

EDWARD B. KRINSKY, ARBITRATOR

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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Petition of	:	
	:	
ELROY-KENDALL-WILTON EDUCATION ASSOCIATION	:	Case 16
	:	No. 44215
	:	INT/ARB-5700
To Initiate Arbitration	:	Decision No. 26673-A
Between Said Petitioner and	:	
	:	
ELROY-KENDALL-WILTON SCHOOL DISTRICT	:	
	:	

Appearances:

Wisconsin Association of School Boards by Mr. Ken Cole and Mr. Robert W. Butler, for the District.
 Coulee Region United Educators by Mr. Gerald Roethel, Executive Director, for the Association.

On November 26, 1990, the Wisconsin Employment Relations Commission appointed the undersigned as arbitrator "to issue a final and binding award, pursuant to Sec. 111.70(4)(cm)6. and 7. of the Municipal Employment Relations Act," to resolve the impasse between the parties ". . . by selecting either the total final offer of the Elroy-Kendall-Wilton Education Association or the total final offer of Elroy-Kendall-Wilton School District."

A hearing was held at Elroy, Wisconsin, on February 6, 1991. No transcript of the proceeding was made. At the hearing the parties had the opportunity to present evidence, testimony and arguments. The record was completed with the exchange by the arbitrator of the parties' post-hearing reply briefs on April 2, 1991.

There is only one issue in dispute: the salary schedules to be implemented for the school years 1990-91 and 1991-92. These schedules are appended to this Award.

In making his decision the arbitrator is required by statute to give weight to the decision-making factors enumerated there. There is no issue with respect to two of them: (a) the legal authority of the Employer; and (b) stipulations of the parties. The remaining factors will be considered below. There also is no dispute about the school districts which are appropriate for making comparisons. Both parties have utilized the districts of the Scenic Bluffs and Ridge and Valley Athletic Conferences. Of these 15 schools (exclusive of Elroy), all have agreements in place for 1990-91. Four of them also have agreements for 1991-92.

Factor (c) requires the arbitrator to weigh the "interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement." The District asserts that it has made an ability-to-pay argument, but in fact it has not. It has emphasized deteriorating economic conditions and the need for a large increase in the tax levy and it has questioned the wisdom and appropriateness of an award in favor of the Association's final offer under these circumstances. However valid these arguments might be, they indicate an unwillingness to pay more than has been offered, but they do not support claims of inability to pay.

With respect to "interests and welfare of the public," the District argues that there are three things which must be balanced, and in its view the balance clearly favors the District's offer more than the Association's. First, it argues, is the level of the increase offered in total compensation to the teachers, which it characterizes as "well above" the cost-of-living increase. Second, is that its offer enables the District to continue "to attract and retain competent teachers." The District presents data showing that it has had staff turnover of 3.2% per year on average since 1986-87. Its data show that of the 16 teachers who have left the District, none have cited pay as a reason for leaving. It cites an abundance of applications for District positions, both solicited and unsolicited applications.

The third factor cited by the District is consideration for the needs of taxpayers for property tax relief. It projects a tax levy increase of 15.9% for 1991-92 if its final offer is selected, and 17.7% if the Association's offer is selected, there being a cost difference between the offers of over \$48,000 during the life of the Agreement. The District cites a need to control costs, and especially so because it anticipates a proposed reduction in State school aids. It supports its arguments with statistics and reports showing severe economic difficulties in the farm sector, particularly dairy farming, which is a major part of the local economy, and relatively very high unemployment rates in the two counties in which the district is located, relative to the figures in the rest of Wisconsin. It also cites the national recession and the substantial rise in fuel prices related to the Gulf war.

As part of this argument relating to taxes, the District emphasizes the recently issued proposals of Governor Thompson relating to cost controls. The District argues, in part:

The District contends that due to the Governor's cost controls, to limit total school district expenditures to increases in the CPI, the District's ability to tax is restricted like never before. At this point in time the School District must operate as if the cost controls are going to be enacted.

The cost controls recommendations were to be made on the day following the arbitration hearing in this matter. By agreement of the parties, as requested by the District, the record in this case was left open to include the Governor's proposals. They are discussed below, under "changes . . . during the pendency of the arbitration proceedings."

The District concludes its arguments about interest and welfare of the public as follows:

The worst a teacher can come out of this case is to retain full health insurance coverage and receive a salary increase above the rate of inflation. Those farmers suffering from the lowest milk prices in thirteen years would love to have a raise at the rate of inflation. Similarly, the 8.6 percent of the population in Monroe County which is unemployed would appreciate just having a job to go to in the morning. It is important to remember that these are the people who are going to pay for the teachers' salaries and benefits . . .

The Association argues that there has been no public opposition to its offer, as evidenced by the fact that there was no demand for a public hearing under the statutory provisions. Data presented by the Association show that for 1988-89, the District had the lowest levy rate among the 16 district (12.09). The median of the other districts was 14.32. The Association exhibits show also that among the 16 districts in 1988-89, Elroy had the second lowest cost per pupil (\$3,513). The median of the other districts was \$4,116. At the same time, the District ranked 11th of 16 in the amount of school aid per pupil it received (\$2,306). The median was \$2,507. The Association notes that the District received State aids which were 28% above the average in the State. Also, as of June 30, 1991, according to the Association, the District expects to be debt free.

The Association recognizes that there are farm problems in the geographic area which includes the District, particularly with respect to dairy prices, but it argues that the District is not unique in that respect. The Association cites numerous arbitration awards in support of the proposition that arguments about the local economy have not been determinative where the employer has not been able to demonstrate that conditions which it faces are significantly different from those faced by comparable employers.

The evidence demonstrates that the Association offer would result in a tax levy increase 1.8% higher than the District's offer would require. The Association is correct, however, that

the taxpayers of the District have had low school tax rates compared with their counterparts in other districts, and the data cited above do not indicate that the taxpayers are in a position of relative hardship, although certainly many taxpayers have serious economic difficulties.

The District is correct that recent economic changes nationally and in the region suggest that there may be continued economically difficult times ahead, and therefore costs to the taxpayers should be kept down, if possible. Moreover, the District is correct that its offer is a reasonable one when compared to increases in the cost of living and in terms of the increase in total compensation offered to the teachers relative to what has been given in comparable districts.

It is the arbitrator's conclusion that the interests and welfare factor supports the District's final offer more than the Association's final offer.

Factor (d) requires the arbitrator to weigh comparisons with "other employees generally in public employment in the same community and in comparable communities."

In this connection the District presented national statistics involving major collective bargaining settlements, and the Association presented statewide teachers settlement data. Neither party presented settlement data for public employees other than teachers employed in the geographic area in which the comparable school districts are located.

The arbitrator has reviewed the data presented by the parties, but does not attach as much significance to it as the data presented for teachers in the comparable school districts. As previously mentioned, all of the other comparable school districts have reached teacher settlements for 1990-91, and four have also for 1991-92. These comparisons provide an adequate basis for the arbitrator's decision and they are more meaningful than settlements in more distant jurisdictions.

Factor (e) requires the arbitrator to weigh comparison with ". . . other employees performing similar services . . ." Both parties presented data showing their proposed increases in relationship to the comparison districts, in both dollar and percentage terms, at the various salary schedule benchmarks. These data do not include longevity payments, discussed below.

The arbitrator has constructed the following table showing, from 1989-90 to 1990-91, a comparison between the final offers and the median percentage increase given in the comparable districts.

<u>Benchmarks</u>	<u>Association Offer</u>	<u>District Offer</u>	<u>Median of Comparables</u>
BA - min	4.17%	3.61%	5.66%
BA - 7	4.64%	3.76%	5.38%
BA - max	4.83%	3.82%	5.25%
MA - min	5.07%	4.55%	5.66%
MA - 10	5.52%	4.57%	5.66%
MA - max	5.7 %	4.58%	5.66%
Sched - max	7.04%	5.93%	5.77%

These data clearly support the Association. They show that from BA-min through MA-10 the percentage increases offered by both parties are below the median percentage increase of the comparables, but the Association's final offer is closer to the median than is the District's. At MA-max, the Association's offer is fractionally above the median, and closer to it than the District's offer. The District's final offer is closer to the median than is the Association's at the Schedule-max.

A similar table has been derived showing the salary offered at each of these benchmarks, and the median salary of the comparable districts. The number shown underneath each salary figure is the relationship of each offer to the median of the comparables. The data are shown for each year, beginning in 1987-88.

(See Table on Page 6)

	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>
<u>BA - min</u>				
Comparables				
Median	\$17,000	\$18,000	\$19,020	\$20,007
District				
Relationship				
to Median	+ 572	+ 372	+ 352	+ 173 - Assn. + 65 - Bd.
<u>BA - 7</u>	\$20,680 + 102	\$21,860 - (278)	\$23,063 - (481)	\$24,325 - (695) - Assn. - (893) - Bd.
<u>BA - max</u>	\$24,255 -(1,868)	\$25,483 -(2,296)	\$26,897 -(2,710)	\$28,645 -(3,290) - Assn. -(3,533) - Bd.
<u>MA - min</u>	\$18,900 + 172	\$20,060 - (188)	\$21,150 - (278)	\$22,204 - (274) - Assn. - (382) - Bd.
<u>MA - 10</u>	\$24,595 - (708)	\$26,055 -(1,368)	\$27,450 -(1,763)	\$28,850 -(1,745) - Assn. -(1,988) - Bd.
<u>MA - max</u>	\$27,110 - (548)	\$28,695 -(1,333)	\$30,330 -(1,968)	\$31,850 -(1,870) - Assn. -(2,188) - Bd.
<u>Sched - max</u>	\$28,645 -(1,783)	\$29,905 -(2,243)	\$31,849 -(3,187)	\$33,395 -(2,715) - Assn. -(3,033) - Bd.

Since 1988-89, in all cases except the BA-min benchmark, the salaries have been below the median salaries of the comparable districts. Also, for 1990-91, in every case except the BA-min benchmark, the Association's final offer is closer to the median of the comparables than is the District's final offer, and substantially so at the top of the schedule. Except at Sched-max, the parties' offers are further below the medians in 1990-91 than was the case in 1989-90. These data clearly support the Association's final offer. Both offers result in deterioration in relationship to the medians of the comparables, but the Association's final offer results in less deterioration than does the District's final offer.

There are also data presented showing how the District has ranked among the 16 comparable districts at each of the salary benchmarks since 1987-88. They show that the District's relative position has deteriorated over this period.

District Rank Among Comparable Districts

	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>
<u>BA - min</u>	3	3	3	5 - Assn. Offer 7 - District Offer
<u>BA - 7</u>	4	11	12	13 15
<u>BA - max</u>	16	16	16	15 16
<u>MA - min</u>	7	9	11	10 13
<u>MA - 10</u>	12	13	15	15 16
<u>MA - max</u>	11	13	16	15 16
<u>Sched - max</u>	12	15	16	15 16

These data are inconclusive in terms of the change from 1989-90 to 1990-91, since the Association's offer would result in improvement at four benchmarks, and the District's offer would result in deterioration at three benchmarks.

The current proceeding involves 1991-92 as well as 1990-91. There are comparison data available for Cashton, Hillsboro, Necedah and Wonewoc which have settled contracts. In the arbitrator's opinion, the comparisons, though few in number, are meaningful because these districts, like the District, rank in the bottom half of the comparison districts at the various benchmarks. While that does not necessarily mean that they would continue to be positioned there in 1991-92, the arbitrator would expect them to be, and comparisons with those four districts would be more meaningful than comparisons with conference leaders.

The 1989-90 rankings of these districts are shown at the benchmarks:

1989-90

	BA-min	BA-7	BA-max	MA-min	MA-10	MA-max	Sched-max
Elroy-Kendall- Wilton	3	12	16	11	15	16	16
Cashton	2	10	9	5	11	14	14
Hillsboro	12	13	12	12	13	10	11
Necedah	14	15	11	13	16	15	15
Woneawoc	11	14	10	9	12	12	13

In 1989-90 the District related to the median of these four districts as follows at the benchmarks, in dollars:

BA-min	BA-7	BA-max	MA-min	MA-10	MA-max	Sched-max
(+486)	(+226)	(-2481)	(+ 36)	(-354)	(-338)	(-877)

If the final offers for 1991-92 are compared to the median of these four districts in 1991-92, the following is the District's relationship to the median:

	BA-min	BA-7	BA-max	MA-min	MA-10	MA-max	Sched-max
Assn. Offer:	(- 54)	(-179)	(-3185)	(-133)	(-363)	(- 458)	(- 551)
District offer:	(-282)	(-587)	(-3683)	(-361)	(-861)	(-1106)	(-1199)

These figures show clearly that, except perhaps for Sched-max, there has been deterioration in comparison to the 4-district median at all benchmarks since 1989-90, although much less so under the Association's offer than the District's offer. At Sched-max there is improvement under the Association's offer and deterioration under the District's offer, although the District's offer is slightly closer in its relationship to the 1989-90 median than is the Association's offer. In terms of benchmark dollar salaries, the analysis for 1991-92 clearly favors the Association.

In percentage terms, both offers are below the 4-district median percentage increase for 1991-92 at all benchmarks. The Association's offer is closer to the median in all cases, and thus is supported by the data.

	BA-min	BA-7	BA-max	MA-min	MA-10	MA-max	Sched-max
Median:	5.32%	5.24	5.24	5.49	5.39	5.31	5.34
Assn. Offer	4.06	4.49	4.65	4.88	5.28	5.44	5.64
District Offer	3.49	3.63	3.68	4.35	4.37	4.38	4.61

In making salary comparisons it must be noted that the parties' Agreement contains a longevity provision. Longevity is paid to teachers who are at the top of their salary lanes. This is significant because in 1989-90 of 70.2 FTE, 40.5 were at the top of their lanes, and 23 teachers were receiving from six to eight longevity steps.

Of the fifteen comparison districts utilized in the tables above, five have no longevity. Of the remaining ten, only three (in addition to the District) have cumulative longevity whereby a longevity step is paid for each year of service above the top of the lane.

In the arbitrator's opinion, the existence of the longevity steps, coupled with the large number of teachers who receive them, reduces somewhat the significance of the benchmark comparisons presented above. The benchmarks do not present a true picture of the BA-max, MA-max and Sched-max benchmarks compensation since there are significant longevity payments above the BA-max, MA-max and Sched-max in the District and in several other districts. The arbitrator is certain that longevity does not fully compensate for the District's relatively very low standing at the benchmarks, but inclusion of longevity would alter the comparisons somewhat in a direction which would put the District's final offer in somewhat more favorable light.

Longevity payments affect the total compensation paid by the District, and by those other districts which have such payments. Consideration of this fact is given below, where the arbitrator is required to consider the "overall compensation" paid to the teachers. Both parties presented data comparing average salaries. Their data conflicted for many districts, markedly in some, undoubtedly reflecting different assumptions and methods of calculation, and differences in data sources. They did not

resolve all of these conflicts, despite post-hearing efforts to do so through several exchanges of correspondence. This fact, notwithstanding, the arbitrator notes that conclusions may still be drawn from the data. It should be noted, also, that the average salary calculations include longevity.

The Association calculates the average percentage increase in salary among the comparables from 1989-90 to 1990-91 as 7.04%; the District's calculation is 7.2%. The District calculates its final offer as a 5.93% average salary increase, and it calculates the Association's final offer to be a 6.93% increase. The Association calculates its final offer to be a 6.89% increase and the District's offer to be a 5.89% increase. Whichever figures are used, the Association's final offer is much closer to the average salary increase given in the comparable districts than is the District's final offer.

For 1991-92 the same analysis for the four settled districts shows that the average increase in average salary was 6.7%. The District calculates its final offer for salary at 5.19%, and the Association's at 6.13%. The Association calculates its offer to be 6.09% and the District's to be 5.13%. These figures support the Association's final offer as being much closer to the average salary increase given in the settled districts for 1991-92.

In conclusion, it is clear that by almost every measure, the Association's final offer on salary compares more favorably to the increases given in the comparison districts than does the District's final offer, and this is true even after one takes account of longevity payments.

Factor (f) requires the arbitrator to weigh comparisons with "Private employment in the same community and in comparable communities."

The parties did not present any data relating to private sector employment in the geographical areas covered by the District or the comparable school districts. The District cited average Wisconsin manufacturing pay rates and national major collective bargaining settlements. The arbitrator has reviewed the data but does not attach as much significance to it as the data presented for teachers in the comparable school districts, since the private sector data is not specific to the same or comparable communities.

Factor (g), which the arbitrator must consider, is the change in the cost of living. The most significant figures for this purpose are those changes which occurred during the period covered by the prior Agreement. Also relevant is the increase after July 1, 1990, which would affect the bargain for the second year of the Agreement. None of the indices pertain directly to rural areas. The index which comes closest to Elroy-Kendall-Wilton is the one which pertains to Non-metropolitan Urban areas.

Data are shown for the cost-of-living change for Urban Wage Earners & Clerical Workers in Non-metropolitan Urban Areas. They show that for the two years prior to July 1, 1990, the index rose 3.6% in 1988-89 (over 1987-88), and 4.0% in 1989-90 (over 1988-89), and 5.8% for the six months beginning July 1, 1990.

In the present proceeding the total package offered by the District exceeds 7% in each of the two years, 1990-91 and 1991-92, and the Association's offer exceeds 8% in each of the two years. As previously shown, the salary increases alone exceed 5% in each of the two years. Thus, both final offers more than compensate for the changes in the cost of living. The District's offer is the lower one, and the one which is closer to the cost-of-living change than is the Association's. On this measure, the District's final offer is preferred.

Factor (h) requires that the arbitrator consider the "overall compensation" received by the employees.

The District calculates its package as an increase of 7.64% for 1990-91. The Association calculates the District's offer to be 7.6%. The Association calculates its offer as an increase of 8.53%. The District's calculation of the Association's offer is 8.57%.

The parties presented data showing the average total compensation increases in the fifteen comparison districts for 1990-91. Their calculations differ, but meaningful results can be drawn from them despite their unreconciled differences.

For 1990-91 the median percentage increase among the comparable districts over 1989-90 was 7.6% according to District figures. Using Association figures, the median increase in total compensation was 7.8%. Thus, in percentage terms, the District's offer in increased overall compensation is much closer to the comparables median than is the Association's.

For 1990-91, using District figures showing the average overall dollar increases paid by the comparison districts over 1989-90, the median increase was \$2,705. Using the Association's data, the increase was \$2,721. The average increase in total compensation offered by the District for 1990-91 is \$2,762, according to its calculations and \$2,758 according to Association data. The average increase in total compensation offered by the Association for 1990-91 is \$3,099, according to District calculations, and \$3,090 according to Association data.

It is clear that in comparison to the overall compensation increases given in the comparison districts from 1989-90 to 1990-91 the District's final offer is significantly closer to the median increase than is the Association's final offer. Given that the opposite result was the case when only total salary increases were considered, it is clear that it is in the fringe

benefit area that the District has paid increased costs, considerably higher than the increases paid in the comparison districts for 1990-91.

The District calculates its package increase for 1991-92 as 7.32%. The Association's figures produce a 7.26% figure as the District's offer. The Association's figures result in an increase for its own package for 1991-92 of 8.12%. The District's calculation of the Association's package is 8.16%.

In dollar terms, the Association's figures for 1991-92 produce a total package increase for its offer of \$3,194; the District's offer is \$2,835, using the Association's figures. The District calculates the Association's increase as \$3,204, and its own as \$2,847.

The District also presents figures for the four comparison districts which have reached settlements for 1991-92. The median increase in average total compensation, the District's figures show, is \$2,941. Using the District's figures for the cost of its 1991-92 final offer, the District's offer is \$94 below the median. The District's offer is \$106 below using the Association's figures. The Association's offer is \$263 above the median, using the District's figures, or \$253 above the median using the Association's figures.

If one accepts the accuracy of the figures for the four comparison districts, the District's increase would rank 5th among the five districts; the Association's increase would rank 1st. These data support the District's final offer more than the Association's.

The Association takes issue with the District's total compensation calculations for the four districts for 1991-92 because their health insurance premium increases are not yet known. The Association does not supply total compensation figures for these districts, although it appears from the correspondence that for Cashton the Association estimates a 20% increase, which the District views as too high because the premiums there will be reduced somewhat because of an agreed-upon increase in the deductibles there. The District makes assumptions about the size of health insurance increases in the other districts in order to make its calculations about total compensation. The record does not reveal the basis for these assumptions, except that there is a WASB settlement report for Hillsboro which uses a 15% estimated increased figure. The Association views it as more appropriate to make no comparisons and conclusions about 1991-92 total compensation than to make them based upon what may be unrealistic assumptions.

In other aspects of total compensation, the Association points to the fact that the District does not provide teachers with LTD and dental insurance, benefits which are provided by almost half of the comparison districts.

The arbitrator notes that the parties' final offers differ from the 4-district median calculated from District figures by from \$94 to \$263 in 1991-92. He notes further that relatively small inaccuracies in estimates could easily affect these numbers. For example, given the level of health insurance premiums in the various districts, an estimated increase that was in error by 5% in a district might make a difference of \$150 to \$250 per teacher per year. If that occurred, the median figure, and the parties' relationship to it, could change significantly.

As mentioned above, the District's overall compensation offer for 1990-91 is supported by the data. The arbitrator does not view the 1991-92 figures as a sufficiently reliable basis for any conclusion, since they are based on estimates and assumptions which are not adequately supported and/or jointly shared by the parties.

The arbitrator must take note of the fact that as part of its arguments with respect to the issue of overall compensation, the District places heavy emphasis on the health insurance issue. Health insurance is not an issue in this dispute. The parties reached agreement on it and continued in effect the prior arrangement whereby the District pays the full cost of employee's health insurance. The District argues correctly that there is a trend away from such full payment. It notes that of the sixteen comparison districts, ten require that employees pay a portion of the health insurance. In the District's view, the Association should have moderated its salary demands in return for continued full payment of health insurance. The District views the Association as trying to achieve in this proceeding superior wage increases coupled with continued full health insurance payment. It views its own proposal as more reasonable; that is, a significant salary increase but one tempered to reflect the fact that the District has had to pay a 30% increase in health insurance premiums in 1990-91 and anticipates a similar increase in 1991-92.

In the present proceeding the arbitrator has considered health insurance in the context of the level of overall compensation, since payment of employees' health insurance premiums is a significant benefit, one which clearly must be viewed as a cost to the District for which it should receive credit in evaluating how it supports its employees. However, the arbitrator has not made comparisons of the health insurance increases which the District has experienced in relationship to such increases in other districts; or, of the total health insurance premium paid by the District in relationship to such premiums in other districts; or, of the cost-sharing arrangements in other districts. If the District had wanted to focus on health insurance, its final offer could have reflected something other than continued full payment by the District.

The District, presumably for sound reasons, elected to settle the health insurance issue with the Association and make it part of the stipulations which are not in dispute here. There is no evidence or testimony in the record about the bargaining history, or what was proposed, or by whom. Thus, the arbitrator is not in a position to make judgments about why full payment of health insurance by the District was continued.

It should be noted also in this connection that in their stipulations the parties agreed to ". . . explore insurance alternatives for 1991-92." Presumably they could negotiate a health insurance increase with a carrier, which increase would not be as large as the one estimated under their present arrangements. Whether or not they achieve such savings, the parties have agreed in their stipulations to a 30% increase figure, and if in fact the rate increase is below that figure, it ". . . shall be added to the base in 1991-92 except as otherwise agreed to by the parties."

The District argues, in relationship to health insurance, that the Association ought to be required to make salary concessions as a quid pro quo for maintaining fully paid health insurance. It argues that in other districts which have given higher salary increases there have been concessions made by the employees in such areas as health insurance contributions, benefits, or length of the school calendar. The arbitrator has no basis for knowing how the District presented its bargaining proposals or arguments to the Association, or whether it in fact requested a quid pro quo from the Association for continued full payment of health insurance. The District voluntarily continued the status quo with respect to cost-sharing arrangements, and the arbitrator is not persuaded by the evidence or by District arguments that he should now impose a quid pro quo on the Association under these circumstances. As mentioned above, the District agreed that if health insurance rates rose less than 30%, money would be added to the base salary. Such an arrangement does not reflect a bargain which achieves a reduction in total costs. The arbitrator does not view that bargain as compatible with the District's argument in this proceeding that a quid pro quo should be imposed.

Factor (i) requires the arbitrator to weigh "changes in any of the foregoing circumstances during the pendency of the arbitration proceedings." The District asks the arbitrator to weigh certain factors which, in its view, have resulted in deteriorating economic conditions faced by the District. These have been mentioned and discussed under factor (c) "interests and welfare of the public." Those changed conditions cited by the District include: the Governor's recently released proposals for cost controls; the continued bleak outlook for milk prices; the recession; and the continuing high unemployment rate in the counties in which the District is located. The District argues

that the conditions have occurred and/or have worsened since the bargaining settlements were reached in the comparable districts for 1990-91. The District argues that this worsening economic outlook for the taxpayers of the District should weigh in favor of its final offer.

The Association responds to the District's arguments by noting that the economic conditions faced by the District are not worse than for those of the comparable districts. It argues also that the one recent settlement among the comparables, which occurred in the week following the arbitration hearing in this proceeding, resulted in a settlement in Cashton which is higher than what the District is offering. (The District disagrees with the Association's assessment of the Cashton package.) With respect to the Governor's proposals, the Association argues emphatically that they will not be implemented by the Legislature and they should not be relied upon in this proceeding.

The arbitrator understands why the District, or any district for that matter, would want to pay attention to cost control proposals made by a Governor. The proposals may indeed indicate what lies ahead. However, with all due respect to Governor Thompson, Elroy's most famous citizen, the cost control proposals are just that at this time; that is, they are proposals, and highly controversial ones at that. Whether they will be enacted, or in what form, is purely a matter of speculation at this time, and in the arbitrator's opinion they should not be utilized by the arbitrator in determining the outcome of this case.

In the arbitrator's opinion, the other economic factors cited by the District do weigh in its favor more so than in the Association's favor.

As mentioned above, the parties differ with regard to the significance of the recent voluntary settlement at Cashton, which was reached after the date of hearing in the present proceeding. The total package for 1990-91 at Cashton is \$236 per teacher above what the District is offering in this proceeding. In 1991-92 the District's package is \$78 higher than Cashton's. For the two-year period, the Cashton settlement is above what the District proposes here, which serves to moderate the force of the District's argument that recent economic conditions make its current offer more reasonable. However, the District's arguments are supported by the fact that the Cashton package settlement is much lower than what is proposed by the Association in the current proceeding (\$100 lower in 1990-91 and more than \$400 lower in 1991-92). On balance, the arbitrator views the Cashton settlement as providing greater support for the District's arguments than for the Association's arguments.

Factor (j) requires the arbitrator to weigh "such other factors . . . which are normally . . . taken into consideration in . . . arbitration . . ."

There are two other factors which the parties have introduced which must be considered. The Association recognizes that the District's offer for 1990-91 and 1991-92 is competitive with the comparison districts in terms of the increases offered. It argues, however, that these years should not be considered in isolation. It argues that the District's relatively very low standing with respect to the salary schedule results from the fact that the District's lower-cost final offers have been selected by prior arbitrators, in 1986 and in 1989. The Association argues that fairness dictates that the position of the District's teachers should be improved to restore their relative position to what it was in prior years. As the Association states in its brief, "The Board's offer fails to provide any measure of catch-up for the prior two years of low settlements. The Board offer is below average and should not be rewarded." In its reply brief, the Association argued further on this point:

Yes, we admit that the Association's offer is above average on total compensation for 1990-91. Our proposal is \$273 above average . . . If one looks at 1989-90, the Elroy-Kendall-Wilton settlement was a "whopping" \$700 below average. The 1988-89 settlement was a "whopping" \$284 below average. The District wishes to ignore these two years. The Association did not position the 1988-90 settlement. We lost the arbitration decision. The District won. And it now wants simply to talk about the Association's "whopping" 1990-91 offer. Where's the equity?

At another point in its arguments, the Association characterizes its final offer as a maintenance offer, not a catch-up offer.

In its brief, the District argues that, ". . . the Union cannot argue 'catch up' when their position is the result of two disparate factors." The District continues:

One, the teachers are where they are at Elroy due to an arbitration decision. Arbitrator Kerkman determined in 1989 that the Board's offer was more reasonable than that of the Union. Arbitrator Kerkman cited the preference for the Board's position on health insurance as a motivating factor behind his decision . . .

Second, the Union is again arguing "catch-up" but providing no concession or evidence to warrant such advancement. The Union blindly cites the salary rankings of other schools in the comparable group, but shys (sic) away from comparing the relative health insurance and longevity benefits available to the respective employees . . .

The arbitrator does not know if the parties dealt with the issue of "catch-up" in their bargaining. Whether or not they did, it is the case that the first of the two awards to which the Association refers was issued in September, 1986. Presumably, since the Association lost both of the arbitrations to which it refers, it is now seeking to restore its position in relationship to the comparable districts which it had prior to those awards. However, there is nothing in the record of the present proceeding which shows what the status was prior to the arbitrations, or how that status should affect the current status. The 1989 Award by Arbitrator Kerkman is in the record. It is noteworthy that although Kerkman indicated that he supported the Association's position on the salary issue, he indicated that his preference was a "slight" one on that issue, and he awarded in favor of the District's final offer.

The arbitrator will make his decision in this case based upon his assessment of the evidence presented as it relates to the statutory factors. To the extent that the evidence shows that the position of the bargaining unit relative to the comparables has been deteriorating, that will be taken into account and weighed in the Association's favor, but the arbitrator is not persuaded that he should make his decision based upon the merits of the prior arbitration decisions or their results, and he is not persuaded by the Association's presentation that there is a compelling need for "catch-up."

The second factor is the District's argument that the Association's offer should be rejected because it does not offer a quid pro quo for continued full payment of health insurance. That argument has been addressed above, and the arbitrator rejected the District's argument on that point.

In conclusion, it is the arbitrator's opinion that there are no "other factors" which should weigh in the balance in the determination of this case.

Conclusion:

The arbitrator has the difficult decision of making an award in favor of one final offer or the other. This case is a particularly difficult one. The one issue, salary, is not difficult to decide. The Association's final offer is clearly preferable. The difficulty is that the costs of the entire package favor the District's final offer, certainly for 1990-91.

The District's average salary offer is below the median of the fifteen comparables by 1.3% in 1990-91 and 1.6% below the median of the four comparables in 1991-92. The Association's final salary offer is .3% below the comparables in 1990-91

and .6% below them in 1991-92. In terms of overall compensation, the District's offer is at the median of the comparables in 1990-91 while the Association's is .7% to .9% above the comparables. The figures for 1991-92 are not reliable. The major cost difference which accounts for the differences in total compensation, other than salary, is health insurance.

The arbitrator has concluded that the salary issue, which favors the Association, outweighs the overall compensation factor in this case. This is so because implementation of the District's offer would result in further deterioration of an already relatively very low salary schedule, even after consideration of longevity benefits, while implementation of the Association's offer would not create undue financial hardship for the District.

This conclusion is made notwithstanding the fact that the cost-of-living, interests and welfare, and changes during the pendency of the arbitration factors favor the District's final offer more than the Association's. These are difficult economic times, especially for some groups of taxpayers, but the arbitrator is not persuaded by the evidence in this case that the District and its taxpayers have been at a disadvantage relative to the comparable districts, or that they are so at this time. If the District's figures are correct, there will have to be an increase in the tax levy rate as the result of the implementation of the Association's position, but there is no showing that this will place an undue burden on the District's taxpayers.

Based upon the above facts and discussion, the arbitrator hereby makes the following

AWARD

The final offer of the Association is selected.

Dated at Madison, Wisconsin, this 1st day of May, 1991.



Edward B. Krinsky
Arbitrator

1990-91	575	350				BA+30		
STEP	BA	BA+6	BA+12	BA+18	BA+24	MA	MA+6	MA+12
1	20180	20530	20880	21230	21580	21930	22280	22630
2	20755	21105	21455	21805	22155	22505	22855	23205
3	21330	21680	22030	22380	22730	23080	23430	23780
4	21905	22255	22605	22955	23305	23655	24005	24355
5	22480	22830	23180	23530	23880	24230	24580	24930
6	23055	23405	23755	24105	24455	24805	25155	25505
7	23630	23980	24330	24680	25030	25380	25730	26080
8	24205	24555	24905	25255	25605	25955	26305	26655
9	24780	25130	25480	25830	26180	26530	26880	27230
10	25355	25705	26055	26405	26755	27105	27455	27805
11	25605	26280	26630	26980	27330	27680	28030	28380
12	25855	26855	27205	27555	27905	28255	28605	28955
13	26105	27430	27780	28130	28480	28830	29180	29530
14	26355	27680	28355	28705	29055	29405	29755	30105
15	26605	27930	28930	29280	29630	29980	30330	30680
16	26855	28180	29180	29530	30205	30555	30905	31255
17	27105	28430	29430	29780	30455	30805	31155	31505
18	27355	28680	29680	30030	30705	31055	31405	31755
19	27605	28930	29930	30280	30955	31305	31655	32005
20		29180	30180	30530	31205	31555	31905	32255
21		29430	30430	30780	31455	31805	32155	32505
22			30680	31030	31705	32055	32405	32755
23			30930	31280	31955	32305	32655	33005
24					32205	32555	32905	33255

1991-92	615	400				BA+30		
STEP	BA	BA+6	BA+12	BA+18	BA+24	MA	MA+6	MA+12
1	21000	21400	21800	22200	22600	23000	23400	23800
2	21615	22015	22415	22815	23215	23615	24015	24415
3	22230	22630	23030	23430	23830	24230	24630	25030
4	22845	23245	23645	24045	24445	24845	25245	25645
5	23460	23860	24260	24660	25060	25460	25860	26260
6	24075	24475	24875	25275	25675	26075	26475	26875
7	24690	25090	25490	25890	26290	26690	27090	27490
8	25305	25705	26105	26505	26905	27305	27705	28105
9	25920	26320	26720	27120	27520	27920	28320	28720
10	26535	26935	27335	27735	28135	28535	28935	29335
11	26785	27550	27950	28350	28750	29150	29550	29950
12	27035	28165	28565	28965	29365	29765	30165	30565
13	27285	28415	29180	29580	29980	30380	30780	31180
14	27535	28665	29795	30195	30595	30995	31395	31795
15	27785	28915	30045	30445	31210	31610	32010	32410
16	28035	29165	30295	30695	31460	31860	32260	32660
17	28285	29415	30545	30945	31710	32110	32510	32910
18	28535	29665	30795	31195	31960	32360	32760	33160
19	28785	29915	31045	31445	32210	32610	33010	33410
20	29035	30165	31295	31695	32460	32860	33260	33660
21		30415	31545	31945	32710	33110	33510	33910
22		30665	31795	32195	32960	33360	33760	34160
23			32045	32445	33210	33610	34010	34410
24			32295	32695	33460	33860	34260	34660
25					33710	34110	34510	34910

SR
10/25/90

ELROY-KENDALL-WILTON BOARD OF EDUCATION FINAL OFFER TO ARBITRATION
APPENDIX 'A'
1991-92
TEACHER SALARY SCHEDULE

STEP	III B.A.	IV B.a.+6	V B.A.+12	VI B.A.+18	VII B.A.+24	VIII M.A. B.A.+30	IX M.A.+6	X M.A.+12
1	\$20,772	\$21,172	\$21,572	\$21,972	\$22,372	\$22,772	\$23,172	\$23,572
2	21,357	21,757	22,157	22,557	22,957	23,357	23,757	24,157
3	21,942	22,342	22,742	23,142	23,542	23,942	24,342	24,742
4	22,527	22,927	23,327	23,727	24,127	24,527	24,927	25,327
5	23,112	23,512	23,912	24,312	24,712	25,112	25,512	25,912
6	23,697	24,097	24,497	24,897	25,297	25,697	26,097	26,497
7	24,282	24,682	25,082	25,482	25,882	26,282	26,682	27,082
8	24,867	25,267	25,667	26,067	26,467	26,867	27,267	27,667
9	25,452	25,852	26,252	26,652	27,052	27,452	27,852	28,252
10	26,037	26,437	26,837	27,237	27,637	28,037	28,437	28,837
11	26,287	27,022	27,422	27,822	28,222	28,622	29,022	29,422
12	26,537	27,607	28,007	28,407	28,807	29,207	29,607	30,007
13	26,787	27,857	28,592	28,992	29,392	29,792	30,192	30,592
14	27,037	28,107	29,177	29,577	29,977	30,377	30,777	31,177
15	27,287	28,357	29,427	29,827	30,562	30,962	31,362	31,762
16	27,537	28,607	29,677	30,077	30,812	31,212	31,612	32,012
17	27,787	28,857	29,927	30,327	31,062	31,462	31,862	32,262
18	28,037	29,107	30,177	30,577	31,312	31,712	32,112	32,512
19	28,287	29,357	30,457	30,827	31,562	31,962	32,362	32,762
20	28,537	29,607	30,677	31,077	31,812	32,212	32,612	33,012
21		29,857	30,927	31,327	32,062	32,462	32,862	33,262
22		30,107	31,177	31,577	32,312	32,712	33,112	33,512
23			31,427	31,827	32,562	32,962	33,362	33,762
24			31,677	32,077	32,812	33,212	33,612	34,012
25					33,062	33,462	33,862	34,262

