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SEP 05 1990
WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of Interest Arbitration :
Between :
AUBURNDALE EDUCATION ASSOCIATION : **AWARD**
and :
AUBURNDALE SCHOOL DISTRICT : **Decision No. 26257-A**
Case 20 No. 42450 MED/ARB-5298 :

I. HEARING. A hearing in the above entitled matter was held on May 14, 1990, at the office of the Auburndale School District, Auburndale, Wisconsin. The hearing commenced at 5 p.m. Parties were given full opportunity to give testimony, present evidence and make argument. Briefs and reply briefs were furnished by the parties. Reply briefs were exchanged on August 11, 1990.

II. APPEARANCES.

JERMITT KRAGE, Executive Director, Central Wisconsin UniServ Council-South, appeared for the Association.

MULCAHY & WHERRY, S.C. by JEFFREY JONES, Esq., appeared for the District.

III. NATURE OF THE PROCEEDING. This is a proceeding in final and binding final offer arbitration under Section 111.70 (4) (cm) 6 and 7 of the Wisconsin Municipal Employment Relations Act to resolve an impasse in collective bargaining between the above named parties. The school district filed a petition with the Wisconsin Employment Relations Commission on June 30, 1989, alleging that an impasse existed between it and the Auburndale Education Association over a new collective bargaining agreement. The Commission through staff member Robert M. McCormick investigated the matter. On the basis of the investigator's report found that the parties had remained at impasse, that the parties substantially complied with the procedure required by law before the initiation of arbitration, certified that the conditions required by law precedent to the initiation of arbitration had been met, and ordered final and binding arbitration. The parties, having selected Frank P. Zeidler, Milwaukee, Wisconsin, as arbitrator, the Commission appointed him on February 21, 1990.

IV. FINAL OFFERS.

A. The Association Offer.

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ARTICLE VI - SECTION B PARAGRAPH 1

Amend to read:

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

1. Health Insurance: The Board shall pay up to a maximum of \$3652.80 per family and \$1395.60 per single plan toward the 1989-90 health insurance premium of the Auburndale Education Association members and a maximum of \$4200.70 per family and \$1604.94 per single plan toward the 1990-91 health insurance premium of the Auburndale Education Association. (remainder of paragraph does not change)

ARTICLE VI - SECTION B PARAGRAPH 2

Amend to read:

*See
City of
Plymouth*

2. Dental Insurance: The School Board shall pay up to \$25,780.00 per year for the 1989-90 year and \$27,030.60 for the 1990-91 year as a contribution toward the dental insurance plan.

\$25,780.00 (OK)

JTS

(OK)

EXTRA DUTY SCHEDULE

For the 1989-90 school year only -

Increase all rates by 5%.

SALARY SCHEDULE - APPENDIX I

See salary schedules attached.

Handwritten notes:
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 MISCONDUCT EMPLOYMENT
 RELATIONS COMMISSION

'89-'90

STEP	BS	+6	+12	+18	+24	MS	+6	+12	+18	+24
0	21222	21570	21920	22268	22618	22967	23315	23664	24014	24362
1	22007	22357	22705	23055	23402	23752	24101	24450	24799	25148
2	22792	23141	23491	23839	24189	24537	24887	25235	25584	25933
3	23577	23925	24275	24625	24974	25322	25671	26020	26370	26718
4	24275	24625	25059	25409	25759	26108	26457	26807	27154	27504
5	24974	25322	25759	26108	26544	26894	27242	27591	27941	28289
6	25671	26020	26457	26807	27242	27591	28028	28377	28726	29076
7	26370	26718	27154	27504	27941	28289	28726	29076	29510	29860
8	27068	27416	27852	28202	28639	28987	29423	29773	30209	30558
9	27765	28114	28551	28900	29336	29685	30121	30471	30907	31255
10	28471	28914	29269	29712	30091	30452	30813	30868	31311	31668
11	28826	29276	29639	30010	30467	30836	31294	31266	31716	32080
12	29182	29639	30003	30380	30844	31221	31686	32062	32490	32903
13	29539	29995	30366	30750	31221	31604	32075	32460	32930	33315
14	29895	30366	30729	31119	31598	31989	32466	32858	33336	33728
15	30252	30729	31119	31598	31975	32373	32858	33255	33741	34138
16	30606	31092	31456	31859	32352	32757	33248	33654	34146	34550
17	30962	31456	31817	32230	32729	33140	33640	34052	34550	34963
18	31318	31817	32180	32599	33105	33524	34031	34449	34956	35375

11/29/89
 11/29/89
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 11/29/89

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 11/9/89
 11/11/89
 (4)

STEP	BS	+6	+12	+18	+24	MS	+6	+12	+18	+24
0	22283	22649	23016	23381	23749	24115	24481	24847	25215	25580
1	23107	23475	23840	24208	24572	24940	25306	25673	26039	26405
2	23932	24298	24666	25031	25398	25764	26131	26497	26863	27230
3	24756	25121	25489	25856	26223	26588	26955	27321	27689	28054
4	25489	25856	26312	26679	27047	27413	27780	28147	28512	28879
5	26223	26588	27047	27413	27871	28239	28604	28971	29338	29703
6	26955	27321	27780	28147	28604	28971	29429	29796	30162	30530
7	27689	28054	28512	28879	29338	29703	30162	30530	30986	31353
8	28421	28787	29245	29612	30071	30436	30894	31262	31719	32086
9	29153	29520	29979	30345	30803	31169	31627	31995	32452	32818
10		29895	30360	30732	31198	31574	32039	32411	32877	33251
11		30267	30740	31121	31596	31975	32448	32829	33302	33684
12		30641	31121	31511	31990	32378	32859	33248	33728	34115
13		31016	31503	31899	32386	32782	33270	33665	34152	34548
14		31390	31884	32288	32782	33184	33679	34083	34577	34981
15		31765	32265	32675	33178	33588	34089	34501	35003	35414
16		32136	32647	33065	33574	33992	34501	34918	35428	35845
17		32510	33029	33452	33970	34395	34910	35337	35853	36278
18		32884	33408	33842	34365	34797	35322	35755	36278	36711
19		33258	33789	34229	34760	35200	35733	36171	36704	37144

'90-'91

MISCELLANEOUS EMPLOYMENT
 RELATIONS COMMISSION

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B. The District Offer.

FINAL OFFER OF
THE SCHOOL DISTRICT OF AUBURNDALE

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

1. DURATION AND EXPIRATION CLAUSE, revise to read as follows:

"The Agreement shall be effective as of the 1st day of July, 1989, and will continue in full force and effect as binding on both parties until the 30th day of June, 1991."

2. ARTICLE VI - COMPENSATIONS, revise Paragraph B, Insurance, Subparagraphs 1 & 2, to read as follows:

"1. Health Insurance: The Board shall pay up to a maximum of \$3,469.50 per family and \$1,325.00 per single plan toward the 1989-90 health insurance premiums of the Auburndale Education Association Members and a maximum of \$3,816.44 per family and \$1,457.81 per single plan toward the 1990-91 health insurance premiums of the Auburndale Education Association Members. The School District may change the insurance carrier for surgical and hospitalization insurance, provided that coverage with a new carrier is equivalent to that in effect as of November 1, 1982, under the WEAIT Standard Plan. Any employee wishing to enroll in the Greater Marshfield Insurance Program shall have the equivalent of the above premiums applied toward the Greater Marshfield premium and the balance of the Greater Marshfield premium deducted from their paycheck, provided a written request, therefore, is submitted to the District Administrator.

2. Dental Insurance: The School Board shall pay up to ~~\$24,885.00~~ ^{\$25,780.00 - JTS} for the 1989-90 year and ~~\$26,729.00~~ ^{\$27,070.00 - JTS} for the 1990-91 year as the total contribution toward the dental insurance premiums of the Auburndale Education Association Members."

3. EXTRA DUTY SCHEDULE, for 1989-90, revise to reflect a 3% wage increase per position.

4. CALENDAR, revise for 1989-90 and 1990-91 per attached Appendix "A". AND INCORPORATE AS TENTATIVE AGREEMENT - JTS

5. SALARY SCHEDULE, revise for 1989-90 and 1990-91 per attached Appendix "B". EXCEPT PARENT TEACHER CONFERENCE DAYS TO BE NEGOTIATED

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11/28/89
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11/22/89
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RELATIONSHIP
MISUNEMPLOYMENT
COMMISSION
DEC 04 1989

0	\$22,812.00	\$23,144.00	\$23,477.00	\$23,809.00	\$24,142.00	\$24,474.00	\$24,806.00	\$25,138.00	\$25,471.00	\$25,803.00
1	\$23,560.00	\$24,893.00	\$24,225.00	\$24,558.00	\$24,889.00	\$25,222.00	\$25,554.00	\$25,887.00	\$26,219.00	\$26,551.00
2	\$24,308.00	\$24,640.00	\$24,973.00	\$25,305.00	\$25,638.00	\$25,970.00	\$26,303.00	\$26,634.00	\$26,967.00	\$27,299.00
3	\$25,055.00	\$25,387.00	\$25,720.00	\$26,053.00	\$26,386.00	\$26,717.00	\$27,050.00	\$27,382.00	\$27,715.00	\$28,047.00
4	\$25,720.00	\$26,053.00	\$26,467.00	\$26,800.00	\$27,133.00	\$27,466.00	\$27,798.00	\$28,131.00	\$28,462.00	\$28,795.00
5	\$26,386.00	\$26,717.00	\$27,133.00	\$27,466.00	\$27,881.00	\$28,214.00	\$28,546.00	\$28,878.00	\$29,211.00	\$29,543.00
6	\$27,050.00	\$27,382.00	\$27,798.00	\$28,131.00	\$28,546.00	\$28,878.00	\$29,294.00	\$29,627.00	\$29,959.00	\$30,291.00
7	\$27,715.00	\$28,047.00	\$28,462.00	\$28,795.00	\$29,211.00	\$29,543.00	\$29,959.00	\$30,291.00	\$31,711.00	\$31,039.00
8	\$28,380.00	\$28,711.00	\$29,127.00	\$29,460.00	\$29,876.00	\$30,208.00	\$30,623.00	\$30,956.00	\$31,371.00	\$31,704.00
9	\$29,044.00	\$29,376.00	\$29,792.00	\$30,125.00	\$30,540.00	\$30,872.00	\$31,288.00	\$31,621.00	\$32,036.00	\$32,368.00
10	\$29,716.00	\$30,138.00	\$30,476.00	\$30,898.00	\$31,239.00	\$31,661.00	\$31,999.00	\$32,421.00	\$32,761.00	\$33,153.00
11	\$30,054.00	\$30,483.00	\$30,829.00	\$31,182.00	\$31,617.00	\$31,969.00	\$32,405.00	\$32,758.00	\$33,193.00	\$33,544.00
12	\$30,393.00	\$30,829.00	\$31,182.00	\$31,534.00	\$31,976.00	\$32,335.00	\$32,778.00	\$33,136.00	\$33,578.00	\$33,937.00
13	\$30,733.00	\$31,175.00	\$31,534.00	\$31,976.00	\$32,335.00	\$32,778.00	\$33,149.00	\$33,515.00	\$33,963.00	\$34,330.00
14	\$31,072.00	\$31,521.00	\$31,887.00	\$32,335.00	\$32,700.00	\$33,067.00	\$33,521.00	\$33,894.00	\$34,350.00	\$34,723.00
15	\$31,412.00	\$31,867.00	\$32,238.00	\$32,694.00	\$33,067.00	\$33,521.00	\$33,894.00	\$34,350.00	\$34,723.00	\$35,113.00
16	\$31,750.00	\$32,212.00	\$32,591.00	\$33,053.00	\$33,432.00	\$33,894.00	\$34,272.00	\$34,735.00	\$35,113.00	\$35,506.00
17	\$32,089.00	\$32,559.00	\$32,943.00	\$33,412.00	\$33,798.00	\$34,266.00	\$34,652.00	\$35,121.00	\$35,506.00	\$35,899.00
18	\$32,428.00	\$32,903.00	\$33,296.00	\$33,771.00	\$34,163.00	\$34,639.00	\$35,031.00	\$35,506.00	\$35,899.00	\$36,291.00
19	\$32,767.00	\$33,249.00	\$33,648.00	\$34,130.00	\$34,529.00	\$35,011.00	\$35,410.00	\$35,892.00	\$36,291.00	

0	\$21,386	\$21,718	\$22,051	\$22,383	\$22,716	\$23,048	\$23,380	\$23,712	\$24,045	\$24,377
1	\$22,134	\$22,467	\$22,799	\$23,132	\$23,463	\$23,796	\$24,128	\$24,461	\$24,793	\$25,125
2	\$22,882	\$23,214	\$23,547	\$23,879	\$24,212	\$24,544	\$24,877	\$25,208	\$25,541	\$25,873
3	\$23,629	\$23,961	\$24,294	\$24,627	\$24,960	\$25,291	\$25,624	\$25,956	\$26,289	\$26,621
4	\$24,294	\$24,627	\$24,961	\$25,294	\$25,627	\$25,960	\$26,291	\$26,624	\$26,956	\$27,289
5	\$24,960	\$25,291	\$25,627	\$25,961	\$26,294	\$26,627	\$26,960	\$27,291	\$27,624	\$27,956
6	\$25,624	\$25,956	\$26,291	\$26,627	\$26,961	\$27,294	\$27,627	\$27,960	\$28,291	\$28,624
7	\$26,289	\$26,621	\$26,956	\$27,291	\$27,627	\$27,961	\$28,294	\$28,627	\$28,960	\$29,291
8	\$26,954	\$27,285	\$27,621	\$27,956	\$28,291	\$28,627	\$28,961	\$29,294	\$29,627	\$30,000
9	\$27,618	\$27,950	\$28,285	\$28,621	\$28,956	\$29,291	\$29,627	\$29,961	\$30,294	\$30,627
10		\$28,290	\$28,621	\$28,956	\$29,291	\$29,627	\$29,961	\$30,294	\$30,627	\$30,961
11		\$28,628	\$29,057	\$29,403	\$29,833	\$30,177	\$30,606	\$31,035	\$31,464	\$31,893
12		\$28,967	\$29,403	\$29,756	\$30,191	\$30,627	\$31,061	\$31,495	\$31,929	\$32,363
13		\$29,307	\$29,749	\$30,108	\$30,550	\$30,991	\$31,432	\$31,873	\$32,314	\$32,755
14		\$29,646	\$30,095	\$30,461	\$30,909	\$31,274	\$31,723	\$32,089	\$32,537	\$32,984
15		\$29,986	\$30,441	\$30,812	\$31,268	\$31,641	\$32,095	\$32,468	\$32,924	\$33,379
16		\$30,324	\$30,786	\$31,165	\$31,627	\$32,006	\$32,468	\$32,924	\$33,379	\$33,834
17		\$30,663	\$31,133	\$31,517	\$31,986	\$32,472	\$32,840	\$33,226	\$33,605	\$34,080
18		\$31,002	\$31,477	\$31,870	\$32,345	\$32,737	\$33,213	\$33,605	\$34,080	\$34,473
19		\$31,341	\$31,823	\$32,222	\$32,704	\$33,103	\$33,585	\$34,066	\$34,466	\$34,865

V. FACTORS CONSIDERED AND WEIGHED. The following is Section 111.70 (4) (cm) of the Municipal Employment Relations Act:

"7. Factors considered. In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator shall give weight to the following factors:

"a. The lawful authority of the municipal employer.

"b. Stipulations of the parties.

"c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.

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

"e. Comparison of the wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes generally in public employment in the same community and in comparable communities.

"f. Comparison of the wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes in private employment in the same community and in comparable communities.

"g. The average consumer prices for goods and services, commonly known as the cost-of-living.

"h. The overall compensation presently received by the municipal employes, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

"i. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

"j. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment."

VI. LAWFUL AUTHORITY OF THE MUNICIPAL EMPLOYER. There is no question here as to the lawful authority of the municipal employer to meet the costs of either offer.

VII. STIPULATIONS OF THE PARTIES. The parties have stipulated to all other matters between them.

VIII. COMPARABLE DISTRICTS. Both parties use the Cloverbelt Athletic Conference for primary comparable districts. The districts in this conference are Altoona, Auburndale, Cadott, Colby, Cornell, Fall Creek, Gilman, Greenwood, Loyal, Mosinee, Neilsville, Osseo-Fairchild, Owen-Withee, Stanley and Thorp.

The Association also has used districts within a twenty mile radius of Auburndale for comparison purposes. These districts are as follows: Abbotsford, Auburndale, Colby Edgar, Granton, Loyal, Marathon, Marshfield, Mosinee, Nekoose, Pittsville, Port Edwards, Spencer, Stevens Point, Stratford, and Wisconsin Rapids. The Association also makes references to all districts state-wide. The District has responded to these exhibits by certain rebuttal exhibits. These matters will be referred to later.

The District however submitted certain data on the comparable districts. Its Exhibit 23 listed the districts, the 1988-89 FTE for teachers, and the 1988-89 enrollments. Among the 15 districts, Auburndale was eighth in size with 57.50 FTE. Its enrollment of 868 was also eighth. The enrollment of the districts ranged from 1,819 in Mosinee for 1988-89 to 613 in Greenwood.

Association Exhibit 19 showed that for the 1988-89 year, among the 16 districts within a twenty mile radius of Auburndale and including Auburndale, Auburndale was seventh in the number of pupils and FTE teachers. The ranges in these twenty mile radius districts were larger in comparison as to both pupils and teachers than in the primary districts. The numbers ranged from 7,300 pupils at Stevens Point to 404 pupils at Granton and from 417.35 FTE teachers at Stevens Point to 27.80 teachers at Granton.

The Association holds that the primary comparable group in this matter is the Cloverbelt Athletic Conference ("Conference") because the school populations and employees are comparable and the districts located within a reasonable geographic area. Also a settlement pattern has been achieved within the conference and past arbitrators have used the conference in their awards. The Association, however, uses the set of districts within a twenty mile radius for comparison, noting that its offer is comparable to the settlement pattern of the nearby districts. The Association also makes comparisons state-wide as a means of judging whether the position of the teachers is eroding and it cites arbitral awards justifying this type of comparison.

The Association makes the point that contrary to the assertion of the District, it is not basing its state-wide data on metropolitan or industrial districts, and that there is a relationship between Auburndale and such districts. School district revenue and state aid are based on state-wide equalized value. The state accredits teachers; many persons in the Auburndale district work in other communities.

The District on its part strongly objects to the use of comparables other than Cloverbelt Athletic Conference districts. It states that previous awards have established the Conference districts as a comparable pool and there are no valid reasons to deviate from that standard. A pattern of settlement has developed in the Conference even for the 1990-1991 year. Also the school districts of the Conference are comparable to Auburndale whereas those in the group within twenty miles show wide variations and deviations in teacher and pupil equivalency. Also the economic characteristics of the twenty mile radius group vary widely, as well as per capita income.

The District also rejects the use of state-wide data for comparison purposes. State-wide districts vary even more widely in size and economic conditions as well as geography. The Association has not introduced evidence which establish state-wide comparability with the Auburndale District which, the District notes, is primarily an agricultural district.

The District argues that the Association is inconsistent in stating that the primary set of comparables is the Conference, and then that the twenty mile radius schools and state-wide districts are comparable. Arbitral authority cited by the Association does not support their contention in that there is a clear set of comparables already available. The District contends that the use of the twenty mile radius schools by the Association is because its salary is high among the Conference districts. The District particularly contends that the record here is devoid of any state-wide comparable data.

Discussion. The evidence here is that the Cloverbelt Athletic Conference schools constitutes the primary comparison group. The group of districts within a twenty mile radius have a secondary value, and indeed have been referred to in this manner by the District itself in some of its arguments; but the value is secondary only. The state-wide comparisons have only a minor weight for comparison purposes because of the variation in characteristics of districts found throughout the state.

IX. COMPARISON OF COSTS. The following comparisons of costs are taken from District Exhibits 4 and 5. The table relates to base wages only.

Table I

	Comparison of Costs of Wage Offers		
	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>
A. <u>District Offer</u>			
Salary	\$1,565,903.50	\$1,661,374.50	\$1,770,311.00
\$ Increase		95,471.00	108,936.50
% Increase		6.10	6.56
Increase per teacher		1,660.37	1,894.55
Total, All Salary	\$1,605,402.24	\$1,705,322.22	\$1,814,597.80
B. <u>Association Offer</u>			
Salary	\$1,565,903.50	\$1,673,372.10	\$1,786,580.99
\$ Increase		107,468.60	113,208.98
% Increase		6.86	6.77
Increase per teacher		1,869.02	1,968.85
Total, All Salary	\$1,608,402.24	\$1,718,108.89	\$1,831,659.62

The District notes that under an arbitration award teachers with a Bachelor's degree can move horizontally across lanes as they gain more credits without first getting administration approval. The District has provided the additional information about what this "educational movement" may cost the District. The following table is derived from District Exhibits 6 and 7.

Table II

WAGE ONLY COSTS OF OFFERS

	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>
A. District Offer			
Salary	\$1,565,903.50	\$1,661,374.50	\$1,770,311.90
Lane Movement	2,330.00	7,538.00	4,659.00*
Total	<u>\$1,568,233.50</u>	<u>\$1,668,912.50</u>	<u>\$1,774,970.00</u>
\$ Increase		100,679.00	106,057.50
% Increase		6.42	6.35
All Salary Total	\$1,610,732.24	\$1,712,860.22	\$1,819,256.80
B. Association Offer			
Salary	\$1,565,903.50	\$1,673,372.00	\$1,786,580.99
Lane Movement	2,330.00	7,538.00	4,659.00*
Total	<u>\$1,568,233.50</u>	<u>\$1,680,910.10</u>	<u>\$1,791,239.99</u>
\$ Increase		112,676.60	110,329.89
% Increase		7.18	6.56
All Salary Total	\$1,610,732.24	\$1,725,646.89	\$1,836,315.62

*Year-to-date actual requests.

The following table is useful for understanding the nature and character of the offers:

Table III

DOLLAR AND PER CENT RANGES OF OFFERS

	<u>1989-90</u>	<u>% Inc.</u>	<u>1990-91</u>	<u>% Inc.</u>
A. District Offer				
BA Min	\$21,386	5.8	\$22,812	6.7
Sched Max	34,865	3.5	36,291	4.1
B. Association Offer				
BA Min	\$21,222	5.0	\$22,283	5.0
Sched Max	35,375	5.0	37,144	5.0

(Assn. Ex. 7)

The District is stressing the cost effect of advances in lanes which teachers having a BA degree can make because of an Award in arbitration by Arbitrator Jane B. Buffett which sustained a grievance seeking advancement for credits gained outside the teaching field without permission first being granted by the District administration. This award was made on June 29, 1989. (Dist. Ex. 72) The District in its Exhibit 11 shows the following costs in lane movements.

Table IV

COST OF LANE MOVEMENTS

<u>Year</u>	<u>Cost</u>	<u>% Change</u>
1987-88	\$1,660	- 34.06
1988-89	2,330	40.36
1989-90	7,538	223.52
1990-91	4,659	- 38.19*

*Year-to-date actual.

The character of the District's offer needs some description. It increases the base in each lane in 1989-90 by the sum of \$1,175. In 1990-91 it increases the base in each lane by an equal sum of \$1,426. In each year in the lower lanes it increases step differentials by approximately \$748 but extends this pattern in the lanes with more credits attached to a step higher than in the beginning lanes. In each lane it switches at some point to an increment of about \$666; then in each lane except the BA lane it switches to an increment beginning at \$340 for the BS + 6 lane and changing by an increment of about \$6 in each lane till it reaches an increment of \$392 in the M + 24 lane. This internal pattern of the 1988-89 schedule is retained in 1989-90 and 1990-91. (Dist. Ex. 12)

The increment between lanes is kept at \$332 each year.

The Association offer, as noted, amounts to a 5% per cell increase for each year. The effect of this in 1989-90 is to produce step changes, for example, in the BS + 6 lane from \$786 at the Step 0 to \$356 at Step 19, and in the M + 24 lane from \$785 to \$412 bottom to top.

X. SALARY COMPARISONS.

A. Cloverbelt Athletic Conference.

The following table on the historical ranking of Auburndale among Conference districts in selected benchmark positions is derived from Association Exhibit 11.

Table V
RANK OF AUBURNDALE AMONG CONFERENCE DISTRICTS

Benchmarks	87-88	88-89	89-90		90-91	
			Assn.	Bd.	Assn.	Bd.
BA Min	1	1	1	1	1	1
BA 7	2	1	1	1	2	2
BA Max	8	6	6	6	4	4
MA Min	1	1	1	1	1	1
MA 10	5	2	2	2	2	2
MA Max	4	3	3	3	2	3
Sched Max	4	4	3	4	4	4

According to Association Exhibit 12, in the year 1987-88 school year, there was a 3.00% increase in the seven benchmarks at Auburndale where a weighted average for the benchmarks in the conference ranged from 5.05% to 5.57%. However in 1988-89 there was an increase of 7.04% at Auburndale for each step while the average in the 15 districts ranged from a 4.52% to a 4.80% for the benchmarks. (Assn. Ex. 12)

The next table, also derived from Association Exhibit 12, shows in greater detail, comparisons of the percentage increases in Auburndale for 1989-90 and 1990-91 among the Conference districts.

Table VI
PERCENTAGE INCREASES, AUBURNDALE, AND CONFERENCE AVERAGES

Step	1989-90			1990-91		
	Auburndale		Aver. 14	Auburndale		Aver. 9
	Assn.	Dist.	Districts	Assn.	Dist.	Districts
BA Min	5.00	5.81	4.99	5.00	6.67	5.32
BA 7	5.00	4.81	4.81	5.00	5.57	5.40
BA Max	5.00	4.44	4.51	5.00	5.16	4.88
MA Min	5.00	5.37	5.23	5.00	6.19	5.29
MA 10	5.00	4.16	5.12	5.00	4.84	5.00
MA Max	5.00	3.68	4.73	5.00	4.31	4.62
Sched Max	5.00	3.49	4.81	5.00	4.09	5.14

An inspection of Association Exhibit 12 indicates that about eight districts in 1989-90 had percentage increases the same or nearly the same across the board. Two districts had a type of percentage increase across the board for BA lanes and another for MA lanes. (Assn. 12-9 to 12-12) Three districts had higher percentages for starting teachers.

District Exhibits 46, 47, 49, 50 and 52 corroborate in the main Association exhibits on the rankings of Auburndale in the Conference. District Exhibits 48, 51, and 53 however rank Auburndale with Conference districts where maximums and longevity are listed. The following table is a summary of these rankings.

Table VII

RANK OF AUBURNDALE AMONG CONFERENCE DISTRICT
WITH LONGEVITY ADDED

Step	87-88	88-89	89-90		90-91*	
			Assn.	Dist.	Assn.	Dist.
BA Max + L	9	7	6	7	3	3
MA Max + L	5	4	4	4	2	4
Sched Max + L	6	3	3	4	4	4

*9 Districts Only

The following table is derived from District Exhibit 41. It deals with wages only increases in the Conference districts.

Table VIII

COMPARISON, DOLLAR AND PERCENT INCREASE PER TEACHER,
AUBURNDALE AND CONFERENCE AVERAGE

District	1989-90		1990-91	
	% Inc.	\$ Inc.	% Inc.	\$ Inc.
Conference Average	6.07	\$1,640	6.27	\$1,727
Auburndale District	6.10	1,660	6.56	1,895
Assn.	6.86	1,869	6.77	1,969

The Association in its brief has made reference to the number of steps in the Auburndale District as compared to other district schedules. The following table is derived from District Exhibit 91.

Table IX

ACTUAL STEPS ON MASTER'S DEGREE SCHEDULE FOR CONFERENCE DISTRICTS

District	Lanes	Top Lane	Steps in Top Lane
Auburndale	10	M + 24	20
Altoona	10	M + 40	17
Cadott	12	M + 36	15
Colby	12	M + 30	15
Cornell	10	M + 12	17
Fall Creek	8	M + 24	13
Gilman	7	M + 15	16
Greenwood	10	M + 24	17
Loyal	11 (89-90)	M + 24	15
	12 (90-91)	M + 30	15
Mosinee	14	M + 48	16 + 7 years longevity payments
Neillsville	8	M + 24	15
Osseo-Fairchild	10	M + 18	16
Owen-Withee	10	M + 24	13 + longevity
Stanley-Boyd	10	M + 24	14 + longevity
Thorp	10	M + 24	16 + longevity

B. Districts Within 20 Mile Radius.

The Association prepared information on benchmark rankings of Auburndale with schools within twenty miles of Auburndale. The next table summarizes information found in Association Exhibit 17 on such rankings.

Table X

RANK OF AUBURNDALE AMONG SCHOOLS WITHIN 20 MILE RADIUS

<u>Step</u>	<u>87-88</u>	<u>88-89</u> ⁽¹⁾	<u>89-90</u> ⁽²⁾		<u>90-91</u> ⁽³⁾	
			<u>Assn.</u>	<u>Dist.</u>	<u>Assn.</u>	<u>Dist.</u>
BA Min	1	1	1	1	1	1
BA 7	3	3	3	3	3	3
BA Max	11	8	6	7	3	3
MA Min	4	3	3	3	2	2
MA 10	7	5	4	4	3	3
MA Max	7	6	5	5	3	3
Sched Max	7	6	5	6	4	4

(1) 15 districts including Auburndale

(2) 14 districts including Auburndale

(3) 4 districts including Auburndale

According to Association Exhibit 18, in 1987-88 the percent increase at each step in Auburndale on base wages was 3.00%. The averages among the steps in fifteen school districts within a twenty miles radius ranged from 5.21% to 5.79%. In 1988-89 among those fifteen districts, average percent increases ranged from 4.64% to 5.01% while in Auburndale the increase for each step was 7.04%.

The next table shows in greater detail the comparisons of the percent increases in 13 districts within twenty miles of Auburndale with the percent increases in the Auburndale offers for benchmark steps.

Table XI

COMPARISON OF PERCENTAGE INCREASES IN AUBURNDALE WITH INCREASES IN DISTRICTS WITHIN 20 MILE RADIUS

<u>Step</u>	<u>1989-90</u>		<u>Aver. 13 Districts</u>	<u>1990-91</u>		<u>Aver. 3 Districts</u>
	<u>Assn.</u>	<u>Dist.</u>		<u>Assn.</u>	<u>Dist.</u>	
BA Min	5.00	5.81	4.83	5.00	6.67	5.41
BA 7	5.00	4.81	4.93	5.00	5.57	6.00
BA Max	5.00	4.44	5.59	5.00	5.16	4.64
MA Min	5.00	5.37	4.88	5.00	6.19	5.41
MA 10	5.00	4.16	4.89	5.00	4.84	5.66
MA Max	5.00	3.68	4.68	5.00	4.31	4.79
Sched Max	5.00	3.49	4.92	5.00	4.09	5.39

Of the 13 districts in the twenty mile radius reported for 1989-90, the percentage increase in eight districts approach a similar pattern of percentage increases for each benchmark step.

C. Comparisons with State Districts Averages.

In its Exhibit 23, the Association compared the salaries at benchmarks in Auburndale with State averages. The next table shows the dollar differences between the salaries at Auburndale and State averages at benchmarks for the years indicated.

Table XII

DOLLAR DIFFERENCE BETWEEN AUBURNDALE AND STATE AVERAGE

Step	88-89	89-90 ⁽¹⁾		90-91 ⁽²⁾	
		Assn.	Dist.	Assn.	Dist.
BA Min	-1,014	+1,110	+1,274	+1,256	+1,785
BA Max	-2,776	-2,882	-3,029	-2,489	-2,598
MA Min	+ 637	+ 679	+ 760	+ 595	+ 954
MA Max	-2,196	-2,346	-2,767	-2,228	-2,899
Sched Max	-3,152	-3,528	-4,038	-3,693	-4,546

(1) 354 districts

(2) 169 districts.

State district averages are weighted.

In Association Exhibit 24 it was reported that for the benchmark steps in 1989-90 among 354 districts, the average weighted increases percentagewise ranged from 4.43% to 4.83% and now weighted averages ranged from 5.03% to 5.22%. In each case the highest percentages attaches to the schedule maximum step.

For 1990-91 where 169 districts are reported, the weighted average percentages increase went from 4.54% to 4.64% while the non-weighted average increase for the benchmark steps went from 4.73% to 4.91%.

This same exhibit, Association 24, showed non-weighted salary increases going progressively up the step from \$936 at BA Minimum to \$1,780 at Schedule Maximum. The pattern repeated itself in 1990-91 going from \$962 at BA Minimum to \$1,777 at Schedule Maximum.

Summary of Association Position on Basic Wages. The Association argues that teacher to teacher comparisons should be given the greatest weight in determining the outcome of most arbitrations and cites arbitral authority to that effect. The Association holds that in this matter the districts of the Cloverbelt Athletic Conference are the most viable comparable groups, but also that settlements within districts in a twenty mile radius and also state-wide settlements are factors to be weighed in comparisons. The Association cites Arbitrator Rice in Auburndale School District, Case IX No. 30094 MED/ARB 1821, to the effect that the Conference is a comparable

group. The Association also cites other arbitrators who have expanded the pool of comparison districts beyond an athletic conference, including state-wide comparisons under some circumstances.

The Association also argues that benchmark percentage increases should be utilized for comparison purposes rather than package percentage data or the Consumer Price Index and cites some arbitral awards to this effect. Since the increase of salary as reflected in benchmarks is the appropriate method of comparing wage increases, the increase in order to provide equity should be based on a percent per cell basis rather than a flat dollar increase. Again the Association cites arbitral authority to this effect.

The Association says that though the District may argue that Auburndale District salaries are high, other factors need to be considered. The improvements in the Auburndale salary schedules were made through voluntary settlements and in Auburndale the salary schedule has 19 steps, while other districts have 16 or less. The Association cites arbitral authority to the effect that its bargained position should not be eroded because its benchmarks have improved in recent years. Voluntary agreed upon wage relationships should not be disturbed unless there is a compelling reason to do so.

The Association holds that the flat 5% increase in its offer provides greater equity to the members of the bargaining unit. The District offer amounts to 2.3% less for teachers at the top of the schedule than to those at the beginning for 1989-90 and 2.6% less in 1990-91. The teachers at the top of the schedule on Step 19 receive only flat dollar increases while those who are advancing through the schedule will receive the flat increase and an increment. However under the District offer the increments drop lower as the teacher goes through the salary schedule, and this for both years of the District's offer.

The Association says that the adverse impact is compounded when a flat dollar increase per cell increase is used along with a sliding scale of incremental increase. While this is positive for beginning teachers, it is negative to the teachers with greater education and experience in the district. The Association cites a teacher starting at Step 0 in 1988-89 would receive a 20.27% increase by 1990-91, whereas a teacher at Step MA + 18 would receive only a 7.89% increase in those two years. The Association encourages wage increases at the entry level but they should not come at the expense of teachers with advanced education and experience.

The Association notes that its offer also maintains a competitive edge for entry level salaries and maintains equity within the bargaining unit. The Association notes that the District offer for 1990-91 shows a gain of 3.21% over the BA Min in 1988-89 whereas the Association offer gains also, but by 0.56%. At the Schedule Maximum the District in 1990-91 is 4.30% below the Conference average while the Association offer is only 1.96% below that average. Thus the District offer seriously erodes the Schedule

Maximum and also the MA Maximum. The Association notes that this erosion comes at the expense of teachers with twenty years of service. The conclusion is that the Association offer provides greater equity for the teachers. (Assn. Brief Table 5 and Sub-table 5)

The Association holds that a pattern of settlement has occurred in the settlement of nine of the 15 Conference districts which have settled both for 1989-90 and 1990-91. Six districts in 1989 and seven districts in 1990 provide the same or nearly the same percent increase per cell. Only two have a sliding pattern like that offered by the District. Further no district is offering less than a 4% increase at the Schedule Maximum. The average benchmarks increases in settled Conference districts are closest to the Association offer, and the District's greatest disparity in its final offer is in benchmarks reflecting experience and advance education.

The Association states that its final offer is more comparable also to the settlement pattern found in districts in a twenty mile radius of Auburndale, and the District's offer on the other hand has inflated beginning wage levels at the expense of experience and education.

The Association says that there is no traditional pattern in the District's across-the-board salary increase proposal. In the last Agreement between the parties although there was an across-the-board increase in the first year, there was a 3% per cell increase in the second year. The District's offer is unreasonable in that its offer for 1989-90 is below the average increase at every benchmark except the BA Minimum, and its 1990-91 offer will produce a further drop in rank at the maximums.

As to the cost of lane movements, the Association asserts that teachers are not taking an undue advantage over the ruling of Arbitrator Buffet and further it is in the interest of the District that they do continue their education and indeed are required by contract to do so. The cost of lane movement is minimal being less than 5% of the Association offer and less than 6% of the District offer. Further the District has not provided any comparable data with other districts.

Summary of the District Position on Basic Wages. The District argues that its wage offer is far more reasonable than the Association's. The Association offer would result in a 6.86% and \$1,869 wage only increase per teacher in 1989-90 and a 6.7% and \$1,969 wage only increase in 1990-91. The District's offer would result in a 6.10% increase per teacher in 1989-90 and a 6.56% increase in 1990-91 or \$1,660 and \$1,985 increases respectively. The District offer is closer both in percentage increases and dollar increases in both contract years to the Conference average than is the Association offer which greatly exceeds the average.

The District further argues that educational lane movement also must be considered in evaluating the offers. The District estimates of basic wage costs which includes lane movement is therefore more to be relied on for true costs than costing based just on vertical movement. Under the award by Arbitrator Buffet the District has no control over financial costs accruing from teachers who have not reached the Master's degree level taking courses. 71% of the Auburndale teachers are in this category where they can take courses without administration control, a fact unlike that which exists in any other district.

The District, noting the costs of lane movement and percentage increases, states that the teachers are taking full advantage to increase compensation dramatically. When this lane movement is taken into consideration, the 1989-90 District offer brings a \$1,751 per teacher increase for wages only, or a 6.42% increase. In 1990-91, the increase is \$1,960 per teacher for wages only, or a 7.17% increase. These increases are above the average Conference settlements; the Association offer, however, is far above it. The 1990-91 lane movement costs will rise above the figure submitted during the arbitration hearing.

The District also argues that the Auburndale teacher salaries are substantially above the average and therefore the Association offer is unjustified. The District cites the 1984-85 salaries for minimums and maximums at Auburndale compared to the Conference averages and notes that in three cases of five (BA Min, MA Max, and Schedule Max) Auburndale was below the average. In 1989-90, under the District offer Auburndale is above the average and in all five benchmarks, and is 13.2% at BA Minimum and 9.2% at BA Maximum. Under the District offer the District will rank highest at BA Minimum and MA Minimum and at or above average in BA or MA Maximums. The District says that Auburndale also compares very favorably with the districts in the twenty mile radius of Auburndale.

The District terms the Association offer exorbitant. The Association wage offer generates an unequal distribution of increases to the lower and righthand portion of the salary schedule without justification. 71% of the teachers are located in the BA lanes and only 15 teachers in the MA + lanes with only six of those teachers in the MA + 12 and MA + 18 lanes. It is not logical to increase each cell by 5% and to provide a boost to salaries on the lower right portion of the schedule where the fewest teachers are. These teachers are already receiving above average salaries.

The District states that its emphasis on starting salaries is to attract and employ the most qualified teachers available in the competition for teachers.

It is the assertion of the District that none of the school districts within the pool comparable to Auburndale grant percent per cell increases. An increase to the BA base is reflected across the entire salary schedule as the traditional method.

The District asserts that Auburndale teachers are all receiving substantially higher salaries than teachers in comparable districts. Among the Central Wisconsin UniServ Council - North, South and West with 44 districts, Auburndale ranks 13 and its salaries are close to the salaries found in area technical colleges and larger city high schools. Further there is no catch-up situation here with an 8.82% wage increase having occurred in Auburndale in 1988-89.

The District argues that the Association's data on the Conference districts which have granted percent per cell increases is incomplete and faulty. The data of the Association on benchmark percentages does not show that the increases were granted as straight percentages and moreover a number of districts have benchmark percentages that vary substantially.

The District holds that the Association by arguing percentages conceals the true dollar costs. Since teacher placement and schedules in districts vary, applying the same percentages in one district can result in great disparity.

The District states that the Association concedes that benchmarks of the Auburndale salary schedule are high when compared to those of the Cloverbelt Conference, as well as the Districts within the twenty mile radius pool. In the BA Minimum and MA Minimum lanes the District ranks highest, and this is where the majority of the teachers are. It is the District's intention to maintain high ranking where the majority of its teachers are as contrary to the Association in its proposal. The only place where the District's offer does not exceed the average of the other districts at benchmarks is in the Schedule Maximum where there is no teacher presently located. The District says that taking into consideration the status of Auburndale teachers from 1986-87 to 1990-91 there is no catch-up situation represented. The District further asserts that the Association is losing ground in the salary grid where the greatest number of Auburndale teachers are located.

The District argues that as far as the length of time it takes for an Auburndale teacher to get to the top of the schedule, when Step 13 of the Schedule Maximum is taken in the Conference districts from 1986-87 to 1990-91, the Auburndale past record and the present offer is extremely competitive. The following data was supplied in the reply brief of the District.

Table XIII

SALARY COMPARISON AT STEP 13 SCHEDULE MAXIMUM

	<u>86-87</u>	<u>87-88</u>	<u>88-89</u>	<u>89-90</u>	<u>90-91</u>
Conference Average	27,989	29,660	30,971	32,581	34,892
Auburndale	28,423	29,276	31,336		
District				32,511	33,937
Association				32,903	34,548

The Step 13 of the Schedule Maximum was taken because this is the last step in three other districts' Schedule Maximum. The District argues that the above table shows the irrelevancy of the Association position on number of steps in the salary schedule.

The District argues that Auburndale District has not chosen to keep the salaries for experienced teachers at a minimum. Rather the salary of experienced teachers is 13th in maximum out of 44 districts nearby and is in close proximity to the schedules of larger school districts.

The District argues that the percent per cell increase would result in an inequitable distribution of a wage increase by rewarding the fewest teachers at the cost of the many. Comparisons of teachers at the bottom of the schedule with those who have reached the maximum must take into consideration that the salary percentage increases received at the bottom over a period of time represent advancement in the steps as well as any

general increase. It is a given that a teacher at the top of the lane will not receive any increase beyond that last year. Also the type of schedule that is in place, mutually agreed upon from the past, guarantees that a teacher below the 9th step in Auburndale will receive a higher percentage increase.

Discussion and Opinion.

a. Pattern of the Wage Schedules. The nature of the wage offers of the parties need consideration here as there is an issue over their structure and purpose. The District has taken a wage schedule that is internally the same as the 1988-89 schedule in which it has lane increments of \$332 and step increments ranging from about \$748 to about \$666 to a range of \$340 to about \$393, the longer the tenure of the teacher. Upon this schedule for 1989-90 the District applies to the base of each lane the sum of \$1,175 and keeps the internal structure of incremental changes vertically and horizontally the same. In 1990-91 the District offer produces an increase of \$1,426 on the base of each lane and also keeps the same increments internally. The effect is to produce a declining percentage increase for teachers in the schedule at the higher levels of educational credits and longer service in the District.

The Association offer simply adds 5% to each cell in each year. The effect of this is to increase the lane increment to about \$349, and the step increments to about \$785, \$698, and the last group from about \$356 to \$412.

The effect of the District offer is to emphasize beginning salaries while the Association offer tends to improve salaries in the higher lanes and steps by granting a larger dollar amount per step: in 1990-91 a teacher in the MA + 24 lane who had reached Step 19 and was remaining there would receive \$1,769, where a teacher who had reached Step 9 of the BS lane and had stayed there would receive \$1,388. The starting BS lane under the Association offer would have changed only \$1,061.

This raises the issue of salary structure. The Association argues that the District offer unjustly penalizes the senior teachers with the advanced credits. The District argues that the Association type of schedule unjustly overcompensates the senior teachers, and further that competition requires it to put more money at the beginning steps to acquire most competent teachers. The Association also argues that its type of schedule of a percentage increase per cell is the most common, but the District holds that this is not true.

An examination of Conference schedule patterns reveals a substantial difference in schedule structures. However from an examination of benchmark data, in the 1989-90 settlements in the Conference districts, about eight districts have settled using a schedule which produced nearly equal percentage increases for the benchmark steps. In the 1990-91 settlements five districts used this pattern and one did also for most of the steps. Thus on the

type of the salary schedule used, that employed by the Association here appears most comparable. Further on comparison of Auburndale with Conference averages, as shown in Table VI, the district at benchmarks departs widely. However it should be noted that in the 1990-91 schedules three districts used a schedule in which the size of the percentage increase declined as the steps of the schedule increased and as the educational levels increased. The type of the schedule therefore employed by the District is therefore not to be barred on the grounds of comparability or to be determinative of the outcome of the matter, though the Association schedule pattern is the more comparable.

b. Effect of the schedule patterns in terms of comparability among primary comparables. More weighty in terms of considering wage comparability is what does a schedule pattern produce in terms of actual dollar returns to the teachers. A review of Table V above is important here. This table shows the historical ranking of Auburndale from 1987-88 to 1990-91 under the present offers. It is to be noted that both offers produce the same rankings in 1989-90 and 1990-91 with the exception of the District offer for MS Maximum where the District offer drops one place to third place. The 1990-91 offers in ranking represent gains from 1987-88 in BA Maximum, MA 10th and MS Maximum and retains first place in BS and MS Minimums and fourth place in Schedule Maximum. It has been the opinion of this arbitrator and is now that an Employer need not offer more than is needed to maintain ranking in dollars received when comparisons are made in order to maintain actual comparability. The District offer does that here.

This opinion of the arbitrator is supported also by Table VII which shows Auburndale rankings at Maximums in lanes when longevity is used in some districts is concerned, though longevity does not appear in Auburndale.

Table VIII which summarizes data on Conference average dollar and percentage increases indicates that the District offer in dollar and percentage average increases per teacher is reasonable in comparison to dollar and percentage increase averages in the Conference. On the whole then it is the opinion of the arbitrator that though the pattern of the schedule offered by the District is not comparable to the pattern generally appearing in the comparable districts and though percentage increases per benchmark are not comparable, yet the effect of the District's offer is to produce comparable results in ranking of actual wages received in terms of dollars.

c. Effect of the schedules in terms of comparability among secondary comparables. The conclusions arrived at above for Auburndale offers among primary comparables is supported by an inspection of the effect of the offers with the districts within the twenty mile radius of Auburndale. Table X shows that the offers of both have identical ranking in the 1990-91 offers (with however but three districts); and that in the 1989-90 offers, while the District offer drops one place in rank below the Association offer, yet the ranking of Auburndale under both offers constitutes something of an advance over the Auburndale position in 1987-88. Table XI does show

how the District schedule pattern of a declining percentage increase offer departs considerably from the average pattern. However, the total dollar results still keep the Auburndale senior and higher lane teachers in a competitive position.

d. State-wide comparisons. Table XII which summarizes the comparison of the Auburndale offer with state-wide districts again reveals that which has already been emphasized, namely the higher starting range and the lower top lane offer of the District as compared to the Association in the higher ranges. However state-wide comparisons necessarily include such a diversity of districts, including districts in areas of great economic strength, that the use here of such comparisons while constituting an interesting and informative exercise, yet cannot be determinative of the outcome of this type of comparison.

e. District emphasis on lane movement. While it must be acknowledged that lane movement is going to cost a district some expense which will not show in the comparison of schedules where a cohort of teachers in a given year is advanced forward on the basis of their retaining the same lane status, yet this type of factor also should not be determinative of the outcome unless cost of lane movements in other districts are given so comparisons can be made. Also total costs which must be considered in this type of proceedings (and which will be so considered here under its own section) might include such a cost. Lane movement is not being discounted here, but it is not a determinative factor here in comparing base wages.

f. Comparison of steps in schedules. The Association is contending that the Auburndale salary schedule with 20 distinct steps* is a factor to be considered in favor of the Association offer for a higher wage because of the length of time it takes for a teacher to reach the maximum in a lane. (See Table IX) The District has sought to counter this contention by asserting that if Step 13 of the Schedule Maximum is taken in each Conference district, the District offer is very competitive. Despite this effort of the District, the immediate impression one gets is that the contention of the Association has some merit. However it would take a detailed analysis of each of the diverse Conference salary schedules for an arbitrator to make a firm judgment on the Association argument. Lacking this additional information and considering that the additional time and effort for the arbitrator himself to make that kind of analysis is not critical to the outcome of the matter, the arbitrator does not render an opinion on the Association contention.

g. Opinion and Conclusion. On the basis of the District offer maintaining relative rank for wages in terms of dollars received in the primary and Conference districts, it is the opinion and conclusion of the arbitrator that the District offer meets the statutory criterion of comparability and is therefore reasonable.

*The Association documents refer to 19 steps, but there are steps numbered from 0 to 19.

XI. COMPARISONS WITH OTHER MUNICIPAL EMPLOYEES. District Exhibit 43 shows that the Auburndale School District settled with its school secretaries for a 3.4% wage increase in 1989-90 and a 3.5% increase in 1990-91. Among other Conference districts, Altoona settled for 5.14% for two years, Cornell for 7% in 1989-90, Greenwood for a range of 4.5% to 10%, Mosinee, for 4.2%, Owen-Withee for 4%. Four districts settled for rates of \$0.15 to \$0.30 per hour. In 1990-91, one 4% settlement occurred, one 5.14% settlement and one \$0.25 per hour was reported.

In 1989-90 Auburndale teacher aides received a 4.3% raise and will receive a 4.2% raise in 1990-91. The pattern of settlements in 1989-90 for settled districts was quite similar with the settlements given school secretaries. In 1991 for the three districts reported as settled, Altoona teacher aides will receive a 5.15% increase and Gilman aides will receive \$0.25 and Owen-Withee aides will receive a figure equal to the change in the Consumer Price Index. (Dist. 44)

Auburndale is in Wood County. A settlement with Sheriff's deputies produced a 2% increase on January 1, 1989, and another on July 1, 1989. The same pattern occurred in 1990. A 3% settlement for 1989 was effected for eight other Wood County employee groups, in 1989 a non-union group of employees received a 3% increase on January 1, 1989 and 2% increase on July. Except for Sheriffs there are no settlements for 1990.

Discussion. The Association essentially argues that the employment conditions of teachers with other public employees are so dissimilar that meaningful comparisons cannot be made. It cites arbitral authority to this effect. It holds that many arbitrators have given little or no weight to outside settlements.

The District notes that the average settlement for non-teaching employees in the Conference where settlements have been made ranges from 3% to 4%. In Wood County the settlements average from 3% to 4.5%. The District's offer, while exceeding the above settlements, is closer to the range of wage increases and therefore is the more comparable. To accept the much greater increases proposed by the Association would be inappropriate.

Conclusion. There is a statutory requirement to compare salary offers with the wages of other public employees. The District offer more nearly meets the statutory standard of comparability with wage increases among municipal employees in the same area. The weight to be given to this conclusion will be treated later.

XII. COMPARISON OF WAGES WITH WAGES IN PRIVATE EMPLOYMENT. No direct evidence was submitted by the parties on this relating to this criterion although the parties have considered the economic conditions in the area.

XIII. COMPARISONS.

EXTRA DUTY SCHEDULE. The Association is proposing a one time 5% increase for all rates in the Extra Duty Schedule, said increase to take effect in the 1989-90 school year. The District is proposing a one time 3.00% raise to take effect in 1989-90. Table XIV is derived from a group of exhibits called Association 51. A selected group of extra-curricular positions is sampled for wage comparisons.

Table XIV

WAGE COMPARISON OF SELECTED EXTRA-CURRICULAR POSITIONS FOR 1989-90 IN CONFERENCE DISTRICTS

<u>Year</u>	<u>District</u>	<u>Head Coach</u>	<u>Band Director</u>	<u>Forensics</u>	<u>Annual</u>
89-90	Abbotsford	1,508-1,716	988-1,144	600-700	988-1,144
89-90	Cadott	1,769 ⁽¹⁾	636 ⁽²⁾	470	360
88-90	Colby	1,550-1,765	713-812	852-971	930-1,059
88-90	Cornell	1,965	670 ⁽³⁾	872	1,346
89-90	Fall Creek	10%	6%	7%	8%
		2,003	1,202	1,403	1,602
88-90	Gilman	1,850	530	475	700
89-90	Greenwood	9%-12% ⁽⁴⁾	4.5%-6%	2%-3.5%	3%-4.5%
		1,597-2,128	798-1,064	354-620	532-798
89-90	Loyal	9%-9%+\$300	7%-7%+\$270	0.75%-0.75%+\$60	3.75%-3.75%+\$210
		1,711-2,010 ⁽⁵⁾	1,330-1,600	143-203	713-923
89-90	Mosinee	10%-16%		5.5%-6.5%	10%-16%
		2,010-3,216 ⁽⁶⁾		1,105-1,307	2,010-3,216
89-90	Neilsville	10%-12%	5.5%	3.7%	4.4%
88-89	Osseo-Fairchild	1,731-2,077 ⁽⁷⁾	952	640	761
		1,375-1,775	975-1,375	600-700	700-900
88-89	Owen-Withee	1,925	948	471	644
89-90	Stanley	13%-2,184 ⁽⁸⁾	13%-2,184	4.5%-756	
89-90	Thorp	1,700-1,900	356	400	1,075-1,100

- (1) Experience increment.
- (2) Described as "Musical".
- (3) Music activities.
- (4) On 1989-90 base of \$17,739; 1990-91 base is \$19,208.
- (5) 1989-90 base is \$19,005; 1990-91 base is \$19,995.
- (6) 1989-90 base is \$20,100; 1990-91 base is \$21,400.
- (7) Based on 1988-89 base of \$17,306; 1989-90 base is \$18,119.
- (8) 1989-90 base is \$16,800; 1990-91 base is \$17,620.

The foregoing Table XIV is the source of this Table:

Table XV

RANK OF AUBURNDALE OFFERS IN SELECTED EXTRA-CURRICULAR POSITION

<u>Year</u>	<u>District</u>	<u>Head Coach</u>	<u>Band Director</u>	<u>Forensics</u>	<u>Annual</u>
89-90	Auburndale				
	Assn.	1,824	760	607	912
	District	1,789	743	596	894
Rank of Auburndale Below Top Salary in Range					
	Assn.	10	10	9	9
	District	10		9	9
Rank of Auburndale Below Initial Salary					
	Assn.	6	6	8	7
	District	6	6	6	7

Discussion. The Association argues that its offer for extra-duty activities is more equitable than the District offer. The extra-duty schedule was not improved in previous year agreements, and the 3% offer of the District now is not justified in light of no previous improvements in the previous contract. The District on its part did not specifically address this matter but related it to the basic wage increase and total package costs offered by the District, which the District contends is more justified.

In reviewing Table XIV, the arbitrator is of the opinion that the Association offer on extra-curricular wages is more reasonable. The sampling of positions indicates that Auburndale tends to be in the lower half for the Conference districts with major positions, and if longevity is considered, it is likely to drop further back in the next contract period. This in light also of no raise in the previous agreements leads to the conclusion that the 3% raise offered by the District is not as reasonable at the 5% Association offer, even though the District offer has the same numerical rank in 1989-90 as does the Association offer.

XIV. INSURANCES. The previous agreement between the parties provided that in 1987-88 the District would pay up to \$2,637 per family and \$1,007 per individual toward health insurance. In 1988-89 these totals were \$3,164 and \$1,208. The offers of the parties put in a table are these:

Table XVI

OFFERS ON HEALTH INSURANCE

1989-90	Assn.		District	
	\$	%	\$	%
Family	\$3,652.80	100	\$3,469.50	95
Single	1,395.60	100	1,325.00	95
<u>1990-91</u>				
Family	4,200.70	98.6	3,816.44	89.6
Single	1,604.94	96.8	1,457.81	87.9

According to Association Exhibit 21, the Association offer for family health insurance in comparison with the 14 settled Conference districts in 1989-90 would rank sixth in dollars and the District offer seventh. In single person insurance, the Association offer would rank ninth and the District offer tenth. In the family plan in five districts the district pays 100% of the cost, similar to what the Association here is proposing. For single person insurance, nine districts pay 100% of the cost, which is what the Association is proposing. In 1988-89 six Conference districts including Auburndale paid 100% of the family premium. In the same year ten districts including Auburndale paid 100% of the single person insurance premium. In 1987-88 nine districts at some place in its payment schedule for insurance premiums had some kind of partial payment by the district involved. (Assn. 21)

The percent rise in health insurance costs in Auburndale for 1989-90 at 15.81% for family insurance was 13 out of 15 where the highest raise was 43.43% and the lowest 6.09%. (Assn. 21)

Concerning the districts within a 20 mile radius of Auburndale, the Association offer in terms of dollars would rank sixth and so would the District's offer. In payments for a single person premium among this same group of districts, the Association offer would be ninth and the District offer tenth.

In this same group of districts, two districts pay 100% of the family insurance premium and 11 pay 100% of the single person health insurance premium. (Assn. 22).

Among these twenty-mile radius districts, the Auburndale family insurance increase in 1989-90 at 15.81% is ninth in rank, and the single person insurance increase is likewise ninth.

In 1989-90 agreements in 11 Conference districts have health insurance features requiring deductibles. Auburndale does not have this feature. (Dist. 56) The following table on cumulative health insurance costs is derived from District Exhibit 58.

Table XVII

DOLLAR AND PERCENT CHANGES IN AUBURNDALE HEALTH INSURANCE

<u>Year</u>	<u>Family Health Insurance</u>	<u>% Inc.</u>	<u>Single Health Insurance</u>	<u>% Inc.</u>
1987-88	219.74	31.80	83.90	30.97
1988-89	262.84	19.61	100.40	19.67
1989-90	304.40	15.81	116.30	15.84
1990-91	354.86	16.58	138.22	18.85
Cumulative Increase				
Since 1979-80		\$156.12%		124.90%

The District made a comparison of health insurance in three nearby Wisconsin Valley Districts: Marshfield, Stevens Point and Wisconsin Rapids. Each district has a deductible feature in family health insurance. Each district pays 100% of the single premium but the highest family premium paid is 92% at Stevens Point. The only district making a higher family contribution than Auburndale is Marshfield. All districts make a higher single person premium payment than does Auburndale. (Dist. 56 & 59)

The District provided graphs showing the actual dollar and percentage increases in single and family health insurance premiums for 1980-81 to 1989-90, corroborating information shown in actual data. (Dist. 60 to 63)

District Rebuttal Exhibit 1 showed the following information:

Table XVIII

COMPARISON OF ASSOCIATION AND DISTRICT INSURANCE OFFERS

<u>Year</u>	<u>Full Premium</u>	<u>Assn. Offer</u>	<u>% District Paid</u>	<u>District Offer</u>	<u>% District Paid</u>
1989-90	Family 304.90	304.40	100.00	289.13	95%
	Single 116.30	116.30	100.00	110.42	95%
1990-91	Family 354.86	350.06	98.6	318.04	89.6
	Single 138.22	133.74	96.8	121.48	87.9

District Rebuttal Exhibit 1 also showed the district boards in the twenty mile radius of Auburndale paying an average of 89.01% of the single health insurance premium and 85.85% of the family premium. District Rebuttal Exhibit 2 showed that eleven of the 14 districts had deductibles in their insurance plans. District Rebuttal Exhibit 3 showed that in 1989-90, the average of the Conference districts for Board paid insurance was 95.56% for single person insurance and 89.27% for the family plan whereas the District's offer came to 95% for both plans and the Association's offer came to 100% for both plans.

District Exhibits 75 to 90 inclusive were documents of various types on sources relating to employee benefits and especially health care costs. Various authorities were cited to the effect that health care costs are growing rapidly, cost containment is becoming an important feature in collective bargaining and employee organizations are assuming more of the cost sharing although reluctantly.

Association Position Summarized. The Association argues that its offer reflects a bargained position from the past, and the District now has shown no compelling argument why the past practice of the District paying 100% of the health insurance costs should not be maintained. The District has offered no quid pro quo to "buyout" this long standing provision.

The total salary offer of the District nor its package constitutes a buy-out.

The Association states that it is not insensitive to the problem of increasing costs for health insurance, and it has agreed to a cap for the second year which the District does not believe is low enough.

The Association holds that the offer of the District will cause additional loss in salary, especially for those teachers who have the greatest service in the District.

The Association says that it has demonstrated its sensitivity to health insurance increases by agreeing to a change in the language of the Agreement eliminating the terms "full premium" to a specific monetary value, which prior to 1989-90 was full contribution. The District is wrong in taking the position it had to buy out the full premium language by an above wage offer in 1988-89 when in fact a compromise was reached on the language change. Further the teachers had accepted a minimal wage increase in the first year of a two year agreement in 1987-88 so that the above average wage increase was not a buyout for insurance. If the District has an interest in changing the insurance program beyond a deductible for major medical, it has an obligation to bring the issue forward in bargaining, and if necessary, arbitration.

The Association notes that the insurance premium rate in Auburndale even with a no deductible basic plan, is lower than most, and is below the conference average. This demonstrates that the Association is conscious of increased health care cost. Further the Association is willing to continue on-going dialog with the District to hold health care costs.

District Position Summarized. The District calls attention to the 1987-89 agreement between the parties where there was a high wage increase and also an agreement to strike "full premium" language and insert a dollar figure. In return for the Association agreeing to strike full premium language in the 1987-89 agreement, the District agreed to an 8.8% wage increase and a 9.3% total package increase. The District thus argues that it bought out the full premium language in the contract. The District now is not requesting any change in contract language, but acknowledges it is requesting a small teacher contribution, which does not represent a change in the status quo, since the contract language is not changed.

The District argues that the Association in its 1990-91 offer is accepting in principle the idea of teachers making a contribution toward insurance. The Association offer represents a 15% increase on the 1989-90 costs whereas the actual insurance costs will rise 16.58%.

The District says that health insurance costs are skyrocketing and that the requirement in the District offer to have teachers contribute 5% is reasonable.

The District also argues that the District's requested employee contributions are within the scope of the average employee contribution in the twenty mile radius pool and that Auburndale also does not have any deductibles whereas other districts do, which means that the out-of-pocket contribution in other districts is even greater. The trend is clearly toward some level of employee participation in health care cost sharing.

The District contends that studies on health care costs and awards of Wisconsin arbitrators show that there is a trend to increased cost sharing on the part of employees as far as health care costs are concerned. The 5% asked in 1989-90 and the approximately 10% asked of teachers for 1990-91 is comparable and must be viewed also in light of no deductibles and higher than average salary offer of the District.

The District argues that since it bought out the full insurance provision in the previous agreement, its current offer expressing premium payment in specific dollar amounts does not represent a change in status quo particularly since the Association offer in 1990-91 also does not require full payment of the premium. Since ten other districts of the fourteen Conference districts require employee health contributions at an average of 10%, the District holds that its position is totally reasonable, particularly when Auburndale employees have no deductibles. Cost sharing is a commonly accepted practice in reducing health insurance premiums.

Discussion. In terms of costs of health insurance, the dollar amounts under the Association offer would be sixth and under the District offer seventh in rank for the family plan. Both offers place the offers in dollar amounts slightly above the average. In terms of the single plan, the Association offer with a rank of ninth and the District offer with a rank of tenth are slightly below the middle. A strong argument cannot be made that the District offer is not comparable in dollar amounts for the family plan and therefore the Association position should prevail. Rather the issue devolves in part on what is comparable in percentage payments for the family plan. Of five Conference districts among the 14 settled, one pays 100%. For that year nine districts pay 100% for the single plan. The pattern of comparison does not clearly identify either of the Auburndale offers as most comparable as a whole, except that in the most costly type of health insurance, the family plan, the District offer, which requires employee cost sharing, is the most comparable. Also nine districts have some form of cost sharing required even though districts among the nine may pay 100% on either family or single plans.

As far as the matter of plans with deductibles, the Auburndale plans which have no deductibles are not comparable and indeed constitute a benefit to the teachers in lowering the cost of the plans. This is a matter to be interpreted in favor of the reasonableness of the District offer.

The issue also devolves upon the question as to the reasonableness of employees participating in cost sharing. Here the matter of comparability rests with the District offer. The trend has existed for employees to make some contribution as evidence from Association Exhibit 21 in its various sections. There have been employee participation for at least four years in the Conference districts.

The further question is whether the District offer is reasonable. The District offer requires a 5% contribution from the teachers in 1989-90 and then it goes to a 10+% contribution in 1990-91. This appears to the arbitrator to be a rapid escalation in cost sharing which will be imposed on the employees under the District offer. It is the opinion of the arbitrator that though the trend toward some employee participation in cost sharing for rapidly increasing health care costs has been established, the District offer's cost sharing in the second year reflects too rapid an escalation from a status of nearly 100% District payment.

Now as to the Association argument that this cost sharing feature imposes a further burden on the senior teachers who will not participate fully under the District offer in percentage increase, it is true that the District health insurance offer will be a further cost to some extent, and it is a factor giving more weight to the Association offer.

Further the evidence does not seem conclusive that the parties in the previous agreement in which the District agreed to a higher than average wage offer had reached an agreement with the Association that this higher than wage offer was a buy-out for getting a concession on insurance contributions from the employees. The concession in principle has come with the Association offer in this new offer wherein the Association has put a cap on its offer in the second year, slight as that concession may be in percentage amounts.

On the whole the arbitrator is of the opinion that the District offer, though it provides a too rapid escalation of employee payment toward health insurance in the second year and in neither of the two forms of insurance, single or family, provides 100% coverage as most districts do for one of the forms, nevertheless more nearly conforms to the emerging pattern as evidence in the exhibits, and therefore more nearly meets the statutory criterion of comparability.

XV. COST OF LIVING. District Exhibit 33 gave Consumer Price Index information from January 1988 to and including March 1990. The non-metropolitan urban areas CPI was used with the index for Urban Wage Earners and Clerical Workers. Since the preceeding agreement ended on June 30, 1989, it is appropriate to see what annual change in the CPI-W had occurred in June 1989. The change was a 4.3% increase. The change in March 1990 over the previous March was 4.8%. The annual change in July 1989 was 3.7%.

Association Exhibit 27, giving the "CPI-W For all Items" but not designating whether it is the U.S. schedule, or one of the other schedules, indicates that the annual increase for 1989 was 4.8% and the estimated increase for 1990 will be 4.9%.

Discussion. The Association contends that in arbitral practice the pattern of teacher settlements outweighs the use of average increases in consumer prices, and this should be the case here. The District on its part asserts that its offer is undeniably far more reasonable. It cites the July 1989 annual increase. It cites the District's 1989-90 total package without lane movement as amounting to 6.37% as compared to the Association total package offer of 7.50%. The disparity would remain the same with inclusion of lane movement coming to 7.79% for the total package.

The evidence is that the increase in the cost of living approached 5% in the year before the time this new contract is to be adopted. Both offers are in excess of this amount in total package, but the District offer is more comparable to this change in the CPI.

XVI. TOTAL COMPENSATION. The following table is derived from District Exhibits 4, 5, 6 and 7.

Table XIX

TOTAL PACKAGE COSTING OF AUBURNDALE OFFER

A. WITHOUT LANE MOVEMENT

	Association		District	
	1989-90	1990-91	1989-90	1990-91
Salary & Fringes				
\$ Increase	157,187	163,092	133,454	148,769
% Increase	7.50	7.24	6.37	6.67
Increase/Teacher	2,733	2,836	2,321	2,587

B. WITH LANE MOVEMENT

Salary & Fringes				
\$ Increase	163,435	159,641	139,701	145,318
% Increase	7.79	7.00	6.66	6.49
Increase/Teacher	2,832	2,776	2,430	2,527

The next table is derived from District Exhibit 41.

Table XX

COMPARISON OF AUBURNDALE OFFERS WITH CONFERENCE AVERAGE IN TOTAL PACKAGE

	1988-89		1989-90		1990-91 ⁽¹⁾	
	%	\$	%	\$	%	\$
Conference Average	6.47	2,199	6.68	2,344	6.85	2,617
Auburndale Assn.	9.31	3,217	7.50	2,734	7.24	2,836
Dist.	9.31	3,217	6.37	2,321	6.67	2,587

(1) 8 districts

Association Position Summarized. The Association notes that the dollar difference in total package between the offers is \$23,733 in 1989-90 and \$38,057 in 1990-91 with the Association offer having the higher amount. However the District is proposing a major shift in which wages are being offered. Such changes needed to be justified and should take place at the bargaining table. The differences in costs are minor and the differences do not justify the change in the status quo. The differences are 0.010% in 1989-90 and 0.0157% for 1990-91. The District is raising the costing issue in an attempt to get a change in the status quo. Under its offer the District will fall behind under threat of losing competent experienced teachers, even if it is competitive at the entry level.

District Position Summarized. The District says that the total package costing represents the true cost to the District. The District notes that teachers will receive fully paid disability insurance, dental insurance and retirement, and the District is contributing 95% of the health insurance premium in the first year and 90% in the second year, and this at a time when the premiums have more than doubled since 1986-87. The Board contends that its package offer is closer to the Conference settlement averages than is the Association offer. This latter offer greatly exceeds the Conference average. When taking into consideration of the lane movement, the District offer exceeds the Conference average, and the Association offer greatly exceeds it.

The District contends that the difference in costing between the two final offers for 1989-90 is 1.06% and for 1990-91 is 1.6%, and the Association costing is in error. It adds up the differences in salary, extra duty and health insurance with total package difference which comes to \$44,151.44 for 1989-90 and \$71,940 for 1990-91 and says that this is the total dollar difference for the two year period between the offers, or an amount of \$116,092.40.

Discussion. That total package costs represent more nearly the true cost of a settlement to a District than do wage offers alone is obvious. However total package costs generally do not represent costs of lane advances in costs and so the use here of lane advancements to make a comparison among districts where such calculations have not been used generally for all comparable districts does not provide the best comparison. The best comparison of total packages is that in which the districts compare the changes in a cohort of teachers considered to be advancing through the years in the schedule as a group.

The arbitrator notes that the cost differences between the Association and District offers amount to 1% more in the first year and 1.6% more in the second year. The total amount to be expended for total package above the 1989-90 total costs for two years would be \$415,675 for the District offer or \$477,466 for the Association offer, a difference of \$61,789 for the two years.

In this type of comparison with Conference districts, the District offer falls below Conference averages, and the Association offer is well above it. In general terms the District offer, though less than the Conference average for total cost of settlement is nevertheless the more comparable and therefore more nearly meets the statutory criterion calling for a comparison of this factor.

XVII. THE FINANCIAL ABILITY OF THE UNIT OF GOVERNMENT. In order to provide a more logical sequence of analysis, it is useful here to consider first the financial ability of the District to pay either offered settlement. The District is contending that it should not be required to meet the Association offer because of economic conditions.

The following economic information about the Auburndale District comes from District Exhibits 22, 24, 25, 26, 29, 30 and 31.

- 1980 median family income, \$17,018. Conference rank 5.
- 1980 per capita income, \$5,456. Rank 9.
- 1980 families below poverty level, 9.7%. Rank 4th lowest.
- 1988-89 state aid per pupil, \$2,214. Rank 15. Increase 4.2%.
- 1988-89 equalized value per member, \$98,630. Rank 10. Increase 2.86%.
- 1987-88 state aid per member, \$2,125. Rank 11.
- 1987-88 equalized value per member, \$101,532. Rank 11.
- 26% of the persons with occupations in Auburndale in 1980 were in farming, forestry, or fishing.
- 32.6% of the population of the Auburndale school district lived on farms in 1980.
- Auburndale equalized value in 1988-89 was \$85,906,611.

District Exhibit 34 gave statistics on unemployment in Marathon, Portage and Wood Counties from January 1988 through February 1990. Average unemployment in the three counties went from 8.7 in January 1988 to 5.4 in January 1989 to 6.1 in January 1990. At the time of the expiration of the last agreement between the parties in June 1989 unemployment averaged 4.9.

Average milk prices in Wisconsin for 1981 was \$13.40 per hundred weight, \$12.16 for 1987, \$12.00 for 1988, \$12.95 for 1989 and \$13.88 for the month of February 1990. (D. 35) Yearly average prices for cattle of various categories has increased since 1986. (D. 36) Farm income increased

from 1983 to 1986 when it exceeded off farm income for Wisconsin farms. Farm expenses declined though farm capital consumption declined because of inability to replace machinery due to lack of income. (D. 37) Per farm assets and net worth in Wisconsin have declined from 1983 to 1987. (D. 38) Wisconsin farm real estate has declined from \$20.6 billion to \$11 billion between 1983 and 1987. (D. 39)

The following information comes from Association Exhibits 25 and 26.

	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
- <u>Total district revenues</u>	\$ 3,331,757	\$ 3,850,016	\$ 3,655,195
- <u>Total district expenditure</u>	3,260,512	3,432,088	3,781,465
- Total levy	1,319,713	1,452,018	1,412,497
- Percent levy is of budget	38.71	41.04	35.04
- State aid percent of budget			59.2
- State aid, budget estimate		2,165,718	2,163,469
- Mill rate	15.6	16.9	16.4
- Equalized value	81,936,563	85,906,611	85,964,632

Association exhibits also addressed farm income. Net farm business income in Wisconsin went from \$523.7 millions in 1983 to \$1,228.3 millions in 1987. Off-farm income during the same period went from \$972.2 to \$1,228.3 millions. (A 36-F) Farm household income per farm including farm business income and off-farm income went from \$16,999 in 1983 to \$36,791 in 1987. After the drought of 1988, Wood County farm producers received an average of \$5,000 per producer as compared to a state average of \$4,497. (A 56-B) Total Wood County payments came to \$2,340,235 by January 18, 1989. (A 56-D)

The annual school budget of Auburndale in 1988-89 was \$3,605,922 with a complete annual school cost per member at \$4,154 toward which state aid contributed \$868 per member. (A. 54) The tax levy for the District in 1989 was 16 mills. (A. 55)

The general fund balance in the District's budget in 1987-88 was \$764,701 and in 1988-89 the balance was \$1,202,170. The projected general fund balance for 1989-90 was \$1,204,670. The total tax levy of \$1,452,018 in 1988-89 represented 41.84% of the budget. In 1989-90, the local tax levy is \$1,412,497 and represents 35.04% of the budget. (A. 25) State sources will pay 59.2% of the school revenue.

The equalized value of the property in the school district went from a high in 1985-86 of \$101.4 million to a value of \$81.9 million projected for 1988-89. This changed the actual mill rate from 13.29 in 1985-86 to 15.58 in 1987-88. (A. 26)

Association Position Summarized. The Association notes that the District has increased its general fund balance from 1986-87 to the present. In 1989 as of July 1 the balance amounted to 34% of the total expenditures. Further revenue sources from the state increased by 38% in 1988-89 over 1986-87. The state will provide 56.69% of the revenue of the District in 1988-89. Property taxes in that year accounted for 37.82%. In 1989-90 property taxes will provide 35%. Further the District, even with a moderate increase in expenditures for 1989-90, will receive a substantial increase from the state which is providing a reduction in local property tax. The District will have a reserve fund which is increasing.

The Association notes that state aid to the District for 1989-90 amounting to \$331,699 in additional revenue would pay for the total cost of the Association offer for both years. The District says that the Auburndale District average cost per pupil is \$3,317 which is 29% below the state average, 16.49% below the Conference average, and 17% below the twenty-mile radius districts. In the Conference schools it has the lowest cost per pupil. Yet the information from Association Exhibit 25 shows that its students have a high level of achievement.

The Association also holds that farm income for 1986 has increased substantially and the debt to asset ratio has improved and farm commodities are increasing in prices. The reduction of land values has resulted in a positive impact for property.

District Position Summarized. The District contends that there is a decline in the farm economy with an adverse impact on the Auburndale District, and this mandates acceptance of the District offer. The District notes the decline in per farm assets and net worth (D. 38) and the decline of acreage value from \$1,046 in 1984 to \$626.00 in 1987, a 67% decline.

It contends that the average price of milk is fluctuating as it has done between January and February 1990 when it declined over \$2 per hundredweight. This is also true of other commodities so that it is difficult to manage farm finances. Also farmers have lacked income to replace farm machinery and farm capital. The District says that even though the average farmer in Wood County received drought assistance of \$5,000, this is an amount that does not substantially better the farmer's financial condition. Less and less aid will be forthcoming from federal assistance in the future.

The District contends that the Association has mis-characterized the amount of money that the Board of the District has available. Rather the District changed its general fund balance to enable a positive cash flow system to be established to eliminate the need to borrow funds for operating purposes. This was as a result of state changes in the aid payment schedule. Although the District has projected state funds in its budget, there is no evidence that the District has actually received all of the projected funds, and it gets some of the lowest state aids per member in the Conference.

Discussion. The facts reveal that Auburndale has a substantial rural constituency, and that without doubt some of the non-rural employment is in the nature of support service for farming. In the matter of farming the evidence is that the price of land values has sharply declined and also that farmers have not replaced capital equipment as fast as they once did. However against this must be weighed the fact that farm prices are increasing, as is farm income. Also it must be considered that state aid for the District school system has improved, and that state aid is a substantial portion of the budget. Auburndale also does not rank high in equalized value, but is one of the higher Conference districts in per capita income. The equalized value in Auburndale went down sharply but is rising again and the mill rate has declined slightly. The District's fund balance is substantial for whatever purpose it is intended.

The arbitrator is of the opinion that the District can meet the offer of the Association out of its financial resources.

XVIII. INTEREST AND WELFARE OF THE PUBLIC. On the matter of the interests and the welfare of the public, the Association has presented exhibits on the desirability of compensating teachers in order to meet the need in the nation for qualified teachers. Association Exhibits 29 to 49 inclusive made the point that a shortage of teachers is looming, that highly professional teachers will be required for the 21st century for the nation to compete and that the strength of the state as well as the nation lies in a good education system with a strong teaching staff.

Teachers however are not being paid enough as professionals and current teachers' salaries nationally have barely beaten inflation over the years. Teachers are being drawn away from the profession by low salaries. Teachers' salaries in 1989-90 rose by 5.9% and the average salary was \$32,320.

In the Marshfield area school costs are below state averages, but school districts will receive some additional state aid under a new law which will add about \$16,000 to the Auburndale state aids.

Association Position Summarized. The Association in holding that its offer is in the best interest and welfare of the public cites its various exhibits and Arbitrator Yaffe in School District of Rice Lake, Dec. No. 19977-A to the effect that teachers should be better insulated from the ravages of inflation than other employees, public or private. This is because most teachers in the area are receiving similar protection, and teaching is one of the most underpaid professions in the public service. Further a distinction must be made between teachers and other public sector employees.

The Association cites The Carnegie Report (A. 46) to the effect that teachers who leave the teaching profession can improve their incomes. Salaries for teachers must be competitive for the profession. Teaching is a high turn-over, early-exit occupation.

The Association, noting that education has been the subject of numerous studies and that education has an invaluable impact in the competition of the world's market place, says that Auburndale children must be able to compete. The District by failing to provide competitive salaries risks the valuable resource in its children.

Failure to maintain competitive salaries will cause a greater need to increase salaries from three to five years hence. Studies have shown that the nation has lost thousands of highly qualified teachers who have gone to other professional and less stressful work with better working conditions and more respect.

In the ability of a person to improve one's status, education is an important means. Wood County has a relatively high unemployment level and therefore the District has the obligation to provide good education, especially for children from homes where unemployment exists. Therefore the District should improve salaries to maintain a highly qualified staff.

The Association points to the fact that the student achievement levels in Auburndale are well above the national average, but the District's financed effort is below the state average. This is a tribute to teachers and educational staff.

District's Position Summarized. The District's position basically is that the economic and financial circumstances of the District and that of taxpayers who are farmers mandates that the District offer be accepted. There is a declining farm economy, and people in it are having a difficult time to make ends meet. Acceptance of the Association offer further would overburden them, and this is not in the interests and welfare of the public.

The District agrees that Wood County has experienced economic hardships in the past, but the unemployment in the County is only 0.3% below the average of the surrounding counties, which include Marathon, Portage and Wood. However the fact that the County does have the highest unemployment level is a valid reason for rejecting the Association's wage offer. The District argues that the Association in effect is only worried about the children of the unemployed whereas the District is concerned about all children and wishes to retain all teachers and not just those with the greatest seniority.

The District argues that the economic conditions in the farm community have not improved. Though farm income has improved, yet within the progression of the 1980's this represented an increase in corporate farms which skews the average income per farm. The debt-to-asset ratio of 7% increase does not indicate a strong movement to a healthy farm economy. The six year decline in farm real estate values has a negative impact on the school district because of the decline in property values and hence property taxes.

Discussion. The essential positions are that teaching is a valuable asset to the economy of a community and in the public interest, and therefore teachers should be competitively paid. The other argument essentially is that the economy of the District is such that the Association offer would burden it when the teachers will be competitively paid under the District offer. The evidence here is that even under the Association offer, the District could afford to meet the cost, particularly because it has a substantial general fund balance and because of state aids. Thus the District would not be overburdened by the necessity of meeting the cost of the Association offer. On the other hand, the Association position that its offer should be recognized on the grounds that the teaching profession generally is not properly paid is subject to being weighed against the competitive nature of the offers. The District does improve the salaries and benefits of the teachers above the change in the Consumer Price Index, and the position of the teachers will be improved under either offer. The conclusion then is that the Association offer, if accepted, would not over burden the District.

XIX. OTHER FACTORS. The arbitrator here is of the opinion that one issue between the parties must be considered with a separate analysis. This is the issue posed by the Association that the District offer is unreasonable in that it proposes to change both the structure of the salary schedule and the method of payment of health insurance. The Association argues that arbitral authority holds that changes in past agreements should not be altered by parties without a good showing or a quid-pro-quo arrangement. The District has ostensibly decided on a salary structure which it claims is designed to increase the attractiveness of the system to beginning teachers. In order to achieve this and keep down increases, the District alters the structure of the schedule to reduce the percentage increases to senior teachers. The Association offer puts a higher premium on senior teachers and those with higher educational attainments.

Obviously there is a problem with absolutely maintaining the status quo in collective bargaining; if the status quo were rigidly adhered to, little would change after some type of relationship was once accepted. The collective bargaining process in Wisconsin allows for a change in status quo through final offers. A proposed change however has to be judged in light of statutory criteria, the basic one of which is comparability with conditions which generally prevail. In the previous analysis on both change in wage structure and method of health insurance payments, the arbitrator was of the opinion that the changes from the status quo principles of percent per salary increase and 100% payment of health insurance were admissible for consideration in that the District offer in not paying a percent per cell increase and of not paying the total health insurance premium is supported as being more comparable to emerging practice.

XX. CHANGES DURING THE PENDENCY OF THE PROCEEDING. No changes were brought by the parties to the attention of the arbitrator while the proceedings were pending.

XXI. CONCLUSIONS AND SUMMARY.

1. There is no question as to the lawful authority of the municipal employer to meet the costs of either offer.

2. The parties have stipulated to all other matters between them.

3. The Cloverbelt Conference districts constitute the primary comparison group. A group of districts within a twenty-mile radius of Auburndale have a secondary value for comparison. State-wide districts have only a minor weight in comparisons.

4. On the basis of the District offer maintaining relative rank for wages in terms of dollars received in the Conference districts which are the primary comparables, it is the opinion and conclusion of the arbitrator that the District offer meets the statutory criterion of comparability and is therefore reasonable.

5. There is a statutory requirement to compare salary offers with the wages of other public employees. The District offer more nearly meets this statutory standard of comparability with wage increases among employees in the same area.

6. No direct evidence was submitted by the parties on the comparison of wages and benefits of employees in the private sector in the area.

7. The Association offer on payment to extra duty service is the more reasonable offer based on comparability in the Conference districts.

8. On the offers on health insurance, although the District in its offer provides a too rapid escalation of employee required payment toward health insurance in the second year of the agreement, and although it does not provide any form of 100% coverage for one of the two forms of insurance, family or single, yet more nearly conforms on the whole to an emerging pattern of employee required payments and thus more nearly meets the criterion of comparability.

9. The District offer more nearly meets the changes in the relevant Consumer Price Index which is the change in the year prior to the beginning of the new agreement.

10. In percentage of change in total compensation, the District offer falls below the Conference average and the Association offer is well above it, but the District offer is closer to the average and more nearly meets the criterion of comparability.

11. As to the ability of the unit of government to meet the cost of the Association offer as well as its own, the evidence is that the District can meet the offer of the Association.

12. As to the interests and welfare of the public, the evidence and conclusion is that the Association offer would not overburden the District.

13. Under the rubric of "Other Factors" to be considered in arbitration, the contention of the Association that the District offer should be rejected because of its changes in former agreements on schedule structure and health insurance payments has been considered. The arbitrator was of the opinion that the changes from the status quo principles of percent per salary increase and 100% payment of health insurance were admissible for consideration. The District offer in not paying a percent per cell increase and in not paying total health insurance premiums is supported as being more comparable to emerging practice.

Summary. The most weighty of the factors here are those of total compensation and method of health insurance payment and both of these accrue to the weight of the District offer. For the foregoing reasons therefore the following Award is made.

AWARD. The 1989-1991 agreement between the Auburndale Education Association and the Auburndale School District shall include the final offer of the Auburndale School District.

Frank P. Zeidler

FRANK P. ZEIDLER

Arbitrator

Milwaukee, Wisconsin

Date September 2, 1990