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VOLUNTARY LABOR ARBITRATION  
OPINION AND AWARD

MAR 14 1989

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

STANLEY-BOYD  
EDUCATION ASSN

CASE 38 NO 40440

INT/ARB - 4881

and

Decision No. 25575-A

STANLEY-BOYD  
SCHOOL DISTRICT

Hearings Held

Appearances

October 25, 1988  
November 8, 1988  
Stanley-Boyd School District  
East Fourth Ave  
Stanley, WI 54768

For the District

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Arbitrator

For the Association

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BACKGROUND

The Undersigned was notified of his selection as Arbitrator in the above interest dispute by an August 15, 1988, letter from the Wisconsin Employment Relations Commission. On August 24, 1988, the WERC also notified me that at least five citizens within the jurisdiction served by the Stanley-Boyd School District (hereinafter District) had filed a timely petition seeking a public hearing for the purposes noted in Sec 111.70(4)(cm)6 b of the Municipal Employment Relations Act.

The dispute concerns the salary and health insurance provisions to be included in a collective bargaining agreement between the District and the Stanley-Boyd Education Association (hereinafter Association) covering full-time and part-time certified teachers (including librarians and guidance counselors) for the 1987-1988 and 1988-1989 school years.

The public hearing was conducted on October 25, 1988, during which time those attending were afforded full opportunity to question the parties as to the merits of their respective positions and to offer comments as to which of the parties' final offers should be selected by the Arbitrator. The arbitration hearing was held on November 8,

1988 Both parties filed timely Posthearing Briefs and the record was declared closed on December 26, 1988

## THE PARTIES OFFERS

### District Offer

The District proposes the following language for health insurance

The entire cost paid by the Employer shall not exceed two hundred sixty-nine dollars (\$269.00) per employee per month. In the event the total family premium amount for health and dental insurance for the 1988-1989 school year increases above two hundred sixty-nine dollars (\$269.00) per month, the Employer shall pay the increased premium amount and this paragraph will be automatically amended to insert the new total premium dollar amount. The Employer will send the Union a copy of the revised paragraph when it receives the new premium

The District's salary offer would increase teacher salaries an average of approximately 5% the first year (1987-1988) and 5.25% the second year (1988-1989)

### Association Offer

The Association's salary offer equates to an average increase of approximately 7.4% for 1987-1988, and 7% for 1988-1989

It also proposes to delete the underlined portion of the following health insurance language from the 1986-1987 labor agreement:

#### ARTICLE VIII - INSURANCE

Health Insurance The Employer shall provide, without cost to the employee, complete health care protection (hospital-surgical-major medical) insurance through WEA Insurance Trust for single and family coverage. The Employer will also provide the WEA Insurance Trust dental plan containing all basic benefits and optional benefits and optional benefit number one (inlays, onlays, porcelain jackets, and cast crowns)

The employee's insurance becomes effective on the first day of employment and continues for a full twelve (12) month period. If the teacher's employment terminates prior to the completion of the school year, the insurance will terminate at the end of the month in which the termination becomes effective

The entire cost paid by the Employer shall not exceed two hundred twenty-five dollars and fifty cents (\$225.50) per employee

Full-time teachers who are reduced in time will continue to receive full benefits Teachers hired at less than full-time will receive prorated benefits based on their assigned duties

## ANALYSIS

### Comparable School Districts

Both parties limit their lists of proposed comparable school districts to schools within the Cloverbelt Athletic Conference The Conference consists of the following fifteen schools

Altoona (Class B)  
Auburndale (Class B)  
Cadott (Class B)  
Colby (Class B)  
Cornell  
Fall Creek  
Gilman  
Greenwood  
Loyal  
Mosinee (Class B)  
Neillsville (Class B)  
Osseo-Fairchild(Class B)  
Owen-Withee  
Stanley-Boyd (Class B)  
Thorpe

The Association believes that the Class B schools from the above list should be considered the primary comparables group It notes that Arbitrators Imes and Miller used that group for comparison purposes in previous awards. The Association does not believe that Osseo-Fairchild should be included in the primary comparables group, even though it was added as a Class B school for 1986-1987, because it was not so classified in previous interest arbitration cases, and its inclusion now would not maintain the continuity in comparables established by previous arbitration awards

The Association maintains that the remaining Cloverbelt Athletic Conference Districts (Loyal, Greenwood, Gilman, Fall Creek, Thorp, Owen-Withee and Cornell) should be considered as a secondary comparables group. Doing so, the Association argues, would be consistent with previous arbitration awards

The District proposes a comparables list which includes all Cloverbelt Conference Districts except Altoona, Mosinee and Fall Creek. Altoona and Mosinee are excluded because they are not rural school districts, Fall Creek is excluded since it entered into a three-year contract in 1985, covering the 1985-1986 through 1987-1988 school years. The District notes that in the most recent previous interest arbitration involving these same parties, Arbitrator Yaffe considered Altoona distinguishable from other Cloverbelt Conference districts because of its proximity to Eau Claire He also took note of the fact that Fall Creek was in the first year of a multi-year contract.

The parties to this dispute have been to interest arbitration three times previously. In the first case, Arbitrator Sharon Imes (Stanley-Boyd MED/ARB-719) used as primary comparables the historic Class B schools of the Cloverbelt Athletic Conference

Arbitrator Richard J Miller subsequently used the same group as primary comparables (Stanley-Boyd MED/ARB-1276) Finally, Arbitrator Byron Yaffe chose not to rely upon the external comparability criterion because too few Conference districts had settlements at the time of the hearing (Stanley-Boyd Dec No 23148)

In the interest of continuity, Class B schools in the Cloverbelt Athletic Conference have been adopted as the primary comparables group for the purposes of this case Osseo-Fairchild, a recent addition to the Cloverbelt Conference (1986-1987), is also considered part of the primary comparables group here Presumably, the Conference was expanded to include Osseo-Fairchild because of size, location and other characteristics it has in common with Cloverbelt Class B schools It certainly was not added to the Conference to suit the personal interests of either party in this dispute The Arbitrator therefore deems it an appropriate addition to the primary comparables pool and does not believe its addition will significantly disturb the continuity of the parties' bargaining relationship in the future.

As for a secondary comparables group, Cloverbelt Class C schools have been used by other Arbitrators in this district in the past (Imes, Miller), and the undersigned is not convinced from this record that there is any justification to revise that grouping for the purposes of this case, with the exception of Fall Creek. A three-year contract for the 1985-1986, 1986-1987, and 1987-1988 school years was negotiated for Fall Creek teachers in 1985 Since 1987-1988 salaries in other secondary comparables districts were arrived at much later, under a completely different set of economic conditions, it is not appropriate to include Fall Creek in the secondary comparables pool Making such an exception here should not be viewed as "selective surgery," rather, it is a necessary step to avoid meaningless comparison Fall Creek salaries for 1988-1989 are also excluded, as they appear to be an attempt to balance the inordinately high 1987-1988 salaries in Fall Creek

TABLE I  
PRIMARY AND SECONDARY COMPARABLES

<u>Primary Comparables</u>	<u>Secondary Comparables</u>
Altoona	Cornell
Auburndale	Gilman
Cadott	Greenwood
Colby	Loyal
Mosinee	Owen-Withee
Neillsville	Thorpe
Osseo-Fairchild	

## The Salary Issue

Pre-arbitral bargaining At the outset of this discussion it should be noted that the District's final offer is an exact duplicate of one the Association indicated it would accept during bilateral negotiations on April 20, 1988. The Association had apparently balked at an earlier District offer because it placed too many salary dollars at the BA and MA minimums and not enough for those teachers with greater education levels and more teaching experience. The Association also demanded a \$1000 longevity payment. About seven weeks after the April 20 negotiations the District agreed to the Association's terms. The Association rejected the District's offer and countered with its certified final offer in this proceeding.

Certainly, the Association is not tied in this proceeding to the terms of an offer it proposed earlier in negotiations. Indeed, such reasoning would effectively discourage unions and employers from meaningful negotiations prior to interest arbitration. However, the foregoing scenario does serve to highlight the fact that the salary schedule embodied in the District's final offer was tailored to the general preferences of the bargaining unit. That is, it places more dollars at the maximums and less at the minimums. Accordingly, the Arbitrator has concluded that the BA and MA minimums should not be given significant weight. Salaries at those benchmarks are apparently of less importance to teachers in Stanley-Boyd than are salaries for more experienced, more highly educated teachers.

External Comparables The District argues that the fairest comparison of salary increases among school districts is one of percentage increases in the salary schedules. It notes that comparison of average annual dollar or percentage increases per returning teacher can be misleading due to variance in length of service and educational level across school districts. Moreover, the District maintains, comparison of entry level benchmark salaries in this case would also be misleading because its final offer purposefully (and in response to concerns raised by the Association) placed very few salary dollars at the entry levels. The Arbitrator agrees.

The following tables depict percentage increases for Stanley-Boyd and comparable school districts at the BA-Max, MA-Max and Schedule Max benchmarks.

TABLE II  
% INCREASES, PRIMARY COMPARABLES  
(1st - 1987-1988, 2nd - 1988-1989)

<u>District</u>	<u>BA-Maximum</u>		<u>MA-Maximum</u>		<u>Sch. Maxim.</u>	
	(1st)	(2nd)	(1st)	(2nd)	(1st)	(2nd)
Altoona	5.0	4.0	5.0	4.0	5.0	4.0
Auburndale	n/a	n/a	n/a	n/a	n/a	n/a
Cadott	5.8	5.6	5.4	5.3	5.1	5.0
Colby	n/a	n/a	n/a	n/a	n/a	n/a
Mosinee	5.3	5.0	5.4	5.0	5.4	5.0
Neillsville	5.3	4.7	5.3	4.7	5.3	4.7
Osseo-Fairchild	5.8	2.1	5.4	4.2	5.2	4.8
Average	5.4	4.3	5.3	4.6	5.2	4.7
S.B. District	3.2	3.2	3.5	3.0	4.0	2.9
(w/longevity)	4.3	4.1	4.5	3.9	4.9	3.7
S.B. Association	5.6	4.8	5.6	4.8	5.6	4.7
(w/longevity)	5.7	4.9	5.7	4.9	5.7	4.8

TABLE III  
% INCREASES, SECONDARY COMPARABLES  
(1st - 1987-1988; 2nd - 1988-1989)

<u>District</u>	<u>BA-Maximum</u>		<u>MA-Maximum</u>		<u>Sch. Maxim.</u>	
	(1st)	(2nd)	(1st)	(2nd)	(1st)	(2nd)
Cornell	5.0	n/a	5.4	n/a	5.5	n/a
Gilman	4.9	3.4	4.6	3.0	4.5	3.0
Greenwood	5.3	4.4	5.3	4.4	5.3	4.4
Loyal	4.5	4.3	4.5	4.5	4.6	4.6
Owen-Withee	n/a	n/a	n/a	n/a	n/a	n/a
Thorp	5.5	3.5	5.5	3.5	5.5	3.5
Average	5.0	3.9	5.0	3.8	5.0	3.9
S.B. District	3.2	3.2	3.5	3.0	4.0	2.9
(w/longevity)	4.3	4.1	4.5	3.9	4.9	3.7
S.B. Association	5.6	4.8	5.6	4.8	5.6	4.7
(w/longevity)	5.7	4.9	5.7	4.9	5.7	4.8

Given the aforementioned significance of an increased longevity payment to Stanley-Boyd teachers, it seems appropriate to use the Stanley-Boyd figures from Tables II and III which include longevity payments. The only other District from Table II whose teachers received a longevity increase was Mosinee, and the percentage increases there are the same whether or not the longevity increase is included. Analysis of the parties' salary offers against the primary comparables group favors the Association's final offer. For example, at the BA-Maximum the District's offer for 1987-1988 (4.3%) is 1.1 percentage points below the average (5.4%), while the Association's offer (5.7%) is only .3 percentage points above it. For the second contract year, however, the Association's offer (4.9%) is farther (.6 percentage points) from the average than is the District's offer (.2 percentage points). Using this same approach for the MA-Maximum and Schedule Maximum benchmarks for both contract years reveals that in total the District is generally twice as far from the averages (4.1 total percentage points) than is the Association (2.2 total percentage points).

Similar analysis of the secondary comparables group strongly favors the District's salary offer. Comparison of the parties' salary offers at the three benchmarks against the six-district average shows that the District's salary offer is above the average twice. Moreover, with the sole exception of the BA-Maximum for 1987-1988, the District's offer is a great deal closer to the average for both contract years at each of the three benchmarks. Adding the percentage point differences for each year at each benchmark reveals that the Association's salary offer is more than five times farther from the averages than is the District's salary offer (5.1 percentage points v. 1 percentage point).

On balance then, consideration of the external comparables does not clearly favor the adoption of either the District's or the Association's offer.

The Cost of Living Typically, the Consumer Price Index is considered an appropriate measure of the cost of living. The District notes that its salary offer is much closer to the C.P.I. (Urban Wage Earners and Clerical Workers) than is the Association's salary offer. The Association argues against use of the C.P.I. in this matter, suggesting that the wage settlement pattern in the area is the appropriate measure.

As noted in the preceding paragraphs, the settlement pattern across both the primary and secondary comparables groups did not strongly favor either the District's or the Association's salary offer. In contrast, consideration of the C.P.I. (4.1% or less for the relevant period) strongly supports the District's salary offer as being the more reasonable. This conclusion in and of itself is not sufficient to dictate the outcome of the instant dispute, but it does highlight the reasonableness of the District's offer.

The Public Interest Stanley-Boyd is an agricultural community. About 28% of the citizens in the District are employed in farming (1980 Census data). The District notes that assessed valuation of agricultural land within its boundaries dropped 28.5% from 1984 to 1987. It also points to declining milk prices in the area as evidence that adoption of the Association's offer would not be in the public interest. The Association takes issue with some of the agricultural statistics the District presented. Its chief concern was that Stanley-Boyd School District boundaries cut across certain townships, villages, etc., thereby rendering suspect some of the census data reported. The Association is quite correct in identifying this potential methodological problem, but it did not present any evidence that such measurement ambiguity favored the District. In fact, it may well favor the Association. Absent

anything more conclusive to cast doubt on the validity of the agricultural statistics presented by the District the Arbitrator concludes that they are generally meaningful

Given the high percentage of agricultural land usage in the District, and generally less than favorable economic conditions for farmers (particularly dairy farmers), the Arbitrator believes that consideration of the "public interest" statutory criterion slightly favors the District's salary offer

Summary In consideration of all of the statutory criteria, the District's salary offer appears ever so slightly more reasonable than does the Association's. Were salary the only issue before me the ultimate decision would be difficult indeed. However, analysis of the second issue (health insurance) has made the appropriate choice quite clear.

#### The Health Insurance Provision

While both parties' offers on health insurance would provide fully-paid health insurance for teachers the District's offer specifies a dollar cap which happens to be equivalent to the full family health insurance premium cost for 1987-1988. For the following school year, the District's offer would include a dollar cap equivalent to the full family health insurance premium cost for 1988-1989. The District notes that its offer maintains the status quo, since a dollar cap was included in the previous agreement.

The Association's offer deletes the specific dollar cap, thus reflecting a change in the status quo. The Association bears the burden of providing justification for such a change, and that burden has not been met. Indeed, on the health insurance issue Stanley-Boyd teachers compare very favorably to other teachers in the Cloverbelt Athletic Conference under the District's offer. Of the fourteen Districts in the Conference in 1986-1987, only six provided fully-paid health insurance, with Stanley-Boyd being one of them. Moreover, of those six, Stanley-Boyd paid the third highest premium amount.

In view of the foregoing, the Arbitrator has concluded that the final offer of the District is clearly more reasonable than is the final offer of the Association on the health insurance issue.

#### AWARD

The District's final offer shall be incorporated into the parties' 1987-1989 collective bargaining agreement, along with all of the provisions of the previous agreement which remain unchanged and along with the stipulated changes agreed to by the parties.

Signed by me at Milwaukee, Wisconsin, this 4th day of March, 1989

Steven Briggs