which were multi-page documents or series of articles. Each presented arguments for their case in the form of briefs submitted after the hearing. In the briefs, both parties stressed the importance of the selection of appropriate comparables from which an analysis of each offer could be made. While the Association placed more emphasis on a "benchmark" comparison with its comparables, the District emphasized total package dollar and percentage increase comparisons. Both parties presented evidence as to how the bargining history of the parties favored their position on the duration issue. It is not practical for the Arbitrator to review in detail all of the data and arguments presented by the parties, but I will attempt to include the most salient material.

Association's Position.

The Association, while accepting for the most part the primary comparable group used by the parties and two arbitrators in the past (Marathon Comparability Group), proposed to expand that group to include other school districts. The Union suggests three other groups of schools from which to develop comparable lists: 1) settled CESA districts; 2) settled schools of similar size within the State; and 3) other larger districts within what Arb. Miller refers to as "the orbit of coercive comparison," primarily Wausau, Merrill, and Mosinee. Many arbitrators have used other than the athletic conference for comparisons, and, since only two schools in the primary group have settled (not counting two schools in the second year of a two year contract which should be eliminated), there is sufficient justification to go beyond the "traditional comparables" for comparisons.

The Association argues its position on using statewide comparables is well supported. The evidence on the labor market for which Marathon teachers were recruited surely justifies the consideration of wage rates increase for similar size schools in the State. There are several other factors which make statewide comparisons valid: 1) a broader sample provides more reliable statistical analysis; 2) the formula for state funding of education is similar throughout the State; 3) certification of teachers is the same; and 4) a statewide comparison is consistant with the size criterion which parties and arbitrators use in establishing comparability.

It is the Union's position that benchmark comparisons should carry primary weight in this case over an analysis of total package costs and/or dollar increase comparisons. The use of benchmarks is common practice in arbitration cases, and arbitrators are quoted in support of benchmark analysis. Using this method, the Association compares its offer to the Districts proposal on 7 benchmarks based upon: 1) dollar increase to average increase--Marathon Comparability Group; 2) percentage increase to average increase--Marathon Comparability Group; 3) dollar increase to average increase--CESA 9 settleds districts; 4) percentage increase to average increase--CESA 9 settled districts; 5) dollar increase to average increase--State districts with 20-50 FTE; and 6) percentage increase to average increase--State districts with 20-50 FTE. Using this data the evidence of historical erosion of Marathon's rank compared to the state average is clear and convincing. The District's offer in no way can be acceptable by this measurement.

Concerning the second year proposal of the Board, the Association argues that the bargaining history of the parties, going as far back as 1971, has been for one year contracts. The only exception was a two year agreement (83-85) on the heels of an arbitration award issued after an inordinate delay of 11 months, resulting in negotiations beginning 6 months into that contract year. This kind of situation should not be seen as a normal bargaining environment and a reason to change the status quo. Concerning the new changes in the Med-Arb law requiring two year contracts, the arbitration process is not intended to promote "jumping the gum" by applying a new law retroactively. When insufficient evidence is given to justify a second year offer, employers should receive similar treatment as unions (as indicated in several arbitration cases), and there should be no disruption of the status quo (one year contract).

The Association believes that their proposal is consistant with the interest and welfare of the public of Marathon School District. First,

Marathon has a low per pupil cost--ranked 40 out of 44 state districts of similar size. This is in light of an average household income of $18,395 --more than $3,000 above average--and a low tax levy rate. Next, while the District presents evidence of the farm problems in the state, there has been no evidence that Marathon's farm situation is any different--any worse--than in the comparable districts. Besides, 76.4% of the the employment in the district is not in agriculture. When no evidence has clearly shown that the district is different than comparable districts, then the comparability is the fairest criterion upon which to make the decision.

The cost of living, as determined by the CPI, should not be determinative in this case because the voluntary settlement pattern, which is advocated by other arbitrators, is the best indicator of the true cost of living. Further, while the Employer submits several exhibits on private sector wage increases, no foundation is developed to establish a relationship between national trends in private sector wages and the Marathon teachers' wage schedule. Thus, the Association's offer only attempts to maintain previously established wage relationships with comparable schools and to prevent further deterioration of wage relationships with other college trained employees. The Association's offer gives a proper balance to the public interest and provides competitive wage rate increases, and should be chosen by the Arbitrator as more reasonable.

District's Position.

The District maintains that the comparables used in this case should be the same as previously used by the parties and in two previous arbitrations in the district. Arbitral practice favors keeping these comparables in order to preserve "predictability" and "rationality." The comparability group should not be expanded because: 1) the Union's additions based on CESA 9 (e.g. Arbor Vitae and Flambeau #1) have nothing in common with Marathon other than the number of FTE--some of these districts receive no state aid and have levy rates significantly lower than that of Marathon; 2) the larger districts proposed by the Association (D.C. Everest, Rhinelander, Tomahawk) are any where from 2.3 to 7 times larger than Marathon; and 3) statewide comparisons have been consistantly rejected by many other arbitrators and the Board sees no reason to use them in the instant case.

The District believes that the seletion of its offer would best meet the interests and welfare of the public. At the public hearing prior to the hearing, many citizens testified as to the hardships they are encountering as a result of the dairy and ginseng price declines. The general economy in Wisconsin (especially farm) is down in a time when inflation is down and taxes are up. Increasing land values in the district coupled with falling farm prices puts pressure not only on farmers but also all other businesses which are dependent on the farm income. Moreover, because of an error in 1984 calculations of State Aids (based upon a filing problem in the Town of Stettin), there was an unexpected drop in the Equalization Aids to the district for 1985-86 and another reduction projected for 1986-87. The public interest would definately best be served by moderation in pay increases and therefore the selection of the District's final offer would be preferable.

Concerning the contract duration, the District argues that, while historically the parties have had one year contracts, the last contract was a two year contract and was reached through a voluntary settlement. A precedent has been now established by the parties agreeing to a two year contract in the time period immediately preceding this case. And further, two year contracts are clearly supported by public policy by way of the new changes in the Med-Arb law making two year contracts the norm. But perhaps more practically, since the 1985-86 year is almost over, negotiations for the next year would have to begin immediately if a second year is not part of the Arbitrator's award.

Concerning the comparison of the offers to comparable districts, the Employer suggests that benchmark comparisons are no longer accurate because of what districts are doing to their schedules. An example is Athens, which dropped a step at the bottom of its schedule thereby drastically increasing its BA base and its comparative rank among the

comparables. The Board believes that only average salary and total (package) cost increase comparisons (dollars and percentage) are valid.

Using average salary and cost comparisons (both dollars and percentage), the District's offer is more reasonable with the Union's offer resulting in a .93% greater than average increase while the Board's results in only a .45% less than average increase. And even using the less prefered method of benchmark comparisons, the Board's offer again is more reasonable in maintaining Marathon's rank. But perhaps more importantly, with most of the teachers in Marathon at the top of the schedule, the Board's offer places the money where the majority of the teachers are.

The District also agrues that the cost of living and inflation rate for the period in question supports the Board's offer. Inflation rate for the period was 3.77%--making the Board offer 3.78% above the cost of living and the Union's offer 5.16% above it. With the fall of oil prices the rate is predicted to be even lower for 1985-86--somewhere around 2.8%. For all of these reasons, the District's final offer is more reasonable and therefore must be selected by the Arbitrator.

DISCUSSION

Primary Comparables.

In this case, as in many teacher cases, a major factor in collective bargaining and in arbitration is the comparison with comparable school districts. Past arbitrations in Marathon have established the following schools as appropriate comparables: Abbotsford, Athens, Edgar, Mosinee, Spencer, and Stratford (known as the Marathon Comparablility Group). Both the District and the Association have provided exhibits comparing Marathon with these comparables. Of the seven schools in this comparable group, four have settled for 1985-86. These are Abbotsford, Athens, Edgar, and Stratford. Two others have certified final offers: Marathon and Mosinee.

The Union benchmark comparisons are with only two of the four settled schools: Athens and Abbotsford. The Association excludes Edgar and Stratford because they are in the second year of a two year contract. The Union feels that comparisons with schools in the second year of a two year contract should be excluded or should be discounted because the bargaining was done in a different time period and under different circumstances.

The Union brief (page 13) includes charts showing the dollar and percentage increases proposed by the Board and the Union as compared to the Athens and Abbotsford settlements. These charts are reproduced in CHART I (below) and CHART II (on the next page).

The Arbitrator finds that while the comparison is limited to only two 1985-86 settlements, these charts have some validity.

CHART I

ASSOCIATION BENCHMARK COMPARISONS
Dollar Increase to Average Increase on 7 Benchmarks of the Association's and the Board's offers - Settled Schools in Marathon Comparability Group Excluding 1984-1986 Settlements
(Based on Association Exhibits 27 - 28)

Benchmark	Association + / - Average	Board + / - Average
BA Minimum	-240	-440
BA + 7	-255	-503
BA Maximum	+ 87	-209
MA Minimum	-166	-366
MA + 10	-193	-465
MA Maximum	+155	-149
Schedule Maximum	+ 72	-232

CHART II

ASSOCIATION BENCHMARK COMPARISONS
Percentage Increase to Average Increase on 7 Benchmarks of the Association's and the Board's offers - Settled Schools in Marathon Comparability Group Excluding 1984-1986 Settlements
(Based on Association Exhibits 29 - 30)

Benchmark	Association + / - Average	Board + / - Average
BA Minimum	-1.7%	-3.1%
BA + 7	-1.7%	-3.1%
BA Maximum	- .3%	-1.6%
MA Minimum	-1.0%	-2.4%
MA + 10	-1.3%	-2.6%
MA Maximum	0	-1.3%
Schedule Maximum	- .1%	-1.4%

The District compares three settlements for 1985-86 with the Marathon proposals. It adds Edgar (second year of a two year contract) to Athens and Abbotsford. The Employer's brief shows salary comparisons which are reproduced in CHART III (below).

CHART III

EMPLOYER SALARY COMPARISONS
Average Dollar and Percentage Increase 1984-85 to 1985-86
Marathon Comparability Group - Settled Districts Only
(Based on District Exhibit 15)

	Mean 1984-85 Salary	Mean 1985-86 Salary	Average Increase	Percent
Abbotsford	19,142	20,742	1,600	8.36
Athens	20,263	21,969	1,706	8.42
Edgar	22,606	24,238	1,632	7.22
Average	20,670	22,316	1,646	8.00
Marathon (B)	21,221	22,824	1,603	7.55
+/- Average	+551	+508	-43	-.45
(U)	21,221	23,116	1,895	8.93
+/- Average	+551	+800	+249	+.93

The Board's offer is lower than the average of the comparables in dollars ($43) and its 7.55% increase is below the 8.00 percent increase (by .45%) of the three other schools. The Union proposal, on the other hand, is above the other settlements in dollars ($249) and percentage (.93%).

The Employer also provides a benchmark analysis of the two offers (see next page, CHART IV).

The Board says (brief, p. 22): "The analysis above clearly indicates that at the benchmarks, the Board final offer will improve it's [sic] rank on the MA 9th step, maintain it's [sic] rank on the BA Max, MA Max, and schedule Max, and drop one position on BA Base, BA 6th, and MA Base." As this Arbitrator views this Employer's chart, the Board offer would not result in the drop in a rank at the MA Base, but according to these figures, would remain at the same level. However, upon closer inspection of

CHART IV

EMPLOYER BENCHMARK COMPARISONS
Benchmark Comparisons - Marathon Comparability Group
Four Settled Schools, Final Offers for Mosinee
Marathon's Rank - 1983-84 Through 1985-86

	83-84	84-85	Board 85-86	Union 85-86
BA Base	2	4	5	5
BA + 6	1	1	2	1 [2]
BA Maximum	1	1	1	1
MA Base	4	5	5 [4]	4
MA + 9	2	3	2	2
MA Maximum	2	2	2	2
Schedule Maximum	2	2	2	2

the Employer exhibits that are the source of this data, I find two important discrepancies. First, while in every benchmark position the District used the Mosinee Board's final offer in its calculations, on the BA-6 lane it used the Mosinee Association's offer (which happens to be lower than the Mosinee Board's at that benchmark). Consistently using the Mosinee Board's offer results in the Marathon Association's offer to drop from 1 to 2 on that benchmark (shown in [] on the chart). The second is on the MA Base benchmark position where the Board offer at that benchmark ties with Edgar--both ranking 4th. Here the District chooses to place Marathon at the 5th rank below Edgar. More appropriately, Marathon should be placed at 4th with Edgar (again indicated by []). The result of this work shows that the District and Association offers result in exactly the same impact on the ranking of Marathon within the Marathon Comparability Group. Thus, using this analysis anyway, either offer is reasonable.

It is clear, considering all the above charts, that the Union's offer somewhat better maintains Marathon's rank than does the Board's offer. This is especially true in looking at the comparables which were negotiated in the time period when this contract should have been settled (Union charts). The strongest point in favor of the Board's proposal is that its percentage increase is closer to the average of the settled schools than that of the Union's. However, the Board's percentage is below that of Athens and Abbotsford.

Overall, on the primary comparables, the Arbitrator finds the Union offer slightly more reasonable than that of the Board.

Secondary Comparables.

Since the number of primary comparables is so limited, the Arbitrator feels that a look at two of the Union's other sets of comparables might be of some value. However beneficial this analysis may be, I would not give these secondary comparables as much weight as the primary comparables already discussed. In looking at the other sets of comparables proposed by the Union, I have decided not to use the CESA schools. I agree with the District's objections to using such communities as Arbor Vitae and Flambeau which are primarily resort communities that have little in common with Marathon.

A comparison with Wausau though, has some validity since it is only about 10 miles from Marathon City and is the largest city in the same county. As the chart on the next page shows, at least on the three benchmarks analyzed, Marathon teachers have lost ground to the Wausau teachers since 1979-80.

What is significant about this chart is not the dollar spread between Wausau and Marathon. Since Marathon is rural and a much smaller district, it is expected to be quite a bit below Wausau in salaries. However, given

CHART V

HISTORICAL BENCHMARK COMPARISONS
Three Benchmark Salary Comparisons of Wausau and Marathon
Comparing Years 1979-80 to 1984-85
(Based on Association Exhibit 107)

	79-80	84-85	% Inc.	% Dif.
	BA Minimum			
Wausau	10,850	15,450	42.4	
Marathon	10,375	14,300	37.8	-4.6
	MA - 10			
Wausau	16,828	23,963	42.4	
Marathon	15,178	20,996	38.3	-4.1
	Schedule Max			
Wausau	20,954	30,142	43.8	
Marathon	17,196	23,797	38.4	-5.4

approximately the same geographic area, it is reasonable to think that Marathon could have kept pace with the percentage of increases over this historical period. In all three benchmark positions, Marathon shows a decrease of approximately 5% in the overall percentage of increase of salary. This represents about $1,000 at the Schedule Max benchmark--had Marathon kept pace with Wausau at its 43.8% overall increase, the Marathon teachers, at this benchmark, would be at $24,729. Compared to Wausau, Marathon has lost ground.

The Union also suggests that Marathon can be compared with other settled schools on a statewide basis. On a statewide comparison of settled schools with 20-50 FTE, the Board's offer is less favorable to Marathon's ranking than that of the Union's (CHART VI, below).

CHART VI

ASSOCIATION BENCHMARK COMPARISONS
Benchmark Comparisons - 43 Settled Statewide Schools 20-50 FTE
Marathon's Rank - 1984-85 Compared to 1985-86
(Based on Association Exhibits 68-81)

	1984-85 Rank	1985-86 Board	1985-86 Union
BA Base	23	33	27
BA + 7	14	16	15
BA Maximum	12	12	11
MA Base	34	36	33
MA + 10	24	28	23
MA Maximum	23	28	26
Schedule Maximum	29	32	31

The secondary comparables support the Arbitrator's conclusion that the Union salary offer for 1985-86 is more reasonable than that of the Board.

Contract For 1986-87.

The Board's offer includes a 1986-87 salary offer. The Union proposal does not. Both parties presented extensive arguments on this question. The arguments centered mainly on the bargining history and precident rather than on the reasonableness of the offer. The Arbitrator considers this issue to be a major determinant of the outcome of this case, along with the salary comparisons with the comparables.

The Arbitrator finds the Union argument on this question more persuasive than that of the Employer. The bargaining history of the parties, going as far back as 1970-71, has been for one year contracts. The only exception was a two year contract for 1983-85 following an arbitration award issued after an inordinate delay of 11 months. This resulted in negotiations beginning 6 months into the contract year. I do not consider negotiations that begin six months into a contract year and finish perhaps two months later to be a normal bargaining situation upon which a precident can be established. The overwhelming evidence points to the fact that, under a normal bargaining cycle, the parties have wanted, and have agreed to, one year contracts. While it is true recent legislation favors two year contracts for the future, I do not feel that this Arbitrator should impose such a settlement on the parties at this time. There has been no real bargaining between the parties concerning 1986-87. The State Aid situation of the district may be more clear in a few months as far as 1986-87 is concerned. With the 1985-86 settlement out of the way in May of 1986, there is time to bargain for 1986-88, or for 1986-87, if the parties wish to continue their annual negotiations.

The Arbitrator suggests that as the parties enter into negotiations for their next contract that they note the decline in Marathon's rank at the BA Minimum level as shown on CHART VI (page 6). Marathon declined from 2nd in 1983-84 to fifth in 1985-86. The District, in its brief (page 20), noted that Athens has made an effort to improve its position here. Other districts in many areas in the State seem to be attempting to make their starting salary more attractive in comparison to other professional occupations. Perhaps Marathon could find a way to maintain its favorable rank in the other benchmarks while at the same time raising its starting salary level to be more attractive and competitive.

Cost of Living.

Both the District and the Association proposals exceed the increase in the CPI in the year preceeding this contract year. The Association's offer is more in excess of the inflation rate than the District's offer. The Union points out that many arbitrators have held that actual current contract settlements are an appropriate measure of how the parties have considered the significance of the inflation factor. The Arbitrator also notes that one reason that salary increases for teachers have exceeded the inflation rate in recent years is the public recognition that teacher salaries need to be increased particularly in relation to other professional salaries in order to attract and hold high quality persons in the teaching profession.

Under either the Board or Union offer, the teachers would gain in real income and there would be an improvement in the attractiveness of the teaching profession in Marathon. In view of the recent decline in inflation and the current economic situation, I find the Board's position on this issue to be a little more reasonable. In view of the pattern of 1985-86 settlements, however, I do not think the cost of living should be a major factor in the determination of this case.

Ability to Pay.

Both parties have presented strong arguments on this issue. The Board points to the serious economic situation in agriculture and the

unanticipated decline in Equalization Aid for 1985-86 and 1986-87. The Union points out that Marathon has a low per pupil cost--ranked 40 out of 44 state schools of similar size. It also has a low tax levy rate while at the same time having an average household income above the state average by about $3,000.

Overall, while the farm situation is serious, it has not been shown that the agricultural situation is worse in the Marathon District than in neighboring districts which have settled for 1985-86. While the District does have some current tax difficulties due to the drop in Equalization Aid, I do not find that it lacks the ability to pay for the Association final offer. Since it is a district with a low levy rate and has had a low per pupil cost, Marathon can provide teacher salary increases at the level of the primary comparables.

Private Sector Wage Increases.

While private sector wage increases have recently been running below the percentage increases offered by the Board and the Union in this case, the differential reflects the efforts being made at the State and National level to pay teachers at a better rate in order to make their salaries more competitive with other professions. Taking that fact into account, the Asociation's offer is not unreasonable and it brings Marathon teachers closer to such a professional level than the Board's offer.

Interest and Welfare of the Public.

The Arbitrator has to balance the need for professional teacher salaries that attract and hold high quality persons against the ability and willingness of the District and State taxpayers to fund such increases. Some of the considerations bearing on this criterion have been discussed under Ability to Pay.

This is a close decision on the 1985-86 salary issue. A salary settlement higher than the Board's proposal and a little lower than that of the Association's would have better met this criterion. But the Arbitrator must choose between the two final offers. I think that the Union's final offer comes closer to meeting this criteria because it is closer to the primary comparables in maintaining professional salaries for the teachers in the Marathon School District.

CONCLUSION

The Arbitrator finds the Association position to be more reasonable on the basis of the primary and secondary teacher salary comparables, and on the issue of having a one year contract. The Employer position is more reasonable on the cost of living, and the Equalization Aid issue would favor a more moderate settlement than that proposed by the Union. But the District does have the ability to pay salaries that are competitive with other comparable districts.

Taking into account the statutory criteria and the briefs and exhibits of the parties, the Arbitrator finds the Association's final offer, overall, to be more reasonable than that of the District's final offer.

AWARD

The final offer of the Association, along with agreed upon stipulations, shall be incorporated into the 1985-86 collective bargaining agreement between the parties.

Dated this 8th day of May, 1986 at Stevens Point, Wisconsin.

Gordon Haferbecker

Gordon Haferbecker
Mediator/Arbitrator