

In the Matter of the Petition of  
 SHELL LAKE SCHOOL DISTRICT  
 To Initiate Arbitration  
 Between Said Petitioner and  
 NORTHWEST UNITED EDUCATORS

Case No. 22  
 No. 39151 INT/ARB-4503  
 Decision No. 25259-A

Stanley H. Michelstetter II  
 Arbitrator

**RECEIVED**

JUL 15 1988

WISCONSIN EMPLOYMENT  
 RELATIONS COMMISSION

Appearances:

Alan D. Manson, Executive Director, appearing on behalf of the Association.

Mulcahy & Wherry, S.C., Attorneys at Law, by Katheryn Prenn, appearing on behalf of the Employer.

ARBITRATION AWARD

Shell Lake School District, herein referred to as the "Employer" having petitioned the Wisconsin Employment Relations Commission to initiate Arbitration, pursuant to Sec. 111.70(4)(cm), Wis. Stats., between it and Northwest United Educators, herein referred to as the "Association," and the Commission having appointed the Undersigned as Arbitrator on March 21, 1988; and the Undersigned having conducted a hearing on April 14, 1988, in Shell Lake, Wisconsin, during the course of which the parties consented to mediation, which proved unsuccessful, and the parties having each filed post hearing briefs and the Association having filed a reply brief, the last of which was received June 2, 1988.

ISSUES

The final offers contain the positions of the parties. The Employer's final offer is attached hereto and marked appendix A and the Association's is attached hereto and marked appendix B. The following is a summary of the issues which are substantively dispute for the parties 1987-9 collective bargaining agreement and were litigated by the parties.

1. The 1986-7 salary schedule is attached hereto and marked appendix C. The parties each propose the following increase per cell of that schedule:

	Employer	Association
1987-8	3.8	5.0
1988-9	4.6	5.5

2. Under Article XXIV of the current agreement, the Employer provides fully paid health and dental insurance to full time employees. The

agreement provides for dollar amounts which, in fact, were the full premium for the 1986-7 school year. Those amounts are:

family hosp.	146.50
family dental	32.30
single hosp.	58.44
single dental	9.48

The agreement provides that any premiums in excess will be deducted from the employee's wages. For 1987-8, both parties propose that the dollar amounts specified be increased to the full amount of the premiums for that year as follows:

family hosp.	201.90
family dental	35.37
single hosp.	80.24
single dental	10.38

However, the Employer proposes that the insurance increase provision should be effective the date of ratification, not retroactively. The result of this is that employees pay the cost of the increase of insurance for 1987-8. For 1988-9, the Employer proposes to pick up, up to 15% of any increase over the 1987-8 year, while the Association proposes that the Employer pick up, up to 20% of the increase.

3. The parties propose the following changes to the current \$1,000 per semester payment for teachers assigned to teach an additional class:

	Employer	Association
87-8	\$1,038	\$1,050
88-9	\$1,085	\$1,108

#### POSITION OF THE PARTIES

The Employer contends that Shell Lake suffered unique economic circumstances which make the Union's proposal burdensome to the local taxpayers. The Employer relies upon newspaper reports to show that the northwestern counties of Polk, Washburn and Burnett experienced a drought in 1987 which interfered with the normal hay crop. It argues that as a result, hay production in the affected counties was considerably lower than normal, necessitating emergency relief measures (most notably a hay lift). It argues that, in turn, these conditions left farmers devastated with many having to take on additional debt or sell off production livestock at low prices. It argues that this crisis affected this district more because it was in the center of the drought and, also, impacted Shell Lake more than other districts in that it is more reliant on agriculture, a lower income area, and more property tax dependent than other districts.

The Employer relies heavily upon comparisons to increases granted in settlements in various units of county employees for both Burnett and Washburn counties. It argues that these settle-

ments are "realistic" in the light of "the financial condition of their taxpayers . . . ."

The Employer, also, argues that the past two agreements (each one year) were settled by arbitration. The result of these awards has been to comparatively increase the MA and MA plus 8 areas of the salary schedule beyond that of the comparable districts. Taken with a salary schedule structure which greatly increases the MA portions of the schedule when the BA base is increased, ordinary schedule adjustments such as those sought by the Association will produce inordinate results in that area of the schedule. In essence, the Employer argues higher priority should be given to moderating the MA area increases than improving the BA areas. It, also, argues that the very high incentive for teachers to move to the MA lanes should be given heavy weight in this case.

The Employer argues that by any comparison, its offer far exceeds the 2.5% increase in non-metropolitan cost of living (February, 1987-February, 1988).

With respect to the health insurance issue, it argues that from 1986-7 to 1987-8 Shell Lake had the highest increase of health insurance premium among the comparable school districts resulting in the fourth highest health insurance premiums among the comparable school districts for 1987-8. The district believes its proposal to increase the amount specified in the agreement for 1987-8 to the full amount of the premiums, but to not make the provision retroactive is an effective cost saving device given the Employer's current needs. It indicates that its offer to pick up 15% of the health insurance increase for 1988-9 is preferable to the Association's 20% offer because at the maximum, it brings the Employer's costs into line with other district's health insurance costs.

The Employer takes the position that although there are no teachers receiving overload pay, the Association's proposal to increase overload pay is unreasonable in that the District is already the highest paying among the comparables.

The Union relies primarily upon the comparison to teacher settlements and wages in comparable units in the Lakeland Conferences (the stipulated comparison group). It notes that all fourteen comparison schools have settled for the 1987-8 school year and 13 have settled for 1988-9. On this basis, it notes that its salary offer is .9% less than the average salary increase for 1987-8 and .24% less than the average salary increase for 1988-9 in this group. The Employer's final offer on the otherhand is 2.12% below for 1987-8 and 1.18% for 1988-9. It notes its offer is closer to the average than the Employer's in dollars per returning teacher and average (unweighted) benchmark analysis. Finally, it argues that even if its offer were adopted, Shell Lake would lose ground; but, under the final offer of the Employer, Shell Lake will be one of the lowest paid districts in this area (BA area) by the end of this agreement.

The Union alleges that its offer for the full payment of health insurance premium for 1987-8 is far more comparable to other districts' than the Employer's offer of a dollar amount equal to full but not retroactive payment by the 1987-8 school year. It argues the Employer's offer is without precedence in the conference. While it concedes there has been a large increase in premiums here, it argues this increase merely brings the Employer into line with what other districts are paying. In any event, it notes that its comparatively low wage offer already takes this into account. Similarly, it argues that its offer to pick up up to a 20% increase in insurance premiums for 1988-9 is far more comparable than the Employer's 15%.

In reply to the Employer's position, the Association denies that the total cost comparisons are accurate and, therefore, denies that they are reliable. Also, the Association denies that there is any reason to treat Shell Lake differently than teachers in comparable districts. It argues that the evidence offered by the Employer is not sufficient to support the Employer's position that Shell Lake is unique among the stipulated comparison districts, in that its farm economy is allegedly worse than all other district's economies. Specifically, it alleges that the Employer has failed to demonstrate any statistical evidence of the drought and its impact on the economy of the region and demonstrating that the impact was more devastating in Shell Lake than elsewhere. It challenges the Employer's use of newspaper articles in this context, in that they do not show any significant analysis of the loss of hay production, loss of milk production, amount of emergency financial assistance or duration of the drought emergency. Finally, the Employer has failed to show evidence which would likely support its position, if it existed, namely settlements in other contiguous school districts showing a lower settlement based upon the drought. The Association, also, argues that, contrary to the Employer's argument, adoption of the Employer's position rather than the Association's will lead to more arbitration because the system will lack the predictability of comparison based decisions.

#### DISCUSSION

Most of the important facts in this case are not in dispute. The costing of the offers is not seriously in dispute. The Employer costs its 1987-8, 3.8% per cell offer as a total package increase of 4.89% and its 1988-9, 4.6% per cell offer as a total package increase of 7.85%. It costs the Association's 1987-8, 5.0% per cell offer at 7.52% total package and its 1988-9, 5.5% per cell offer at 7.57% total package. One of the factors significantly affecting the total package computations is the handling of the health and dental insurance premium increases. In 1987-8, the actual health insurance premiums increased over 25%. The Employer's non retroactive offer does not reflect any increase until 1988-9. The Association's offer reflects this increase. The costing assumes the maximum allowable increase in health insurance for 1988-9.

The parties have agreed upon the primary teacher comparison group, the Lakeland Athletic Conference which consists of Brichwood, Bruce, Cameron, Clayton, Clear Lake, Flambeau, Lake Holcombe, New Auburn, Northwood, Prairie Farm, Shell Lake, Siren, Turtle Lake, Weyerhaeuser and Winter.

Wage rate comparisons for 1986-7 in this group yields the following ranking for Shell Lake:

	BA	BA Max.	BA Max w. long.
conf. average	16,402.	23,877.	23,902.
Shell Lake	16,695.	24,025.	24,025.
rank	4/15	7/15	7/15

	MA	MA Max.	MA Max w. long.
conf. average	17,694.	26,408.	26,408.
Shell Lake	18,111.	28,574.	28,574.
rank	4/15	1/15	1/15

	Sched. Mx	Schd. Mx. w long
conf. average	26,744.	26,744.
Shell Lake	29,246.	29,246.
rank	1/15	1/15

The 1986-7 distribution of staff reflects that there are 40.52 full time equivalent staff of which 10.55 are in the MA range, 4 of those teachers are at the maximums. 29.97 are in the BA range of which 19 are at or near the maximums.

For 1987-8 and 1988-9, respectively, 14 of the 15 districts have settled and 13 of the 15 have settled. These settlements range somewhat ahead of state averages, even considering settlements where movement in the schedule was withheld. By any method of comparison, the wage increase proposed by the Association is closely comparable to that of the conference in both years, being about .75% less than average for 1987-8 and .25% less for 1988-9. The Employer's offer is fully 2% lower the first year and 1% lower the second. On a total package basis, it appears the Association's total package is closely comparable, while taking in to account the retroactivity issue, the Employer's offer is considerably less than comparable.

The value of benchmark analysis comparison for the two years of this agreement is impaired by the fact that four of the comparable districts have entered into agreements in which teachers are not granted an experience increment in at least one of the contract years in exchange for greatly improved salary schedules. Thus, under either offer, Shell Lake loses ground. However, the offer of the Employer being quite a bit lower than the others leaves Shell Lake substantially lower.

1987-8

	BA	BA Max.	BA Max w. long.
conf. average	17,361.	25,247.	25,272.
Shell Lake Bd.	17,328.	24,936.	24,936.
rank Bd.	8/15	10/15	10/15
Shell Lake Un.	17,530.	25,226.	25,226.
rank Un.	5/15	9/15	9/15

	MA	MA Max.	MA Max w. long.
conf. average	18,711.	28,008.	28,033.
Shell Lake Bd.	19,302.	29,657.	29,657.
rank Bd.	2/15	1/15	1/15
Shell Lake Un.	19,527.	30,003.	30,003.
rank Un.	2/15	1/15	1/15

	Sched. Mx	Schd. Mx. w lng
conf. average	29,162.	29,187.
Shell Lake Bd.	30,354.	30,354.
rank Bd.	5/15	5/15
Shell Lake Un.	30,708.	30,708.
rank Un.	3/15	3/15

1988-9

	BA	BA Max.	BA Max w. long.
conf. average	18,503.	26,770.	26,737.
Shell Lake Bd.	18,120.	26,076.	26,076.
rank Bd.	13/14	13/14	13/14
Shell Lake Un.	18,494.	26,613.	26,613.
rank Un.	6/14	8/14	8/14

	MA	MA Max.	MA Max w. long.
conf. average	19,956.	29,780.	29,774.
Shell Lake Bd.	20,184.	31,012.	31,012.
rank Bd.	4/14	4/15	4/14
Shell Lake Un.	20,601.	31,653.	31,653.
rank Un.	4/14	1/15	1/14

	Sched. Mx	Schd. Mx. w lng
conf. average	31,034.	31,032.
Shell Lake Bd.	31,741.	31,741.
rank Bd.	6/14	7/14
Shell Lake Un.	32,397.	32,397.
rank Un.	5/14	4/14

Health and dental insurance premium increases are another major issue. All districts among the comparison groups pay essentially the full cost of health and dental insurance for 1987-8. In 1986-7, the Employer had one of the lowest cost insurance plans among the comparison group. For example, the family health insurance premium was \$155.30 per month 13th of the

15 districts ( average was \$172.26 per month). For 1987-8, the Employer received a 31% increase to \$201.26 per month. As a result of the increase its premium rose to above the conference average of \$189.99 for 1987-8, fourth highest of the fifteen.

There, also, isn't any dispute in this case that by direct comparison, the Employer's offer exceeds increases in the cost of living. Similarly, the Employer's offer is far more comparable to settlements in represented units in both Burnett and Washburn Counties.

The main thrust of the Employer's argument is that because of the impact of a drought in 1987, adoption of the Association's offer would be unduly burdensome to local taxpayers. The Association challenges the conclusions drawn by the Employer, largely as unsupported by any evidence and, in any event, based only upon hearsay newspaper accounts.

In this case, the newspaper articles submitted by the Employer adequately demonstrate that a drought did occur here in 1987. It was one which primarily affected Polk, Burnett and Washburn Counties; although, a total of ten counties were, also, affected. This drought was sufficient to cause a substantial relief effort including a hay lift. Applying ordinary judgment to that circumstance, it is one which can only have a damaging effect on the agricultural sector of any local economy. It is, therefore, a factor requiring caution in property tax determinations and which must be balanced with the need to maintain adequate staff and appropriate salaries to maintain salaries which are an incentive to maintain professional staff.

Siren, Turtle Lake, Clayton, Birchwood and Clear Lake all are all at least substantially in the most affected counties. All of these districts, except Siren are far more agricultural than Shell Lake. The Employer has not alleged whether or not any of these settlements were lower as a result of the drought. In fact, each of these districts voluntarily settled closely to the conference averages. Except for Siren, Shell Lake, by far, has historically had the lowest per capita income. Further, except for Siren and Turtle Lake, Shell Lake receives far less state aid than the others and, therefore, is more property tax dependent than the others.<sup>1/</sup> Two of the districts have a significantly higher tax rate than Shell Lake.

The settlements for Burnett County and Washburn County both are, in my experience, modest. Further they both reflect total-cost saving measures in all bargaining units. Thus, these are consistent with tax relief measures related to drought conditions.

I am satisfied that the disparate impact of the drought,

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There is insufficient data to make detailed comparisons to Birchwood.

warrants the conclusion in this case that the criteria other than comparisons among teacher units of similar employers should be given primary weight in this case. The determination in this case is made upon total cost considerations and not upon the allocation of the package. Based upon the foregoing, the final offer of the Employer is to be preferred.

AWARD

That the parties 1987-1989 collective bargaining agreement contain the final offer of the Employer.

Dated at Milwaukee, Wisconsin, this 13th day of July, 1988.

  
Stanley H. Michelstetter II,  
Arbitrator



DEC 16 1987

SCHOOL DISTRICT OF SHELL LAKE

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

FINAL OFFER FOR A  
1987-89 COLLECTIVE BARGAINING AGREEMENT

1. Except as set forth in the Stipulations between the parties or in this Final Offer, the terms and conditions of the 1986-87 contract shall become the terms and conditions of the 1987-89 contract.

2. ARTICLE XII - TEACHING CONDITIONS

Work Load

Paragraph A: Revise to read:

"Seven high school (grades 6-12) assigned periods per day ..."

Paragraph B: Revise to read:

"Eight high school (grades 6-12) assigned periods per day ..."

Paragraph B: Increase \$1000 to \$1038 for 1987-88 and to \$1085 for 1988-89.

Paragraph C: Revise to read:

Junior high teachers (grades 6-8) will be paid at a rate of \$8.23 per hour (\$8.61 1988-89) for time required as a.m. recess supervisors and for supervising students normally assigned to another teacher (art, music, phys. ed., etc.).

Paragraph D: Increase wage rate to \$8.23 per hour for 1987-88 and to \$8.61 per hour for 1988-89.

3. ARTICLE XIII - SPECIAL ASSIGNMENTS

Section C: Increase wage rates to \$8.23 per hour for 1987-88 and to \$8.61 per hour for 1988-89.

4. ARTICLE XIV - FAIR SHARE

Section B: Delete second paragraph and substitute the following:

NUE shall provide employees who are not members of NUE with an internal mechanism within NUE which is consistent with the requirements of state and federal law and which will allow those employees to challenge the fair share amount certified by NUE as the cost of representation and to receive, where appropriate, a rebate of any monies to which they are entitled. To the extent required by state or federal law, NUE will place in an interest-bearing escrow account any disputed fair share amounts.

5. ARTICLE XVI - PROFESSIONAL IMPROVEMENT

Delete Section C in its entirety.

6. ARTICLE XXIV - INSURANCE PROVISION

Adjust the Board's monthly contribution as follows:

	<u>1987-88 (Effective date of contract ratification; not retroactive to July 1, 1987</u>	<u>1988-89</u>
Family hospitalization	\$201.90	\$232.19
Family dental	35.37	40.68
Single hospitalization	80.24	92.28
Single dental	10.38	11.94

7. ARTICLE XXVI - EXTRA DUTY

Increase wage rate to \$8.23 per hour for 1987-88 and to \$8.61 per hour 1988-89.

Increase minimum to \$11.75 for 1987-88 and to \$12.29 for 1988-89.

8. ARTICLE XXVII - EXTRA CURRICULAR

1987-88 Increase all amounts by 3.79%

1988-89 Increase all amounts by 4.57%

9. ARTICLE XXIX - SALARY SCHEDULE

1987-88 Increase each cell by 3.79%

1988-89 Increase each cell by 4.57%

10. CALENDAR

1987-88 See attached.

1988-89 See attached.

ON BEHALF OF THE  
SCHOOL DISTRICT OF SHELL LAKE

By: Kathryn J. Prenn  
Kathryn J. Prenn  
Attorney for the School District

Date: 12-14-87

1988-89 SCHOOL CALENDAR - SHELL LAKE

August 22 - 23	Teacher Inservice
August 24	Students First Day
September 5	Labor Day - No school
October 7	Teacher's Convention
October	End of First Quarter
November 10	Parent Teacher Conf. - P.M.
November 11	Parent Teacher Conf. - All Day
November 21 - 25	Thanksgiving Vacation
December 23 - January 1	Christmas Vacation
January 2	Classes Resume
January	First Semester Ends
January 23	Inservice
February 20	Mid Winter Break - No School
March	Third Quarter Ends
March 30	Parent Teacher Conf. - P.M.
March 31	Parent Teacher conf. - All Day
April 7 - 10	Spring Vacation - No School
May 26	Last Day for Students
May 27	Last Day for Teachers
May 30	Memorial Day

JAN 21 1988

## Appendix B

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSIONFINAL OFFER OF NORTHWEST UNITED EDUCATORS FOR A  
1987-89 TEACHER CONTRACT IN THE SHELL LAKE SCHOOL DISTRICT  
WERC CASE 22, NO. 39151, INT/ARB-4503

1. Except as set forth in the stipulations between the parties or in this final offer, the terms and conditions of the 1986-87 contract shall remain unchanged.

2. Duration: Change the dates throughout the contract to reflect the term of agreement from July 1, 1987 through June 30, 1989.

3. Article XI - Teaching Conditions:

## Work Load:

Paragraph A: Revise to read: "Seven high school (grades 6-12) assigned periods per day..."

Paragraph B: Revise to read: "Eight high school (grades 6-12) assigned periods per day..."

Paragraph B: Increase \$1,000 to \$1,050 for 1987-88 and to \$1108 for 1988-89.

Paragraph C: Revise to read: Junior high teachers (grades 6-8) will be paid at a rate of \$8.33 (\$8.79 in 1988-89) per hour for time required as a.m. recess supervisors and for supervising students normally assigned to another teacher (art, music, phy. ed., etc.).

Paragraph D: Increase wage rate to \$8.33 per hour for 1987-88 and to \$8.79 in 1988-89.

4. Article XIII - Special Assignments, Section C: Increase wage rates to \$8.33 per hour for 1987-88 and to \$8.79 per hour for 1988-89.

5. Article XIV - Fair Share, Section B: Add the following sentence: To the extent required by state or federal law, NUE will place in an interest-bearing escrow account any disputed fair share amounts.

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Section D: Replace the last sentence with: However, nothing in this section shall be interpreted to preclude the District from participating in any legal proceedings challenging the application of interpretation of this article through representatives of its own choosing and at its own expense.

6. Article XVI - Professional Improvements: Delete Section C in its entirety.
7. Article XVIII - 1987-88 and 1988-89 Calendars: The calendars for 1987-88 and 1988-89 are attached; the first three snow days are not made up in each year; there will be 186 workdays in 1987-88 and 187 workdays in 1988-89.
8. Article XXIV - Insurance Provisions: Adjust the Board's monthly contribution for 1987-88 to be as follows:

Family Hospitalization	-	\$201.90
Family Dental	-	35.37
Single Hospitalization	-	80.24
Single Dental	-	10.38

Adjust the Board contribution to long-term disability insurance payments to \$8.93 per month in 1987-88 and to \$9.42 per month in 1988-89 (with 50 percent being \$4.47 per month in 1987-88 and \$4.71 per month in 1988-89).

In addition, add a new paragraph to the end of the clause which states: "The above dollar amounts for the health and dental insurances will be changed, effective July 1, 1988, to reflect the actual dollar amounts of the full family and single premiums at that time; the District will pay the first 20 percent increase in these rates; should the rates increase by more than 20 percent the difference between a 20 percent increase in rates and the full rates shall be paid for by reducing the 1988-89 salary schedule on a percent per cell basis; this health insurance offset on the basic salary schedule would be a permanent change in both the salary schedule and the health insurance payments; the offset calculations will be based on the Shell Lake staff in existence at the time that the calculations are made (estimated to be May and June of 1988) using the anticipated placement of the staff in 1988-89 (based on actual academic credits as of May and June, 1988) as well as the family, single, or no health/dental insurance status of the employees at that time; the calculations will, dollar-for-dollar, pay for the increased cost of health insurance above the first 20 percent amount to be paid by the District and shall utilize both the actual salary reductions from the salary schedule and those extra-curricu-

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lar positions which are tied to the salary schedule, and the accompanying reductions in all employer payments to the Wisconsin Retirement System and in the employer's payments to FICA."

9. Article XXVI - Extra Duty: Increase wage rates to \$8.33 per hour in 1987-88 and \$8.79 per hour in 1988-89 with a minimum of \$11.89 per activity in 1987-88 and \$12.54 in 1988-89.
10. Article XXVII - Extra Curricular: In 1987-88 increase all dollar amounts by 5 percent; in 1988-89 increase all dollar amounts by 5.5 percent.
11. Article XXIX - Salary Schedule: In 1987-88 increase each cell by 5 percent; in 1988-89 increase each cell by 5.5 percent.

3 of 3  
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Appendix C

APPENDIX C - SALARY SCHEDULE

1985-86 Shell Lake

STEP	BA	BA8	BA16	BA24	MA	MA8
1.0	15713	16086	16461	17046	17503	17918
2.0	16341	16729	17119	17702	18176	18607
3.0	16970	17372	17777	18357	18849	19296
4.0	17598	18016	18435	19013	19523	19984
5.0	18226	18659	19093	19668	20196	20674
6.0	18855	19302	19751	20324	20869	21363
7.0	19483	19945	20410	20979	21542	22042
8.0	20111	20589	21068	21634	22215	22741
9.0	20740	21232	21726	22292	22888	23430
10.0	21368	21875	22384	22945	23561	24119
11.0	21997	22518	23042	23601	24235	24808
12.0	22612	23162	23701	24256	24908	25498
13.0	---	23776	24359	24912	25581	26187
14.0	---	---	---	25249	26254	26876
15.0	---	---	---	---	26893	27526