minimum in the 1987-88 school year of \$11.59. The average salary of a teacher would be \$16.71 an hour under the Employer's proposal and

\$16.87 per hour under the Union's proposal. A wage survey was conducted in the counties of Barron, Chippewa, Clark, Dunn, Eau Claire, Pepin, Pierce, Polk and St. Croix in 1986 and it revealed that the starting level for professional employees ranged from a low of \$6.87 an hour for social workers to a high of \$11.05 per hour for a systems analyst. The mean salary for a professional employee in those counties in 1986 ranged from a low of \$8.42 an hour for a computer programmer to \$16.67 for a civil engineer. In 1986 the mean starting salary for a professional employee in Wisconsin ranged from a low of \$7.77 per hour for a surveyor to a high of \$11.41 for a mechanical engineer. The salary for employees in the professions in Wisconsin during 1986 ranged from a low of \$10.06 an hour for a social worker to a high of \$15.85 an hour for a civil engineer.

In 1980 the percentage of farm population in the Middle Border Conference school districts ranged from a low of 1.8% at Hudson to a high of 22.6% at Mondovi. 21.7% of the Employer's population was rural and that was the second highest rural population in the conference. The Employer has the second highest number of people 18 years and over employed in farming of any school district in the conference. Pepin County, in which the Employer is primarily located, had 1,720 farms in 1986 which was a decline of 20 or 1.15% from the preceding year. The average size of farms in Pepin County had increased from 201.1 acres to 202.9 acres. Milk production in the five county area in which the conference is located ranged from a low of 145,410,000 pounds in Pepin County to a high of 523,980,000 in St. Croix County. That was an increase of 9.04% since 1984. The number of milk cows in Pepin County increased by 5.09% between 1984 and 1986 and totaled 35,100 cows in 1986.

In January of 1987 the average price per CWT of milk was \$12.84. By July it had declined to \$11.66 per CWT. The average price for 1987 was \$12.60 per CWT. By January of 1988 the price had declined to \$12.05 per CWT. In 1986 Pepin County harvested 2,296,000 bushels of corn which was a decline of .82% since 1984. The average price of corn in 1984 was \$3.13 per bushel. By 1985 it had declined to \$2.49 and by 1986 it was \$1.93 a bushel. In 1987 the average price of corn was \$1.48 per bushel. Hay production in Pepin County in 1986 was 132,700 ton and that was an increase of 21.19% since 1984. The cash receipts for all commodities in Pepin County totaled \$35,100.00 in 1985 which was an increase of 1.15%. Pepin County is a farm dependent county and 25% of its earned income comes from farming.

Baldwin-Woodville has 73.5 full-time equivalent teachers. Its average salary and fringe benefit increase from the 1986-87 school year to the 1987-88 school year was \$3,063.54 which was an increase of 8.69%. The total salary and fringe benefit cost increased from \$2,590,796.00 in the 1986-87 school year to \$2,815,966.00 in the 1987-88 school year. The wage cost in the Hudson school district increased from \$3,996,869.00 in the 1986-87 school year to \$4,312,188.00 in the 1987-88 school year. That was an increase of \$315,319.00 or 7.9% and the average increase in salary per teacher was \$2,105.35. The total cost of salaries and fringe benefits at Hudson increased from \$5,347,539.00 in the 1986-87 school year to \$5,733,251.00 in the 1987-88 school year. That was an increase of \$385,712.00 or 7.2%. Mondovi reached a settlement with its

teachers for the 1987-88 school year that provided an average increase per teacher of \$2,137.00 or 8.35%. The total package increase was \$3,315.00 per teacher or 9.58%.

Because of the decline in the Employer's equalized valuation the state aid it received for the 1987-88 school year increased by \$21,000.00. As a result the Employer was able to lower the tax levy to the same level as the preceding year. The 1985-86 levy rate in the Middle Border Conference ranged from a low of \$11.75 per thousand at Ellsworth to a high of \$15.16 at New Richmond. The Employer had the third highest levy rate in the 1985-86 school year and it was \$13.93 per thousand.

In the 1987-88 school year the BA minimum salaries in the conference ranged from a low of \$17,286.00 at Mondovi to a high of \$19,551.00 at Baldwin-Woodville. Both the Employer and the Association propose a 1987-88 BA minimum salary of \$17,620.00. The BA seventh step salaries in the conference for the 1987-88 school year ranged from a low of \$21,546.00 at Ellsworth to \$24,400.00 at Amery. These should be compared with the Employer's proposal of a BA seventh step salary of \$21,659.00 and the Association's proposal of \$21,784.00. The BA maximum step salaries in the conference for the 1987-88 school year ranged from a low of \$23,854.00 at New Richmond to a high of \$26,867.00 at Amery. These should be compared with the Employer's proposal of a BA maximum of \$25,725.00 and the Association's proposal of \$25,998.00. The MA minimum salaries in the conference for the 1987-88 school year ranged from a low of \$18,886.00 at Mondovi to a high of \$22,714.00 at Amery. The Employer and the Association both propose a MA minimum salary of \$19,073.00. The MA tenth step salaries in the conference for the 1987-88 school year ranged from a low of \$26,479.00 at River Falls to a high of \$31,669.00 at Amery. The Employer proposes an MA tenth step salary of \$25,995.00 and the Association proposes that it be \$26,221.00. The MA maximum step salaries in the conference for the 1987-88 school year ranged from a low of \$30,151.00 at New Richmond to \$33,161.00 at Amery. They should be compared to the Employer's proposal of an MA maximum salary of \$31,954.00 and the Association's proposal of \$32,421.00. The schedule maximum salaries in the conference for the 1987-88 school year ranged from a low of \$31,308.00 at Mondovi to a high of \$36,818.00 at Amery. The Employer proposes a schedule maximum of \$32,592.00 and the Association's proposal is \$33,069.00. In the 1986-87 school year the average teacher salary in the conference ranged from the Employer's low of \$24,213.00 to a high of \$26,662.00 at Hudson. The Employer's average teacher salary was \$1,000.00 less than any other school district in the conference. The average increase per teacher in the conference for the 1986-87 school year ranged from the Employer's low of \$1,726.00 to a high of \$2,588.00 at New Richmond. The percentage increases that year ranged from the Employer's low of 7.7% to a high of 11.1% at New Richmond.

The 1987-88 increases for the BA minimum salaries in the conference ranged from a low of \$749.00 or 4% at Amery to \$1,096.00 or 6.5% at New Richmond. The average is \$972.00 or 5.66%. Both the Employer and the Association propose a dollar increase of \$997.00 for the BA minimum or 6%. The dollar increases for the BA seventh step in the conference for the 1987-88 school year ranged from a low of \$938.00 or 4% at Amery to a high of \$1,366.00 or 6.5% at New Richmond.

The average dollar increase for the BA seventh step was \$1,206.00 or 5.66%. The Association proposes a dollar increase of \$1,233.00 or 6% and the Employer proposes a dollar increase of \$1,108.00 or 5.39%. The dollar increases in the BA maximum salaries in the conference for the 1987-88 school year ranged from \$1,033.00 or 4% at Amery to a high of \$1,479.00 or 6.5% at Hudson. The average dollar increase was \$1,369.00 or 5.66%. The Employer proposes a dollar increase of \$1,199.00 or 4.89% and the Association proposes a dollar increase of \$1,472.00 or 6%. The dollar increases in the MA minimum salaries in the conference for 1987-88 school year ranged from a low of \$874.00 or 4% at Amery to \$1,331.00 or 7.58% at Mondovi. The average was \$1,115.00 or 5.92%. The Employer and the Union both propose a dollar increase of \$1,080.00 for the MA minimum or 6%. The dollar increases in the MA tenth step salaries in the conference for the 1987-88 school year ranged from a low of \$1,218.00 or 4% at Amery to a high of \$1,864.00 or 7.55% at Mondovi. The average dollar increase for the MA tenth step in the conference was \$1,555.00 or 5.91%. The Employer proposes a dollar increase of \$1,258.00 or 5.09% and the Association proposes a dollar increase of \$1,484.00 or 6%. The dollar increases in the MA maximum step in the conference during the 1987-88 school year ranged from a low of \$1,275.00 or 4% at Amery to a high of \$2,163.00 or 7.56% at Mondovi. The average increase was \$1,747.00 or 5.91%. The Employer proposed an increase in its MA maximum salary of \$1,368.00 or 4.47% and the Association proposes an increase of \$1,835.00 or 6%. The dollar increases for the schedule maximum step in the conference in the 1987-88 school year ranged from a low of \$1,416.00 or 4% at Amery to a high of \$2,215.00 or 6.5% at New Richmond. The average increase was \$1,897.00 or 5.91%. The Employer proposes an increase in the schedule maximum step of \$1,395.00 or 4.47% and the Association proposes an increase of \$1,823.00 or 6%. The average teacher salary in the 1987-88 school year in the conference without including the Employer ranges from a low of \$27,210.00 at River Falls to a high of \$28,758.00 at Hudson. The average was \$27,814.00. The Employer proposes an average salary for its teachers of \$25,789.00 while the Association's proposal would provide an average salary for the 1987-88 school year of \$26,036.00. The dollars per returning teacher agreed to by the school districts in the conference for the 1987-88 school year ranges from a low of \$1,845.00 or 7.3% at Amery to a high of \$2,208.00 or 8.6% at Mondovi. The average increase per teacher was \$2,009.00 or 7.8%. The Employer proposes an increase of \$1,680.00 per teacher or 6.97% and the Association proposes an increase of \$1,938.00 or 8.04%.

In the 1986-87 school year the school districts in the Middle Border Conference paid health insurance premiums ranging from the low of \$157.37 per month by the Employer to \$201.40 at River Falls. The average monthly premium was \$192.38. The monthly dental premiums in the 1986-87 school year in the conference ranged from a low of \$18.00 a month at Mondovi to a high of \$43.92 per month at Hudson. The average was \$35.23. The Employer paid \$34.62 per month for dental insurance for each of its employees. In the 1987-88 school year the family health insurance premiums in the conference ranged from the Employer's low of \$180.94 to a high of \$235.66 at Mondovi. The average monthly premium was \$222.36. The Employer's premium was \$41.42 or 18.62% below the average. The monthly dental premiums in the conference in the 1987-88 school year ranged from a low of \$18.00 a month at Mondovi to a high of \$45.08 at Ellsworth. The

average was \$36.97 and the Employer pays \$37.30 per month. That is 33¢ per month or .9% above the average. The school districts' contribution toward the Wisconsin Retirement Fund for their teachers ranged from a low of 5.8% at River Falls and Hudson to a high of 6% at Amery and Baldwin-Woodville. The average is 5.9% and the Employer contributes 5.9% for its employees.

#### UNION'S POSITION:

The Association argues that its final offer maintains the status quo of a 1 to 1.87 ratio of the BA base to the schedule maximum while the Employer's offer reduces that ratio by 3% to 1 to 1.8580. It points out that this results in the Employer and the Association having the same starting rate but the Employer's proposal provides a lower wage rate for the experienced teachers at the BA maximum, MA maximum and schedule maximum. The Association contends that the Employer's proposal causes a major change in the salary schedule structure that affects the Employer's most experienced teachers. It asserts that its proposal maintains the same salary schedule structure that existed in the 1986-87 school year. The Association takes the position that the evidence presented does not demonstrate a compelling need to change the existing salary schedule structure. The Association argues that its proposal closely parallels the average dollar settlement of the seven other comparable schools in the Middle Border Conference at all seven bench marks and the Employer's final offer is well below the conference average at the BA maximum, MA maximum and schedule maximum. It points out that its proposal would provide an average increase per returning teacher \$71.00 below the conference average and the Employer's final offer provides an average increase per returning teacher \$329.00 below the conference average. The Association points out that the salary schedule negotiated between the parties for the 1986-87 school year did not hamper in any way the Employer's ability to attract and hire new teachers. It argues that the Employer's proposal includes no provision that would "buy out" the existing salary schedule. The Association takes the position that the 6% wage rate adjustment proposed by both the Employer and the Association falls within the pattern of settlements of the other schools in the conference. It contends that the 10% increase in extra-curricular pay is not a buy out proposal but merely raises the Employer's extra-curricular pay to a level still well below the conference average in most categories. The Association points out that the Employer's contribution to the family health insurance has been and continues to be the lowest in the conference. It argues that the percentage increase, the average dollar increase per returning teacher and the bench mark average increases support its final offer. The Association contends that its final offer maintains the relative historical relationship between the Employer's teachers and the teachers in the other school districts in the conference. It argues that the BA lane maximum in six of the other seven schools in the conference were higher during the 1986-87 school year than the Employer's BA maximum. The Association asserts that the Employer's MA lane maximum is lower than the MA lane maximum in any of the other schools in the conference except Ellsworth and Mondovi. It takes the position that the bench mark salaries and the dollar increase per returning teacher resulting from its proposal fall in line with the settlement pattern that has developed in the Middle Border Conference. The Association argues that even



though its proposed increase is higher than the increase in the consumer price index, the proper protection against the cost of living increase is determined by the voluntary settlement pattern that has been agreed upon in the conference and its proposal falls within that pattern. It argues that the Employer has the financial ability to meet the Association's final offer. The Association asserts that its final offer maintaining the 3.6% status quo salary structure insures equity to all of the Employer's teachers. It takes the position that it is in the best interest of the public to pay its teachers salaries similar to those paid to teachers in other school districts in the conference. The Association argues that it is inconsistent for the Employer to contend that it is different from the other schools in the conference and then to try to compare its teachers with private sector employees in the same counties in which the other school districts in the conference are located. It argues that it is unfair to compare the hourly rate of teachers based on a nine month salary with the hourly rate of other employees who worked 2,080 hours in a year. The Association contends that the pattern of settlements for teachers is the proper indicator of the level of increases. It takes the position that the other school districts in the conference as well as the Employer include large numbers of farmers; therefore the Employer should not be exempt from the level of settlement established in the comparable school districts. The Association asserts that there is no evidence that the farmers in the Employer's district face graver circumstances than farmers in the other districts in the conference.

#### EMPLOYER'S POSITION:

The Employer argues that there are distinct demographic differences among the school districts in the conference that make some districts less comparable to it than others. It contends that the highest priority must be placed on the more rural school districts and on the statutory criteria that measures the labor market in which the teachers work. It points out that the vast majority of the Employer's school district fall within an area that is farm dependent. The Employer asserts that it is very much affected by the farm financial prices and points to the decline in prices paid for dairy products and feed grains. It takes the position that its proposal balances the public interest and employee interest while providing quality educational programs and reasonable wage increases to its staff without significant impact on the taxpayers. The Employer asserts that the Association's proposal places an undue hardship on the community. It contends that the cumulative increases at the bench marks from the 1980-81 school year to the 1987-88 school year resulting from the Employer's offer at the various bench marks exceed the average of the comparable districts by a range of 6.8% to .01%. The Employer asserts that its teachers receive compensation far in excess of the salaries paid by school districts in the comparable group. It points out that its final offer provides a large increase at the relatively weak BA base and MA base without further increasing the relatively strong bench marks beyond their above average status while the Association's proposal provides the largest increases to those who are already receiving the greatest amount of compensation. The Employer takes the position that its final offer catches up on the bench marks where its salary is low and reduces the disparity between the conference norm and the Employer's salaries. It argues that its proposal does not change its relationship to the comparables

but merely proposes a minor modification to strengthen the weak points of its schedule and retains the status quo relationship at the BA and MA maximum salaries. The Employer points out that its teachers have not lost ground over the years in bench mark comparisons and salaries. It asserts that it has maintained or improved its ranking at the various bench marks over the years and continues to do so with its current proposal. The Employer argues that its BA minimum and MA minimum have historically ranked below the average but will improve as a result of its proposal. The Employer argues that its BA maximum and MA maximum bench marks have historically ranked substantially above the average and its current proposal attempts to maintain the differential that the parties agreed to for the BA maximum and MA maximum in the 1986-87 school year. It contends that its proposal would provide catch up at the bench mark minimums and internal bench mark positions while slowing the rate of increase at the maximums and bring the Employer's schedule into line with those of the comparables. The Employer takes the position that the consumer price index standing alone on a historical basis should be used to measure the reasonableness of the proposals of the parties. It asserts that a comparison of the wage increases over the prior seven years with the increases in the consumer price index on a national and regional level is a useful method of analysis. The Employer points out that its wage rates have historically exceeded and continue to exceed the rate of inflation and its proposal maintains a wage level well in excess of the increase in the consumer price index. It asserts that the salary increases provided to public sector employees in the City of Durand and Pepin County who are supported by the same taxpayers as the Employer's teachers are uniformly below the salary increase provided by its final offer. The Employer contends that the minimum hourly rates for its teachers exceed the minimum hourly rates of private sector professional employees in West Central Wisconsin and its teachers salaries are not so low that they need to catch up to the private sector. Basically the Employer takes the position that there is no justification for its taxpayers to bear the burden of the Association's final offer in view of the other settlements financed by the same taxpayers. It points to the statutory mandate that the arbitrator analyze public and private sector settlements and affirmatively consider them in reaching a decision.

#### DISCUSSION:

The factors to be considered by the arbitrator in rendering this award includes the lawful authority of the municipal employer; stipulations of the parties; the interests and welfare of the public and the financial ability of government to meet the costs; comparison of wages, hours and conditions of employment of municipal employees performing similar services; comparison of the wages and hours and conditions of employment with other employees in public employment; comparison of the wages and hours and conditions of employment of the municipal employees with other employees in private employment; the average consumer prices for goods and services; the overall compensation received by the municipal employees; changes in any circumstances during the pendency of the arbitration proceeding and such other factors that are normally taken into consideration in the determination of wages, hours and conditions of employment.

There are no issues between the parties with respect to the lawful authority

of the municipal employer, the stipulation of the parties, the ability of the unit of government to meet the costs of any proposed settlement and changes in circumstances during the pendency of the arbitration proceedings. Accordingly the arbitrator finds that those factors support the proposals of either party and will not have any impact in determining the arbitrator's award.

The BA minimum salaries in the Middle Border Conference for the 1987-88 school year range from a low of \$17,286.00 at Mondovi to a high of \$19,551.00 at Baldwin-Woodville. Both the Employer and the Association propose a 1987-88 BA minimum salary of \$17,620.00. That is near the lower end of the pay range for that bench mark in the conference but both the Employer and the Association seem to be satisfied that it is a proper wage for the BA minimum. The Employer's BA minimum ranked sixth in the conference in the 1986-87 school year and would retain that rank with either the Employer's proposal or the Union's proposal for the 1987-88 school year. The BA seventh step salaries in the conference for the 1987-88 school year ranged from a low of \$21,546.00 at Ellsworth to a high of \$24,400.00 at Amery. The Employer's proposal of a BA seventh step salary of \$21,659.00 would rank in eighth in the conference which is one step lower than it was ranked in the 1986-87 school year. The Association's proposal of a BA seventh step salary of \$21,784.00 for the 1987-88 school year would rank seventh in the conference which is the same ranking it had in the 1986-87 school year. The BA maximum step salaries in the conference for the 1987-88 school year range from a low of \$23,854.00 at New Richmond to a high of \$26,867.00 at Amery. The Employer's proposal of a BA maximum for the 1987-88 school year of \$25,725.00 would rank seventh in the comparable group which is two steps below its ranking in the 1986-87 school year. The Association's proposal of a BA maximum salary of \$25,998.00 would rank fifth in the conference which is the same ranking that it had in the 1986-87 school year.

The MA minimum salaries for the 1987-88 school year in the conference ranged from a low of \$18,886.00 at Mondovi to a high of \$22,714.00 at Amery. The Employer and the Association both proposal an MA minimum salary of \$19,073.00 which would rank fifth in the conference which was also the 1986-87 ranking. The MA tenth step salaries in the conference for the 1987-88 school year range from a low of \$26,479.00 at River Falls to a high of \$31,669.00 at Amery. The Employer's proposal of a MA tenth step salary of \$25,995.00 would rank ninth in the conference which is two steps below its ranking in the 1986-87 school year. The Association's MA tenth step proposal of \$26,221.00 would rank eighth in the conference which was a step lower than it ranked during the 1986-87 school year. The MA maximum salaries in the conference ranged from a low of \$30,151.00 at New Richmond to a high of \$33,161.00 at Amery. The Employer's proposal of a MA maximum salary of \$31,954.00 would rank fourth in the comparable group which is two steps lower than it ranked in the 1986-87 school year. The Association's proposal of an MA maximum salary of \$32,421.00 would rank second in the comparable group which is the same ranking it had in the 1986-87 school year. The schedule maximum salaries in the conference for the 1987-88 range from a low of \$31,308.00 at Mondovi to a high of \$36,818.00 at Amery. The Employer's proposal of a schedule maximum salary of \$32,592.00 would rank eighth in the conference which is two steps below its 1986-87 ranking. The Association's proposal of a schedule maximum salary of \$33,069.00 would rank fifth in the comparable group

which is one step higher than it ranked in the 1986-87 school year. It is quite obvious from a comparison of the bench marks resulting from the proposals of the Employer and the Association with the salaries paid by the other school districts in the conference at the various bench marks that the Employer's proposal would result in a deterioration in the rank of the Employer's salaries at every bench mark except the BA minimum and the MA minimum where the ranking would remain the same.

The average 1987-88 salaries in the conference range from a low of \$27,210.00 at River Falls to a high of \$28,758.00 at Hudson and the average was \$27,814.00. The Employer's proposal for the 1987-88 school year would provide an average salary of \$25,789.00 which is \$2,025.00 below the conference average and the Association's proposal of \$26,036.00 would be \$1,778.00 below the conference average. Neither the Employer's proposal or the Association's proposal would provide the lowest average salary for the 1987-88 school year in the conference. However, the Association's proposal would be almost \$250.00 closer to the average in the conference than that of the Employer. The dollar increase per returning teacher for the 1987-88 school year in the conference range from a low of \$1,845.00 at Amery to a high of \$2,208.00 at Mondovi. The average dollar increase per returning teacher in the conference was \$2,009.00. The Employer's proposal would provide an average dollar increase of \$1,680.00 per teacher which is \$329.00 below the average while the Association's

proposal would provide an average dollar increase per teacher of \$1,938.00 which is \$71.00 below the average. The percentage increase per returning teacher in the conference for the 1987-88 school year ranged from a low of 7.2% at Baldwin-Woodville to a high of 8.6% at Mondovi. The average was 7.8%. The Employer's 1987-88 proposal would provide a 6.97% increase which would be lowest increase in the conference while the Association's proposal would provide an 8.04% increase which would be third from the highest in the conference. The Association's proposal would be closer to the average in the conference than the Employer's. Reviewing those statistics convinces the arbitrator that the Association's proposal falls within the pattern that has been established by the settlements between the other school districts in the conference and their teachers. It retains almost the same ranking of the previous year at the various bench marks while the Employer's proposal would lower the rankings at all but two bench marks. The average salary resulting from the Association's proposal is closer to the average salary in the conference than would result from the Employer's proposal. The average dollar increase per returning teacher is closer to the average dollar increase per returning teacher in the conference than the Employer's proposal. The percentage increase in teachers salaries resulting from the Association's proposal is closer to the conference average than the Employer's. On any basis of comparison of teachers' salaries in the conference, the Association's proposal is closer to the pattern in the conference than that of the Employer.

A comparison of the wages, hours and conditions of employment of the Employer's teachers with the wages, hours and conditions of employment of other public employees in the same community supports the position of the Employer. The 1987 and 1988 settlements negotiated between Pepin County and the City of

Durand with their respective employees involved moderate wage increases. Pepin County's unionized employees voluntarily agreed to a 3% wage increase in 1987 and a range of 2.5% to 3% for 1988. The City of Durand gave its employees increases of \$80.00 per month in 1987 and \$60.00 per month in 1988. Those salary increases are modest compared to the increases resulting from the proposal of either the Employer or the Association. The percentage increases for the City of Durand were not provided to the arbitrator but the dollar increases were substantially lower than that proposed by the Employer for its teachers. A comparison of wages, hours and conditions of employment of the Employer's teachers with the wages, hours and conditions of employment of other employees in private employment in the area tends to support the position of the Employer. However the amount of support given to the Employer's position by such a comparison is not as strong as it might appear. When the annual salaries of the Employer's teachers are compared with the annual salaries of other professional employees in West Central Wisconsin, the salary level of the Employer's teachers does not seem out of line. When the hourly rate of the Employer's teachers are compared with the hourly rates of professional employees in West Central Wisconsin, the teacher rates seem high. The Employer's teachers have not been underpaid when compared to their private sector counter parts in professional positions and the private sector salary levels do lend support to the Employer's proposal. However, the fact that the Employer's teachers are only offered nine months of employment means they must receive a salary for those nine months that will compensate them for the professional training they are expected to have and give them the opportunity to pursue additional training during the summer so that they can achieve the educational levels that the Employer seems to need. Evidence of that need is the fact that the Employer offers higher wage levels to teachers with additional training in order to motivate its employees to pursue advanced education. The rate of increase in the consumer price index supports the Employer's proposal. The Employer's proposal provides a percentage increase well above the percentage increase in the cost of living. The overall compensation presently received by the Employer's teachers including vacation, holidays, insurance, pension and medical and hospitalization benefits and the continuity and stability of employment does not favor the position of either party. The Employer is very close to the average in every respect except that its contribution toward health insurance is the lowest in the conference.

Although the Employer uses the Middle Border Conference as the comparable group in the exhibits that it presented to the arbitrator, it argues that there are distinct demographic differences that make some school districts less comparable to it than others. It takes the position that comparisons with the most rural school districts in the conference should receive the most consideration. That argument ignores the fact that no two school districts are exactly alike and a consideration of all of the factors for determining a comparable group established whether or not the comparable group has any validity. While the Employer may be in a more rural area than some other school districts in the conference, the entire conference is located in an area that is primarily agricultural. Some communities do have a suburban characteristic about them that would tend to differentiate them from the Employer. Those same communities also have problems resulting from expanding school populations that are not matters of concern for the Employer. There are variances among the school districts in

the Middle Border Conference with respect to size, tax base, school aids, tax levy, enrollment, size of faculty, equalized value, median income and local economies. There are also a number of similarities including geographic location, labor market areas and the overall economy. The Middle Border Conference consists of reasonably similar school districts and provides a good basis for comparison.

The Employer contends that the cumulative increases at the bench marks for the 1980-81 school year exceed the average of the comparable districts. The arbitrator is not particularly interested in what has happened as a result of negotiations between the Employer and the Association in previous years. Any agreements made in those years considered the relationships between the Employer and the other school districts in the conference and those settlements resulted in the wage relationships that existed between the Employer's teachers and the teachers in the other school districts at the end of the 1986-87 school year. The arbitrator should select a 1987-88 wage proposal that will apply the statutory criteria and not disrupt the wage relationships that have developed between the Employer's teachers and the teachers in the other school districts in the conference.

The Employer takes the position that its teachers receive compensation far in excess of the salaries paid by school districts in the comparable group. The facts do not bear that out. The Employer's salary schedule does not rank at the top at any bench mark with respect to the rest of the comparable group. The Employer points out that its final offer provides a large increase at the relatively weak BA base and MA base without further increasing the relatively strong bench marks beyond their average status. It goes on to assert that the Association's proposal provides the largest increases to those who are already receiving the greatest amount of compensation. The Employer's final offer provides an increase at the BA base and MA base that is exactly the same as is proposed by the Association. Since both proposals provide for percentage increases, one should expect the dollar increases to be the largest for those employees at the steps on the salary schedule that already receive the greatest amount of compensation. The Employer takes the position that its final offer catches up at the bench marks where its salary is low and reduces the disparity between the conference norm and the Employer's salaries. The fact is that the Employer's proposal provides the same increases at the bench marks where its salary is low that is provided by the Association's proposal. At the other bench marks, the Employer's proposal is substandard when compared to the increases given at those bench marks by other school districts and would pull down the Employer's ranking in the conference at those bench marks. The Employer's proposal changes its relationships to the comparables and would provide an average dollar increase per teacher \$329.00 below the average of the conference. That is more than a minor modification in its relationship to the comparables.

The Employer asserts that a comparison of the wage increases over the prior seven years with the increases in the consumer price index during those same years is a useful method of analysis. The arbitrator disagrees. Such a comparison does no more than show how the salary schedule has progressed to the

point it was at during the 1986-87 school year. That is ancient history. There has been a substantial amount of bargaining between the Employer and the Association over the past seven years and the Employer and the Association have worked out their current wage relationships through collective bargaining. It would be unrealistic for the arbitrator to ignore the current wage relationships between the Employer's teachers and the other districts in the conference and focus on the past.

The major thrust of the Employer's argument is that its proposal exceeds the rate of inflation and the salary increases received by other public sector employees in the area. It also points out that the minimum hourly rates for its teachers exceed the minimum hourly rate of private sector professional employees in West Central Wisconsin. That argument has some validity, but it ignores the fact that a major factor in determining teacher's salaries in any given area is the salary level provided to the other teachers in that area. In the past few years it has not been possible to reach voluntary agreements with teachers on wage increases that are not higher than the increase in the consumer price index or the increases given to other public employees in the area. It has been impossible to reach voluntary agreements with teachers that provide an hourly rate to them for a nine month period that is similar to the hourly rate paid to other beginning professional employees over a twelve month period and still expect at least some of those teachers to pursue advance training during the summer months. The forces of the market place, whatever they may be, have made it unrealistic to limit teacher increases to the rate of increase of the consumer price index or the increases paid to other public sector employees and some private sector employees.

The only difference between the Employer's proposal and that of the Association is that the Employer would change the salary schedule that was a result of a voluntary agreement for the 1986-87 school year. Arbitrators normally and traditionally give great weight to the structure of salary schedules that are the result of voluntary agreement between parties. Interest arbitration is not normally the procedure for initiating changes in basic working conditions that are the result of voluntary agreement absent a compelling reason for changing them. The Employer has provided no compelling reason for changing the structure of the salary schedule. It does not propose to increase the level of the BA base or the MA base any more than is proposed by the Association. The Employer's proposed salary schedule would result in lowering the increases received by its teachers at the other bench marks to a degree that would change their ranking in the conference. The Employer's proposal would result in an average dollar increase per teacher well below the average dollar increase per teacher in the conference and still not provide its BA base and MA base employees with a wage any better than is proposed by the Association. Arbitrators have been willing to disrupt salary schedules that have been developed through collective bargaining if the change will provide innovative increases that address imbalances or other inequities that may have developed. That kind of an award results when there is a compelling need for a change and the proposal selected by the arbitrator addresses that compelling need. The Employer seems to argue that its BA base and MA base salaries are low. However, its proposal does nothing to increase those BA base and MA base salaries above

the level proposed by the Association and is not designed to correct them. It just lowers the increases to its teachers at the other bench marks to such a degree that it would change the rankings of those bench marks when compared to the rest of the conference without achieving any improvement at the BA base and MA base that is not proposed by the Association.

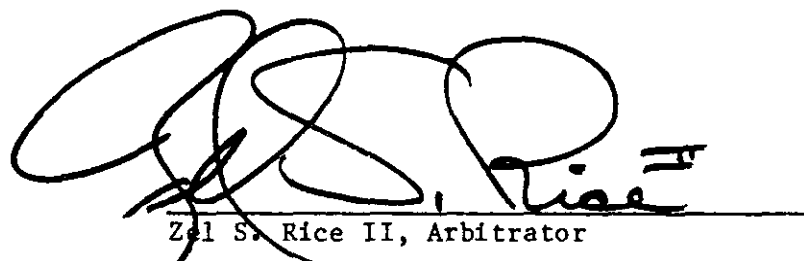
The arbitrator is not inclined to change the structure of a salary schedule that has been agreed upon by the parties. The Employer has not made a proposal that would correct an inequity resulting from a prior agreement. It has not shown that the salary structure to which is agreed has hampered it or its teachers in any way. The most that could be achieved by the adoption of the Employer's proposal would be to lower its wage cost at the same time that it disrupts the wage relationship between the Employer's teachers and other teachers in the conference. Saving the Employer a little money on its wage cost is a worthwhile goal. Achieving such a goal by the disruption of the wage relationship between the Employer's teachers and the other teachers in the conference that were agreed upon in free collective bargaining is not in the public interest in the absence of some unique circumstances.

It therefore follows from the above facts and discussion thereon that the undersigned renders the following

AWARD

After full consideration of the criteria set forth in the statutes and after careful and extensive examination of the exhibits and briefs of the parties, the arbitrator finds that the Association's final offer more closely adheres to the statutory criteria than that of the Employer and directs that the Association's proposal contained in Exhibit A be incorporated into an agreement containing the other items to which the parties have agreed.

Dated at Sparta, Wisconsin, this 28th day of June, 1988.



Zel S. Rice II, Arbitrator



RECEIVED

EXHIBIT A

JAN 13 1988

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

Name of Case: Durand School District - Case 28, No. 39112, INT/ARB-4494

The following, or the attachment hereto, constitutes our final offer for the purposes of arbitration pursuant to Section 111.70(4)(cm)6. of the Municipal Employment Relations Act. A copy of such final offer has been submitted to the other party involved in this proceeding, and the undersigned has received a copy of the final offer of the other party. Each page of the attachment hereto has been initialed by me. Further, we ~~do~~ (do not) authorize inclusion of nonresidents of Wisconsin on the arbitration panel to be submitted to the Commission.

1-12-88  
(Date)

R. F. Gilligan  
(Representative)

On Behalf of: West Central Education Association - Durand  
\_\_\_\_\_

NOV 11 1987

Final Offer Of The  
West Central Education Association

1. All items shall be as in the 1986-87 Collective Bargaining Agreement except the following:
  - A. All items in the Stipulation of Tentative Agreements
  - B. Adjust the wage schedule 6% on the base. Maintain the current 3.6% vertical index (attached).

Sincerely,

WEST CENTRAL EDUCATION ASSOCIATION

R. F. Gilligan  
11/12/87

Date

WCEA FINAL OFFER

STEP	BA	BA8	BA15	BA22	MA	MA15
0.0	17620	17972	18532	18698	19073	19454
1.0	18254	18619	18992	19372	19759	20155
2.0	18911	19289	19676	20069	20471	20881
3.0	19592	19983	20384	20792	21207	21632
4.0	20297	20705	21117	21540	21971	22412
5.0	21027	21448	21877	22316	22761	23218
6.0	21784	22220	22665	23120	23581	24055
7.0	22568	23020	23481	23952	24430	24921
8.0	23380	23849	24326	24814	25310	25817
9.0	24222	24708	25202	25707	26221	26747
10.0	25094	25597	26109	26633	27166	27709
11.0	25998	26518	27049	27591	28144	28707
12.0	---	27473	28023	28584	29157	29740
13.0	---	---	29032	29613	30207	30811
14.0	---	---	---	30680	31294	31920
15.0	---	---	---	---	32421 (10)	33069 (96)

7600

20  
800  
15

607

19  
1150  
3

NOV 11 1997

RECEIVED

EXHIBIT B

FEB 02 1988

WISCONSIN DEPARTMENT OF  
LABOR

Name of Case: Duane School District  
Case No 3912 INT/ARB-4494

The following, or the attachment hereto, constitutes our final offer for the purposes of arbitration pursuant to Section 111.70(4)(cm)6. of the Municipal Employment Relations Act. A copy of such final offer has been submitted to the other party involved in this proceeding, and the undersigned has received a copy of the final offer of the other party. Each page of the attachment hereto has been initialed by me. Further, we (do) ~~(do not)~~ authorize inclusion of nonresidents of Wisconsin on the arbitration panel to be submitted to the Commission.

2/26/88  
(Date)

[Signature]  
(Representative)

On Behalf of: Duane School District

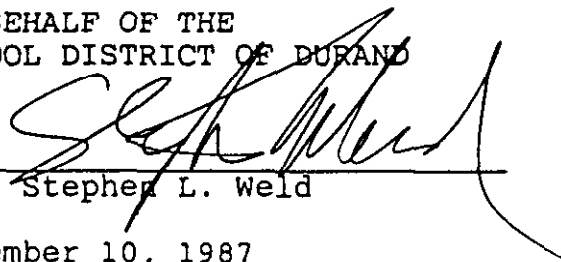
NOV 11 1987

FINAL OFFER OF THE  
SCHOOL DISTRICT OF DURAND

1. All items shall be as in the 1986-87 contract except the following:
  - A. All items in the Stipulation of Tentative Agreements;
  - B. Adjust the wage schedule 6% on the base and 3.5% vertical index (see attached).

Respectfully submitted

ON BEHALF OF THE  
SCHOOL DISTRICT OF DURAND

By   
Stephen L. Weld

November 10, 1987

Nov 31 1987

W. J. Durand  
Director

28-Oct-87

Durand 87-88 68/3.5 index

Salary schedule

Rate	EA	EA+8	EA+15	EA-25	EA	EA+15
Step						
0	17620	17972	18332	18696	19073	19454
1	18237	18601	18974	19352	19741	20135
2	18875	19252	19638	20030	20431	20840
3	19536	19926	20325	20731	21147	21569
4	20219	20623	21036	21456	21887	22324
5	20927	21345	21773	22207	22653	23105
6	21659	22092	22535	22985	23446	23914
7	22418	22865	23323	23789	24266	24751
8	23202	23666	24140	24622	25115	25617
9	24014	24494	24985	25483	25995	26514
10	24855	25351	25859	26375	26904	27442
11	25725	26239	26764	27299	27846	28402
12	0	27157	27701	28254	28821	29396
13	0	0	28670	29243	29829	30425
14	0	0	0	30266	30873	31490
15	0	0	0	0	31954	32592