

RECEIVED  
JAN 30 1991  
WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

In the Matter of Arbitration :  
Between :  
NORTHWEST UNITED EDUCATORS :  
and : AWARD  
CLEAR LAKE SCHOOL DISTRICT :  
WERC Case 22 No. 43568 : Decision No. 26604-A  
INT/ARB - 5588 :

I. NATURE OF PROCEEDING. This is a proceeding under the Municipal Employment Relations Act of the State of Wisconsin. The Clear Lake School District filed a petition with the Wisconsin Employment Relations Commission on January 31, 1990, stating that an impasse existed between it and the Northwest United Educators in collective bargaining and requesting the Commission to initiate arbitration pursuant to Section 111.70 (4) (cm) 6 of the Statutes. After an investigation by Robert M. McCormick of the Commission staff, the Commission found that the parties were deadlocked and final offers had been submitted. The Commission concluded that the parties had substantially complied with procedures in the Act, that an impasse existed and therefore certified that conditions precedent to the initiation of arbitration as required by the Act had been met. The Commission on August 23, 1990, ordered final and binding arbitration. The parties having selected Frank P. Zeidler, Milwaukee, Wisconsin, as arbitrator, the Commission appointed him on September 19, 1990. A hearing was held on October 16, 1990, at the offices of the Clear Lake School District, Clear Lake, Wisconsin, on October 16, 1990. Parties were given full opportunity to give testimony, present evidence and make argument. Briefs and reply briefs were filed. The last reply brief was received by the arbitrator on January 4, 1991.

II. APPEARANCES.

ALAN D. MANSON, Executive Director, Northwest United Educators, appeared for the Union.

STEPHEN L. WELD, Attorney, then representing MULCAHY & WHERRY, S.C., appeared for the District.

III. THE OFFERS.

The final offers are given in the following pages:

FINAL OFFER  
CLEAR LAKE SCHOOL DISTRICT

1. All items as are in the current collective bargaining agreement, except as listed below.
2. Revise the salary schedule in Article XIV, paragraph A, by 5% per cell in 1989-90. Revise the salary schedule in Article XIV, paragraph A, by 5% per cell in 1990-91 (see attached).
3. Revise Article XIV, paragraph F, to read:

In 1989-90, the District will pay \$316.34 per month of the Family Plan premium and up to \$120.64 per month of the Single Plan premium for full-time certified employees. In 1990-91, the District will pay the first 19.5% increase in the Family Plan premium and a dollar amount equal to the same percentage of Single Plan premium cost as was absorbed by the Employer in the 1989-90 school year. No employee of the District who has health insurance coverage through his/her spouse's policy and whose insurability is guaranteed through the spouse's policy shall be eligible for employer contribution under this provision. The District may, from time to time, change the insurance carrier, provided substantially equivalent or superior benefits to those provided in the 1985-86 school year or under the WEAIT \$100/\$200 front end deductible plan are provided.


4. Revise Article XIV, paragraph I, to read:

In 1989-90, the District will pay \$37.20 per month of the Family Plan premium and up to \$11.76 per month of the Single Plan premium for dental insurance coverage substantially equivalent or superior to that coverage in the Blue Cross/Blue Shield Q. Plan or the WEA Insurance Trust 703 H Plan for full-time certified employees. In 1990-91, the District will pay a dollar amount equal to the same percentage of premium cost as was absorbed by the Employer in the 1989-90 school year. The Board shall pick the carrier or self-fund dental insurance after consulting with the Union regarding the various options available. No employee of the District who has dental insurance coverage through his/her spouse's policy and whose insurability is guaranteed through the spouse's policy shall be eligible for employer contribution for dental insurance provided substantially equivalent or superior benefits are provided.

5. Delete February 5, 1988 sideletter (incorporate permanent language changes into body of contract).

CLEAR LAKE SCHOOL DISTRICT

By

  
\_\_\_\_\_  
Stephen L. Weld

Date:

1/7/27/90

1989-90 CLEAR LAKE SALARY SCHEDULE - 5% PER CELL

STEP	BA	BA+8	BA+16	BA+24	BA+30	MA	MA+16
0	19604	19815	20024	20231	20439	20700	21344
1	20373	20592	20808	21024	21244	21510	22179
2	21145	21370	21592	21821	22045	22322	23016
3	21912	22143	22378	22615	22848	23135	23852
4	22682	22920	23161	23409	23650	23942	24687
5	23449	23697	23946	24201	24451	24754	25521
6	24218	24474	24732	24996	25251	25562	26358
7	24988	25249	25516	25792	26057	26374	27195
8	25754	26030	26299	26585	26858	27182	28030
9	26525	26805	27084	27380	27662	27995	28866
10	27292	27580	27872	28174	28463	28804	29702
11			28655	28968	29266	29616	30538
12			29439	29761	30068	30425	31374
13						31235	32210
14						32045	33048

1990-91 CLEAR LAKE SALARY SCHEDULE - 5% PER CELL

STEP	BA	BA+8	BA+16	BA+24	BA+30	MA	MA+16
0	20584	20805	21025	21243	21461	21735	22412
1	21392	21621	21848	22075	22306	22586	23288
2	22202	22438	22672	22912	23147	23438	24167
3	23008	23251	23496	23746	23990	24291	25044
4	23816	24066	24319	24579	24833	25139	25921
5	24621	24882	25144	25412	25674	25991	26797
6	25429	25698	25968	26246	26514	26840	27676
7	26237	26512	26792	27082	27360	27693	28555
8	27042	27331	27614	27914	28201	28542	29431
9	27851	28146	28438	28749	29045	29395	30309
10	28656	28959	29266	29582	29887	30244	31188
11			30087	30417	30729	31097	32065
12			30911	31249	31571	31946	32943
13						32797	33820
14						33647	34700

NUE FINAL OFFER IN CLEAR LAKE SCHOOL DISTRICT  
CASE 22, NO. 43568, INT/ARB-5588

1. Unless indicated below or in the stipulations between the parties, the terms of the 1987-89 agreement remain unchanged.
2. Article XIV-A: 1989-90 and 1990-91 salary schedules (attached)
3. Article XIV-B: 1989-90 Base - 20,170 and 1990-91 Base - 21,785
4. Article XIV-E3: Add "For this provision, the 1989-90 BS Base salary shall be 20,170 and the 1990-91 BS Base salary shall be 21,785."
5. Article XIV-F: Change "\$197.18" to "\$316.34" and "\$76.26" to "\$120.64".

And replace the last sentence with the 1987-89 side-letter agreement text on health insurance with date changes as follows: "For the 1990-91 term the above dollar amounts will be changed to provide for the full dollar payment of the health insurance premiums in 1990-91 under the following circumstances: That the 1989-90 dollar amounts will be changed, effective July 1, 1990, to reflect the actual dollar amounts of the full family and single premiums at that time; the District will pay the first 19.5 percent increase in these rates; should the rates increase by more than 19.5 percent the difference between a 19.5 percent increase in rates and the full rates shall be paid for by reducing the 1990-91 salary schedule on a percent per cell basis; this health insurance offset on the basic salary schedule would be a permanent change in both the salary schedule and the health insurance payments; the offset calculations will be based on the Clear Lake staff in existence at the time that the calculations are made (estimated to be May and June of 1990) using the anticipated placement of the staff in 1990-91 (based on actual academic credits as of May and June, 1990) as well as the family, single, or no health insurance status of the employees at that time; the calculations will, dollar for

dollar, pay for the increased cost of health insurance above the first 19.5 percent amount to be paid by the District and shall utilize both the actual salary reductions (Article XIV - Salary Schedule and related XIV, B - Co-Curricular Rates) and the accompanying reductions in all Employer payments to state and federal retirement plans (WRS and FICA)."

6. Article XIV - I: Change to read:

"In 1989-90, the District will pay \$37.20 per month of the Family Plan premium and up to \$11.76 per month of the Single Plan premium for dental insurance coverage substantially equivalent or superior to that coverage in the blue Cross/Blue Shield Q. Plan or the WEA Insurance Trust 703 H Plan for full-time certified employees. In 1990-91, the District will pay a dollar amount equal to the same percentage of premium cost as was absorbed by the Employer in the 1989-90 school year. No employee of the District who has dental insurance coverage through his/her spouse's policy and whose insurability is guaranteed through the spouse's policy shall be eligible for employer contribution for dental insurance provided substantially equivalent or superior benefits are provided."

7. Article XXIII: Add: "Staff hired prior to 1/1/88 are subject to a two-year probationary period."

8. Delete 2/5/88 side-letter (incorporate permanent language changes into body of contract, Numbers 6 and 7 above).

ARTICLE XIV

NJE FINAL OFFER FOR 1989-90 CLEAR LAKE SALARY SCHEDULE

STEP	BA	BA8	BA16	BA24	BA32	MA	MA8	MA16	MA24
1.0	21150	21550	22450	22850	23250	24400	24900	25400	26000
1.5	21570	21970	22895	23295	23695	24890	25390	25890	26520
2.0	21990	22390	23340	23740	24140	25380	25880	26380	27040
2.5	22410	22810	23785	24185	24585	25870	26370	26870	27560
3.0	22830	23230	24230	24630	25030	26360	26860	27360	28080
3.5	23250	23650	24675	25075	25475	26850	27350	27850	28600
4.0	23670	24070	25120	25520	25920	27340	27840	28340	29120
4.5	24090	24490	25565	25965	26365	27830	28330	28830	29640
5.0	24510	24910	26010	26410	26810	28320	28820	29320	30160
5.5	24930	25330	26455	26855	27255	28810	29310	29810	30680
6.0	25350	25750	26900	27300	27700	29300	29800	30300	31200
6.5	25770	26170	27345	27745	28145	29790	30290	30790	31720
7.0	26190	26590	27790	28190	28590	30280	30780	31280	32240
7.5	26610	27010	28235	28635	29035	30770	31270	31770	32760
8.0	27030	27430	28680	29080	29480	31260	31760	32260	33280
8.5	27450	27850	29125	29525	29925	31750	32250	32750	33800
9.0	27870	28270	29570	29970	30370	32240	32740	33240	34320
9.5	28290	28690	30015	30415	30815	32730	33230	33730	34840
10.0	28710	29110	30460	30860	31260	33220	33720	34220	35360
10.5	---	---	30905	31305	31705	33710	34210	34710	35880
11.0	---	---	31350	31750	32150	34200	34700	35200	36400
11.5	---	---	---	---	---	34690	35190	35690	36920
12.0	---	---	---	---	---	35180	35680	36180	37440
12.5	---	---	---	---	---	---	---	36670	37960

- A. This is a 187-day contract, including 180 school days on which children are actually taught or school is closed because of inclement weather and not pursuant to the provisions of this Agreement.

ARTICLE XIV

NUE FINAL OFFER FOR THE 1990-91 CLEAR LAKE SALARY SCHEDULE

STEP	BA	BA8	BA16	BA24	BA32	MA	MA8	MA16	MA24
1.0	21785	22197	23124	23536	23948	25132	25647	26162	26780
1.5	22217	22629	23582	23994	24406	25637	26152	26667	27316
2.0	22650	23062	24040	24452	24864	26141	26656	27171	27851
2.5	23082	23494	24499	24911	25323	26646	27161	27676	28387
3.0	23515	23927	24957	25369	25781	27151	27666	28181	28922
3.5	23948	24360	25415	25827	26239	27656	28171	28686	29458
4.0	24380	24792	25874	26286	26698	28160	28675	29190	29994
4.5	24813	25225	26332	26744	27156	28665	29180	29695	30529
5.0	25245	25657	26790	27202	27614	29170	29685	30200	31065
5.5	25678	26090	27249	27661	28073	29674	30189	30704	31600
6.0	26111	26523	27707	28119	28531	30179	30694	31209	32136
6.5	26543	26955	28165	28577	28989	30684	31199	31714	32672
7.0	26976	27388	28624	29036	29448	31188	31703	32218	33207
7.5	27408	27820	29082	29494	29906	31693	32208	32723	33743
8.0	27841	28253	29540	29952	30364	32198	32713	33228	34278
8.5	28274	28686	29999	30411	30823	32703	33218	33733	34814
9.0	28706	29118	30457	30869	31281	33207	33722	34237	35350
9.5	29139	29551	30915	31327	31739	33712	34227	34742	35885
10.0	29571	29983	31374	31786	32198	34217	34732	35247	36421
10.5	---	---	31832	32244	32656	34721	35236	35751	36956
11.0	---	---	32291	32703	33115	35226	35741	36256	37492
11.5	---	---	---	---	---	35731	36246	36761	38028
12.0	---	---	---	---	---	36235	36750	37265	38563
12.5	---	---	---	---	---	---	---	37770	39099

- A. This is a 187-day contract, including 180 school days on which children are actually taught or school is closed because of inclement weather and not pursuant to the provisions of this Agreement.



ADDENDUM TO NUE FINAL OFFER FOR 1989-90 AND 1990-91  
CLEAR LAKE SALARY SCHEDULES

1. The placement of the 1989-90 Clear Lake staff on the 1989-90 NUE Clear Lake salary schedule final offer shall be as follows:

Anderson	MA(9)
Ayer	BA8(5)
Betzold	BA(1)
Bienasz	MA(9)
Brooks	BA16(2.5)
Bratager	BA16(6.5)
Busse	BA16(4.5)
Dailey	BA8(1)
Franko	MA(7.5)
Granger	MA(9)
Griffin	BA24(9)
Gronlund	BA16(9)
B. Hagen	BA16(1)
S. Hagen	MA16(9)
Hanson	BA24(9)
Houghdahl	BA16(6.5)
Hoovestol	BA8(1)
Johnson	BA(7)
Kuhl	BA24(2)
Larson	BA(1)
Main	BA(1)
Mauel	BA(1.5)
Mitchell	MA(3.5)
Moe	BA(8.5)
Moore	MA(9)
O'Brien	BA16(3.5)
Olson	BA16(1)
Quarderer	BA32(9)
Reed	MA(1)
Schieffer	BA8(2.5)
Schullo	BA16(2.5)
Score	BA8(7)
Shepard	MA(1)
Shortess	BA32(9)
Stohr	BA32(5.5)
Streif	MA16(9)
Wallin	MA(9)
Weber	MA16(9)
Weidner	MA(7)
Weinke	BA8(2)
Wick	BA(8.5)
Willeman	MA(7)
wolff	BA24(9)
P. Wyss	BA(8)
T.Wyss	BA8(8.5)
Zauft	MA16(9)

2. During the 1989-90 and 1990-91 years each of the above employees shall be limited to a maximum 9.0 percent increase in salary schedule wages from the prior year's employment in Clear Lake, provided the employees are working at the same percentage of employment, regardless of lane changes which may result from additional academic credits earned. Employees will be placed in the proper lane reflecting their earned credits, as well as the appropriate step based on the step they were on in the lane before their horizontal movement, but such employees may not receive a base wage higher than a 9 percent increase in the base wage from the prior year Clear Lake salary schedule.

In addition, new employees in 1989-90 (Betzold and Main) shall be limited to the following: Betzold's 1989-90 wages shall be \$9,400 and Main's 1989-90 wages shall be \$20,350. There shall be a hiring rate available for the Employer to use in its discretion when hiring and placing new employees in 1990-91; that rate is \$20,900.

Employees Shortess and Stohr are red circled on their placement in lane BA 32; they will have until 1991-92 to earn 32 credits.

**IV. FACTORS TO BE CONSIDERED.** The following are factors to be weighed by the arbitrator as a statutory requirement:

"a. The lawful authority of the municipal employer.

"b. Stipulation 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 generally in public employment in the same community and in comparable communities.

"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."

**V. LAWFUL AUTHORITY.** The lawful authority of the municipal employer to meet the costs of either offer is not questioned.

**VI. STIPULATIONS.** All other matters have been stipulated to between the parties. One stipulation cited by the Union as of special importance to its position is this:

"Credits will be accepted from only officially accredited baccalaureate or graduate degree granting colleges and universities that offer course work acceptable for license renewal in Wisconsin by DPI."

**VII. COST OF OFFERS.** The costing of the offers is difficult to compare because of the differences in the salary structures proposed. The District proposes to maintain the past salary schedule and to increase the salaries by 5 percent in each of two years. In the past salary schedule, there were seven lanes: BA, BA+8, BA+16, BA+24, BA+30, MA, MA+16. There were 10 steps to the top in the BA and BA+8 lanes, 12 steps to the top in BA+16, BA+24, and BA+30, and 14 steps in the MA and MA+16 lanes.

The Union would restructure this schedule for 1989-90 to include half steps, a BA+32 lane instead of a BA+30 lane, new MA+8 and MA+24 lanes. The Union proposes individual placement of teachers on the schedule, and starting salaries of \$21,150 for 1989-90 and \$21,785 for 1990-91, excepting that the first amount is not used for a base for special benefits in 1989-90. After placing teachers in the new structure in 1989-90, a 9 percent cap is placed on the increase of wages.

The District used the "cast forward" method of estimating costs which method was to take the 1988-89 cohort of teachers and move them forward into 1989-90 and 1990-91. Because of the restructuring of the salary schedule in the Union offer, the District used a method termed the "melting ice cube" method. In this method, the 1989-90 cohort of teachers is moved back to 1988-89 and then moved forward into 1989-90 and 1990-91.

There were also calculation of costs using longevity and lane movement. All of these methods produced different results with some small variations. The following tables give summaries of the results as both parties calculate them.

**Table I**

**DISTRICT COSTING OF OFFERS OF BASE WAGES**

**A. District Offer**

**1. Cast Forward Method**

	<u>1989-90</u>	<u>1990-91</u>
Average Salary/Teacher	\$ 27,498	\$ 29,304
Average Inc./Teacher	1,717	1,806
% Inc.	6.66	6.57
Total Wages	\$1,255,386	\$1,337,087

**2. Melting Ice Cube Method**

		(ER-9)
Average Salary/Teacher	\$ 27,192	\$ 29,020
Average Inc./Teacher	1,736	1,828
% Inc.	6.82	6.72
Total Wages	\$1,241,496	\$1,324,783

**3. Melting Ice Cube Method Including Lane Movement**

Average Salary/Teacher	\$ 27,241	\$ 29,073
Average Inc./Teacher	1,785	1,832
% Inc.	7.01	6.72
Total Wages	\$1,243,655	\$1,326,513

Table I - continued

B. NUE Offer

1. Melting Ice Cube Method

	<u>1989-90</u>	<u>1990-91</u>
Average Salary/Teacher	\$ 27,210	\$ 29,065
Average Inc./Teacher	1,715	1,855
% Inc.	6.89	6.82
Total Wages	\$1,237,160	\$1,321,997

A review of the above data indicates that percentage increases of the Union are greater than those of the District. However in actual dollar costs of the District offers, depending on the comparables method of costing is about \$7,000 higher in 1989-90 and about \$5,000 higher in 1990-91.

Table II

NUE COSTING OF OFFERS. 43.97 FTE

A. NUE Offer

<u>Year</u>	<u>Total</u>	<u>Average</u>	<u>Deduction from Total for Caps</u>	<u>Inc.</u>
1989-90	\$1,202,930	\$27,357.90	-7,421	3.31
1990-91	1,280,050	29,111.90	-3,462	3.1

B. District Offer

			<u>Longevity Added</u>	<u>% Inc. Base</u>
1989-90	\$1,209,670	\$27,492	7,000	5
1990-91	1,289,170	29,299	7,350	5

VIII. **COMPARABLE DISTRICTS.** The District is using as its comparables the 15 districts of the Lakeland Athletic Conference: Birchwood, Bruce, Cameron, Clayton, Clear Lake, Flambeau, Lake Holcombe, New Auburn, Northwood, Prairie Farm, Shell Lake, Siren, Turtle Lake, Weyerhaeuser and Winter. These districts were used in past negotiations. The District's administrative offices are in seven different counties.

NUE believes that these districts in the conference are not adequate comparables. The NUE included districts within a 25 mile radius with the exception of three districts which are also in the Conference. These districts include New Richmond, Barron, Amery, Unity, Baldwin-Woodville, Osceola, St. Croix Falls, Cumberland, St. Croix Central, Glenwood City, Boyceville, Somerset, Luck. Special interest is manifested by NUE in conditions at Amery and St. Croix Falls.

NUE comparables are in four counties.

Enrollment in the District's comparables ranges in 1989-90 from 862 - 235, with Clear Lake having 674 members, 4th in rank. (Ex. 27). Full-time teaching equivalents (FTE) range from 59.19 to 24.50 with Clear Lake having an FTE of 45.95 in 1989-90, 5th in rank. (Ex. 28). Clear Lake with a student/staff ratio of 14.67 had the second highest ratio in 1989-90. (Ex. 29). In 1989-90 Clear Lake with a \$4,176.28 cost per member was 9th in cost. The change of 16.27% in this cost over the period of 1989-90 was 6th.

With an equalized value of \$97,937 per member, Clear Lake was 11th in rank where the value ranged from \$271,085 to \$76,635 in 1989-90. (Ex. 31).

In the 14 districts in the 25-mile radius group the enrollment ranged from 2,070 at New Richmond to 581 at Luck. Clear Lake with 657 was 13th in size. It was also 13th in FTE at 45.95 in 1989-90. (UX 26).

NUE POSITION SUMMARIZED. NUE advances the following arguments for its comparison list:

- NUE recognizes its burden to justify an alternative comparison base, but asserts that the evidence is present to show that the 14 other schools of the Lakeland Conference are no longer suitable for comparison.

- Clear Lake is at the southwest extremity of the large geographic region of the Lakeland Conference. The area comprises 7 counties and has a circular diameter of over 75 miles.

- Clear Lake is closer to the 13 NUE comparables than it is to 11 of 14 Lakeland Conference districts. On the basis of geography NUE comparables are more similar to Clear Lake.

- Though Clear Lake is closer in size to the Lakeland Conference, yet Clear Lake District has more in common with NUE comparables and is statistically more similar.

- Six vital statistics used by NUE are: 1) cost per member; 2) aid per member; 3) levy rate; 4) equalized valuation; 5) student staff ratio; and 6) average total income.

- NUE presents a series of tables from which the following table is an abstraction.

**Table III**

COMPARISON OF CLEAR LAKE WITH 14 LAKELAND CONFERENCE  
SCHOOLS AND 13 SCHOOLS IN 25 MILE RADIUS

	<u>Cost/Mem</u>	<u>Aid/Mem</u>	<u>Levy Rt.</u>	<u>Eval/Mem</u>	<u>Student/Staff Ratio</u>
Conference					
Average	4,441	2,084	16.16	142,138	12.11
Clear Lake	4,176	2,732	14.74	97,937	14.67
13 School					
Average	4,159	2,309	15.02	122,973	14.16

- A similar comparison between Clear Lake and the Conference and 13 school district medians produces a closer relationship of Clear Lake to the 13 school district median.

- Clear Lake with a high student/staff ratio especially is out of step with Conference districts.

- The statistics on comparability reveal the flaw in the District's approach to comparability, namely that since the athletic conference was used for comparability in the past, it must be used now. The District has failed to consider other districts as candidates for comparability.

- The statistical correlation between Clear Lake and 13 schools in the 25-mile radius far exceeds identical comparison in the Conference schools.

- Three Lakeland Conference schools of Clayton, Prairie Farm and Turtle Lake were not added to the 13 districts within 25 miles of Clear Lake, because their wages have been determined by unfair linkage to Conference schools instead of their neighbors.

- However when these districts are subtracted from the Conference, which leaves 11 Conference schools, and are added to 25-mile radius schools, the results are these:

Table IV

COMPARISONS OF 11 CONFERENCE SCHOOL AVERAGES AND  
16 25-MILE RADIUS SCHOOL AVERAGES WITH CLEAR LAKE

<u>Averages</u>	<u>Cost/ Mem.</u>	<u>Aid/ Mem.</u>	<u>Levy Rate</u>	<u>Eval/ Mem.</u>	<u>Ratio</u>	<u>Income</u>
11 Conf. Dists.	4,519	2,137	16.49	\$148,512	11.73	16,587
Clear Lake	4,176	2,732	14.74	97,937	14.67	24,951
16 25-Mi. Dists.	4,158	2,230	15.00	122,184	14.03	23,611

- The above table confirms the conclusion that the 25-mile radius group is more valid for comparison.

- The Employer is asking the arbitrator to rely on tradition and has not bothered to analyze available statistics.

- NUE is justified in making comparisons between Clear Lake and Amery and St. Croix Falls because in the past in arbitration in Amery, Clear Lake was considered as a comparable.

- Athletic conferences are established only for obtaining equity in competition among adolescent public school students. This is not the best method of choosing comparability for economic purposes. The automatic extension of the grouping of schools by size of student body for purposes of competitive athletics to judging educational financial elements is not logical.

DISTRICT POSITION SUMMARIZED. The District advances the following arguments:

- The 14 schools of the Lakeland Athletic Conference are appropriate comparables. NUE has strayed from the established set of comparables historically used for Clear Lake, by selecting 13 districts within 25 miles of Clear Lake, and emphasizing especially Amery and St. Croix Falls.
- In three previous arbitrations with NUE the Conference schools were selected, even though in each case NUE proposed an expanded list of comparables. In the first arbitration, the arbitrator selected some of the schools in an expanded list proposed by the Union.
- The District cites numerous arbitral opinion in which arbitrators have supported athletic conference comparables where historically used.
- Though Clear Lake is the southwestern most district in the Lakeland Conference, this fact does not abrogate the use of the Conference as the most appropriate group. The proposal of different sets of comparable districts in each bargaining slows meaningful bargaining.
- NUE has not proposed this set of districts before.
- The Union's proposed list is not comparable. The District makes the following tables:

Table V

1987-88 FTE COMPARISONS

	<u>Lakeland Conference</u>	<u>25-Mile Radius Districts</u>
High	53	120
Low	20	33
Average	35	68
Clear Lake	40	40

Table VI

1989-90 ENROLLMENT COMPARISONS

	<u>Lakeland Conference</u>	<u>25-Mile Radius Districts</u>
High	862	2,070
Low	235	581
Average	497	1,128
Clear Lake	674	657 (EX 27, UX 20)

- NUE comparables represent much larger schools than Clear Lake. Union emphasis on the districts of Amery and St. Croix Falls is misdirected. These districts are much larger. NUE never used these as comparables in the past. NUE in selecting these districts for salary structure, but in not including Clayton, Prairie Farm, and Turtle Lake, NUE is being selective in its comparables.



- As to NUE's selecting the six factors of comparison to justify a change from the Lakeland Conference for comparable districts, NUE failed to show that Clear Lake's ranking in these factors is dramatically different now than it was in previous arbitrations. NUE has not shown that historically conditions have changed so much that a new comparable group is warranted.

- Historical mill rates as shown in Ex. 34 show that since 1986-87 Clear Lake has moved closer to the Conference average.

- Conditions which NUE now argues compel a change in comparables also were present and similar in previous arbitrations. Absent changed circumstances, arbitrators have stayed with previous comparables.

- The District argues especially that St. Croix Falls and Amery are not comparable, because they are larger and more influenced by the metropolitan area of the Twin Cities.

- Size of school districts affects conditions of employment.

DISCUSSION. More critical than is customary in the experience of this arbitrator is the judgment here as to which list of comparables is more comparable. NUE makes a strong point when it argues that athletic conferences, which are essentially grouped for equality in adolescent team competition, should not be the basis for determining economic conditions for teachers. Nevertheless side effects of such groupings have emerged in the practice of determining economic conditions for teachers. The side effects are that districts in such conferences are grouped by similar size and are within easy travel distance, indicating that they are in areas affected more or less by the same economic conditions.

Size of districts plays a critical role here. The comparables assembled by NUE are generally larger districts. Athletic conference districts are smaller districts. Clear Lake is a smaller district among the 25-mile radius districts. The conclusion then is that the athletic conference is still a valid comparison group for Clear Lake.

NUE's comparison of Amery and St. Croix Falls as to methods of restructuring schedules and historical development thereafter is highly interesting for the ingenuity shown in meeting what must have been a catch-up situation and a situation allowing teachers to reach higher academic attainment. The districts of Amery and St. Croix Falls, however, even though relatively close to Clear Lake, are not primary comparables owing to their size.

The arbitrator is persuaded particularly by Tables V and VI foregoing, rather than by Tables III and IV that the Lakeland Athletic Conference is the primary comparable group and the 25-mile radius group a secondary comparable group. The primary group has greater comparability in size and enough comparability in geographic location to defend its selection as the primary group.

The selection of the Conference as the primary group is not made through a reluctance of the arbitrator to depart from the athletic conference tradition in arbitral selection. Indeed there are athletic conference selection deficiencies as NUE has pointed out. However for the arbitrator to depart from the Conference here would mean for the arbitrator to select comparables of common size and nearby geography from both lists of comparables offered. The arbitrator, however, is of the opinion that such a newly constructed list of districts would produce results not much different from the use of the Lakeland Conference list.

**IX. COMPARISON - BASE WAGES.**

**A. Structure**

As noted earlier, the District is offering a 5% wage increase each year for 1989-90 and 1990-91 while NUE has proposed a new structure for the salary schedule. The following chart describes this structure as to lanes and number of steps.

District Offer

Lanes	BA	BA+8	BA+16	BA+24	BA+30	MA	MA+16
Full Steps	11	11	13	13	13	15	15

NUE Offer

Lanes	BA	BA+8	BA+16	BA+24	BA+32	MA	MA+8	MA+16	MA+24
Half Steps	19	19	21	21	21	23	23	24	24

In the Conference for 1989-91 two districts have an MA as top lane, one district a MA+4 top, four districts have MA+8 as top lane, three districts have an MA+16 top, one district an MA+20 top, two districts an MA+24 top and one an MA+32 top.

Cameron and Turtle Lake have only two lanes, BA and MA. Clayton, with a top of MA+4, nevertheless has ten lanes. Bruce with a top of MA+32 has nine lanes, the same as the NUE offer with a top of MA+24. Other districts have six or seven lanes. (Ex. 54).

**B. Benchmark Comparisons.**

The District made benchmark comparisons. The following table is derived from Exs. 46-53 and 59-60:

**Table VII**

COMPARISON OF RANK OF CLEAR LAKE AT BENCHMARKS  
FOR SELECTED YEARS AMONG CONFERENCE DISTRICTS

	<u>1985-86</u>	<u>1989-90</u>		<u>1990-91</u>	
		<u>Dist.</u>	<u>NUE</u>	<u>Dist.</u>	<u>NUE</u>
BA Min.	5 in 15	5/15	1/15	3/15	1/15
BA 7th	5/15	3/15	1/15	3/15	1/15
BA Max.	14/15	14/15	13/15	13/15	7/15
MA Min.	9/15	9/15	1/15	9/15	1/15
MA 10th	8/15	8/15	1/15	8/15	1/15
MA Max.	6/15	7/15	1/15	7/15	1/15
Sched. Max	5/14	6/14	1/14	6/14	1/14

The District in its Brief made comparisons of the 1989-90 and 1990-91 comparisons of Clear Lake wage offers to Conference averages. The following table is abstracted from the Brief:

**Table VIII**

COMPARISON OF OFFERS IN CLEAR LAKE TO CONFERENCE  
AVERAGE WAGE AT BENCHMARKS (+ OR -)

	<u>1989-90</u>			<u>1990-91</u>		
	<u>Dist.</u>	<u>Union</u>	<u>Union Offer &amp; Highest Comparable</u>	<u>Dist.</u>	<u>Union</u>	<u>Union Offer &amp; Highest Comparable</u>
BA Min.	+319	+1,865	+ 894	+365	+1,566	+ 551
BA 7th	+439	+2,411	+1,269	+498	+2,045	+ 748
BA Max.	-769	+ 623	-1,306	-832	+ 83	-1,946
MA Min.	-157	+3,543	+2,282	-152	+3,245	+1,908
MA 10th	- 7	+5,218	+3,877	- 31	+4,791	+3,407
MA Max.	+869	+4,004	+2,436	+825	+3,413	+1,854
Sched. Max.	+821	+5,733	+3,320	+718	+5,117	+2,787

Step increments under the NUE offer for 1990-91 range from \$433 per half step at the BA Step 1.5 to \$536 at MA+24 Step 12 (Ex. 23). District step increments for 1990-91 range for full steps from \$808 at BA Step 1 to \$880 at MA+16 Step 14. (This includes lane movement.)

In 12 of the Conference districts settlements for 1989-90 and 1990-91 were 5% per cell for both years. (Ex. 44).

The District made a comparison of Lakeland Conference settlements for wages only. The following table is extracted from Ex. 45:

**Table IX**

COMPARISON OF AVERAGES IN DOLLARS AND PERCENT  
OF LAKELAND CONFERENCE SETTLEMENTS AND OFFERS IN CLEAR LAKE

	1989-90		1990-91	
	%	\$	%	\$
Conference Average	6.37 <sup>(1)</sup>	1,628 <sup>(2)</sup>	6.37	1,776
Clear Lake District	6.82	1,736	6.72	1,828
District (Lane Mvmt.)	7.01	1,785	6.72	1,832
NUE	6.89	1,754	6.82	1,855

(1) 13 Districts

(2) 12 Districts

NUE provided information on its comparables. There were two Athletic Conferences involved, the Middle Border Conference consisting of Baldwin-Woodville, Bloomer, Durand, Ellsworth, Hudson, Mondovi, New Richmond, and River Falls; and Upper St. Croix Valley group of Frederic, Grantsburg, Luck, Osceola, Somerset and Unity. Special note was made of comparisons in the Districts of St. Croix Falls and Amery where a salary structure was effected like that being proposed now by NUE.

The following table shows comparisons between Clear Lake and Amery and St. Croix Falls for 1989-90 and 1991.

**Table X**

COMPARISONS OF WAGES AT BENCHMARKS IN  
AMERY AND ST. CROIX FALLS AND CLEAR LAKE OFFERS

A. 1989-90

Benchmarks	Amery	St. Croix Falls	Clear Lake	
			NUE	Dist.
BA	21,159	20,895	21,156	19,604
BA 7th	26,518	26,044	26,190	24,218
BA Max.	29,199	28,189	28,710	27,292
MA	24,686	24,282	24,400	20,700
MA 10th	34,418	33,433	33,220	27,995
MA Max.	36,041	35,466	35,180	32,045
Sched. Max.	40,014	38,223	37,960	33,048

B. 1990-91

BA	22,164	21,730	21,785	20,584
BA 7th	27,728	27,085	26,976	25,429
BA Max.	30,586	29,316	29,571	28,656
MA	25,859	25,253	25,132	21,735
MA 10th	36,053	34,770	34,217	29,395
MA Max.	37,752	36,884	36,235	33,647
Sched. Max.	41,914	39,752	39,099	34,700

Clear Lake benchmark increases between 1984-85 and 1988-89 ranged from 27.1% to 28.1% with dollar increases from \$4,071 to \$6,702. (UX 25). 14 Lakeland school districts in the same period ranged from 27.0% to 28.1% with dollar increases from \$3,960 to \$6,746. (UX 25). Benchmark increases at Clear Lake between 1987-88 and 1988-89 increased between 5.9% and 6.6%. In the average of the 14 Conference districts the range was from 5.6% to 5.8%. (UX 25).

In the 13 comparable school districts the average benchmark increases between 1988-89 and 1989-90 increased between 4.7% and 5.6%. Between 1984-85 and 1988-89 the percentage increases range from 25.1% to 29.4%.

Percentage increases for 1990-91 reported were Amery, 4.75%; Baldwin-Woodville, 5.63%; Cumberland, 4.64% per cell; Luck, 5%; New Richmond, 4.74%; Osceola, 5% per cell; St. Croix Central, 4.8% average; St. Croix Falls, 4% per cell; Unity, 5% per cell. (UX 12).

In Middle Border schools, Amery settled for 4.5%, Baldwin-Woodville for 5.0%, and New Richmond for 5.25%. These are districts in NUE's comparables.

NUE POSITION SUMMARIZED. NUE makes extensive arguments for its restructured schedule.

- Dollar amounts set in the schedule are significant. The BA lane steps have a 13.3% increase. The MA base increases by 2.45% and MA Maximum by 15.3%. The schedule maximum would be 19.3% above the previous schedule. However NUE is proposing to limit the costs of the restructured schedule by placing all teachers in the schedule so as to fall within a limited range of wage increases. The pattern of averages is 6.33% in 1989-90 and 6.82% in 1990-91. NUE is limiting individuals whose 1989-90 raises would be more than 9.0% to 9.1%. These are individuals who would move to another lane and those recently arrived whose 1988-89 placement does not allow them to be moved back beyond the start of the schedule. 12 individuals are affected in 1989-90 and 7 in 1990-91. The cap will not be needed in the future. However NUE recognizes that by limiting the raise of recent new staff to 9.0% those limited wages would be below the \$22,150 starting schedule for 1989-90. NUE has included a hiring rate to be used at the discretion of the District which allows placement at a level below the starting step in the schedule. Thus no inexperienced teacher will be paid more than an existing one. There is also a provision for a hiring rate in 1990-91 of a similar character.

- NUE is also providing a figure of \$20,170 for determining co-curricular rates rather than the \$21,150 base in 1989-90. With the 1990-91 base of \$22,785, the NUE rates are evened out over two years of the contract becoming 8% in each year rather than 13% in the first year and 3% in the second.

- As to half steps on the NUE schedule, NUE points to the schedules at Amery and St. Croix Falls where the half steps were purposefully created to be visible, because in Clear Lake at least one teacher was on a half step and each year that teacher moved to a wage half way between steps printed in the schedule. The half step concept is thus not new. The use of half steps permits the placing of teachers so that the raises are kept in a narrow range and yet it helps them see how they will progress.

- The experience in Amery and St. Croix Falls are models in operation for the District here. Under this NUE schedule the original cost will be less immediate, and the experience in Amery and St. Croix Falls shows that while teachers went back to earn more credits, the costs of settlements at Amery and St. Croix were less than the average settlement in comparables. Since the Amery plan went into existence in 1985-86, Amery settled for a lower percent per cell than the average in all five years. The parties in Amery did so after considering the additional costs of horizontal and vertical increments due to the new schedule. The result also was that the average salary in Amery was not adversely affected by the restructured schedule as compared to comparable schools.

- The pattern of evolution repeated itself in St. Croix Falls where settlements were less than in comparable districts. St. Croix Falls settled for less than those in comparable districts. Both in Amery and St. Croix Falls the purposeful suppression of percent per cell increases on a restructured schedule was the result of recognition by the parties that the total cost of settlement including larger than normal increment costs, had to be similar to area settlement patterns; but an improved starting schedule was the result as well as financial incentives for experienced staff to get additional credits.

- Concerning the District argument that the costs will be too high in future negotiations because the districts follow the settlement patterns, the evidence is that the NUE offer is actually less in the two years of this agreement and that the evidence in Amery and St. Croix Falls determines that this is not necessarily so. If speculation is to be considered, the established patterns in Amery and St. Croix Falls must be considered, and they show no dire consequences for Clear Lake. In future bargaining, the high ranking benchmark figures of Clear Lake resulting from acceptance of the NUE proposal now will put the Clear Lake District in a very favorable position to be able to moderate increases in those benchmarks.

DISTRICT POSITION SUMMARIZED. The District makes the following points:

- The District offer is reasonable and consistent with the pattern in comparable districts and maintains its ranking at every benchmark. The District offer compares favorably with Lakeland Conference schools in dollar and percent increases for wages only.

- When the District offer is considered using lane movement as the NUE schedule restructured with artificial placement of teachers requires, then the District offer at 7.0% and \$1,785 for 1989-90 and at 6.72% and \$1,832 increases in 1990-91 exceeds the Lakeland Conference average in each year.

- While the District offer maintains ranking at every single benchmark, the NUE offer lifts Clear Lake to a number one ranking at every benchmark except BA maximum.

- In its effort at total restructuring NUE is attempting to gain through arbitration that which it was unable to voluntarily negotiate. NUE is seeking to significantly alter the status quo by its restructuring of the

salary schedule with its artificial introduction of half steps, placement of teachers on schedule, caps on wage, artificial base salaries for co-curricular activities and sick leave pay out for the first year, artificial hiring rate for 1990-91 and for its elimination of longevity. The District asserts that NUE did not demonstrate a need for change and did not provide a quid pro quo.

- The contention of NUE that the need for the changes is because of teachers leaving Clear Lake for Amery is not supported. Only three teachers have left for Amery. Though others have been interviewed, it is to be taken that job prospecting is a fact of life in education. Further the District has had little problem in recruiting competent staff.

The District asserts that there is no problem in advancement through the salary schedule. There are always points in the schedule through which a teacher cannot advance credit-wise and who will be at the top of the lane.

- Factors other than salary were also part of the reason why three teachers left Clear Lake for Amery.

- The fact that a few teachers left Clear Lake for Amery and the proximity of Amery and St. Croix Falls to Clear Lake does not justify a total revision of Clear Lake's salary schedule.

- Lakeland Conference schools do not support the NUE schedule. Only two schools have the salary lanes as proposed by NUE. No other Lakeland Conference schedule has half steps.

- The NUE proposal introduces significant increases in the cost of increments from one step to the next. NUE's incremental costs far outstrip Conference comparables.

- Bargaining history between the parties does not support this request of NUE for a restructured schedule.

- NUE's recitation of the bargaining history at Amery and St. Croix Falls to show lesser percentage increases in those districts than in their comparable groups is no guarantee for Clear Lake. It is not a concrete quid pro quo.

- Though the Union offer claims that it is lower in two years than the District's, the District says this is also no quid pro quo.

- However when the restructured schedule is accepted, the 1991-92 costs of the NUE offer would amount to an increase of 3.38% for the NUE offer as compared to the 1.45% of the Board offer. This amount the District is facing in 1991-92 comes to a higher cost of \$24,000 for lane movement.

- Arbitrators do not support the kind of far reaching changes as in the NUE offer and hold that such changes should be mutually negotiated.

- Further arbitrators hold that salary schedule structures are sacrosanct and should not be changed unless the district involved falls out of line with comparables.

DISCUSSION. A basic question is whether there is a need for a catch-up in Clear Lake salaries, either vis-a-vis the Lakeland Conference or the 13 secondary districts and especially then at Amery and St. Croix Falls. A review of Table 7 foregoing reveals that Clear Lake, although one of the larger districts in the Lakeland Conference, lags in the upper steps and might reasonably be expected to show a higher ranking among comparables than 14th in the BA maximum or 7th in the MA maximum steps. This lagging becomes highlighted when compared to the secondary two comparables of nearby Amery and St. Croix Falls. The arbitrator concludes that something of an improvement in the situation of those at the top of the lanes is needed, and that its lack resulted in the restructuring offer of NUE because of a perceived need for great improvement.

However, it is also the opinion of the arbitrator that the NUE offer, though ingeniously put together, and though lower in immediate costs for this contract period, is not acceptable because of the extensive changes in the salary structure. It is a common view in arbitration that such extensive changes ought to be achieved through mutual agreement rather than imposed by arbitration. The arbitrator does not necessarily shrink from considering a substantial change in schedule structure if a great need is there. In the opinion of the arbitrator here, the amount of lagging of Clear Lake is not sufficient to warrant a very large departure from previous patterns established and accepted over time.

The District has clear support under the statutory criteria of comparability and step increments in Conference districts, and also in percentage increases, though the District lags in actual dollar amounts at the higher levels. On the whole then, the arbitrator is of the opinion that the District offer comes closer to the criterion of comparability in its basic salary offer than does the NUE offer.

Under the conclusion here for the reasons stated, the arbitrator does not feel it necessary to address the caps feature, the alternate base salary for use in co-curricular payment, the placement of teachers under the schedule, the hiring, and the elimination of longevity.

**X. FRINGE BENEFITS - HEALTH AND DENTAL INSURANCE.** The final offers of the parties on health insurance have been presented earlier. The District has put a cap of \$316.34 per month for the family plan and up to \$120.64 for the single plan for 1989-90. For 1990-91 it agrees to pay the first 19.5% of any increase.

The NUE offer has the same caps for 1989-90 but for 1990-91, NUE proposes that the District pay the first 19.5% of an increase. If any increase were to occur above that, the increase would be met by a percent per cell reduction in the wage schedule to offset the increased cost. This type of provision existed in a side letter to the 1987-88 Agreement. The NUE offer incorporates the side letter feature of reducing wages if the insurance cost rises above 19.5%.

The 1990-91 insurance cost is known and does not trigger the 19.5% provision for 1990-91.



The District provision further says that, "The District may, from time to time, change the insurance carrier, provided substantially equivalent or superior benefits to those provided in the 1985-86 school year or under the WEA/T \$100/\$200 front end plan are provided."

The previous Agreement in Article XIV, F, contained a similar provision. This provision is kept in the NUE offer by reference.

In Dental insurance, both parties are proposing dental insurance paid by the District to the amount of \$37.20 per month for the family plan and \$11.76 for the single plan. The District's proposal states that the premiums will be paid "for dental insurance coverage substantially equivalent or superior to that coverage in the Blue Cross/Blue Shield Q. Plan or the WEA Insurance Trust 703+1 Plan for full-time certified employees. In 1990-91, the District will pay a dollar amount equal to the same percentage of premium cost as was absorbed by the Employer in the 1989-90 school year."

The NUE offer has the same language. A sentence in the Board offer on dental insurance does not appear in the Union offer. This is the sentence:

"The Board shall pick the carrier of self-fund dental insurance after consulting with the Union regarding the various options available."

The differences between the parties is on the language relating to insurances. Nevertheless it should be noted that the District provided some exhibits on comparables in the Lakeland Conference. In health insurance, 5 districts are self-funded for 1990-91. Clear Lake is not among them. Clear Lake is among 5 districts with \$100S/\$200F front end deductibles. 5 districts have \$100S/\$300F front end deductibles. In 1989-90 Clear Lake will be among 12 districts paying 100% single health insurance premiums, no matter which offer is designated, and among 11 districts for family health insurance premiums. In 1990-91 it will be among 10 districts paying 100% single health insurance and among 9 districts paying 100% family health insurance.

In dental insurance 6 Conference districts were self-funded in 1989-90 and in 1990-91 5 districts were self-funded. All but one district paid 100% single dental insurance in 1989-90 and all but 3 paid 100% family dental insurance. Clear Lake will have paid 100% of both premiums.

In dental insurance in 1990-91, 5 districts were self-funded. All but 3 districts pay 100% of the single premium, and all but 4 paid 100% of the family premium. Clear Lake will have paid 100%. (EX 36-42).

An examination of the District Exhibit 43 reveals that 2 Conference districts specifically are authorized to engage in self-funding for health insurance and 7 districts have the option to determine the carrier. Only at Bruce is there a limitation on the Board to change carriers.

POSITIONS OF THE PARTIES ON HEALTH AND DENTAL INSURANCE.

NUE says that,

- The District has not shown that any problem exists to change the status quo in health and dental insurance and does not provide a quid pro quo.

- The NUE proposal is not as the District claims working at cross purposes with its salary schedule catch-up, when the NUE proposal couples wage settlement with excessive health insurance costs. Such coupling in the 1988-89 agreement resulted in a downward adjustment of .7%. Such a small amount is not going to solve problems in hiring in Clear Lake where the magnitude of wage differentials is far beyond a fraction of a percent.

- NUE believes that the District in proposing its change in health insurance language is motivated to protect its lower hiring base figures. The NUE offer would do more to address that concern.

- The District has not shown a need to change the dental insurance language or to self-fund dental insurance.

- The self-funding plan does not guarantee maintenance of current dental insurance benefits.

- NUE's offer does not remove the ability of the District to change carriers. The language proposed by NUE only establishes standards for dental insurance which the District must meet.

DISTRICT POSITION SUMMARIZED.

The District makes the following points:

- Though the financial difference in health and dental insurance between the parties does not exist, the language of the health and dental insurance provisions is in dispute.

- The parties agreed to delete the side letter of the 1987-88 agreement, but NUE is incorporating it in the new agreement.

- NUE's proposal is at odds in principle with its salary proposal. In its salary proposal it has an entirely restructured salary grid, and in its health insurance proposal it proposes to reduce the salary grid by the cost of excess health insurance. To follow this practice is to erode the schedule to where catch-up pay will be needed to maintain rank with comparables. The District offer protects the teachers from salary erosion. The side letter was directed to address premiums in 1988-89 only.

- In the dental insurance language, the NUE offer by using the status quo language entirely removes the District's ability to choose carriers or self-fund.

- NUE permits the District to change carriers in health insurance, but denies it for dental insurance.

- The District is considering being a participant in a multi-employer group, and cannot guarantee identical coverage to that currently in place, but the Board does guarantee under its proposed language substantially equivalent or superior benefits. The District cites eight Conference districts where the Board can self-fund or change carriers.

- The District's dental insurance offer is preferable, because it maintains status quo contract language and guarantees the Union that a decision to change carrier or self-fund will only be made if substantially equivalent or superior benefits are provided.

DISCUSSION. As noted, the financial impact of the two offers on health and dental insurance is the same. The principles for future bargaining embodied in the language of the offers are in dispute. Concerning the health insurance provision, the NUE provision to reduce the costs of excess health insurance premiums by making an equivalent percent/per cell reduction, is not supported by evidence showing that it is a widely accepted practice in the Conference, even though the parties agreed to it in the previous Clear Lake agreement.

From District Exhibit 39, two districts have caps for 1990-91 and the provisions call for "Salary Schedule Adjusted Accordingly." However in five districts where there is only partial payment by the district for health insurance, there is no provision for the remaining amount to be paid for by adjustment to salary. The direct payment by teachers for those health insurance costs not funded by the district is the more comparable current practice in the Conference, and this favors the District offer.

In the case of the dental offers, the dominant pattern in the Conference favors the District position of having the right to change carriers or self-fund. In the case of the current District offer, the arbitrator is of the opinion that the District offer clearly guarantees the teachers a substantially equivalent or superior plan so that teacher benefits will not erode with a change in carrier or self-funding.

The arguments offered by the parties on which offers are justified by status quo and which are not being consistent with the other positions being advanced by the same party have to yield here to the more useful evidence on comparable practice.

The conclusion here is that both the District health insurance offer and the District dental insurance offer meet the test of comparability within the Lakeland Conference.

**XI. WORKING CONDITION - PROBATIONARY PERIOD.** The previous agreement had in Article XXIII the provision that a teacher can be non-renewed for any reason during the first three years. In the side-letter to this agreement, the parties agreed that any teacher hired prior to January 1, 1988, would be subject to a two year probationary period. In the current offer of NUE, the two year

probationary period for staff hired prior to 1/1/88 is added to Article XXIII. The District contends that since all the teachers hired prior to 1/1/88 have served a two year period, this proposal of NUE is surplusage. The arbitrator is of the opinion, however, that since the contract in dispute here covers the 1989-90 period, it might be a useful action to include this provision in case of future disputes of some kind over the effects of the side letter. The NUE proposal here is reasonable.

**XII COMPARISONS WITH OTHER EMPLOYEES IN THE PUBLIC SERVICE.** Reference was made by the parties to administrative salaries in the District. In 1988-89 the District administrator received \$52,500. In 1990-91 he was offered \$59,500 in a three year contract, a 13.3% increase over two years. The high school principal received \$40,500 in 1988-89 and will receive \$48,500 for the next three years. His increase is 19.8% over two years.

The elementary school principal had a salary of \$42,500 in 1988-89, \$45,000 in 1989-90, and in 1990-91 \$48,500. The increase in 1989-90 was 10.6% and in 1990-91, 4.4%. (NUE 24, EX 61).

The arbitrator considers the above information too sparse to make a firm judgment about increases of public employees generally in comparison to teachers.

**XIII. COMPARISONS WITH EMPLOYEES IN PRIVATE EMPLOYMENT.** The parties did not specifically address this factor.

**XIV. OVERALL COMPENSATION.** Overall compensation for both offers as reflected in total package costing was reported in District Exhibits 9 to 14 inclusive. As noted earlier, these exhibits are derived from three different methods of costing for the District's offer: the cast forward method, the melting ice cube method and the melting ice cube method including lane movement as per the Union's offer. For the NUE offer the District used the melting ice cube method, and the melting ice cube method including lane movement as per the NUE offer. The following table is derived from comparisons of the melting ice cube method as per the NUE offer:

Table XI

TOTAL COSTS. MELTING ICE CUBE METHOD WITH LANE MOVEMENT AS PER UNION OFFER		
A. <u>District Offer</u>	<u>1989-90</u>	<u>1990-91</u>
Total Package	\$1,644,342	\$1,774,015
\$ Increase	125,628	129,672
Aver. Teacher Comp.	37,422	40,374
Aver. \$ Inc/Teacher	2,859	2,951
% Increase	8.27	7.89
B. <u>Union Offer</u>		
Total Package	\$1,636,550	\$1,768,592
\$ Increase	117,836	132,042
Aver. Teacher Comp.	37,245	40,250
Aver. \$ Inc/Teacher	2,682	3,005
% Increase	7.76	8.07

It should be noted from the foregoing that the NUE offer in total package over the two years comes to \$13,215 less than the District offer or about \$301 per teacher less.

It also should be noted that while the NUE offer for 1990-91 is less in total dollars, the NUE average dollar and hence percentage increase per teacher in 1990-91 is greater than the District offer.

Overall or package costs in comparison between the primary Conference comparables or secondary comparables were not made by the parties. The arbitrator, while being able to surmise what such a comparison might have revealed by extrapolating from base wages, does not venture a judgment as to the comparability of either offer to primary districts.

**XV. COST OF LIVING.** District Exhibit 24 gave data on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for Non-Metropolitan Urban Areas, North Central States. Since the contract which will result from resolution of the instant matter begins as of July 1, 1989, and the second year begins as of July 1, 1990, the following data is of special pertinence.

**Table XII**

CPI-W, NON METROPOLITAN AREA, NORTH CENTRAL STATES,  
FOR SELECTED MONTHS

<u>Month</u>	<u>Index</u>	<u>% Annual Inc.</u>
June 1989	117.2	4.3
July 1989	117.4	3.7
June 1990	122.0	4.1
July 1990	122.2	4.1
August 1990	123.9	6.0

This arbitrator holds that in comparing increases to the pertinent data in cost of living changes, the most relevant comparison is made by comparing total package cost to the CPI change. Total package costs represent the actual outlay required by the Employer to meet an offer. Using this standard, it is found that the lower NUE package offer of 7.76% in 1989-90 meets the criterion of comparability more closely than does the District offer. However in 1990-91 the District offer more nearly meets the standard of comparability. In the two year period the NUE offer more closely meets the standard of comparability to changes in the cost of living.

**XVI. THE FINANCIAL ABILITY OF THE UNIT OF GOVERNMENT TO MEET COSTS AND THE INTEREST AND WELFARE OF THE PUBLIC.** NUE Exhibit 22 supplied data on income in the Lakeland Conference. In 1988 Clear Lake District had 1072 income tax returns, 5th largest number of returns. The total income in Clear Lake reported to be \$26,747,213 was the highest in the comparable districts in 1988. The average return of \$24,951 was also the highest. This represented a \$4,711.47 or 23.28% increase over 1987. (UX 22A). The 1987 average total income at Clear Lake with \$2,039 was also highest. (UX 22B).

Of the 14 districts including Clear Lake in NUE's list of comparables, Clear Lake was 8th in 1987 and 6th in 1988.

The equalized value in Clear Lake for 1989-90 was \$97,937, which was 11th in the Conference where equalized value per member ranged from \$271,085 for Northwood to \$76,635 for Prairie Farm. (EX 31). There was a percentage drop of 11.02% in the period of 1981-90, the third largest in the District. (EX 32). The mill rate change from 1988-89 to 1989-90 in Clear Lake was from 17.42 to 18.69. The 1989-90 rate in Clear Lake was ninth in rank. However the percent increase in mill rate from 1981-90 in Clear Lake at 55.78% was fifth highest. (EX 34).

The percent of mill rate increase at Clear Lake between 1988-89 and 1989-90 was 7.3%. (EX 34, 35).

NUE POSITION. The NUE holds that:

- The District cannot logically claim inability to pay. To do so would be to require the arbitrator to adopt the NUE offer.
- 67 cents of every dollar spent comes from state aid where the state average is approximately 46 percent.
- Though the Clear Lake district is apparently property poor, it has a high personal income, and a relatively low levy rate.
- Under the NUE offer the District will not be required to raise its enviable tax rate.
- The Clear Lake school system should not be used as a training ground from which the best teachers are drawn off. The District is now losing productive staff as evidenced especially by teachers going to Amery.

DISTRICT POSITION SUMMARIZED. The District contends,

- NUE's main claim for its position is that Clear Lake is experiencing a staffing problem because three teachers from Clear Lake have gone to Amery and two teachers interviewed there. Job prospecting is a fact of life in an educational setting. Clear Lake is having little problems in hiring quality staff or replacing teachers. NUE has failed to prove that recruitment or incentives for teachers to complete graduate work is lacking at Clear Lake.

DISCUSSION. It is the arbitrator's conclusion that the District has the ability to meet the cost of either offer, especially because of its high average income among comparables. It is also the arbitrator's conclusion that for the immediate contract the NUE offer is the less burdensome, but in the longer range it could be more costly because of built in incremented increases which will exist if the re-structured salary schedule remains in the future.

As to the interest and welfare of the public, it is the arbitrator's conclusion that the salary structure in lanes as proposed by NUE admitting of further advance of teachers at the top of the schedule is in the interests of the public.

**XVII. OTHER FACTORS.** The matter of the historical relationships between the parties was advanced for major consideration by NUE.

NUE Exhibit 4 was the NUE proposal for the 1985-88 contract. Among the proposals was a wage proposal in which NUE sought an adjustment for each cell of the previous schedule by \$6,000 for the first year of 1985-86. Then it sought for 1986-87 an adjustment determined by the CPI-W for the United States. For the 1984-85 schedule NUE proposed a \$22,000 BA base with a BA+15 level of \$29,000 and a MA level of \$33,000.

In the 1982-83 agreement, the NUE proposed to compensate teachers at a rate no less than the state average. It proposed a catch-up to the state average over a two year period. (UX 4, 5).

NUE POSITION SUMMARIZED.

- The history of NUE negotiations in three previous bargaining occasions shows that NUE proposed at the outset dramatic adjustments in the existing schedule to increase potential earnings for the staff. This shows that NUE is not simply trying to get in arbitration what it could not get in bargaining.

- In two instances since 1980 the Clear Lake staff was kept on the same longevity step for two years in a row, so that percentage increases could be higher in order to provide a greater than normal increase in base and maximum rates. These settlements include the same elements which the District now calls artificial.

- The fact that Clear Lake is the only district in the Conference with a longevity provision shows it is out of step with comparables in the Conference and in the NUE comparables. NUE historically proposed the elimination of this provision during a restructuring which would provide more comparable maximum wages.

- All of these elements from bargaining history show that the NUE offer is reasonable now when it proposes a relatively unusual but locally proven method for solving a serious and identified problem of a growing difference between Conference and area school wages.

DISTRICT POSITION SUMMARIZED. The District contends that,

- By incorporating a total restructuring of the salary schedule into its final offer, the NUE is attempting to gain through arbitration what it was unable to negotiate voluntarily.

- NUE never attempted in previous negotiations to attempt to implement such wide-reaching changes to the schedule. Both in 1982-83 and 1985-87 NUE proposed changes in the existing salary grid. NUE in 1984-85 proposed a schedule revision, but the parties agreed to retain the existing grid. NUE never before proposed such sweeping structure revisions.

- Longevity pay which the NUE proposes to eliminate has been in existence at Clear Lake since at least 1981-82. It was originally proposed by NUE.

- The parties' past practices, agreements, and negotiations indicate that the parties would not have voluntarily agreed to the sweeping schedule changes inherent in the NUE offer. The parties never voluntarily agreed to change the structure of the salary schedule. Those changes at Amery and St. Croix Falls were arrived at only by voluntary agreement. The arbitrator here is precluded from awarding the NUE offer, because it is not a settlement which would have been voluntarily negotiated.

- Historically Clear Lake is now closer to Lakeland Conference averages than it was when previous arbitrators decided to utilize the Conference districts as comparables.

DISCUSSION. There was historically an effort of NUE to improve the level of wages in the Clear Lake District by proposals which can be described as "dramatic". The impression this gives is that teachers in Clear Lake have the strong conviction that they are not being paid comparative wages and that some proposals not ordinarily seen in negotiating are needed to effect a large catch-up which would not be likely under adherence to the present salary grid and with the present Conference districts to be used as the comparables. The District has successfully resisted this for nearly a decade.

The fact that this historical sense of great need for catch-up has existed in NUE at Clear Lake explains the reason for the NUE proposal; however it does not automatically contribute the preponderance of weight to an Award for the NUE offer. Although there is evidence that Clear Lake District, situated under the influence of the area toward the Twin Cities and the area toward rural and relatively sparsely settled rural counties is lagging behind the districts to the west, and that this may require some substantial adjustments in the future, yet the proposal by NUE does not meet the test of comparability among primary comparables for reasons given foregoing, and so the historical effort of the NUE is outweighed by this factor of schedule comparability.

**XVIII. CHANGES DURING THE PENDENCY OF THE PROCEEDINGS.** No factors involving changes during the pendency of these proceedings directly affecting the proceedings were presented to the arbitrator.



**XIX. SUMMARY OF FINDINGS AND CONCLUSIONS.** The following are the findings and summary of the arbitrator:

1. The lawful authority of the municipal employer to meet the cost of either offer is not questioned.
2. All other matters have been stipulated to by the parties.
3. As to wage costs, the District offer is higher in both years than the NUE offer.
4. The arbitrator is persuaded by the evidence submitted that the Lakeland Athletic Conference is the primary comparable group while the 25-mile radius group submitted by NUE is a group with secondary value.
5. The District offer on wages including salary structure comes closer to the criterion of comparability than does the NUE offer.
6. The District offer on health insurance and dental insurance meets the test of comparability in amount and language of the provisions.
7. The NUE offer on language on a probationary period for certain teachers is the more reasonable one.
8. Information supplied the arbitrator on comparisons with other employees in public service is insufficient for the arbitrator to make a judgment.
9. The parties did not specifically address the factor of employees in private employment.
10. In overall compensation, the NUE offer in total package over two years is less than the District offer. Comparisons with comparable districts could not be made for lack of data.
11. In comparison to the cost of living changes, the NUE offer is closest to it in the first year of the proposed agreement and the District offer is closer to it on the second year of the proposed agreement. However because the overall compensation afforded under the NUE offer is less for two years than the District offer, it must be regarded that the NUE offer is more comparable to the changes in the CPI-W as reported.
12. The District, based on data supplied and on the fact that the NUE offer is less over the two year period than the District offer, has the ability to meet the costs of the offers.
13. As to the interest and welfare of the public, it is in the opinion of the arbitrator that a salary structure admitting further advances of teachers at the top of the schedule in academic lanes is in the interest of the public, but the general pattern of the NUE proposed structure in other respects is not comparable within and to the comparable groups.

14. The historical record shows that NUE has tried by proposing dramatic changes in the salary schedule and steps to make the salaries in the District comparable to those in other locations, and that there was something of a need for catch-up in the higher levels at Clear Lake; but this history does not automatically contribute the preponderance of weight for the NUE offer. The NUE offer does not meet the test of comparability among the primary comparables.

15. No changes during the pendency of the proceedings was brought to the attention of the arbitrator.

In the above matters, the factors of principal weight are those of wage comparability and the insurance provisions, overall compensation and the cost of living comparison. The two former matters, and especially the wage proposals outweigh the latter two and accrue to the District offer. Therefore the following Award is made:

**XX. AWARD.** The Master Contract between the Northwest Teachers United and the Clear Lake School District for 1989-90 and 1990-91 shall contain the final offer of the District.

*Frank P. Zeidler*

FRANK P. ZEIDLER  
Arbitrator

Date

January 28 1991

Milwaukee, Wisconsin