

FREDERICK P. KESSLER, ARBITRATOR

In the matter of the petition of the

WONEWOC CENTER EDUCATION ASSOCIATION

to initiate Arbitration between the
petitioner and the

WONEWOC-UNION CENTER SCHOOL DISTRICT

DECISION

Case 18 No. 40920

INT/ARB-4990

Decision No. 25739-A

A. HEARING

The hearing in the above entitled Mediation/Arbitration matter was held on January 5, 1989, at 7:30 P.M. at the high school in the Village of Wonewoc. No request for a public hearing was filed, therefore one was not held. Both of the parties indicated that they felt that any efforts to mediate by the arbitrator would not be productive.

Neither side called any witnesses. All the exhibits offered by the parties was received in evidence. The hearing adjourned at 8:44 P.M. On February 11th and 13th, 1989, briefs were received from the parties. Reply briefs were received by the arbitrator on the 22nd and the 23rd of February.

B. APPEARANCES

Gerald Roethel, executive Director of the Coulee Region United Educators appeared on behalf of the Wonewoc-Center Education Association. Also present were a number of members of the Associations bargaining committee, including Sharon Ennis, John Cler, Davis Theis, Sue Parkhurst, and Jerry Foethe.

The School District was represented by Barry Forbes, Staff Counsel for the Wisconsin Association of School Boards. Also present were Oscar Pynnonen the District Administrator, School Board members Mary Pansorn, Bob Scott, Richard Rick, and John Roloff. Also present was Jack Besant, a resident of the Wonewoc-Union Center district.

C. NATURE OF THE PROCEEDINGS

This is a final and binding arbitration proceeding brought between the above mentioned parties under Section 111.70 (4)(cm) Wis. Stats. On July 25, 1988, the Association filed a petition with the Wisconsin Employment Relations Commission

alleging that an impasse existed in their collective bargaining with the Wonewoc-Union Center School Board. On September 28th a staff member of the W.E.R.C., Beverly M. Massing, concluded that the parties were deadlocked. On October 27, 1988, the parties were sent lists of arbitrators. This arbitrator was notified on November 2, 1988 of his selection. A hearing was scheduled for January 5, 1989. Briefs were to be sent on February 10, 1989 with reply briefs to be sent seven days after the receipt of the initial brief of the opposing party.

D. THE FINAL OFFERS

1. THE DISTRICT

1988-89

<u>YEARS</u>	<u>BS/BA</u>	<u>PLUS6</u>	<u>PLUS12</u>	<u>PLUS18</u>	<u>PLUS24</u>	<u>MS/MA</u>	<u>PLUS6</u>	<u>PLUS12</u>
0	17833	18183	18533	18833	19233	19583	19933	20283
1	18333	18683	19033	19383	19733	20083	20433	20783
2	18833	19183	19533	19883	20233	20583	20933	21283
3	19333	19683	20033	20383	20733	21083	21433	21783
4	19833	20183	20533	20883	21233	21583	21933	22283
5	20333	20683	21033	21383	21733	22083	22433	22783
6	20833	21183	21533	21833	22233	22583	22933	23283
7	21333	21683	22033	22383	22733	23083	23433	23783
8	21833	22183	22533	22883	23233	23583	23933	24283
9	22333	22683	23033	23383	23733	24083	24433	24783
10	22833	23183	23533	23883	24233	24583	24933	25283
11	23333	23683	24033	24383	24733	25083	25433	25783
12	23833	24183	24533	24883	25233	25583	25933	26283
13	24333	24683	25033	25383	25733	26083	26433	26783
14	24833	25183	25533	25883	26233	26583	26933	27283

1989-90

0	18870	19130	19480	19830	20180	20530	20880	21230
1	19280	19630	19980	20330	20680	21030	21380	21730
2	19780	20130	20480	20830	21180	21530	21880	22230
3	20280	20630	20980	21330	21680	22030	22380	22730
4	20780	21130	21480	21830	22180	22530	22880	23230
5	21280	21630	21980	22330	22680	23030	23380	23730
6	21780	22130	22480	22830	23180	23530	23880	24230
7	22280	22630	22980	23330	23680	24030	24380	24730
8	22780	23130	23480	23830	24180	24530	24880	25230
9	23280	23630	23980	24330	24680	25030	25380	25730
10	23780	24130	24480	24830	25180	25530	25880	26230
11	24280	24630	24980	25530	24680	26030	26380	26730
12	24780	25130	25480	25830	26180	26530	26880	27230
13	25280	25630	25980	26630	26680	27030	27380	27730
14	25780	26130	26480	26830	27180	27530	27880	28230

2. THE UNION

1988-89

0	17850	18245	18640	19035	19430	19825	20220	20615
1	18380	18775	19170	19565	19960	20355	20750	21145
2	18910	19305	19700	20095	20490	20885	21280	21675
3	19440	19835	20230	20625	21020	21415	21810	22205
4	19970	20365	20760	21155	21550	21945	22340	22735
5	20500	20895	21290	21685	22080	22475	22870	23265
6	21030	21425	21820	22215	22610	23005	23400	23795
7	21560	21955	22350	22745	23140	23535	23930	24325
8	22090	22485	22880	23275	23670	24065	24460	24855
9	22620	23015	23410	23805	24200	24595	24990	25385
10	23150	23545	23940	24335	24730	25125	25520	25915
11	23680	24075	24470	24865	25260	25655	26050	26445
12	24210	24605	25000	25395	25790	26185	26580	26975
13	24740	25135	25530	25925	26320	26715	27110	27505
14	25270	25665	26060	26455	26850	27245	27640	28035

1988-89

0	18921	19340	19758	20177	20596	21015	21433	21852
1	19483	19902	20320	20739	21158	21576	21995	22414
2	20045	20463	20882	21301	21719	22138	22557	22976
3	20606	21025	21444	21863	22281	22700	23119	23537
4	21168	21587	22006	22424	22843	23262	23680	24099
5	21730	22149	22567	22986	23405	23824	24242	24661
6	22292	22711	23129	23548	23967	24385	24804	25223
7	22854	23272	23691	24110	24528	24947	25366	25785
8	23415	23834	24253	24672	25090	25509	25928	26346
9	23997	24396	24815	25233	25652	26071	26489	26908
10	24539	24958	25376	25795	26214	26663	27015	27470
11	25101	25520	25938	26357	26776	27194	27613	28032
12	25663	26081	26500	26919	27337	27756	28175	28594
13	26224	26643	27062	27481	27899	28318	28737	29155
14	26786	27205	27624	28042	28461	28880	29298	29717

E. ISSUE IN DISPUTE

The only issue is which of the final offers more appropriately provides for teacher compensation for the 1988-89 and 1989-90 school years?

F. POSITION OF THE DISTRICT

The major concern that the district expresses in it's brief is over the determination of comparable school districts. It strongly opposes the use the school districts from the the Ridge and Valley Athletic Conference for comparison purposes as suggested by the Association, for three reasons.

First, the agreements between the districts and the

teachers in the Ridge and Valley Conference were two year contracts that were negotiated and entered into prior to 1988. The only exception to this was the LaFarge contract, which was settled in 1989. 1988 was the year of one of the worst droughts in this century, which had a devastating effect on Wisconsin's farm communities.

It has been recognized by arbitrators that a change in economic conditions may justify a deviation from a settlement pattern that resulted from contracts negotiated at a different time and in a different climate. In order for this proposition to succeed, the district must prove that there was a change in economic conditions or that a continuation of negotiations in the settled districts would have resulted in a different settlement. The district argues that 1987 was a better year for agriculture than the years preceding it or the year that followed. An entirely different set of economic circumstances existed in 1987 was reflected in the contract negotiations.

The LaFarge settlement is different from the other school settlements in the Ridge and Valley conference and therefore must not be given great weight. It differs in that it contains a wage re-opener for the second year. The Association accepted the LaFarge Board's offer for the first year, with the second year subject to further negotiation.

The District argues that the use of only one settlement for 1988-89 would be inappropriate. One contract alone is not an adequate basis for the conclusion that the pre 1988 levels of teacher compensation are continuing, or what comparable negotiated compensation should be.

Second, the District argues that a statistical analysis of the two conferences shows that the salary patterns in them are no longer comparable. To support that contention it cites the 1986 decision involving the Elroy-Wilton-Kendall school district. In that decision arbitrator Flagler found that the two athletic conferences diverged in their salary structures to such a degree that they could not be considered as similar conferences.

The third District argument is that the Scenic Bluffs Athletic Conference, in which Wonewoc-Union Center maintains a membership, contains a unique set of districts, which are not comparable to other school districts. The Ridge and Valley Conference schools have only secondary value.

The District also urges the arbitrator not to use statewide teacher settlements for comparison purposes. The economy of communities varies from one part of the state to another. Urban areas did not feel the impact of the drought in the same way that it was felt in the farm townships. Teacher recruitment opportunities also differ from district to district.

The District contends that the interest and welfare of the public is better served by accepting it's final offer. It argues that the area served by the Wonewoc-Union Center School

District has serious economic problems. The district covers the parts of both Sauk and Juneau County in which agriculture is dominant. Agriculture is so significant that if Eastern Sauk and the northern half of Juneau were removed both of those Counties would be ranked as agriculturally dependent.

The farmers in these counties have had only one good year in the last seven. That year was 1987. Any gains made then were destroyed by the drought. Losses in corn, oats, hay, and other crops were staggering in the two counties. The effect of the drought has not yet been completely felt. Many farmers will not have sufficient feed on hand to provide for all their animals and will have to use limited resources to protect their investment. Experts are unable to predict when the negative impact of the drought will finally end.

In response to the argument that it is no different from the other districts in the conference which also have been adversely effected by the drought, the District offers evidence that it is one of the most agriculturally dependent districts in the conference. Board Exhibit #35 is a milk cow census map that shows where the concentration of dairy herds are located. The document shows that Wonewoc-Union Center and Elroy-Kendall-Wilton in the Scenic Bluffs Conference, and Cashton, Westby, and Viroqua, in other conferences are the districts in the western Wisconsin most dependent on agriculture.

The District offer best protects the interest of the taxpayer. It balances the interest of retaining good teachers and keeping down the costs of education. It does this by providing the teachers with a wage increase in excess of inflation at the same time it continues a wage pattern that is sufficient to keep and secure good teachers. The average taxpayer of the district did not receive an income increase comparable with the teachers are seeking. The tax return information that shows an increase in income was from before the 1988 drought.

Because are no districts that have settled contracts that are appropriate for comparison purpose, the District urges the arbitrator to consider instead other factors such as the increase in the Consumer Price Index. The District contends the C.P.I. increase demonstrates its final offer the more appropriate.

Finally, the District claims that it's offer is more generous when the over all compensation paid to the teachers is considered. In it's health insurance package, it pays more for policy premiums, both single and family than any other school in the conference. This amounts to \$50 per month above the average. It is one of only three school districts in the conference that offers dental insurance. and it pays the highest premium for that coverage. The cost of benefits should be considered in an analysis at the offers of the two parties.

G. POSITION OF THE ASSOCIATION

The Association's major concern is with finding appropriate school districts with which to compare the Wonewoc-Union Center School district. Since none of the schools in the Scenic Bluffs Athletic Conference have reached a settlement, the Association argues that either the Ridge and Valley Conference settlements or statewide settlement data should be considered. The Association notes that on three prior occasions the Ridge and Valley Conference districts have been recognized as an appropriate comparable school districts by other arbitrators.

The teacher salary schedule currently in effect is structured so that a teacher receives a \$500 experience increment and an additional \$350 increase for each 6 credit of post-college schooling they receive. The District is proposing a \$938 dollar increase at the base of the salary schedule with no changes in the \$500 amount paid for experience or the \$350 amount for credits. The Association is seeking to increase the experience figure to \$530 and the credit amount to \$395. An additional \$32 and \$23 respectively is being sought for the second year by the Association.

When the salary schedules for the eight schools within the two conferences that have settled are compared with the offers of the Association and the District both of the offers are below the average for the settled districts. The District's offer would raise the ranking for Wonewoc-Union Center only at the BA base level where it would rise from 8th to 7th. In three levels it would stay the same at either 8th and 6th, in the other three it would drop to 9th. The Association's proposal would not be more generous it would rise to 5th at one level and remain at the bottom in most cases. In light of these modest increases the association's offer is superior.

When the offers are compared with statewide data the offer of the District is even farther below average. The Association figures are not overly generous when viewed in comparison to the statewide increases that have been granted.

The District has received over \$49,000 in additional state aids for this year. It did not include \$15,338 of that money in its budget figure. Since the costing difference between the two final offers is only \$17,809, it is difficult to believe the District cannot afford to pay the Association's request.

The Association contends that the District, and all the other Scenic Bluff Conference districts are acting in concert in not settling their disputes with the teachers. They contend that there is nothing unique about Wonewoc-Union Center that would justify treating it differently than its neighbors. The same problems of an agricultural depression and the impact of the drought of 1988 would be felt by all the rural based school districts in southwestern Wisconsin, including those in both of the athletic conferences in question.

The Association notes that when the value of agricultural land declines, the cost of public school education is redistributed to non-farmers. If the equalized value of property per student decreases, the District gets more state aid. Therefore, the tax burden that has fallen on the farmers must be placed in proper perspective.

All of the schools in the Associations proposed list of comparable schools have settled. The LaFarge School District settled for a two year contract commencing in 1988-89. The proposed salary figures for both the District and the Association for the first year are behind any other district, but the offer of the Association is closer to the average and should be followed.

The C.P.I. figures that the District uses should be disregarded because a more accurate reflection of the cost of living is the pattern of settlements in teacher contracts. Teachers are now first remedying the fact that they have been underpaid; it is becoming apparent in teacher settlement patterns.

Ten of the other fifteen school districts in the two conferences have longevity pay in their contracts. Wonevoc-Union center does not have such a provision. Although it is not being sought in this proceeding, the Association feels that it's absence should be noted because the District is arguing that the health and dental insurance benefits offered by the district are so generous. In Cashton the longevity pay amounts to \$3220 per year, while in Necedah it comes to \$4280.

In summary the Association argues that it's proposal treats career teachers more equitably, that the comparables support it's final offer, that it's offer is more reasonable, that the district has the ability to pay, and the pattern of settlements support it's offer.

H DETERMINATION OF COMPARABLE SCHOOL DISTRICTS

The primary set of school districts that are used for comparison purposes have traditionally been those in the athletic conference with which that school district is affiliated. Here we will use the Scenic Bluffs Conference, even though that set of school districts has the problem that none of the districts have entered into a voluntary settlement regarding teacher compensation.

The schools in the Scenic Bluffs Conference share many of the same characteristics. They are similar in enrollment, in the number of teachers, and they are all centered in small agricultural communities in the rural areas of western Wisconsin. The median income for families in the districts are nearly identical. The two districts with the highest family income are the two nearest to LaCrosse. When compared, the statistics show as follows:

<u>School District</u>	<u>Enrollment</u>	<u>Teachers</u>	<u>Median Family Income</u>
Bangor	541	34.1	\$18,996
Cashton	506	36.8	16,884
Elroy-Kendall-Wilton	960	68.8	15,449
Hillsboro	575	38.0	14,573
Necedah	514	36.0	14,339
New Lisbon	694	46.8	15,580
Norwalk	435	34.5	14,395
<u>Wonewoc-Union Center</u>	<u>458</u>	<u>32.0</u>	<u>15,128</u>
Scenic Bluffs Conf.	585	41.0	15,668

The only schools that are substantially larger are New Lisbon, and Elroy-Kendall-Wilton, the latter the product of a school consolidation.

When secondary comparable schools are sought, the schools of the Ridge and Valley Conference are the obvious districts to choose. Their enrollment and teacher statistics look similar. They share demographic characteristics of the Scenic Bluff schools.

<u>District</u>	<u>Enrollment</u>	<u>Teachers</u>	<u>Median Family Income</u>
DeSoto	625	48.7	\$17,227
Ithaca	347	24.3	15,213
Kickapoo	559	34.0	12,554
LaFarge	308	25.3	12,964
North Crawford	588	40.6	13,237
Seneca	413	32.5	13,125
Wauzeka	360	30.1	15,236
<u>Weston</u>	<u>406</u>	<u>27.5</u>	<u>15,696</u>
Ridge & Valley	451	33.0	14,407

The school districts of the Ridge and Valley Conference are slightly smaller than the school districts of the Scenic Bluffs Conference. The districts also are economically less prosperous. They are, however, also rural and agricultural in character. They are appropriate for this comparison. Until the 1970's the two athletic conferences were merged. That fact, coupled with the demographic considerations, justifies the use of the settled schools as comparables.

The use of statewide averages are specifically rejected for comparison purposes. The economic, social, and demographic conditions vary too much from area to area. To compare the wages paid in Madison, or Green Bay, with Wonewoc-Union Center has no logic.

I. DECISION

Sec.111.70(4)(cm) Wis. Stats. sets out the criteria that an arbitrator must consider in an interest arbitration proceeding. A comparison of the wages, hours and conditions of employment of similarly situated employees is called for in the

statute. In this case there are no other school districts in the athletic conference which have settled their salary disputes.

When we examine the primary comparable schools, those in the Scenic Bluffs Conference, as to their past salary schedules we find as follows:

<u>DISTRICT</u>	<u>BA</u>	<u>BA7</u>	<u>BAMAX</u>	<u>MA</u>	<u>MA10</u>	<u>MAMAX</u>	<u>SCHMAX</u>
Bangor	17270	20750	24230	19195	24595	28195	28645
Cashton	17700	20700	24200	19220	23720	25720	26480
Elroy	17572	20782	22387	19072	23887	26562	26862
Hillsboro	17150	20720	24290	18890	24245	27815	28105
Necedah	17765	19975	24255	18545	23360	26035	26480
New Lisbon	18454	21214	25354	21294	25704	28644	29209
Norwalk	17100	20630	24305	19680	25025	26885	27530
Wonevoc	16895	19895	23895	18645	23145	25645	26345

When these salaries are ranked within the athletic conference the following is shown:

<u>DISTRICT</u>	<u>BA</u>	<u>BA7</u>	<u>BAMAX</u>	<u>MA</u>	<u>MA10</u>	<u>MAMAX</u>	<u>SCHMAX</u>
Bangor	5	3	5	4	3	2	2
Cashton	3	5	6	3	6	7	6
Elroy	4	5	6	3	6	7	6
Hillsboro	6	4	3	6	4	3	3
Necedah	2	7	4	8	7	6	6
New Lisbon	1	1	1	1	1	1	1
Norwalk	7	6	2	2	2	4	4
Wonevoc	8	8	7	7	8	8	8

Wonevoc-Union Center ranks at the bottom or near the bottom in all the categories that are being considered. When compared with school districts in its own conference there is no question that Wonevoc deserves a "catch-up" raise.

When the secondary comparable schools are examined we must look at the District's final offer and the Association's final offer in contrast to the agreements reached in those schools. The contracts in all the districts except for LaFarge were entered prior to the 1988 drought. The benchmarks show as follows:

<u>BA MINIMUM</u>			<u>BA 7th STEP</u>		
<u>DISTRICT</u>	<u>SALARY</u>	<u>RANK</u>	<u>DISTRICT</u>	<u>SALARY</u>	<u>RANK</u>
Seneca	\$18,200	1	Ithaca	\$22,351	1
North Crawford	18,200	1	Weston	22,225	2
Ithaca	18,025	3	Seneca	22,131	3
Wauzeka	17,950	4	North Crawford	21,920	4
DeSoto	17,925	5	Wauzeka	21,916	5
Weston	17,923	6	Kickapoo Area	21,860	6
Wonevoc Asso.	17,850		DeSoto	21,465	7
Wonevoc Bd.	17,833		Wonevoc Asso.	21,030	
Kickapoo Area	17,780	7	Wonevoc Bd.	20,833	
LaFarge	17,200	8	LaFarge	20,350	8

BA MAXIMUM

<u>DISTRICT</u>	<u>SALARY</u>	<u>RANK</u>
Kickapoo Area	\$26,620	1
Weston	26,526	2
Seneca	26,062	3
Ithaca	25,956	4
North Crawford	25,640	5
Wonewoc Asso.	25,270	
Wonewoc Bd.	24,833	
Wauzeka	24,560	6
LaFarge	24,550	7
DeSoto	23,825	8
MA 10th STEP		

MA MINIMUM

<u>DISTRICT</u>	<u>SALARY</u>	<u>RANK</u>
Seneca	\$20,300	1
Kickapoo Area	20,180	2
North Crawford	20,150	3
DeSoto	20,070	4
Wonewoc Asso.	19,825	
Wauzeka	19,800	5
Wonewoc Bd	19,538	
Ithaca	19,525	6
Weston	19,363	7
LaFarge	19,325	8
MA MAXIMUM		

<u>DISTRICT</u>	<u>SALARY</u>	<u>RANK</u>
Seneca	\$27,243	1
North Crawford	27,080	2
Kickapoo Area	26,840	3
Ithaca	26,554	4
Weston	26,334	5
Wauzeka	26,055	6
DeSoto	25,650	7
Wonewoc Asso.	24,595	
LaFarge	24,590	8
Wonewoc Bd.	24,083	

<u>DISTRICT</u>	<u>SALARY</u>	<u>RANK</u>
No. Crawford	\$30,160	1
Kickapoo Area	29,800	2
Ithaca	29,678	3
Seneca	29,557	4
Wauzeka	28,835	5
Weston	28,657	6
DeSoto	28,130	7
LaFarge	27,515	8
Wonewoc Asso.	27,245	
Wonewoc Bd.	26,583	

SCHEDULE MAXIMUM

<u>DISTRICT</u>	<u>SALARY</u>	<u>RANK</u>
Seneca	\$32,162	1
North Crawford	31,365	2
Ithaca	31,046	3
Weston	30,877	4
DeSoto	30,600	5
Wauzeka	30,250	6
Kickapoo Area	29,800	7
LaFarge	28,470	8
Wonewoc Asso.	28,035	
Wonewoc Bd.	27,283	

If the offer of the Wonewoc-Union Center Board were to be adopted, the teachers of the district would rank toward the bottom of the group of schools in all categories. They would hold last place in several significant categories including the MA maximum and the Schedule maximum, both important in retaining senior teachers. Although the Associations offer also keeps them in last place in the two categories it provides for substantially greater compensation.

The impact that the drought has had on Wisconsin's farm communities has been substantial. After a number of years in

which farmers saw their land values decline, their income decrease, and the federal government retreat in its commitment to support commodity prices, 1987 appeared as a turning point. In 1988 the optimism evaporated along with the moisture in the soil of southwestern Wisconsin. Rural areas, dependent on farming, saw their hopes dashed. Wonewoc-Union Center certainly was among the communities that were hit the hardest. Crop losses, particularly in areas that were dominated by dairy farms, were substantial. The evidence shows that the full impact of the drought has not yet been felt.

The settlements in all the comparable districts except LaFarge were reached in 1987, prior to the drought. This was a change in economic condition that was substantial, but given the LaFarge settlement, there is no evidence to support the conclusion that a continuation of the negotiation process would result in a different settlement.

Wonewoc-Union Center was not the only community in the Scenic Bluffs Conference that has been hard hit by the drought. It does have a higher percentage of dairy herds than some of the other districts in the conference, but when one looks at the income levels of the families in the comparable school districts it is apparent that these areas are economically and demographically similar. The drought has affected all the school districts and communities in southwestern Wisconsin. The district has not shown to the satisfaction of this arbitrator that it has such unique characteristics that it should be exempt from the same standards that effect all districts.

Both of the final offers of the parties are in excess the Consumer Price Index. In the opinion of this arbitrator we may consider the relative increase in teacher salaries as a better indicator of the appropriate teacher wage. The changing nature of the public's perception of education, the change in the labor market particularly for women, all support the conclusion that the rate of pay for teachers is increasing at a rate faster than for other occupations.

Some of the benefits that are offered the teachers in Wonewoc-Union Center are more generous than those offered in other districts. This is particularly true in the areas of health and dental insurance. These are offset by the fact that there is no longevity pay, a benefit found in a number of other districts.

When all these facts are examined I conclude that the offer of the Association is the more appropriate so therefore it is included in the 1989-90 contract.

H. AWARD

It is the decision of this arbitrator that the 1988-90 Contract between the Wonewoc Center Education Association and the School District of Wonewoc-Union Center include and incorporate the final offer of the Wonewoc Center Education Association.