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STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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In the Matter of the Petition of  
IOLA-SCANDINAVIA SCHOOL DISTRICT  
To Initiate Arbitration Between Said  
Petitioner and  
IOLA-SCANDINAVIA EDUCATION  
ASSOCIATION  
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Case 20  
No. 30623 INT/ARB-4630  
Decision No. 25166-A

Appearances:

Mr. William G. Bracken, Associate Executive Director, Employee Relations, Wisconsin Association of School Boards, Inc., appearing on behalf of the Employer.  
Mr. David W. Hanneman, Executive Director, Central Wisconsin UniServ Council-South, appearing on behalf of the Association.

ARBITRATION AWARD:

On February 24, 1988, the undersigned was appointed Arbitrator by the Wisconsin Employment Relations Commission, pursuant to 111.70 (4) (cm) 6. and 7. of the Wisconsin Municipal Employment Relations Act, to resolve an impasse existing between Iola-Scandinavia School District, referred to herein as the Employer, and Iola-Scandinavia Education Association, referred to herein as the Association, with respect to certain issues as specified below. The proceedings were conducted pursuant to Wisconsin Stats. 111.70 (4) (cm) and hearing was held at Iola, Wisconsin, on May 10, 1988, at which time the parties were present and given full opportunity to present oral and written evidence and to make relevant argument. The proceedings were not transcribed, however, briefs and reply briefs were filed in the matter. Final briefs were received by the Arbitrator on June 30, 1988.

THE ISSUES:

In dispute between the parties are the amount of the Employer contribution for health insurance, long term disability insurance, and dental insurance, and the salary increase, including extra curricular/extra duties salaries for the years 1987-88 and 1988-89. The Employer final offer reads:

Proposed adjustments on Master Contract for 1987-88 contract year:

1. All language items of the 1986-87 contract to remain the same except for appropriate date changes or typos (spelling errors) to be corrected and tentative agreements.
2. 6.2.A. Health Insurance  
The school board will pay up to \$85.04 toward single and \$222.54 toward the family plan monthly cost of group surgical and hospitalization plan.
3. 6.2.C. Long Term Disability - Change \$3,000 to \$3,300.
4. 6.2.D. Dental Insurance

The school board will pay up to \$12.78 toward single and \$42.72 toward the family plan month cost of the dental benefit plan.

5. Salary proposals are as follows:

- A. Base Salary - \$17,100 \*(= per salary credit increase of \$59.85)
- B. Minimum raise - \$1,200
- C. A 4% increase on the base each teacher (FTE)
- D. \$400 flat increase each teacher (FTE)
- E. All extra curricular/extra duty salary to be increased by 6%, including driver ed

6. 2 year agreement on all items

\* 73.5 credits approved for base salary increase.

Proposed adjustments on Master Contract for 1988-89 contract year:

- 1. All language items of the 1987-88 contract to remain the same except for appropriate date changes or typos (spelling errors) to be corrected.
- 2. 6.2.A. Health Insurance

The school board will pay up to \$90.15 toward single and \$235.90 toward the family plan monthly cost of group surgical and hospitalization plan.

- 3. 6.2.C. Long Term Disability - Change \$3,300 to \$3,400.

- 4. 6.2.D. Dental Insurance

The school board will pay up to \$13.55 toward single and \$45.30 toward the family plan month cost of the dental benefit plan.

5. Salary proposals are as follows:

- A. Base Salary - \$18,000 \*(= a per salary credit increase of \$63)
- B. Minimum raise - \$1,300
- C. A 4% increase on the base each teacher (FTE)
- D. \$400 flat increase each teacher (FTE)
- E. All extra curricular/extra duty salary to be increased by 6%, including driver ed.

\* Estimated credits approved for base salary increase calculations the same as 1987-88 is 73.5 credits

The Association final offer reads:

The following final offer incorporates and repeats the terms of the 1986-87 Agreement between the Iola-Scandinavia Board of Education and the Iola-Scandinavia Education Association except for technical changes due to typographical errors, if any, the inclusion of tentative agreements reached by the parties, and except as amended by the following final offer:

- 4.1 B. Driver Education - \$64.41 in 1987-88 and \$68.84 in 1988-89 per student in "behind the wheel" and \$11.85 per hour in 1987-88 and \$12.67 per hour in 1988-89 for hours beyond six (6) hours per student if the instructor requests and his/her immediate supervisor approves the request for those additional hours.

6.2 Insurance Provision

A. Health Insurance

For 1987-88 the School Board will pay up to \$90.18 towards single and \$234.66 toward the family plan monthly costs of the group surgical and hospitalization plan. For 1988-89 if the premium is increased beyond \$90.18/month for single and \$234.66/month for family the Board will assume the increase in cost and the new rate will be expressed in the Agreement when the new rate becomes known. If a teacher teaches a regular full teaching contract year, he/she will be provided with twelve (12) months of insurance coverage.

(Repeat the currently existing second paragraph of 6.2.A.)

B. Group Life Insurance

(Repeat the currently existing language).

C. Long-Term Disability

The Board will pay for a long-term disability insurance (90%, 90 day waiting period) for all members of the bargaining unit. The Board payment shall not exceed a total of \$3850.00 in 1987-88 or \$4200.00 in 1988-89 for all members. The plan shall have specifications equal to or better than those in existence on January 28, 1988. Any cost above the Board payment shall be deducted from the individual's pay on an equitable basis.

D. Dental Insurance

For 1987-88 the School Board will pay up to \$12.78 towards single and \$42.72 toward the family plan monthly cost of the dental benefit plan. For 1988-89 if the premium is increased beyond \$42.72/month for family and \$12.78/month for single, the Board will assume the increase in cost and the new rate will be expressed in the Agreement when the new rate becomes known.

(Repeat the currently existing second paragraph of 6.2.D.)

15.0 Duration of Agreement

(Modify the currently existing Duration of Agreement language so that the duration of the Agreement is July 1, 1987 through June 30, 1989.

ATTACHMENT A - SALARY SCHEDULE 1987-88

B.S./B.A. Base Salary - \$17,100

1. All returning staff members will receive a six (6%) per cent increase on their established 1986-87 base salary for the 1987-88 contract year.
2. A flat \$359 per each FTE returning teacher will be added to #1 for the 1987-88 contract year.
3. Extra curricular salaries on pages 1 and 2 of Attachment B. are increased by seven and five hundred forty-sixth thousands (7.546%) percent of the 1986-87 personnel in a continuing position.

SALARY SCHEDULE 1988-89

B.S./B.A. Base Salary - \$18,000.

1. All returning staff will receive six (6%) percent increase on their established 1987-88 individual base salary for the 1988-89 contract year.
2. A flat \$229 per each FTE returning teacher will be added to #1 for the 1988-89 contract year.
3. Extra curricular salaries on pages 1 and 2 of Attachment B. are increased by six and ninety-two hundredths (6.92%)percent of the 1987-88 personnel in a continuing position.

(For 1987-88 and 1988-89 all extra curricular and extra duty assignments found in Attachment B, or elsewhere in the Agreement, will be increased by 7.546% over the 1986-87 amount for 1987-88, and by 6.92% over the 1987-88 amount for 1988-89).

DISCUSSION:

Wisconsin Stats. 111.70 (4) (cm) 7 directs the Arbitrator to give weight to the factors found at subsections a through j in making any decision under the arbitration procedures authorized in the paragraph. The undersigned, therefore, will review the evidence adduced at hearing and consider the arguments of the parties in light of that statutory criteria.

Among the criteria at subsection d we find:

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

Prior to the modification of the statute on May 7, 1986, criteria d read:

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

In prior awards, this Arbitrator has interpreted the foregoing change in criteria d that comparisons of wages, hours and conditions of employment of municipal employees in the arbitration proceedings with wages, hours and conditions of employment of other employees performing similar services no longer require that those comparisons be made for employees in comparable communities. (Eau Claire School District, No. 39259, INT/ARB 4524, Dec. No. 24887-A; Elkhart Lake-Glenbeulah Education Association, No. 38913, ARB-4452, Dec. No. 25005-A; Wausau School District, No. 38889, ARB 4443, Dec. No. 24932-B). The Employer urges the Arbitrator to reconsider his reasoning in the foregoing decisions, and limit comparison of wages, hours and working conditions of teachers to comparable communities which the Employer asserts is the athletic conference. The Association opposes the Employer position. In making its argument, the Employer relies on awards in the following athletic conference school districts, where arbitrators have held that the conference schools were the appropriate comparables: Bowler, Port Edwards, Rosholt, Shiocton, Tigerton, Tomorrow River, Tri-County & Wittenberg-Birnawood. Additionally, the Employer relies on the dicta of Arbitrator Weisberger in Port Edwards School District, Dec. No. 20915, 2/84, p. 4, which reads:

To this arbitrator, state-wide comparisons of similar sized school districts have limited value. This is also true of other paper mill school districts because of their scattered, diverse nature. As for contiguous school districts and others within a twenty mile radius, there may be reason to give some weight to at least some of them if other common characteristics in addition to common geography are identified. Insufficient information has been presented herein, however, to give significant weight to these groupings of comparables. This leaves the Athletic Conference school districts as the primary comparables despite the Association's argument that they should receive less weight because only three school districts included in the conference are close by geographically, within the twenty mile radius. Nevertheless, both parties did urge that the Athletic Conference school districts be utilized in making comparability judgments and this fact by itself is a relevant consideration in determining appropriate comparables.

Finally, the Employer relies on the Legislative Reference Bureau's statement with respect to Assembly Bill 629 of 1985, which describes the modifications to the statute which became effective May 7, 1986, as follows:

Under present law, in making an arbitration decision, the arbitrator must consider and "give weight" to a number of statutory factors, including a comparison of wages, hours, and working conditions of the employees involved in the dispute with 3 types of employees in the same community and comparable communities: Namely, employees performing

similar services, public employes generally and private sector employes. The bill makes each of these comparisons a separate and distinct statutory factor which the Arbitrator must consider.

The Arbitrator is unpersuaded by the Employer argument in view of the clear and unambiguous language contained in criteria d as it is now written in 111.70 (4) (cm) 7, compared with d of the predecessor statute. There is no longer reference to comparable communities in the present criteria d which appeared in the predecessor statute. The inescapable conclusion therefrom is that comparisons of wages, hours and conditions of employment in comparing teachers to teachers is no longer limited to comparable communities by statute. Had the Legislature intended to make that limitation continue, it could and should have so stated in criteria d. The undersigned is aware that the Legislature adopted the recommendations of Study Committee who studied the law and made recommendations to the Legislature for the foregoing change. The undersigned is further convinced that had the study committee wished to make criteria d remain a comparison of teachers to teachers with respect to wages, hours and working conditions in comparable communities, they could have and should have so stated in the statute. Absent that limitation, the undersigned is of the opinion that he would be derelict in his duty and would be unresponsive to the direction of the statute at criteria d if he were to exclude evidence adduced at hearing with respect to wages, hours and conditions of employment of other teachers, irrespective of whether there is a finding that those communities are comparable. Because the statute directs the foregoing comparisons, the undersigned necessarily must consider all of the evidence adduced at hearing by the Association that goes beyond the athletic conference. The Association here has adduced evidence with respect to comparisons of wages, hours and working conditions for teachers in school districts within a thirty-five mile radius of the present Employer, and has further adduced evidence with respect to state-wide average teacher salaries settlement patterns. However, the undersigned has in prior awards concluded that geographic wage differentials must be taken into consideration with respect to these comparisons, and those differentials will also be considered in this award.

#### THE SALARY DISPUTE

Before making an analysis of statistical data with respect to patterns of settlement and salary comparisons, there are certain preliminary issues which must be resolved. Initially, it is noted that there is no conventional salary schedule in this school district. Furthermore, the method of applying salary increases is rather unique. Both parties use the same approach for the purpose of applying the wage increase. In order to calculate the wages paid for the succeeding school years a percentage increase is calculated on the base of each teacher, and then a flat dollar increase is added to that calculation. After steps 1 and 2 above are completed, the number of authorized college credits which a teacher has achieved is multiplied by a factor of .0035% of base salary and added to the product of steps 1 and 2. Specifically, the Employer proposes a 4% increase on the base of each teacher and a \$400 flat increase for each teacher, for 1987-88, whereas, the Association proposes a 6% increase on each teacher's 1986-87 established base salary, plus \$359 flat increase for each teacher. The Employer proposes the same 4% and \$400 for 1988-89, and the Association proposes 6% and \$229 for 1988-89. Both parties propose a base salary of \$17,100 for 1987-88 and \$18,000 for 1988-89.

The record evidence establishes that the last traditional salary schedule in effect for teachers in the Employer school district was for 1979-80. Thereafter, the foregoing type formulas were applied, and no salary schedules of horizontal and vertical lanes were negotiated. The Association has constructed hypothetical salary schedules for the years in question here, for the purpose of base rate comparisons. The undersigned is persuaded that these hypothetical schedules are not reliable. The parties have elected to eliminate the traditional salary schedules. Having done so, they are not now in a position to make the comparisons with traditional salary schedules in other districts except for two points. There is still a starting salary which can be compared, and there still is a top salary paid in the district which can be compared to salary tops in traditional salary schedules. However, because there is no dispute in this matter with respect to the base salaries, a comparison of base salaries with other school districts is unnecessary. The comparison of the top salary paid in the instant school district to the top salary in other school districts is an appropriate comparison, and the undersigned will undertake to do so later in this award.

There is also a dispute between the parties as to whether the "horizontal" credits should be costed for the purpose of determining the value of the settlement package. The Association asserts that these credits are not traditionally costed elsewhere and should not be costed here for the purpose of making patterns of settlement comparisons. The Employer argues that the horizontal credits and payments for those credits should be costed because they are as much a part of the cost of settlement as are the vertical increments which are traditionally costed by parties when evaluating the dollars per returning teacher increase, as well as the percentage increases negotiated between the parties. As a result of the foregoing dispute, the Association calculates that its offer results in \$1750 per returning teacher for 1987-88 and \$1725 for 1988-89 (7.55% and 6.92% respectively). The Association evaluates the Employer final offer as \$1337 per returning teacher for 1987-88 and \$1398 for 1988-89 (5.77% and 5.70% respectively). In applying the credits to the foregoing calculations, the Employer calculates the Association offer to be \$1843 per returning teacher for 1987-88 and \$1829 per returning teacher for 1988-89 (7.95% and 7.31% respectively). The Employer calculates its own offer to generate \$1430 per returning teacher for 1987-88 and \$1501 for 1988-89 (6.17% and 6.09% respectively).

In resolving the foregoing dispute as to whether the "horizontal" credits should be costed for the purpose of making these comparisons, it is necessary to determine whether the data furnished for other school district settlements for teachers include those horizontal settlements. If the other data includes the horizontal credits, then they should be included here for the purpose of making the comparison so as to make a comparison of apples to apples. Conversely, if the horizontal credits are excluded from the calculations of cost of settlement in other districts, they should be excluded here so as to make the comparisons consistent. There is in evidence in these proceedings the calculations of cost in the Marion School District for 1986-87. The methodology clearly establishes in that data that "horizontal" credits are excluded. The heading of the listing on the scattergram for Marion School District reveals the following: "Marion 85-86 moved up to 86-87 (people move to appropriate lanes as of 85-86 credits)". From the foregoing, it is clear to the undersigned that no movement for credit purposes was made in calculating the improvement of cost between 1985-86 and 1986-87 because the lane credits were adjusted to reflect appropriate lanes for the preceding year and no further lane movement was made. The cast forward method was applied from 1985-86 without any further effort to take into consideration the value of credits earned between the 1985-86 and 1986-87 school year.

Similarly, the same methodology has been used in the costings found in Association Exhibit Nos. 147 and 148, the athletic conference, which shows a cost of 8.33% for Almond for 1987-88; 8.33% for Amherst for 1987-88; 6.348% increase for Bonduel for 1987-88; 7.87% for Bowler for 1987-88; 4.83% for Manawa for 1987-88, and 7.29% for Tigerton for 1987-88. The percentages calculated and dollars per returning teacher calculated for 1987-88 in Association Exhibit Nos. 147 and 148 are reflected in Association Exhibit No. 21 corrected. In Association Exhibit No. 21 corrected, the data from 147 and 148 is consistent for the districts of Tigerton, Bowler and Manawa. In Almond and Bonduel, 147 and 148 exhibits show 8.33% for Almond and Exhibit No. 21 shows 8.48%, and the same comparison for dollars FTE in Exhibit Nos. 147 and 148 shows \$1621, and in Exhibit No. 21 corrected shows \$1650. For Bonduel, Exhibit 21 shows 6.348% and not available on Exhibit 21 corrected, and for dollars per FTE Exhibit Nos. 147 and 148 show \$1628 for Bonduel compared to \$1650 in Exhibit 21 corrected. Since three of the five percentages in Exhibit Nos. 147 and 148 square with the numbers in Association Exhibit No. 21 corrected; and because the differentials of the other two are comparatively minor; the undersigned concludes that the methodology set forth in Association Exhibit 21 excludes the horizontal credits achieved when calculating dollars for FTE and percentage salary increases. The undersigned has further compared Association Exhibit No. 21 corrected with Employer Exhibit No. 40, and notes that the data set forth in Association No. 21 corrected squares almost exactly with the data contained in Employer Exhibit No. 40. It would follow therefrom that because the data is the same in Employer Exhibit No. 40 as shown in Association Exhibit No. 21 corrected; and because the undersigned has concluded that the data contained within Association 21 corrected does not take into consideration the horizontal credits, that neither party's data for other school districts include the horizontal credits when showing patterns of settlement, either on a percentage basis or on a dollar per FTE basis.

It follows from the foregoing, that, in making the comparison, the Association calculations of costs without the horizontal credits will be utilized.

While the undersigned has concluded that for the purpose of comparisons horizontal credits relied on by the Employer must be excluded because they have not been included among the data for the other schools to which patterns of settlement comparisons have been made, the undersigned is satisfied that the increased costs of horizontal credits are an appropriate matter for costing packages. This is so because the parties traditionally have included vertical increments as part of the cost. If vertical increments are included in the costing, the undersigned concludes that horizontal increments cannot be distinguished and should also be included. Consequently, for the purpose of comparing top salaries, the "horizontal" increments will be included, however, for the purpose of comparing patterns of settlement they are excluded, because the undersigned is satisfied that the data for other districts does not include "horizontal" increments in the percentage of salary only increase or the percentage of dollar increase.

Having arrived at the foregoing conclusions, we now make the comparisons of patterns of settlement. The patterns of settlement indicate that the Employer offer, without horizontal increments, for 1987-88, generates \$1328 per returning teacher, or a 5.72% increase. The Association offer generates \$1750 per returning teacher, or a 7.55% increase. For 1987-88, the range of increases per returning teacher represents a low of \$1104 at Manawa to a high of \$1866 for Menominee teachers. The average settlement is \$1610 (Association Exhibit No. 21). Thus, the Employer offer is \$228 below the average settlement, and the Association offer is \$140 above that average. The average percent increase is 7.13% and the Association percentage increase for 1987-88 is 7.55%. Thus, the Association is .42% above the average percentage increase among the patterns of settlement for 1987-88 in the athletic conference. The Employer offer of 5.72% is 1.41% below the percentage for 1987-88.

Turning to the athletic conference settlements in 1988-89, we find that the average dollar per returning teacher is \$1653 for settled districts in the conference, and that the percentage increase is 6.86% (Association Exhibit No. 22). The Association offer at \$1725 per returning teacher (6.92%) is \$72 above the average dollar increase per returning teacher, and .06% above that average. The Employer offer of \$1381 per returning teacher (5.63%) is \$272 below the average returning teacher, and 1.23% below the percentage increase for 1988-89. From the foregoing data, it is concluded that when comparing patterns of settlement among Central Wisconsin athletic conference schools, the Association offer is preferred.

Association Exhibit Nos. 41 and 42 set forth the average settlements in dollars per returning teacher, and percentages for the 1987-88 and 1988-89 school years for schools within a thirty-five mile radius of the instant school district. Included in those schools are the athletic conference schools. The data set forth in Association Exhibit Nos. 41 and 42 further supports a conclusion that the Association offer is preferred, because the average among the thirty-five mile radius schools is \$1753 per returning teacher (7.37%) for 1987-88, and \$1779 per returning teacher (7.05%) for 1988-89. The same conclusions which were drawn from conference schools apply when making these comparisons of patterns of settlement.

The state-wide averages found in Association Exhibit Nos. 48 through 51 confirms settlement patterns found in the thirty-five mile radius schools in the conference schools. The same conclusions, therefore, necessarily apply, and the Association offer is also preferred when considering state-wide data.

The undersigned now turns to a comparison of salaries paid in other school districts compared to the salaries proposed by the parties in the instant dispute. The undersigned, in the preceding section of this Award, has concluded that the typical benchmark comparisons are not possible, because there is no schedule here. The undersigned has further concluded that it is not necessary to compare the base salaries with other base salaries in other school districts, because the parties have no disagreement as to what the base salary should be for either of the years in

dispute. The undersigned then turns to a comparison of the top salaries here with a comparison of the top salaries generated in other school districts.<sup>1</sup> Association Exhibit Nos. 5 and 6 and Board Exhibit No. 18 set forth the individual salaries of all teachers in the unit for 1987-88 and 1988-89, pursuant to each of the party's final offer. The top salary payable under each of the offers reflect that 1987-88 top under the Board's proposal is \$29,599 and under the Association proposal is \$30,079. The top salary payable under the Board's proposal for 1988-89 is \$31,142 and under the Association proposal is \$32,113. Both parties' exhibits agree as to the foregoing amounts. The undersigned now will undertake to make a comparison of the top salary proposal compared to top salaries paid in the other school districts. In 1986-87, the actual top salary paid in the instant school district was \$28,028. Association Exhibit No. 16 sets forth the schedule maximum for 1986-87 for conference schools, and reveals that the top salary paid in Iola-Scandinavia ranked seventh among the conference schools, and was slightly above the conference average of \$27,956.<sup>2</sup> Association Exhibit No. 17 shows the average top salary for 1987-88 paid among the athletic conference as \$28,946. The actual top of \$30,079 proposed by the Association would rank the Association's proposal as fourth among the settled school districts in the conference, and over \$1,000 above the average; whereas the Employer final offer would rank fifth among the settled districts for 1987-88, and would be approximately \$600 above the average. Turning to a comparison of the settled districts for 1988-89, Association Exhibit No. 18 shows that the Association final offer would rank the instant district second among the settled districts at the maximum salary for 1988-89, whereas, the Employer offer would rank third among the six settled districts. The Association offer at the top of \$32,113 would be approximately \$1800 above the average of the settled districts; whereas, the Employer final offer of \$31,142 would be approximately \$800 above that average.

In comparing the top salaries with conference schools, all of the foregoing indicates that both parties improved their standing to the average and to the rankings. Because the Employer offer is more moderate with respect to that improvement, and reflects an amount considerably above the average of the settled districts in the conference, the undersigned concludes that the Employer offer is preferred when making this comparison.

Turning to a comparison of the thirty-five mile radius schools (Association Exhibit No. 36), we find that in 1986-87 Iola-Scandinavia at \$28,028 ranked 25th among the schools within a thirty-five mile radius of the instant Employer, and was \$1993 below the average of the thirty-five mile radius schools at the top of their schedules. For 1987-88 (Association Exhibit No. 37), the Association offer of \$30,079 for the top paid teacher in the district would place teachers in the instant district in the 15th position among the settled districts within the thirty-five mile radius, and the Employer top salary of \$29,599 as it proposed for 1987-88 would place the Employer offer for 1987-88 in the 18th rank. Compared to the average top salary paid among the thirty-five mile radius schools for 1987-88, the Association offer is \$1374 below the average of the settled districts (\$31,453). The Employer offer is \$1850 below that average. Looking toward the 1988-89 school year, we find that the top salary proposed by the Association is \$32,133 and the top salary proposed by the Employer is \$31,142. This compares to an average of the settled districts for 1988-89 of \$32,665 (Association Exhibit No. 38). Thus, the

- 1/ While Employer data includes average salaries paid, the Arbitrator is not convinced that average salaries formulate a proper basis for making comparisons because the average salaries are skewed heavily by reason of length of service in a school district in this small a data sampling. Thus, a school district with a young average experience among its teaching force will have a lower average salary even if its salary schedules are superior to those of another district which has a teaching force with considerably more years of experience. Consequently, the undersigned concludes that average salaries are an inappropriate basis for comparing salaries paid to teachers, when comparing district to district.
- 2/ Association Exhibit No. 16 shows the instant school district's top as \$27,634. The undersigned has used the actual top from Employer Exhibit No. 118 rather than the hypothetical top used by the Association from its attempted reconstruction of a nonexistent salary schedule.



Employer offer is \$1553 below the average top for the thirty-five mile radius schools. The Association offer is \$552 below the average. The Association offer would rank the top salary as at the 7th rank among the settled districts, whereas, the Employer offer would rank 11th among the settled districts. Both party's final offer improves the standing of Iola-Scandinavia teachers with respect to rank and average top salary paid among the thirty-five mile radius schools for the years 1987-88 and 1988-89, compared to the year 1986-87. This Arbitrator finds the improvement in top salaries paid in the instant district, compared to top salaries paid in the thirty-five mile radius schools as contained in the Employer offer, favors the adoption of the Employer offer.

Finally, we look to the comparison of top salaries of Iola-Scandinavia to the salaries of the state-wide averages which have been reported in Association Exhibit Nos. 48 and 49. The top salary paid in Iola-Scandinavia for 1986-87 was \$28,028, \$5,090 below the state-wide average. The state-wide average weighted for 1987-88 is \$35,016 and for 1988-89 is \$37,095. Under the Association proposal for 1987-88, the top paid teacher at Iola-Scandinavia would be \$4,937 below the state average and for 1988-89 \$4,982 below that average. In making the same comparisons for the Employer offer, we find that the Employer offer would be \$5,417 below the state-wide average of the top paid teacher for 1987-88, and \$5,953 below that average for 1988-89. The foregoing establishes that the Association offer would slightly improve Iola-Scandinavia ranking for the top paid teacher compared to the state-wide average for both of the years at issue here; whereas, the Employer offer would erode the differential which heretofore existed in 1986-87 by approximately \$900 over the two year term of this Agreement. Therefore, the Association offer is preferred in this comparison.

The foregoing comparisons of top salaries among conference schools and among the schools within the thirty-five mile radius favor the Employer offer. The comparisons to state-wide averages favor the Association offer. The undersigned is convinced that the athletic conference and the thirty-five mile radius schools more nearly display the geographic area pay differentials than does the state-wide average. For this reason, the undersigned places greater weight on the comparisons of top salaries of the athletic conference, and secondarily of the thirty-five mile radius schools. It follows, therefrom, that the Employer offer is preferred when considering a comparison of top salaries paid.

The foregoing is buttressed when considering the fact that there is no top limit to salaries paid in the instant district. Under a conventional salary schedule, those at the top of the schedule no longer participate in increments. Unlike that situation, in the instant school district, the salaries are increased by the same formula, no matter whether the teacher is the top paid or lowest paid teacher in the district. For that reason, the undersigned further concludes that the method of payment in the instant school district is superior to the method of payment found among those school districts that have conventional salary schedules.

#### TOTAL COMPENSATION COMPARISONS

Employer Exhibit Nos. 41 and 54 set forth total compensation data for 1987-88 and 1988-89. Employer Exhibit No. 30 sets forth total compensation data for 1986-87. In 1986-87, Iola-Scandinavia had a total compensation increase in the amount of \$2357 per returning teacher, compared to an average for conference schools of \$2258. As a percentage in 1986-87, Iola-Scandinavia total compensation increase totalled 8.2% compared to a conference average of 8.1%. For 1987-88, the Employer offer totals \$2098 per returning teacher and the Association offer totals \$2660 (6.8% and 8.7% respectively). The conference average of settled districts for 1987-88 is \$2255 per returning teacher (7.4%). Thus, the Employer offer is .6% below the conference average of settled districts, and the Association offer is 1.3% above that average. When looking at a comparison of dollars per returning teacher, the Association offer is approximately \$400 over the average, and the Employer offer is \$166 below that average. For 1988-89 the Employer total compensation increase per returning teacher is \$2205 (6.8%) and the Association offer is \$2660 (8%); compared to a conference average of settled districts of \$2442 (7.4%). Thus, the Association offer for 1988-89 total compensation increases are \$218

above the average, and the Employer is \$237 below that average. As a percentage, the Employer is .6% below the conference average of all settled districts for 1988-89, and the Association is .6% above. From the foregoing, the undersigned concludes that for 1987-88 the Employer offer is preferred when considering total compensation increase, and neither party's offer is preferred when considering total compensation increase for 1988-89.

There is also in evidence Association Exhibit No. 51, state-wide settlement reports, which show percentage and amount of dollar increases on a weighted average basis state-wide. The state-wide average settlement for 1987-88 is \$2587 total compensation (7.1%) compared to \$2089 (6.8%) pursuant to the Board's offer, and \$2660 (8.7%) pursuant to the Association offer. Thus, the Employer offer as a percentage approximates the state-wide average for total compensation increases, and the Association offer is quite close to the weighted average of dollar amounts per returning teacher total compensation increase. Because the percentage reflects the pay variances by geographic area in relationship to the state-wide average, the undersigned concludes that for this purpose of comparison the percentage comparison is the more reliable data. It follows that the Employer offer is preferred by this standard as well.

#### COST OF LIVING CRITERIA

Both parties propose a percentage increase in excess of the cost of living increase for 1986-87. The cost of living increase from 1986-87 is approximately 3.9%, July to July. Because the Employer offer is closer to the cost of living increase than that of the Association, the undersigned concludes that the cost of living criteria favors the adoption of the Employer offer.

#### OTHER FACTORS CRITERIA

The Employer argues at pages 41 and 42 of its brief that other factors support the Employer offer. The Employer argument relates to legislative attempts to impose cost controls and levy limits in an effort to provide meaningful property tax relief. The Employer also argues that if the Association proposal were adopted, it would cause a tenth of a mill to be added to the "already above average mill rate". All of the foregoing argument, in the opinion of the undersigned, properly should be considered under the criteria of interest and welfare of the public, rather than under other factors. Consequently, the undersigned concludes that the record contains no evidence relating to the "other factors" criteria of the statute.

#### INTEREST AND WELFARE OF THE PUBLIC

7.c. of the criteria reads: "The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement." There is no evidence adduced nor is argument made with respect to the ability of the Employer to meet the costs of the proposed settlement. There is evidence and argument with respect to the interest and welfare of the public. The Employer relies on a summary of state economic conditions and rural or farming economic conditions in support of its argument that the interest and welfare of the public is best met by the adoption of the Employer final offer. The undersigned has reviewed all of the evidence in Board Exhibit Nos. 68, 69, 70, 71, 66, 67, 72, 74, 82, 83 and 84 as it relates to a summary of state economic conditions. The Employer argues that its summary of state economic conditions shows that taxpayers with average incomes now declining or held to very little increases are being subjected to very high and growing taxes, and that the State has encouraged school boards to contain costs to provide property tax relief. The foregoing is all unpersuasive to the undersigned as it relates to the instant district under the criteria of interest and welfare of the public, because in the foregoing sections of this award we have learned that the average compensation to the top paid teachers in this district, compared to the state averages, are significantly lower in this district. Given the foregoing, it would seem to the undersigned that the state economic data is tempered by the fact that top paid teachers in this district are already paid significantly below the state average. Consequently, any reliance on state economic conditions by the Employer is misplaced, in the opinion of the undersigned.

We now look to the Employer argument with respect to the rural or farm economy as it impacts the interest and welfare of the public. The Employer summarizes the economic conditions affecting the farmers as follows:

1. Wisconsin farm leaders expect 20 percent of farm operations in their areas to go out of business within the next three years. (B-103)
2. The equalized value of state farm land continued its dramatic decline last year, plummeting 14.3 percent according to the Wisconsin Department of Revenue. This follows a drop in farmland value of 23 percent in 1985 and 9 percent in 1984. (B-104)
3. Dairy farmers can expect milk prices to slide to a ten year low in 1988. The milk price support was cut another 50 cents to \$10.60 per one hundred pounds. This is the lowest rate since 1978. (B-105)
4. Wisconsin's property tax is somewhat higher than that of most other states, which may put Wisconsin farmers at a slight competitive disadvantage. (B-106, p. 37)
5. The financial conditions of Wisconsin farmers, taken as a whole, continued to deteriorate in 1986. This was due to a combination of low farm commodity prices and furthered devaluation of farm assets, especially land. There is little reason to suspect that 1987 will bring a major upturn in Wisconsin's farm economy. (B-107, p. iii)
6. Declining farm incomes have reduced farmers' ability to pay property taxes and declining land values have reduced the property tax base in farming communities. (B-107, p. iv)
7. The latest outlook for 1988 is bleak. (B-110, iii)
8. The average farms' net worth has declined \$100,000 since 1981. (B-102)

The undersigned is well aware of the economic conditions confronting the rural area and the farm community particularly. Furthermore, since the date of hearing in this matter, May 10, 1988, the Wisconsin rural farm community has experienced a severe drought, causing further adverse economic conditions to the farm community. The undersigned takes notice of that condition and its resultant impact. Given all of the foregoing and all of the data contained within the Employer exhibits with respect to the financial conditions of the rural community, the undersigned concludes that under these circumstances in this particular year, the interest and welfare of the public would support the adoption of the Employer offer.

In reaching the foregoing conclusion, the undersigned has carefully considered all of the Association exhibits and the Association arguments with respect to the criteria of interest and welfare of the public. The undersigned agrees with the holdings found in Association Exhibit No. 15, A Nation At Risk, The Imperative For Educational Reform; and Association Exhibit No. 63, a report on secondary education in America by the Carnegie Foundation; Association Exhibit No. 64, a report from the Rand Corporation entitled Who Will Teach?, an historical perspective on the changing appeal of teaching as a profession; the Carnegie Foundation document entitled A Nation Prepared (Association Exhibit No. 70); the U. S. News & World Report article entitled "Teaching in Trouble" (Association Exhibit No. 65); the William J. Bennett news article of 2/25/88 about schools are not improving (Association Exhibit No. 54); the update for NEAC leaders, publication stressing the Japanese being impressed with quality of Wisconsin public schools (Association Exhibit No. 55); the quotations from a newspaper article of 3/15/88 of George Mead, Chairman and Chief Executive Officer of Consolidated Papers (Association Exhibit No. 57). The undersigned has considered the foregoing exhibits, and the Association argument connected therewith, as well as all of the exhibits the Association has introduced into this record with respect to the interest and welfare of the public as it relates to maintaining a high quality teaching force via what the Association regards as adequate compensation for teachers. The undersigned is in agreement with all of the general principles espoused in these exhibits, and subscribes to the theory

that a well paid teaching force is in the interest and welfare of the public. Under the circumstances which exist in this district as it relates to the rural community particularly, the interest and welfare of the public is best served by the adoption of the Employer offer.

#### COMPARISONS IN THE PUBLIC AND PRIVATE SECTORS

The undersigned looks to a comparison of wages, hours and working conditions in the private sector in the same community and in comparable communities; and to wages, hours and conditions of employment in the public sector in the same community and in comparable communities as described in criteria e and f of the statute. Employer Exhibit No. 57 sets forth percentage settlements among other organized employees of this Employer, including custodians, clericals, food service employees, bus drivers and aides who settled their collective bargaining negotiations in a range of increases from 3.9% to 5.6%. Exhibit No. 57 also establishes that administrators received an average increase of 7.14% for 1987-88. Employer proposal for 1987-88 is 6.17%, and the Association proposal is 7.95% salary only increase (Board Exhibit No. 8). The undersigned has utilized the percentages calculated by the Employer which include the horizontal increments for the purpose of these comparisons, because we are now comparing costs of settlement to employees in this unit to the cost of settlement for other employees where the horizontal increment is not at issue. Therefore, the concerns about comparing apples to apples does not exist here. The foregoing data establishes that the 6.17% offer of the Employer is greater than all of the other settlements with organized units employed by this Employer. The administrator increases exceed the proposal of the Employer, but are less than the proposal of the Association. Because the negotiated increases in collective bargaining more nearly approximate the increases proposed by the Employer here, the undersigned concludes that the internal patterns of settlement favor the adoption of the Employer offer, notwithstanding the greater increases unilaterally determined by the Employer for administrators.

Employer Exhibit No. 126 sets forth the percentage wage increases in both public and private sectors in the area. Employer Exhibit No. 126 reveals the following: Krause Publications, 4.5% increase; Jones Publishing Company, 15% increase; Grayhill Manufacturing, 2-4% increase; Iola Hospital, 4% increase; Village of Iola, 5% increase; Wisconsin Power & Light, 3 to 4% increase; Rural Electric Co-op, 4% increase for Union employees; Waupaca County, average increase of 3%, 2% for 1/2 year and additional 2% for the last half year; and Waupaca Foundry, 2% wage increase plus a 3% bonus. The foregoing establishes to the satisfaction of the undersigned, that the proposal of the Employer is closer to the negotiated increases in the private sector and the public sector in the general area in which the Employer is domiciled. It follows therefrom that these criteria support the adoption of the Employer offer.

#### SUMMARY AND CONCLUSIONS WITH RESPECT TO THE SALARY ISSUE:

The undersigned has concluded that the patterns of settlement among conference schools, schools within a thirty-five mile radius of the Employer, and the state-wide averages support the adoption of the Association offer. The undersigned has concluded that the total compensation increases among the same comparisons support the adoption of the Employer offer, and that comparisons of top salary paid support the Employer offer. The undersigned has further concluded that the Employer offer is supported by the criteria of cost of living; the criteria of interest and welfare of the public; the criteria of wages, hours and working conditions in the private sector and in the public sector; and by the criteria of cost of living. After considering all of the criteria with respect to the salary issue, the undersigned now concludes that the Employer offer should be adopted as it relates to the salary issue.

#### INSURANCE ISSUE

The predecessor Collective Bargaining Agreement provided for a specified dollar amount of payment for health and dental insurance by the Employer. The specified amount in the Collective Bargaining Agreement was equivalent to 100% of

the premium charged by the insurance carrier. The amounts for health insurance were \$72.62 for single coverage and \$187.50 for family. For dental the premiums were \$10.34 for single and \$35.90 for family. The health insurance premiums were increased to \$90.18 for single coverage and \$234.66 for family. The dental insurance premiums were increased to \$12.78 for single coverage and \$42.72 for family. The Employer here proposes that in the new Collective Bargaining Agreement the premiums be specified in the amount of \$85.04 for single coverage and \$222.54 for family coverage in the first year of the Agreement for health insurance. The Employer offer specifies \$12.78 for single coverage and \$42.72 for family coverage for dental insurance in the first year of the Agreement. The Employer proposes a 6% increase in the foregoing amounts for the second year of the Agreement. The Association proposes that the full premium be specified for single and family coverage in the first year of the Agreement at \$90.18 for single coverage and \$234.66 for family coverage for health insurance in the first year; and \$12.78 for single coverage and \$42.72 for family coverage for dental insurance in the first year of the Agreement. The Association then proposes that when new rates are known that a sum sufficient to cover 100% of the premium be inserted into the Agreement as a flat dollar amount at the time the new rates are published. With respect to long term disability insurance, both parties propose increases to the amount of premiums payable by the Employer in the first and second year of the Agreement. The Employer proposes that the aggregate premium be \$3300 for the first year and \$3400 for the second for LTD coverage. The Association proposes that the aggregate premium be \$3850 for the first year and \$4200 for the second.

The undersigned has considered the differences of the proposals of the parties with respect to LTD insurance, and finds no preference with respect to that issue. Neither party makes persuasive argument for the adoption of its offer, and there simply is no evidence in the record to base a preference for one party's offer over the other. Consequently, the undersigned finds that neither party's offer is preferred with respect to long term disability insurance.

The health and dental insurance issues present a different question for the Arbitrator. The record evidence establishes that in the predecessor Contract the Employer bargained a flat dollar amount equal to the total premiums that were then in force. The Employer now proposes that it pay 95% of the single and family health insurance premium in the first year of the Agreement, and 100% of the dental premium, both stated in dollars. The Employer further proposes that in the second year the amounts of its contribution for health and dental insurance premiums be increased by 6%. The Association proposes that in the first year of the Agreement the full dollar value of 100% of the premium be stated in the Contract, and that the 100% be perpetuated if and when a premium increase is forthcoming by inserting in the Contract a dollar amount equal to the new premium, if the premium is increased during the term of the Agreement.

Both parties charge the other party that they are changing the status quo. The undersigned has reviewed the evidence, and believes that both parties are right. In other words, both parties are proposing a change to the status quo. The Employer changes the status quo because the record establishes the Employer has paid a flat dollar amount equal to 100% of the premium at the beginning of the Contract term. The Employer now offers to pay 95% of the full premium amount expressed as a flat dollar in the Contract. The foregoing represents a change. It remains to be determined whether the Employer has established sufficient reasons for the change of premium relationship that it proposes.

The Association also proposes a change in the status quo regarding health and dental insurance premiums when it proposes that if a higher premium amount is generated during the term of this two year Agreement, the dollar amount in the Collective Bargaining Agreement should be modified so as to reflect 100% of the new premium. The predecessor Contract contained no such provision. Because the undersigned concludes that the Association proposal here amounts to the equivalent of 100% premium contribution on the part of the Employer, the status quo is changed by the Association as well. It also remains to be determined whether the Association can support its proposed change in the status quo.

The Employer cites Arbitrator Rice in support of its position, where, in

Turtle Lake School District, Dec. No. 19298-A, 5/24/82, Rice opined:

It is understandable that the Association seeks to have the entire medical insurance premium paid by the Employer and to retain an insurance carrier that provides a plan that satisfies this it. However, there is no reason why the Employer should be required to pay an excessive premium for its employees when it can obtain a substantially equivalent plan at a cost that is line with the average cost in the Lakeland Conference . . . The proposal of the Association is substantially higher than any of the comparables and its rigid position on maintaining the current carrier or coverage regardless of the cost is unreasonable or unrealistic.

The undersigned is unpersuaded by the Employer's reliance on the dicta of Arbitrator Rice in Turtle Lake School District. It is clear that the Employer in Turtle Lake proposed a coverage which would result in lower premium than the coverage proposed by the Association there. Here, there is no such proposal on the part of the Employer. Rather, the Employer proposes a sharing of the premium. The Employer would have the Arbitrator conclude that because the Association was unwilling to bargain reduced coverage at the bargaining table in this round of bargaining, it should be assessed 5% participation in the premium. The undersigned rejects the foregoing for several reasons. First, offers of settlement should not be considered by an Arbitrator in assessing which party's final offer should be adopted. Secondly, and even more importantly, the Employer could have proposed the reduced coverage at a lower rate with 100% premium payment if it wished to make that its final offer. The Employer simply did not make that its final offer, and, consequently, the undersigned considers it irrelevant that there may have been a reduced coverage available at 100% of premium. Since the Rice dicta in Turtle Lake refers to reduced coverage at a lower premium cost; and because that is not the situation before the instant Arbitrator; the undersigned concludes that the Employer's argument with respect to 5% participation in premium on the part of employees based on the holdings of Turtle Lake are inapposite.

In order to determine whether the proposed changes in the status quo can be supported, the undersigned looks to the prevailing industry practice with respect to health insurance among the athletic conference schools. Association Exhibit No. 30 sets forth the 1987-88 health insurance contributions on the part of employers in the athletic conference. Association Exhibit No. 30 establishes that there are 6 of 15 conference schools who pay 100% of the family premium in 1987-88, and that there are 11 of the 15 conference schools that pay 100% of the single health insurance premium in 1987-88. Of the remaining 9 conference schools who do not contribute 100% of family premium for health insurance, the percentages range from 90% at Wittenberg to 99% at Manawa. The prevailing practice establishes that the majority of the conference schools require premium participation for family coverage of health insurance. Therefore, health insurance premium participation is supported by the prevailing practice in the athletic conference for 1987-88.

With respect to dental insurance premiums for 1987-88, both parties propose that the dollar amount for dental insurance reflect the full premium cost for the first year of the Contract. The Association proposes that 100% premium contribution be continued on the part of the Employer for dental insurance if premiums increase. For dental insurance, the Employer has proposed the same 6% increase for 1988-89 as it did for health insurance. The industry practice with respect to dental insurance shows a prevailing practice of 100% in the majority of conference schools. Because both parties propose 100% premium for dental insurance, which reflects the status quo in the first year of the Agreement; and because the Employer continues a flat dollar amount statement for the second year of the Agreement (representing a 6% increase); and because the Association proposes the equivalent of 100% coverage throughout the Contract term; and because the Arbitrator concludes that the Association position on dental insurance represents a change in the status quo and that the Employer proposal does not represent a change in the status quo with respect to dental insurance, it follows that the Employer offer with respect to dental insurance is preferred.

Returning to the question of health insurance, the undersigned has considered

all of the citations of the Employer with respect to the need for premium participation on the part of the employees, and finds validity to those citations. Because the Employer proposes a continuation of a flat dollar amount, and the Association proposes the equivalent of 100% coverage of health insurance; and because participation in premium contribution by employees is relatively minor as proposed by the Employer; the undersigned concludes that the Employer proposal on health insurance is preferred by the slimmest of margins.

From all of the foregoing, then, the undersigned concludes that the insurance proposal of the Employer is preferred.

#### EXTRA CURRICULAR PAY ISSUE

The Association in its brief states that the extra curricular pay is a cost item, but a non-issue. (Pages 61 and 62 of Association brief) The Employer in its brief at page 56 states: "The parties' positions on extra curricular are not unreasonable. The Board believes that this issue will "tag-along" with the other issues in dispute." The undersigned agrees with the parties' assessment of the extra curricular issue, and, consequently, no preference is formed for either party's offer with respect thereto. It follows that the party prevailing on the insurance and salary issues will have its position adopted on the extra curricular schedule without further deliberation or discussion on the part of the Arbitrator.

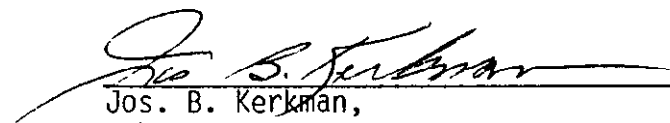
#### SUMMARY AND CONCLUSIONS:

The Arbitrator has concluded that the Employer offer is preferred for both the salary and insurance issues. The undersigned has further concluded that the extra curricular issue is not a determinative issue in this dispute. From the foregoing, it follows that the Employer offer in this matter will be awarded. Therefore, based on the record in its entirety, and the discussion set forth above, after considering all of the arguments of the parties, and the statutory criteria, the Arbitrator makes the following:

#### AWARD

The final offer of the Employer, along with the stipulations of the parties as furnished to the Wisconsin Employment Relations Commission, as well as those terms of the predecessor Collective Bargaining Agreement which remain unchanged throughout the course of bargaining, are to be incorporated into the parties' written Collective Bargaining Agreement for the school years 1987-88 and 1988-89.

Dated at Fond du Lac, Wisconsin, this 17th day of August, 1988.

  
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Jos. B. Kerkman,  
Arbitrator