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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

STATE OF WISCONSIN

BEFORE THE ARBITRATOR

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* In the Matter of the Petition of * *

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* ATHENS EDUCATION ASSOCIATION * *

* To Initiate Arbitration * Case No. 5 * *

* Between Said Petitioner and * No.40819 INT/ARB-4972 * *

* ATHENS SCHOOL DISTRICT * Decision No. 25781-A * *

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APPEARANCES

On Behalf of the Board: Steven J. Holzhausen, Membership
Consultant - Wisconsin Association
of School Boards

On Behalf of the Association: Thomas J. Coffey, Executive
Director - Central Wisconsin
UniServ Council - North

I. BACKGROUND

On April 25, 1988, the Parties exchanged their initial proposals on matters to be included in a new collective bargaining agreement to succeed the agreement which expired on June 30, 1988. Thereafter, the Parties met on three occasions in efforts to reach an accord on a new collective bargaining agreement. On July 1, 1988, the Association filed a petition requesting that the Commission initiate Arbitration pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Relations Act. On August 30, 1988, a member of the Commission's staff, conducted an investigation which reflected that the Parties were deadlocked in their

negotiations, and, by November 22, 1988, the Parties submitted to said Investigator their final offers, written positions regarding authorization of inclusion of nonresidents of Wisconsin on the arbitration panel to be submitted by the Commission, as well as a stipulation on matters agreed upon, and thereupon the Investigator notified the Parties that the investigation was closed and the Investigator advised the Commission that the Parties remained at impasse.

On December 1, 1988 the Commission ordered the Parties to select an Arbitrator to resolve their dispute. The undersigned was selected and an order appointing him was issued December 15, 1988. A hearing was held February 25, 1989. Briefs were received April 1, 1989.

II. FINAL OFFERS AND ISSUES

The primary differences relate to the salary schedule for 1988-89 and 1989-90 and the amount to be contributed by the Employer for health insurance in 1989-90. There are minor differences concerning extra-curricular pay.

Regarding the salary schedule issue, the following summarizes the increases under the offers.

	<u>1988-89</u>		<u>1989-90</u>	
	<u>Board</u>	<u>Association</u>	<u>Board</u>	<u>Association</u>
BA Min	\$910/5.48%	\$930/5.6%	\$1080/6.16%	\$982/5.6%
BA Max	\$1200/5.3%	\$1288/5.6%	\$1280/5.3%	\$1360/5.6%
MA Min	\$910/4.8%	\$1056/5.6%	\$1080/5.5%	\$1119/5.6%
MA Max	\$1240/4.8%	\$1450/5.6%	\$1300/4.8%	\$1531/5.6%
Shed Max	\$1240/4.55%	\$1525/5.6%	\$1300/4.5%	\$1611/5.6%

Average
Increase/
Teacher \$1411/5.9% \$1624/6.5% \$1533/5.8% \$1699/6.4%

Regarding health insurance contributions, both Parties propose to have the Employer pay the full cost of either of two plans. In 1989-90 the Board proposed to pay up to \$300 per month toward the family premium and up to \$115 per month for the single plan. The Association seeks to have the Board pay the full cost of health insurance in 1989-90.

III. ARGUMENTS OF THE PARTIES (SUMMARY)

A. Comparables

1. The Association

The Association presents four comparable groups. Give the lack of settlements, they believe their comparability groupings are more appropriate. Their primary group -- among which there is only one settlement -- is the "Marathon" comparability group. This includes Abbotsford, Edgar, Marathon, Mosinee, Spencer and Stratford. They argue this grouping, which has been found to include Athens, is consistent with arbitral dicta in parallel schools. In their view, there is no difference between these parallel schools and Athens.

They propose three secondary groups of comparable schools. First is CESA #9 with FTE of 0-99, next, schools state-wide with FTE, and last all schools statewide. They believe these groups to be especially appropriate in view of the recent changes in the statute. They also note the

District's representative argued that the Marathon group should be used in a neighboring school.

2. The District

The District argues that the primary comparable group should be the Marawood Athletic Conference which includes Abbotsford, Edgar, Granton, Marathon, Pittsville, Prentice, Rib Lake, Spencer and Stratford. Since Pittsville is the only settled school they recognize a secondary group is necessary. Thus, the Board proposes a secondary comparable group consisting of those districts that are members of the Cloverbelt Athletic Conference (Altoona, Auburndale, Cadott, Colby, Cornell, Fall Creek, Gilman, Greenwood, Loyal, Mosinee, Neillsville, Osseo-Fairchild, Owen-Withee, Stanley-Boyd and Thorp).

Regarding their primary group, they note Arbitrators have traditionally and consistently relied upon the Athletic Conference to determine comparability. Moreover, based on traditional comparability factors, the athletic conference should be utilized here. This approach was validated by another arbitrator in Spencer School District, Decision No. 23595-A, Reynolds, 11/18/86.

Regarding the appropriate secondary group, they contend the factors used by arbitrators to determine comparability are similar in the Marawood and Cloverbelt Conference. They contend it makes sense in view of the changes in the statute to, where there is a lack of settlements in the traditional group, expand the comparable group only far enough to find

a reliable group. The Cloverbelt Conference best fits this approach and the normal comparability criteria. The simple best reason for comparability between the Marawood Conference and the Cloverbelt Conference, in their opinion, is the fact that the majority of schools in both conferences lie within Marathon, Clark and Taylor Counties; counties that are heavily dependent on the health of the agricultural economy for much of their property tax receipts. Thus, the rural nature of the Cloverbelt Conference school districts makes comparisons to Athens logical and rational.

They also object to the Union's comparables. While they agree the Marathon group, for the most part, is comparable, they object to the inclusion of Mosinee as a primary comparable in this case because the latest "settlement" in Mosinee was the result of an arbitration award. Arbitral precedent dictates the weight to be given an arbitrated settlement should be diminished.

B. Salary Schedule

1. The Association

First, the Association argues that the traditional benchmark wage raise comparisons show that the Association's offer is the more reasonable in each of the comparability groupings. To summarize all the data they present in their brief, it can be stated that in all the Association's comparable groups, Athens is substantially behind the average benchmarks. The disparity between Athens and these other groups has existed as far back as 80-81 and has been

increasing further under the Board's offer. They are only seeking to prevent further deterioration in these relationships.

In addition to benchmarks, the Association asserts that the average salary dollar increase per full-time equivalency (FTE) evidence supports the Association's offer as the more reasonable. The following summarizes their data:

	<u>1988-89</u>	<u>1989-90</u>
Board	1480	1533
Assoc.	1632	1699
Average		
Marathon group	1989	N/A
CESA #9	1788	N/A
state-wide	1761	1781

Even if the Arbitrator were to consider the Board's comparables, the Association contends the data still shows their offer is more appropriate. There is still significant disparity between Pittsville, the only settled school in the Athletic Conference, and Athens. In 1989-90, this disparity has increased over time as well. Regarding the Cloverbelt Conference, they note the District has failed to put in any evidence on wage rates for 1988-89 or 1989-90. Only 1987 rates are included. When the benchmarks are reviewed there is again a significant disparity between the Marawood Conference and the Cloverbelt Conference. Thus, despite the factor that its wealth has traditionally been lower, the Cloverbelt Schools have historically been better paid than the schools in the Marawood Athletic Conference of which Athens is a member.

The Association next argues that the Association's offer best meets the interest and welfare of the public criterion. To summarize, the Association presents a variety of data which they contend establishes that a favorable economic climate exists in the area and the Athens taxpayers are not required to make an effort comparable with other state schools. Nor is there any meaningful evidence on the effect of the drought on Athens' farmers. Moreover, Arbitrators generally have found that absent a showing that a particular school district's economy was any more adversely affected than economies in comparable districts, the public interest is not served by a settlement that is inconsistent with the voluntary pattern.

Regarding the cost of living, the Association argued that the settlement pattern is the commonly accepted method of measuring the cost of living criterion. This pattern favors their offer. They also suggest the Arbitrator not give any weight to the District's evidence on private sector wages. They describe this data as the District's evidence on private sector wage comparisons is fragmentary and generalized.

2. The District

The District first addresses the cost of living criteria. They note that the data they present shows that the Board's final offer greatly exceeds any of the CPI indices, which ranges from 2.9 to 4.2%. This, they argue, must be given some independent consideration and since the

Board's final offer is closer to increases in the CPI, it is clearly preferable under this important statutory criterion.

The Board also argues that their offer is more consistent with the interest and welfare of the public. In general, they believe the economic situation in Athens dictates that the higher offer of the Association be rejected. The total package difference in cost between the two offers is \$13,819. This difference, in their view, represents the amount of potential property tax relief for the financially burdened farmers in the District. They detail the financial distress experienced by farmers state-wide since the drought of 1988. More locally, they note that Marathon, Clark and Taylor Counties' farmers lost greater amounts of their crops than the losses of other Wisconsin farmers. This situation has and will result in much lower farm income (20 to 25%).

The District acknowledges that it finds itself in much the same position as many of the agriculturally based comparable schools. They are concerned that the Association's offer will put even more pressure on the District to raise property taxes than any ready exist. It must be considered too that Athens had the second highest cost per pupil among Marawood Conference schools in 1987-88, \$354 per pupil above the average. This same exhibit also reveals that Athens had the second highest levy rate among conference schools. The data also shows that the 1986 average personal income of the taxpayers in the District is

the third lowest in the conference - \$1,929 below the average.

The District also asks the Arbitrator to consider wages and wage settlements in the private sector. For instance, they present data which shows that the average hourly wage for Wisconsin manufacturing workers, including overtime, did not change from August 1986 to August 1987. Data also shows that the average hourly wage for these same workers, again including overtime, increased only 1.5 percent from August 1987 to August 1988. Thus, they conclude that taxpayers who have received wage increases in the range of one to three percent and farmers who are expecting a drop in income cannot be expected to pay for the Union's offer, a wage and benefit proposal that is over two times the rate of inflation.

Turning to the comparable data the District argues their offer is substantially the same as the settlement pattern in comparable districts. They present the following combined data from their comparable group (excluding Altoona and Mosinee since they were arbitrated awards):

<u>District</u>	<u>Salary Only</u>		<u>Total Package</u>	
	<u>\$/Teacher</u>	<u>Percent</u>	<u>\$/Teacher</u>	<u>Percent</u>
Average	\$1,468	5.9%	\$2,102	6.4%
Athens (B)	\$1,472	5.9%	\$2,249	6.7%
+/- Avg.	+ \$ 4	+ .0%	+ \$147	+ .3%
Athens (U)	\$1,624	6.5%	\$2,433	7.2%
+/- Avg.	+ \$156	+ .6%	+ \$331	+ .8%

They stress that this data shows that not only is the Board's final offer closer to the settlements in comparable districts, it is above or at the average. They also note it is skewed in favor of the Association considering the abnormally high 2-year settlement in Auburndale. Even if Mosinee and Altoona are included, they note they are closer to the average than the Association. The same conclusions are evident when total package costs are considered.

Regarding 1989-90, they note that although there are only four school districts settled for the 1989-90 school year in the Cloverbelt and Marawood Conferences (Cadott, Cornell, Fall Creek and Pittsville), the data clearly shows that the Board's final offer comes closest to the developing settlement pattern. Particularly on a total package basis. They present the following data:

TABLE VIII
1989-90 SALARY AND TOTAL PACKAGE INCREASES
CLOVERBELT AND MARAWOOD CONFERENCES

<u>District</u>	<u>Salary Only</u>		<u>Total Package</u>	
	<u>\$/Teacher</u>	<u>Percent</u>	<u>\$/Teacher</u>	<u>Percent</u>
Average	\$1,640	6.1%	\$2,226	6.3%
Athens (B)	\$1,533	5.8%	\$2,300	6.4%
+/- Avg.	- \$107	- .3%	+ \$ 74	+ .1%
Athens (U)	\$1,700	6.4%	\$2,495	6.9%
+/- Avg.	+ \$60	+ .3%	+ \$269	+ .6%

The District anticipates that the Union will argue that there are significant disparities between Athens and the District's secondary comparable group. Any disparity which exists, has historically existed and exists because of

voluntary agreements. They contend that it would be reasonable to assume that if settlements are reached voluntarily, both parties must be relatively happy with the wage levels achieved in the past. Moreover, the question the usefulness of benchmark analysis. Additionally, any disparity between Mosinee and Athens actually has closed in recent years.

As for comparisons to Pittsville, they note they had an insurance decrease which no doubt enabled them to offer a higher salary settlement. Upon closer examination, they note the Board's two-year total package offer is greater than the Pittsville settlement. Moreover, when longevity is considered (6% of the Athens teachers are on longevity steps), Athens exceeds the benchmarks in Pittsville at the MA Max and Scheduled Max. The Union's offer would unjustifiably expand these differentials.

The Board also argues their offer is more reasonable on a total package basis. They present data which they believe proves that Athens has a fringe benefits package which represents a greater percentage of salary than do other districts in either the primary or secondary group.

C. Health Insurance

1. The Union

The Union views the Employer's proposal to cap the Employer's health insurance contribution at less than 100% of the premium to be a "key issue". They note that the current language which requires the Employer to pay the full cost of health insurance has been in the contract since 1973-74. The

Association also stressed that under arbitral case law the Employer shoulders the burden of justifying this change.

Additionally, the Association draws the Arbitrator's attention to their belief that the District has not attempted to provide a quid pro quo for the insurance change. For instance, its statistics, by the commonly accepted salary dollar per teacher measure, shows the District's offer to be \$14 below the average if the District prevails in the other arbitrations and the Association is \$82 below the average if the Association prevails in all the arbitrations. For 1989-90, when the change occurs, the District is \$68 below the average and the Association is \$129 below the average by this District measurement. This doesn't constitute a quid pro quo in their opinion. Nor is there a compelling reason to change the language.

2. The District

The Board recognizes this as a "major issue". The effect of their proposal is to place a dollar cap on the Board's contribution towards health insurance for the 1989-90 school year. This cap provides district employees with a 15 percent increase over the current 1988-89 premiums of \$100.64 per month for a single policy and \$263.36 per month for a family policy. They contend that they have satisfied their burden to make this change. First, there is a uniform practice among the comparables. The evidence reveals that Athens is the only school among the comparables that has language requiring the "full" payment of health insurance

premiums and the only district which pays the employee's deductibles. Next, they also maintain they have shown a "compelling need" exists to make this change. Already Athens currently provides fringe benefits valued substantially above the average Marawood or Cloverbelt Conference school district. Moreover, Athens has no practical means of controlling its health insurance costs. Instead the increases under current language are automatic, with no bargaining involved. Since the insurance rates for 1989-90 were not yet known and since the Board is required under statute to arbitrate a two-year package, this poses a particular problem. The Board is simply asking for the right to negotiate a mandatory subject of bargaining.

It is their position that the Board's proposal to limit insurance contribution increases to 15 percent for 1989-90 is fair and reasonable since the Board already has a high contribution rate for insurance, both in dollars and percentage terms, when measured against the schools in the Marawood and Cloverbelt Conferences. The quid pro quo is a 15 percent increase in the Board's contribution to health insurance and a new benefit - personal leave. This new benefit has a significant monetary benefit, approximately \$153 per teacher. When this is factored into the package cost, the Board's final offer as a whole ranks well above average when compared with comparable settlements. The Union's final offer is thus, in their opinion, unreasonable and excessive.

D. Extra-Curricular Issues

1. The Association

The Association views the differences which exist, with respect to extra duty and internal substitute pay, as insignificant in the overall priorities of the parties. They argue this case should be decided on the merits of the Parties' respective offers on the two major issues: salary and insurance language.

2. The District

The District notes that the current structure of the extra pay schedule is a function of the BA Base salary found in Appendix B. Thus, they submit the final offer of the Board is preferable since the Ba Base salary for the 1989-90 school year is higher than the Union's final offer.

There are two other meaningful areas of disagreement remaining concerning Appendix C. The first involves the differential for coaching experience. Both the Board and the Union propose to increase the differential for coaches having 5 or more years of experience in the same sport. While the dollar increase is not large in a relative sense, the percentage of increase proposed by the Board is substantial, ranging from 25 to 50 percent. The Union's proposal to increase the differentials from 33 to 100 percent is unreasonable and excessive. The second dispute concerns the definition of what constitutes preschool practice. The Union proposes that preschool pay would apply to all days of practice prior to the first day that classes are in session.

The Board proposal defines pay for preschool practice as those days prior to the first day teachers are required to be in school. The reason for preschool pay in the first place is to compensate employees for work done outside of the regular school calendar of 185 days. Thus, they believe their proposal is more reasonable.

IV. OPINION AND DISCUSSION

A. Comparable Districts

The Parties' dispute over the "primary group" is much to do about nothing. Five of the six schools argued by the Association to be the primary group are also in the Board's primary group. The sixth school in the Association's primary group (Mosinee) is also in the Board's secondary group. Of the nine schools the Board offers as comparable, the Association agrees on five. Of the other four, there is no settlement in three. Thus, in the final analysis there is only one school (Pittsville) which is settled and which the Parties fail to agree should be included as a comparable. In the Arbitrator's opinion, there is no reason Pittsville should not be considered as a comparable.

The real dispute concerning comparables is which schools should be included in the expanded group. Both Parties agree, because of a dearth of settlements, expansion is necessary.

The Arbitrator finds the Board's expanded group to be more appropriate for the purposes of this case. Plainly, the Arbitrator agrees with the District that the Cloverbelt

Conference is a much more logical and comparable group than the CESA #9 schools offered by the Association. Moreover, the Board's group give a more local flavor than state-wide comparables offered by the Association. The schools in the District's group are generally similar in size and other demographics. With some exceptions as well, they are generally rural and agriculturally based.

B. Salary and Insurance

If this were a one-issue arbitration and if that issue were wages, the Board's offer would probably be deemed most reasonable. This is because it is ever so slightly more consistent with the settlements in the Marawood and Cloverbelt Athletic Conferences for each of the two years. Considering all (high and low) settled schools in this group, the following represents the combined salary settlements for the two year period in question:

	<u>\$/Teacher</u>	<u>%/Teacher</u>
Average	3118	11.9
Board	3005(-113)	11.7(-.2)
Association	3324(+208)	12.9(+1%)

This data shows that, although the salary Board offer is below average, it is closer to the average than the Association's offer.

However, this is not a one-issue arbitration. The other significant issue is the Employer's proposal to change the status quo on the health insurance contribution. This issue must be measured and weighed against the salary issue.

It is the conclusion of the Arbitrator that when the health insurance proposal is considered along with the offers on salary, the Board's offer is less reasonable.

The Arbitrator could accept the Board's salary offer, even though it was slightly below average, if its health insurance proposal didn't have the potential to reduce the real income of the teachers. The fifteen percent increase built into their proposal for 1989-90 may or may not cover the increase this year. If it doesn't, it will have the effect of reducing the Employer's salary settlement. If it does cover the increase this year, the change in the status quo language may result in their salaries being diminished in the future since they are no longer guaranteed a full contribution. It is one thing to accept a lower than average salary proposal but quite another to accept a significant status quo change in language at the same time which has the realistic potential of effectively making that salary proposal even lower.

This is particularly true since the Board hasn't offered any meaningful quid pro quo for the change in health insurance language. The Board cited the personal day agreed to by the Parties as a quid pro quo. However, all of the Marawood schools already have a personal leave provision. Many, if not most, of these provisions are more liberal in some respects. The Arbitrator recognizes that it is the only school in the Athletic Conference to pay the full cost of health insurance. Moreover, there is some inherent

reasonableness in their proposal. Yet, this isn't enough. In real collective bargaining a more meaningful concession would probably have to be made to gain such a change in the agreement. It isn't a concession at all to offer a below average settlement along with a benefit that everyone already has, particularly where the value of that new benefit, probably, in the long run is worth less than the concession that is being sought. It also militates against the Board's offer that its wage levels are significantly below those of the Cloverbelt Conference. None of these negative considerations are viewed as being offset by the teacher's total compensation, the cost of living or interest and welfare of the public.

It is the conclusion of the Arbitrator that after considering the final offers, in light of the statutory criteria, the Association's offer is more reasonable.

AWARD

The final offer of the Association is accepted.



Gil Vernon, Arbitrator

Dated this 26th day of May, 1989 in Eau Claire, Wisconsin.