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**A FORECAST OF FUTURE FRINGE BENEFITS AND RELATED
DEVELOPMENTS FOR MICHIGAN PUBLIC SCHOOL TEACHERS**

Michigan State University

Ph.D. 1984

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**A FORECAST OF FUTURE FRINGE BENEFITS AND RELATED
DEVELOPMENTS FOR MICHIGAN PUBLIC SCHOOL TEACHERS**

By

Jerry L. Cushman

A DISSERTATION

**Submitted to
Michigan State University
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1984

ABSTRACT

A FORECAST OF FUTURE FRINGE BENEFITS AND RELATED DEVELOPMENTS FOR MICHIGAN PUBLIC SCHOOL TEACHERS

By

Jerry L. Cushman

The purpose of this study was to forecast potential changes in specific fringe benefits for teachers in Michigan's K-12 public school districts and, second, related developments that may have a positive or negative influence on fringe benefit trends for Michigan's public schools. Specifically, the study attempted to determine what fringe benefits and related developments are likely to occur in the 1980s, 1990s, and beyond the year 2000.

Two groups of respondents were used in the study: a nonrandom population of employee-benefit administrators from Michigan school districts with 10,000 or more student enrollment and MEA uniserv directors serving teacher unions selected from the geographical areas of the selected school administrators. The approach used to elicit responses from the participants was a forecasting procedure known as the Delphi technique.

The results of data analysis led to the following findings:

The decade of the 1980s will see health-related benefits as the major benefit area of interest. The 1990s will change to an emphasis

Jerry L. Cushman

on economic benefits with secondary interest focused on health-related and professional benefits. Beyond the year 2000 and never, family-related and personal benefits may receive attention.

Local and regional developments will receive major attention in the 1980s. The 1990s will give equal attention to local/regional, state, and national developments. Of the 30 developments of interest in this study, seven state and five local or regional developments were not forecasted to occur until beyond the year 2000 or never.

The administrators and union members were very polarized on the future occurrence of three local and regional, four state, and three national developments.

The related fringe benefit developments will find the greatest number of conflicts at the local, regional, and state levels between the Michigan Education Association and local boards of education. Conflicts for the national developments are equally divided between local education associations versus local boards of education, the Michigan Education Association versus local boards of education, and the National Education Association versus legislative action.

Planning for the Future

. . . Is the Future!

Unknown

This study is dedicated to my wife, Joy. Because of her love, sacrifice, and encouragement, this work was continued and completed.

To my children, Kerry, Derek, Karen, and Brenda, I express my gratitude and appreciation for their patience and sacrifices endured throughout the many years of my graduate study.

ACKNOWLEDGMENTS

I wish to thank the many people who have contributed so much to the advancement of my education over the years.

My parents, who gave me the opportunity to go to college many years ago. Their sacrifices will always be remembered.

Donald Johnson, who was a friend and high school principal and told me, "You should go into teaching."

Sincere appreciation is extended to the Greenville School District for the support and encouragement to continue my graduate pursuits.

The members of my committee, Drs. Stanley Hecker, Glen Cooper, and Robert Poland, who had the patience to guide me through this project.

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CHAPTER I

THE PROBLEM

Introduction

Michigan is experiencing serious problems as a result of a depressed economy. The financial resources to fund various state services have not increased during the past few years. Frequently cited reasons for nonexpansion are not only the depressed economy but also taxpayer resistance to increased taxes. During a period of stagnant or declining resources, competition for available resources increases among state agencies and programs.

In simple dollar terms, one of the most conspicuous losers in the competition for state financial resources has been the K-12 school aid fund. Dramatic changes in recent state budget spending patterns were discussed by Dr. John Gross of the University of Michigan.¹ According to him, several major shifts have recently occurred in Michigan's state budget. Social Services increased its share of the state budget from 18.2% in fiscal year (FY) 1971 to 27.6% in FY 1981. State expenditures for corrections increased from 1.4% to 3.1% over the same period. During this time, state expenditures for school aid (K-12) fell from 40.4% to 29.2% of the total budget.

A report from the National Center for Education Statistics showed that in the 1980-81 school year Michigan paid about 30.2% of the

cost of public elementary and secondary education; more than 64% came from local aid, most through property taxes.² The past seven years have shown a drop in the state's share of financial support to K-12 public education and an increase in local aid to the point where Michigan has dropped to forty-fourth place among states in the percentage of state school aid.

This shift in fiscal responsibility for public education to heavy reliance on the local tax base has magnified the problem of inequality of educational opportunity. A bulletin from the Michigan State Board of Education provided financial data to show the disparities in expenditures among Michigan's school districts. The cost of education per pupil by district ranged from a low of \$1,480 to a high of \$3,646, with an average of \$2,217.³

These financial disparities have been coupled with current pressures for tax reform, such as Tisch I and II and Proposal A. At the same time, the state and federal governments have added significantly to the list of mandated programs schools must implement with little or no fiscal support. Additional factors such as teacher union power via collective bargaining, increased societal demand for improvement in the quality of K-12 education, difficulty in passing millages, declining student enrollments, and the lack of stability in Michigan's economy have increased the financial pressures on Michigan's K-12 public schools.

Of special interest among these shifting trends have been the rapidly rising costs for employee fringe benefits. Figures published

in a recently released Chamber of Commerce study showed that for companies submitting data since 1961, fringe benefit payments increased from 25.5% of payroll in 1961 to 32.1% in 1971 and 41.2% in 1981.⁴ Nationwide, approximately 25 years ago in the middle to late 1950s, fringe benefits cost about 15% of payroll. The Chamber of Commerce study indicated that, as dollars per year per employee, fringe benefits increased nearly 400% from the late 1950s to the late 1970s.

The Chamber of Commerce report also indicated that Michigan is located in the East North Central group of states, where the highest employee benefits were paid.⁵ It is this writer's contention that the high payments for employee benefits in the industrial sector will have a direct influence on fringe benefits in Michigan's public schools. Because Michigan is heavily industrialized and unionized, it can be expected that the public schools will be subject to this regional factor and that teachers will expect similar increased fringe benefit payments. Given these trends for fringe benefits over recent decades and the competition for the limited dollars available to schools, the cost of fringe benefits for Michigan's public school teachers has become an important topic that requires greater attention by school personnel.

If present trends continue, it can be assumed that fringe benefits may require an even greater proportion of school districts' operating costs. Both dollar amounts and benefit areas have continued to grow. Will this trend continue? In addition, what varieties and types of benefits are likely to be important in the 1980s, 1990s, and

beyond? These questions are explored in the present investigation by identifying trends and developments perceived by teacher union leaders and public school employee benefit administrators.

Importance of the Study

Recent trends indicate that fringe benefits may continue to expand rapidly as they have in the past three decades. These trends will be directly related to the increasingly difficult problem of satisfying the need for fringe benefit improvements as perceived by Michigan's public school teachers and the attempts of boards of education to contain costs within their local school districts' budgets.

Fringe benefits have been a major bargaining objective of Michigan's collective bargaining process since the mid-1960s. The negotiation of health insurance packages, group term life, and other related benefits appeared at the initial bargaining tables. Since that time, teacher unions have continued to make fringe benefits a priority item. This is evidenced by the number and variety of fringe benefits that can be found in a local district's master agreement.

Although dollar figures are not available for the actual costs of fringe benefits in Michigan's public schools, it is evident that such benefits constitute a sizable portion of a local district's operating budget and will require an even greater proportion of a school district's operating costs if present trends continue. Thus, it is vitally important for both teacher organizations and school districts to study the future of teachers' fringe benefits as a major factor in

the economic salary package of Michigan public schools and to plan for them.

Purpose of the Study

This investigator was concerned with forecasting potential changes in (1) specific fringe benefits for teachers in Michigan's K-12 public school districts and (2) developments that may have a positive or negative influence on trends of fringe benefits in Michigan's public schools. Specifically, the writer attempted to determine what fringe benefits are likely to become a part of the teacher's benefit package in the 1980s, 1990s, and beyond. In addition, the investigator attempted to identify developments that may influence fringe benefit trends in these same decades of interest. These forecasts were solicited from participants from two major interested groups: Michigan Education Association (MEA) unserv directors and employee-benefit administrators from selected Michigan school districts.

Research Questions

The following questions represent the major areas of interest in this study:

1. What fringe benefits are expected to occur in the future?

That is, in what estimated time intervals will specific fringe benefits be likely to occur as part of the economic package of Michigan's K-12 public school teachers? Of additional interest was determining whether the two groups of panelists were from populations with the same median.

2. What local, state, and national fringe benefit developments are expected to occur in the future? Specifically, in what estimated time intervals are specific developments likely to occur? Again, determining whether the two groups of panelists could be considered as populations with the same median was of interest.

3. Are there differences between the selected administrators and uniserv directors with regard to the desirability of the fringe benefit developments occurring? That is, does one group perceive the development as more desirable or less desirable than does the other group?

4. What organizational units are most likely to oppose or support the occurrence of specific fringe benefit developments? That is, what associations, governing boards, administrative groups, or legislative bodies does the composite panel of administrators and uniserv directors perceive as the most likely organizational units to support or oppose specific fringe benefit developments?

The forecasting procedure used to answer these questions was the Delphi technique. (An explanation of the Delphi technique is contained in Appendix A.) This technique, developed by the Rand Corporation, involves controlled opinion-feedback procedures in which a panel of experts exchanges reasoned opinions anonymously. The Delphi technique has two major advantages that are important to the framework of this study:

1. The feedback process tends to produce a converging group consensus.

2. The Delphi technique does not require direct confrontation of the panelists and consequently eliminates the influence of strong personalities who often dominate meetings. Second, the data can be generated without the respondents realizing that two normally opposing panelist groups are participating (in this study, uniserv directors and school administrators).

Procedural Steps and Methods

The primary purpose of this researcher was to gather information about trends of specific fringe benefits and related developments for Michigan's K-12 public school teachers. Although many groups such as boards of education, superintendents, and citizens have an interest in this issue, the writer assumed that two groups in particular have a vital concern and are under constant pressure to deal with fringe benefit issues in negotiated master contract agreements. These two groups are specialized employee benefit administrators, found only in Michigan's large school districts, and MEA uniserv directors representing local teacher unions.

The Delphi technique was used to elicit responses from the participants. This technique was selected for its ability to be used in long-range technical forecasting without direct interaction of or confrontations among the selected panelists.

The initial step in conducting the study was to identify the school district administrators who would participate in the research. Using the Michigan Education Directory (1980), 28 school districts were identified that had enrollments of 10,000 or more students. Further,

it was determined that each of these districts employed an employee benefit administrator. Dr. Stanley Hecker of Michigan State University assisted in the selection of specific administrators. Then, with the assistance of Fred Comer, MEA Associate Director, a list of 28 unserv directors was compiled. He used two major criteria in selecting the directors: (1) their experience with and knowledge of teacher fringe benefits for Michigan's public school teachers and (2) their employment in the geographical areas of the selected school administrators.

Next, the investigator compiled lists of fringe benefits and developments. He prepared these lists on the basis of his professional experience and from examining the relevant literature on this topic. These lists were reviewed for clarity and content by the researcher's doctoral committee and then sent to the 56 potential panelists for any additions, deletions, or clarifications. This field testing of the instrument in the initial pilot round resulted in the clarification of six items and the addition of 14 new fringe benefits and four new fringe benefit developments.

From these initial procedures and with the assistance of Dr. Frederick Ignatovich of the Department of Administration and Curriculum, Michigan State University, a questionnaire was developed that contained 30 fringe benefit developments and 44 specific fringe benefits. Using the Delphi technique, the instrument was submitted to panelists three times; they provided feedback in the second and third rounds.

The two groups of panelists were asked (1) to respond to the Delphi instrument in its present form and (2) to provide additional comments or feedback that would be conveyed to other panelists in succeeding rounds. All responses were anonymous.

Definition of Important Terms

The following terms are defined to clarify their usage in this study. It should be noted that respondents were not provided with operational definitions because of the complications this might have created. For example, health insurance packages can contain a variety of benefits and options (negotiable items) that are so numerous it would be impractical to define them all. Providing a detailed operational definition of health insurance packages would have focused the respondents' attention on specific aspects of the fringe benefit and not on the general type of fringe benefit. Given that the respondents were all experts in the area of fringe benefits (types, costs, and social and political implications), they shared a common definition of fringe benefits and factors influencing their occurrence.

Administrator: The local-level employee who is responsible for administering the financial aspects of teacher fringe benefit packages.

Cancer insurance: A group insurance program that typically pays benefits for medical services and costs due to illnesses caused by cancer. Cancer plans are designed to provide additional dollars because of the high costs related to cancer treatments that can exceed normal health insurance coverage.

Consumer price index (CPI): A monthly statistical measure of the average change in prices in a fixed market basket of goods and services.

Coordinated bargaining: An organization of many local associations in a loose confederation, in which the local association amends its constitution to recognize the regional coordinated bargaining committee. Then, the local association gives the regional coordinated bargaining committee authority to approve or reject negotiated wages and other conditions of employment arrived at in the local district.

Cost of living adjustment (COLA): An adjustment in compensation in response to inflation.

Delphi technique: A set of procedures or methodology designed to elicit and refine opinions to arrive at consensus on the probability of a future event.

Dental insurance: A group insurance program that typically pays for some portion of dental services for an employee and his/her family.

Dependent life insurance: A group insurance program that typically pays a specified amount upon the death of an employee's spouse and/or dependent children.

Disability insurance: Insurance designed to compensate individuals who lose wages because of illness or injury. Plans specify the number of days (short term or long term) benefits will be paid and

particular conditions (sick days and initial waiting period) the employee must meet.

ERISA: The Employee Retirement Income Security Act of 1974, which is of direct benefit to employees because it (a) prohibits pension eligibility rules, (b) establishes minimum vesting standards, and (c) establishes an insurance plan to protect pension funds.

Fringe benefit: A payment received by a Michigan public school teacher in addition to wages, the cost of which is paid partially or totally by the school district. Excluded from this study are mandated fringe benefits such as Social Security, worker's compensation, unemployment insurance, and teacher retirement. Topical groupings of benefits, as used in this study, are (1) health-related, (2) economic, (3) family-related or personal, and (4) professional fringe benefits.

Fringe-benefit-developments: Identified factors that may or may not affect fringe benefits now or in the future, such as individually tailored cafeteria-style plans, self-insurance of benefits by local districts, and so on. For the purposes of this study, the developments of interest were categorized into three topical groupings: (1) local and regional, (2) state, and (3) national developments.

Health insurance: Generally applied to medical services and costs due to illness. Benefits and plans are usually negotiated through regular insurance companies.

Health maintenance organization (HMO): An organization of health care personnel and facilities that delivers a comprehensive

range of health services to members who enroll voluntarily and pay a fixed, prepaid fee.

Hearing care insurance: Insurance that generally covers medical services and costs related to hearing disorders. Such insurance typically pays for some portion of services and hearing aids for an employee and his family.

Home insurance: A group plan in which the school district would pay a negotiated amount to cover property damage and liability on the employee's personal property.

Home-mortgage insurance: A negotiated plan that would pay the remaining amount owed on a home if the employee died.

Legal plan insurance: Insurance that provides advice and counsel on legal matters. In addition to giving employees legal protection while at work, it provides for counsel on private matters with a negotiated plan designating allowable time and discounted costs.

Longevity pay: Wage adjustments based on length of service or seniority. Contracts or pay plans frequently state specific time periods to qualify for such upward wage adjustments.

Organizational factors: Specific professional or political groups that may support or oppose specific fringe benefit developments. Examples are boards of education, associations, and legislative bodies.

Regional bargaining: The term used to describe the MEA's efforts to increase and improve its bargaining power by collectively involving more than one local employee unit in labor relations. The local association requests decertification of the former local

association and re-certification of a new regional association for bargaining purposes.

Sabbatical leave: Usually lengthy paid leave for professional, intellectual, or emotional refurbishment.

Self-insurance: Assumption by a school district of its own risk instead of insuring through a general insurance carrier or company.

Sick leave: Time off from work allowed to an employee because of illness, accident, or other incapacity.

Tax-shelter annuity: An annuity whose employee contributions are not subject to taxes at the time the contributions are made. Contributions are later taxed as they are paid out after retirement, when the annuitant is presumably in a lower tax bracket.

Term life insurance: Temporary insurance that offers protection for an employee during the course of his/her employment and has no cash value. It may include an accidental death and dismemberment provision, which would provide additional amounts for accidental loss of life or specified amounts for the loss of a limb or an organ.

Survivor income insurance: Survivor benefits paid to widows or other survivors in case of death resulting from specified causes.

Travel accident insurance: Pays benefits for accidental death or dismemberment incurred while traveling in a private or commercial carrier, with specified exclusions.

Uniserv-directors: The employee group of the Michigan Education Association responsible for collective bargaining at the local and/or regional level.

Vision insurance: Benefits typically covering a range of services, such as eye examinations, corrective lenses, and frames.

Limitations of the Study

The population of the study was limited to the geographic areas of Michigan that contained school districts with populations of 10,000 or more students. It was assumed that these school districts employ administrators who work with fringe benefits and employee relations on a full-time basis and have expertise not generally found in smaller districts, where administrators have more diverse responsibilities. The MEA assisted in selecting uniserv directors located in the same geographic area as the selected administrators and who likewise had expertise in fringe benefits and employee relations.

If the selectively chosen respondents are considered as trend setters for fringe benefits, the findings of the study may be generalized to all public school districts in Michigan. The opinions of this select group of experts should, therefore, reflect valid forecasts of future fringe benefit trends and related developments in Michigan. It should be noted that this investigator did not solicit expert opinion from members of other knowledgeable bodies within the state, such as boards of education, central office and building administrators, teachers, and private insurance agents.

A pilot round was used to elicit responses from potential respondents before the study. Based on comments made during the pilot round, new items were incorporated into the Delphi survey instrument for subsequent rounds. Responses to each succeeding round were built on answers from the preceding round. This method uses opinions, which permit various interpretations. Because of the length of the survey instrument and the variety of items, it is not known whether respondents were stating reasoned value judgments or simply providing poorly considered positions or biases. The latter possibility was minimized by requesting and providing opportunities for the respondents to make comments to provide a supporting rationale for their responses to specific survey items. These comments were provided as feedback to other participants in succeeding rounds.

The items used in the survey instrument were developed by involving the participants in the initial stages. Other items were developed through an extensive review of the literature. Because of the rapidly changing nature of Michigan's economy, political activity, and other changing conditions, the fixed aspect of the survey instrument did not allow the flexibility of adding items in this Delphi study. However, feedback did allow the participants to alter their responses as the study progressed. It was assumed that such feedback would make participants aware of factors that might influence an item of interest, thus enabling them to forecast a particular future more accurately.

Another limitation of the study was the contrived collective bargaining situation built into the study. The Delphi technique does

not allow face-to-face communications, as one would normally find at the negotiation table. Also, the two groups of participants were not aware that they were receiving information elicited from two subpopulations. Whether the forecasts and responses would have been consistent under a different contrived setting is open to conjecture.

Overview of the Dissertation

In Chapter I, the background for the study was provided. The importance and purpose of the study were discussed, and the research questions of interest were presented. Finally, the procedural steps, definitions of terms, and limitations of the research were explained. Chapter II contains a review of the literature relevant to the study. The methodology used in this research is described in Chapter III. Chapter IV contains the analysis of data as it relates to the research questions. A summary of the study, conclusions based on results of the data analysis, implications, and suggestions for future research may be found in Chapter V.

Footnotes--Chapter I

¹John G. Gross, "Michigan State Expenditures and the Provision of Public Services," contained in a letter to ISD superintendents from Dr. James Phelps, Michigan State Department of Education, April 15, 1982.

²"National Center for Education Statistics Report," in Statewide Communication and Dissemination System Statewide Newsletter (Lansing, Mich: Statewide Communication and Dissemination System, December 1982).

³Michigan K-12 Public School Districts Ranked by Selected Financial Data: 1980-81, Bulletin 1014 (Lansing: Michigan State Board of Education, 1981).

⁴Employee Benefits 1981 (Washington, D.C.: Chamber of Commerce of the United States of America, 1981).

⁵Ibid., summary statement.

CHAPTER II

REVIEW OF RELATED LITERATURE

Introduction

The review of related literature is organized under two major headings. The first section of the review is a description of several specific fringe benefits that are receiving increased attention in both the private and public sectors. A summary of fringe benefits for recently settled teacher contracts in Michigan's public school districts is also presented.

The second section contains a discussion of current and potential developments that may affect the variety and scope of fringe benefits for Michigan's K-12 public school teachers. Examined are fringe benefit trends, influences of collective bargaining, federal and state legislation, fringe benefits as a hygienic factor, retrieval bargaining, and recent trends in funding Michigan's K-12 public schools.

Fringe Benefit Trends

A recent Chamber of Commerce report estimated that United States organizations spend an amount equal to 37.3% of their payrolls on employees' fringe benefits. This fact attests to the importance of fringe benefit packages to organizations. Additional items of interest

in this Chamber of Commerce study included the following points for the 994 companies surveyed:

- Benefit payments ranged from 18% to 65% of payroll.
- Company payments averaged \$3.21 per payroll hour and \$6,627 per employee per year.
- Benefit payments increased from 25.2% in 1961 to 32.1% in 1971 and 41.2% in 1981 for those 175 companies that have submitted data every year from 1961.
- Highest benefit payments were made in the East North Central states.
- Larger firms tended to pay higher benefits than smaller firms.¹

The increase in benefits over the 20 years of the Chamber study, Michigan's location in the East North Central states, and the additional fact that larger firms tend to pay higher benefits were key factors influencing the methodology used in this study. Administrators in school districts with student enrollments of 10,000 or more were selected as part of the sample.

Similar statistical data are not available for fringe benefit costs in Michigan's public schools. However, it is likely that cost trends have increased in a fashion similar to those of the companies in the Chamber study. Romano, Featherstone, Georgiady, and Wotiska recognized the importance of these recent cost increases in fringe benefits when they stated:

Often overlooked in consideration of salaries is the presence of so-called "fringe benefits." These have grown to the point that they represent a significant financial consideration and therefore deserve attention as part of the salary structure.²

Because of tremendous financial increases in employee benefits, Gordon and LeBleu investigated the long-term prospects for employee

benefit programs. Their study forecasted benefit trends in the industrial sector for a period of 15 years, from 1970 to 1985. They concluded:

The employee benefit picture is an extremely dynamic one. The benefits we know today are going to become larger and more diverse, many new forms are going to be added--and the costs of benefits to the company will increase greatly.³

Thus, the ongoing Chamber of Commerce reports and the work of Gordon and LeBleu have served to establish fringe benefits as an area worthy of investigation. However, studies appear to be lacking in the area of fringe benefit trends in the public sector. In particular, the role of fringe benefits in Michigan's public schools is an area in need of investigation. Estimates indicate that American organizations are spending more than one-third of their cash compensation on employee benefits; hence the fiscal importance of the fringe benefit package to organizations including Michigan schools.

Fringe Benefits and Employee Attitudes

Dunham and Formisano identified an additional area in which fringe benefits have a great effect on organizations. They stated that of even greater importance (i.e., than costs) is the influence of benefits on employees' attitudes and behaviors. The authors contended that benefit systems have not been designed to meet employees' needs to improve organizational effectiveness.⁴

The role that fringe benefits assume for individuals and organizations is a major determinant of future trends. Herzberg found that providing for salary, which he termed a hygienic factor, may

prevent decreases in performance but will not increase performance. According to Herzberg, the motivation to work beyond minimum requirements comes from satisfier factors--achievement, responsibility, recognition--as well as from what he termed motivational factors. However, salary (and fringe benefits) is a factor that must be provided if employee dissatisfaction is to be prevented.⁵

In a study by Sergiovanni on factors that affect satisfaction and dissatisfaction in teaching, teachers rarely mentioned salary or fringe benefits as a contributor to job satisfaction.⁶ Further, Sergiovanni and Carver pointed out the relationship between people (teachers) and money:

Two characteristics about people and money are clear: (1) people always feel entitled to more money, and (2) regardless of what is paid, satisfaction with wages is short-lived and dissatisfaction waits around the corner. . . . Thus, teachers as individuals and as groups continually compare their earnings with others in the same district, in other school districts and in other occupations. Financial gains made in occupations other than education cause teacher dissatisfaction regardless of the fact that such gains are beyond the school's control.⁷

It is likely that fringe benefits coincide with this discussion of salary as a job satisfier or dissatisfier. This researcher's experience has indicated that when fringe benefits such as health insurance or dental insurance become commonplace in other school districts or even in occupations other than education, a great deal of dissatisfaction is expressed by teachers who do not have these benefits in their compensation package. This dissatisfaction is evident in negotiations between a school district and its local education association. Until some level of equitability is attained regarding

what teachers consider to be a fair salary and fringe benefit package, it can be expected that they will be dissatisfied and push for increased emphasis on these items.

Assuming that a school district's primary goal is to induce its teachers to exhibit the highest level of performance possible, the present practice of negotiating group fringe benefit packages may have important ramifications. A dilemma is created for school district administrators who negotiate and administer the school district's fringe benefit package--the dilemma of constantly increasing costs and variety of fringe benefits without a requisite increase in teacher productivity or motivation.

Bushardt and Fowler discussed this dilemma between system and individual rewards as they relate to motivation. Their major contention was that system rewards or those rewards that are given to all members of an organization do not motivate individual performance above the minimum level necessary to insure continued membership. However, individual rewards are those based on the employee's level of performance. If the employee values the reward, he/she is motivated to achieve the performance desired by the organization.⁸

This view of meeting human needs is congruent with the needs hierarchy set forth by Maslow. According to Maslow's hierarchy, once the basic physiological and safety needs of people have been satisfied, needs in such areas as love, esteem, and self-actualization arise and require satisfaction.⁹ In addition, human needs for status, creativity, appreciation, and personal identity emerge within people in

organizations. To the extent that these human needs are satisfied, conflict and the potential for serious confrontation within the organization are reduced.

Meeting human needs is a critical factor in the bargaining process. Warner and Hennessey asserted that "success or failure of public management at the bargaining table may well depend upon attitudes."¹⁰ Deutsch stated his views on the conditions for peace and the importance of harmonious union-management relations:

It is relevant to ask, for example, under what conditions the institutions and procedures of collective bargaining between union and management result in industrial peace rather than industrial warfare.¹¹

It is apparent that both costs and attitudes as they relate to fringe benefits will have an important effect on future trends. Furthermore, it is safe to assume that the organizational health of a school district may well be determined through collective bargaining.

Major Fringe Benefits

What varieties and types of fringe benefits are likely to be important in the 1980s, 1990s, and beyond for Michigan's public school teachers? As discussed earlier, present trends indicate that there is an ever-increasing interest in fringe benefits and that, overall, the costs of teachers' benefits will continue to rise.

Although the magnitude and scope of fringe benefits are open to speculation, several major fringe benefit areas may substantially influence school district finances. This section of the literature review focuses on four fringe benefit areas that have been receiving

increased attention. Also presented is a summary of the most common fringe benefits presently found in Michigan's teacher contracts.

Health Maintenance Organizations

A new form of health insurance has recently been developed: health maintenance organizations (HMOs). With claims of broadened consumer coverage and free access to routine medical care, HMOs have been used by millions of Americans. A recent Kiplinger Washington Newsletter stated that HMOs' clientele is likely to double in a decade: 20 million enrolled for medical-dental-psychiatric checkups and treatments via prepaid fees.¹²

Bendix supported this growth of HMOs, stating that enrollment in such organizations was expected to rise 12% in 1982.¹³ HMO enrollment rose 13% to 10.3 million in the fiscal year that ended June 30, 1981, compared with a 10.6% increase in FY 1980 and a 12% increase in FY 1979.

Although HMOs are new to most people in Michigan, they have been established in the state and throughout the nation. Roelofs reported on two new organizations, Grand Valley Health Plan and West Michigan Health Care Network, that are initiating programs in Western Michigan.¹⁴ A primary feature of HMOs is that members may visit a doctor as many times as they want and either pay nothing or just a small co-payment fee. The theory is that people will be more likely to see their doctors when they have indications of an illness. More frequent visitation should enable doctors to focus on preventive

medicine. HMOs further claim they can provide broader coverage with lower monthly premiums.

Critics of HMOs cite as major problems the lack of choice in doctors and lack of sufficient physicians to provide timely service.¹⁵ They further state that HMOs are a first step toward socialized medicine. HMOs will be of special interest to Michigan school districts in the next decade. Claims of lower costs with increased health care benefits will make HMOs an alternative for consideration in a new health insurance approach.

Sick Leave

Sick leave is a major cost to a school district. In a recent fringe benefit study, the Educational Research Service (ERS) indicated that 84% of all responding school systems provided teachers with 10 to 15 days of sick leave per year. Unlimited accumulation of sick leave was allowed in 45.3% of the school systems, and 35.9% allowed unused sick leave to be credited, at least in part, toward retirement service.¹⁶

The ERS reported that the average cost to school districts for teacher absences is \$924 a year per teacher. Another important point in the study was that the higher-paid teachers--those making more than \$17,000 a year--were absent about two days more per year than teachers making less than \$13,000 annually. Also, teachers who called in to an answering service averaged more than nine days' absence per year, whereas those who had to speak to a specific person were out 7.6 days.

Finally, teachers who bargained their contracts were absent an average of one day more than those who did not bargain.¹⁷

Yet although teacher absenteeism is a costly problem, less than 8% of the nation's school districts have programs to recognize teachers with outstanding attendance records.¹⁸ School districts may have to pay increased attention to the major cost of teacher absenteeism.

Dental Insurance

Dental insurance is a relatively inexpensive fringe benefit that is becoming more and more common in Michigan school districts. One of the advantages of dental insurance as compared to other benefits such as health, vision, and life insurance is the frequent, regular use of dental insurance by teachers and other insured employees.

In a 1979 study by the Department of Health, Education and Welfare, it was projected that the number of workers covered by dental insurance through employment in the private sector would increase from 9 million in 1975 to some 68.6 million in 1990.¹⁹ "Approximately one-third of the population is now covered and I expect to see more than 60% enrolled by the end of the decade," said Joseph Walton, director of marketing, group insurance operations, for Connecticut General Life Insurance Company.²⁰

Supporting this trend, the MEA has placed provision of Delta Dental Insurance as a major goal in the negotiation of fringe benefit packages for Michigan school teachers. If the projections mentioned for workers in the private sector apply to potential increases in the public sector, dental insurance should remain a rapidly increasing

benefit for Michigan's public school teachers during the next decade and beyond.

Teacher In-Service (Professional Development)

The state aid package for K-12 education in 1980-81 budgeted \$3.2 million for professional development. The 1981-82 budget was reduced to \$2.2 million, and the Governor's package for 1982-83 further reduced professional development to \$1.84 million. Regardless of state funding, though, professional development has become an area of vital interest to both school districts and education associations. The following statement by the MEA emphasized the importance of professional development:

The Michigan Education Association continues its commitment to improving the quality of instruction to Michigan students. Increasing student achievement, however, requires continually enhancing the skills of teachers. The problem of teacher oversupply means that instructional improvements will, in the near future, be more dependent upon improving the skills of teachers currently in the classroom rather than looking to better trained new teachers. We as professionals must assume some responsibility for our own professional growth.²¹

Local boards of education made commitments to professional development on a local basis or by forming consortiums with other districts as a result of state funding during the 1980 through 1982 school years. Will a commitment to professional development continue without state funding? Will teacher unions negotiate specific dollar amounts into master agreements for teachers' professional development? Will school districts develop a formal financial support system to assist teachers in professional development? With the present

financial problems facing Michigan school districts, it will be interesting to see the directions professional development will take in the next decade.

It is assumed that declining enrollments in Michigan schools will cause local school districts to have fewer turnovers in teaching staff. Thus, as teaching staffs gain more seniority, as new educational technologies develop, and as a demonstrated need exists for the continued professional growth of teachers, greater concern may be shown for professional-development experiences. Language in future master agreements may address this issue.

Michigan Public Schools' Fringe Benefits

The Michigan Association of School Boards (MASB) compiles a yearly summary of teachers' contract settlements for Michigan's public schools. From responses to a new section of the questionnaire sent to Michigan school districts, it was determined that certain board-paid benefits (full or partial) are common to many teacher contracts:

- 289 districts or 53% provide added compensation for extra course work such as credits beyond the bachelor's degree.
- 241 or 44% compensate employees for years of service.
- 174 or 32% pay out to employees the cash value of accumulated sick leave days, usually upon separation from the district.
- 156 or 28% provide severance or terminal pay.
- 81 or 15% provide early retirement incentives.
- 81 or 15% make available tax-sheltered annuities.
- 22 or 4% allow employees to take out life insurance on their dependents.

--Not so popular but as interesting are such added benefits as incentive leave-pay for "no sick" days, auto insurance, and legal insurance.²²

Additional information contained in the MASB-MASA report has been compiled in Table 1.

Table 1.--Summary of fringe benefits provided by Michigan school districts and intermediate school districts, 1981-82 (total reporting districts = 561).

Fringe Benefit	Yes (%)	No (%)
Health	561 (100.0%)	0 (0.0%)
COLA	111 (19.8%)	450 (80.2%)
Dental	506 (90.2%)	55 (9.8%)
Vision	169 (30.1%)	392 (69.9%)
LTD (long-term disability)	257 (45.8%)	304 (54.2%)
Group life	248 (44.4%)	313 (55.6%)
Sick day accumulation (unlimited)	140 (25.0%)	421 (75.0%)

Source: MASB-MASA Contract Settlement Report, 1981-82.

Specific details on actual fringe benefit coverages were not available from the 1981-82 MASB-MASA Contract Settlement Report. However, from the data it is evident that health insurance is the most frequently reported fringe benefit; all reporting districts provided such coverage. Dental insurance is the next most frequently provided benefit (90.2%), followed by long-term disability insurance (45.8%) and group life (44.4%).

The data in the MASB-MASA Report have implications for the present study. Some data from the report were compared with the

forecasts made by the panel of experts selected for this fringe benefit study. Results of the comparisons are reported in Chapter IV.

Summary

Employee fringe benefit costs have escalated over the last three decades. Fringe benefit costs are approaching 40% of total payroll for United States organizations. Studies are not available for fringe benefit costs of Michigan's public schools, but it is likely that they are increasing similarly.

Many factors may influence the future growth of fringe benefits for Michigan's public school teachers. Teacher attitudes and needs and escalating costs of operating school districts will have an important effect on future trends.

The varieties and types of fringe benefits that will be provided in the 1980s, 1990s, and beyond the year 2000 are open to much speculation. Pervading the research literature are several benefit areas that may have a major influence on future benefit packages. Health maintenance organizations, dental insurance, and teacher in-service are just three of the fringe benefits receiving recent attention.

This writer placed major emphasis on describing present fringe benefit trends and on forecasting future ones. The following section reviews some related developments that may affect future fringe benefit developments for Michigan's public school teachers.

Fringe Benefit Developments

It is not easy to understand the perspectives of employers and employees regarding fringe benefits or the reasons for the rapid growth of such benefits in the past three decades. Many factors such as funding trends, unionism, job satisfaction, and other related concepts have played an important part in this increase. Of interest to the present research is the effect that certain developments may have on the continued growth of fringe benefits for Michigan's public school teachers. Trying to forecast fringe benefits and to discover new trends is a primary goal of this study, to make it possible for school districts to analyze and project costs more accurately.

Although it may appear that some of the developments may not have a direct bearing on financial resources for providing fringe benefits (i.e., class size, professional development, length of teacher's probationary period, and so on), school districts have rather specific amounts of money that can be allocated for budgetary purposes. These dollars are used within the constraints of local policies, state and federal laws, and other related factors. Will teachers make trade-offs between nonwage benefits such as class size, shorter work years, hours, etc., and direct wages or costly fringe benefits? The degree to which such trade-offs may occur is an issue that requires a discussion of some major developments that may influence fringe benefit trends for Michigan's public school teachers.

Collective Bargaining

This study was based on the premise that collective bargaining in Michigan has been and will continue to be a process by which teachers' perceived need for fringe benefits will be balanced by the stance of a local district and its negotiators. In this section, the evolving nature of collective bargaining in Michigan's public schools is discussed. Collective bargaining, in addition to being the current process of determining fringe benefits in Michigan's public schools, has also been used as the underlying methodology of forecasting fringe benefits in this study.

Since the mid-1960s, a major phenomenon has been the emergence of teacher unions. These unions have increased the power of teacher groups, and negotiated agreements between teachers and boards of education have become commonplace. With each succeeding contract negotiation, fringe benefits have received increasing attention.²³

To further increase teachers' power in negotiations (and to increase the likelihood of obtaining improved teacher fringe benefit packages, among other benefits), the MEA has recently emphasized its efforts to gain control of local bargaining units. These efforts involve two relatively new concepts: regional and coordinated bargaining.

Regional bargaining.--Regional bargaining is the term used to describe the MEA's efforts to improve and increase its bargaining power by collectively involving more than one employee units in labor relations. The plan of action is to decertify the local education

association as the bargaining agent. Then all of the teachers from several school districts in a geographical area are combined into one regional bargaining agent. Thus the regional bargaining unit becomes the legally authorized bargaining agent for the teachers in a local school district. A review committee of the regional bargaining unit approves or disapproves any tentative agreements made by a local education unit.

Michigan's Upper Peninsula already is approaching regional bargaining--the MEA's ultimate goal. Connie Math, who heads the MEA's Region 7 (Oakland County) Coordinated Bargaining Committee, commented, "I can see the whole state having one massive contract. . . . It's the only way teachers are going to combat the imbalance of power."²⁴

Coordinated bargaining.--Coordinated bargaining is an organized action of many local districts that do not decertify through the legal process with the Michigan Employment Relations Commission. The local associations establish a coordinated bargaining committee and give it the authority to approve or reject tentative agreements arrived at in the local district.

The Michigan Negotiator's Association reported that teachers in many Michigan public school districts have reorganized into larger units that span an entire county or similar contiguous geographical area. Approximately 46,000 teachers in 330 Michigan school districts have voted to replace their local bargaining agents with one of the 35 unified county or regional associations.²⁵ These unified associations determine major bargaining goals for the districts in their unit. As

an example, a majority of Oakland County's MEA-affiliated unions have agreed on five goals for contracts being bargained. They are:

- A cost-of-living and improvement factor for every teacher.
- A benefit package that includes MESSA Super-Med II (teacher's in-house health insurance and the Auto Plus Dental Plan).
- Lower class size and steps to enforce it.
- Preferential hiring for laid-off Oakland County teachers when openings occur in other county districts.
- A common expiration date for all teacher contracts.²⁶

The following plan of action adopted by the MEA Board in November 1977 states their intention to unify local school districts:

Five-Year Long-Range Bargaining Strategy

1. February 1, 1977, every unit part of a coordinated bargaining unit.
2. May 1, 1979, every contract will have basic minimum provisions.
3. May 1, 1979, the bargaining unit shall be the Coordinated Bargaining Unit.
4. May 1, 1979, the coordinated unit shall approve the document before ratification vote.
5. By 1979, legislative action must be passed which assures resolution and provides for multi-unit contracts.
6. By 1981, MEA becomes the bargaining unit and local issues will be bargained by the Coordinated Bargaining Unit.²⁷

Although it appears that the MEA has not completely met its timelines and that school boards and administrators have rejected the approach, progress toward the bargaining plan has been made.

On the national level, John Dunlap, the National Education Association's (NEA) trainer of negotiators, and the NEA see unified

bargaining as the wave of the future in education. Dunlap stated, "Unified bargaining is changing, it is progressing and my feeling is that it will continue to grow. We tend to look at it as an evolutionary process." Thomas Shannon, executive director of the National School Boards Association (NSBA), called the NEA's push an extra-legal attempt to force school districts to consolidate, and he felt it was doomed to failure. The American Federation of Teachers agrees with this position.²⁸

Regional bargaining has many implications for both teacher groups and local boards of education. For one thing, regional bargaining may result in uniform wage scales, including fringe benefits. As an example, the Region Seven presidents of local associations in Oakland County drafted a paper in December 1974 entitled "A Coordinated Bargaining Proposal for Region Seven." Partial goals they established for 1975-76 negotiations included:

- Three or four of the following fringe benefits: Dental care, vision care, common sick leave bank, and/or long term disability: MESSA options as a paid true group benefit or in lieu of hospitalization insurance; MESSA Super Med II, or Blue Cross MYF2, Dependent Life Insurance.
- Salary to be considered as a combination of a percent increase of schedule, COLA and paid retirement. The combination of those three items was not to be below 16% in any tentative agreement until the Region Seven "Regional Assistance Program" council authorized otherwise.²⁹

Although there are differences of opinion regarding the desirability of regionalized bargaining by school boards, local education associations, and other state or national associations, the number of multi-unit bargaining groups increased from none in 1972 to

33 in 1979. The MEA maintains that local districts belonging to regional bargaining groups have increased their salary and fringe benefit gains.³⁰

At the national level, the NEA has clearly stated their professional salary and fringe benefit goals (Appendix I). Part of their stance is in opposition to instructional performance pay schedules, such as merit pay and performance of extra duties without additional pay. The NEA also believes that local districts can best promote the economic welfare of all teachers by following salary and fringe benefit standards developed at the state and national levels.³¹

State and Federal Legislation

Whereas Michigan's teachers are forming regionalized bargaining units, Michigan's public-employment state bargaining laws do not allow school districts to form a multi-employer bargaining unit. Present legislation does not permit a local school district to relinquish its decision-making powers to any other independent body. Should multi-employer bargaining units become legal, it may be assumed that local autonomy would be lost and lead to more regionalized or state control. The question then becomes one of whether it would be easier for a union to bargain collectively with a larger employer unit as opposed to a local district.

Other state and federal legislation may also affect fringe benefit trends. State and federal laws require school districts to provide fringe benefits in the form of Social Security, unemployment insurance tax, workers compensation, and pension plans. Although the

present study does not focus on these mandated benefits, current legislation still has had a direct influence on the increase in fringe benefits. Present federal income tax laws allow employees certain tax advantages when they receive compensation in the form of fringe benefits. Benefits for a variety of insurances (health, dental, life, vision, etc.) are not now subject to taxation. French cited this tax advantage as a factor in many employees' preference for receiving a relatively high proportion of their compensation package in the form of fringe benefits.³²

However, a Kiplinger Washington Newsletter indicated that some benefits were expected to be taxed beginning in 1984. This tax may be calculated using a formula based on adjusted gross income and a proration of benefit amounts over a set figure, such as \$25,000. Other tax laws may regulate controls over benefits such as those offered in flexible "cafeteria" plans. An earlier Kiplinger Washington Newsletter projected that the IRS may soon rule on how far employers can go in offering groups of employees flexible benefits.³³

Self-Insurance

The definition of "self-insured" is not clear. The Tax Reform Act of 1978 stated that self-insurance is a plan "for which reimbursement is not provided under a policy of accidental and health insurance."³⁴ Because of the difficulties with interpretations of self-insurance and a concerted effort by the MEA, no group of Michigan

teachers, to this researcher's knowledge, has a benefit program funded under this concept.

Nevertheless, the subject of self-funding insurance is an expanding area of interest for persons concerned with employee benefits. An increasing number of school districts outside of Michigan are finding they can save money by providing their own employee insurance. Education USA reported that the Valley View Community Unit School District 365 of Romeoville, Illinois, cut almost \$1 million of its medical insurance costs in three years. The district set up its own insurance plan in 1977 with the goal of providing the same or better coverage than its former Blue Cross/Blue Shield plan. The program has been so well received that the Illinois Association of School Boards has adopted a similar plan.³⁵ Copeland reported that the DeKalb County, Georgia, school insurance plan saved more than \$1 million in workers compensation since 1971.³⁶

Louis Delsol, superintendent of California's Mendocino County Schools, found that the Stay-Well Health Plan implemented by his school district has had an overwhelming positive response. The basic benefit plan breaks the medical premium into two parts. A sum of \$500 is set aside for each employee and is placed into an interest-bearing account. The remainder is used to purchase major medical coverage from Blue Shield for claims on an individual employee from \$500 to \$1.3 million. At year's end, amounts employees did not use from the \$500 side fund are credited to the employees' personal accounts for withdrawal when they leave the school system.³⁷

The Teacher's Voice, a publication of the MEA, has devoted several issues to some of the pitfalls of self-insurance programs. Seven major points concerning why self-insurance plans hold no advantages for public school employees have been discussed at length:

1. The employee loses access to the State Insurance Department for help in resolving complaints.
2. There is no consumer protection for the employee since laws mandating a certain level of benefits, conversion privileges, and privacy of information do not cover self-insurance plans.
3. Self-insurance plans are not covered by ERISA, the Employees Retirement Income Security Act of 1974, leaving the employee only the courts as a means of settling disputes with the employer.
4. The employee loses the safeguard that all claims will be paid in full if the employee terminates the contract for any reason.
5. Employers can purchase separate insurance to cover losses in excess of their "stop-loss" level, but those policies generally only cover losses in excess of 125 percent of anticipated claims.
6. Employers have access to all claims records, jeopardizing the employees' individual privacy rights.
7. Large employers develop "in-house" insurance expertise, duplicating services provided by regular insurance carriers, but it is doubtful a school district can afford to develop or get that deeply into the insurance business.³⁸

An earlier edition of The Teacher's Voice reviewed the concerns of the faculty at Muskegon Community College. Primary drawbacks of the self-insurance program were alleged to be lack of confidentiality and dissatisfaction with amounts paid for medical charges.³⁹

The area of self-insurance is likely to become a major issue at the bargaining table in the next decade. If programs are developed that provide for adequate health care for employees and their families

and also show promise of producing savings for the taxpayer, they will receive increased consideration in Michigan school districts.

Flexible (Cafeteria-Style) Insurance

Flexible (cafeteria-style) insurance allows employees to choose how to allocate a specified amount of money to purchase various kinds of fringe benefits. These employer-contributed dollars may allow the employee to purchase nontaxable fringe benefits such as life insurance (presently under \$50,000), disability-income insurance, medical insurance, dental and vision insurance, automobile insurance, and home-property insurance.

The primary advantage of cafeteria plans for the employee is the opportunity to choose the types and amounts of benefits that meet individual needs. The choice may vary with the age of the employee, marital status, and income level.

In 1974, the Internal Revenue Service was considering applying the constructive receipt doctrine to cafeteria plans, taxing employees to the extent they could have elected taxable benefits.⁴⁰ As a result, ERISA placed a freeze on cafeteria plans until Congress passed the Revenue Act of 1978. This act states that cafeteria plans are not subject to the constructive receipt doctrine, provided:

1. There is no discrimination in eligibility to participate.
2. There is no discrimination in contributions or benefits with respect to total benefits.
3. There is no discrimination in contributions or benefits with respect to nontaxable benefits.⁴¹

The lack of clarification regarding the nontaxable status of cafeteria plans has undoubtedly been a factor in the slow implementation of such plans in school districts. However, Michigan school districts may be increasing their interest in this approach. A letter sent to Michigan school districts by the Department of Management and Budget on February 22, 1982, referred to the subject of "Policy Change in Status of Employees in the Form of Fringe Benefit Cafeteria Plans." The letter included the following interpretation of the Internal Revenue Code:

Section 125 of the Internal Revenue Code (IRC) provides that a cafeteria plan payment is not includable in gross income solely because the plan participant may choose among two or more benefits. Inclusion of a cash option does not result in taxable income if the participant chooses all nontaxable options. SSA has now decided that the inclusion of a cash option is immaterial in determining the status of a cafeteria plan payment. . . . Please keep in mind that there are unresolved areas that may be included in cafeteria plans.⁴²

Although the cafeteria plan provides for variations in individual needs, certain factors need to be considered before a school district adopts this flexible approach. The increased complexity of administering a cafeteria plan is a major consideration. Payroll deductions, obtaining comparable insurance quotations, employee communications, costs, and determination of the benefits to be included in the plan are some of the major topics that need to be considered. The Kiplinger Washington Newsletter stated:

You hear talk about "Cafeteria Plans" for fringe benefits . . . and it's still mostly talk. Only a few bigs have installed such plans. . . . They'll become more common before long . . . and spread to smalls, depending on how easy IRS makes its new rules. We will watch for them. Until then . . . our advice is to go slow on cafeteria plans. They're pretty complex.⁴³

Retrieval Bargaining

A recent development in the area of fringe benefits has been retrieval bargaining. Basically, Michigan's public schools, facing a loss of revenue, are attempting to control and even withdraw expensive fringe benefit costs.

In a recent Wall Street Journal article, Greenberger reported the reason employers are considering retrieval bargaining: "The balance of power between public employee unions and their bosses has tipped in favor of management."⁴⁴ According to Greenberger, the determining factors, based on a survey of employers and labor relations experts across the country, are as follows:

1. The explosive growth of public sector unions has peaked.
2. Public officials at the state and local levels are overcoming the "inexperience and timidity in dealing with labor issues [that] gave unions the upper hand."
3. The firing of air-traffic controllers and major cuts in federal employment have provoked union fear that the same could happen at the state and local levels.
4. Growing public resentment has prompted some unions to draw in their horns.
5. Arbitrators, aware of the economic climate, are giving more consideration to the ability of local and state governments to pay for wage increases.

Greenberger also noted a trend in public-sector labor relations of increased willingness to cooperate, partially because of the need to protect mutual interests.

General Motors Corporation's general manager of worldwide employee benefits, Kenneth Olthoff, stated that General Motors wants to cut its benefit costs and get more out of the money it spends. He stated that G.M. is paying an average of \$10,000 a year in benefits for each employee. Some of the cost-containment measures and changes being considered by G.M. are:

- phasing in of benefits based on seniority.
- health and life insurance geared to individual needs and some being co-funded by the employee.
- Changes in the 30 and out early retirement program . . . de-emphasize that.⁴⁵

At the Michigan Negotiators Association's 1982 spring conference, Dr. Keith Groty, Michigan State University Vice-President and arbitrator, gave the following examples of areas in which school management could start retrieval bargaining:

- Paid time off (nonproductive time) is expensive, such as the number of paid holidays and "personal leave time." Groty asked "why not unpaid holidays?"
- The prime excessive unproductive time is sick leave banks . . . plus paid time to union officials.
- Other examples of "give aways" to unions, that can be retrieved, are:
 1. Uncontrollable benefit programs such as health and dental insurances.
 2. Long-term disability plans.
 3. Full benefits for part-time people.
 4. Wage increases not related to performance.
 5. COLA which has no relationship to performance or to anything.

6. Restrictive language such as class size limits.
7. Restrictive job descriptions.
8. Limits on evaluation.
9. A straight seniority system.⁴⁶

Groty directed other recommendations at school management to negotiate the right to have short-term layoffs for all employees, as well as the right to subcontract. He also recommended that management negotiate co-pay on benefits, deductible time off, bidding insurance policies, and delaying the time for insurance benefits to begin.

Retrieval bargaining and concessions could be a prime factor in negotiations during the 1980s. With Michigan facing difficult economic times, increased efforts by school districts to contain costs, and teachers striving to retain benefits gained and to improve present benefit packages, retrieval bargaining efforts may be a leading cause of teacher strikes and conflicts in the future.

Sources of Funding

Funding for K-12 public education in Michigan has undergone some marked changes in the last decade. Dr. John Gross of the University of Michigan reported that state expenditures for school aid (K-12) fell from 40.4% of the total state budget in FY 1971 to 29.2% in FY 1981.⁴⁷ During this same period, federal revenues rose from 4.0% of total school revenues in 1967-68 to approximately 6.2% in 1980-81. Gross indicated that, overall, federal aid to Michigan has increased at a rate of 17% per year over the last decade. The decline in percentage of state and federal support for Michigan's K-12 public education is illustrated in Table 2.

Table 2.--Comparison of federal, state, and local K-12 revenues (in percent).

Year	State	Federal	Local
1976-77	42.1%	5.6%	52.3%
1977-78	41.4	6.2	52.4
1978-79	42.9	6.0	51.1
1979-80	40.4	6.1	53.5
1980-81	35.6	6.1	58.3
1981-82	31.8	5.1	63.1
1982-83 (est.)	31.4	4.8	63.8

Source: Equal Partners for Education, Michigan PTA, "Comparison of State/Local K-12 Revenue" (table prepared by House Democratic Education Office), 1983.

Additional concerns are also creating problems in funding school districts in Michigan. Student enrollment figures projected by Hecker and Ignatovich indicated that by 1983-84 there would be a total K-12 decrease of 262,324 students or a 12.6% decrease from 1978. According to these authors, in the 14 years between 1979 and 1993, there will be a 32% decline in high school enrollments.⁴⁸

These projections of declining enrollments have serious implications because of the manner in which Michigan reduces revenue to local districts as enrollments decline. Pagen pointed out the inequities between in-formula and out-of-formula school districts. In an in-formula district, when a student is lost the state formula support is reduced by the gross allowance, not by the state share the district would have received for the student. In an out-of-formula district, when a student is lost the district does not lose any of its income,

other than in categoricals. This procedure reduces state support to in-formula districts but has no effect on out-of-formula districts.⁴⁹

Another major problem that affects in-formula districts is the taxpayers' confusion on property taxes. Many Michigan taxpayers find it difficult to understand that, even though local assessments and taxes rise, local districts' income increases solely on the basis of the gross allowance in the State Aid Act. Thus, an increasingly negative attitude has been developing toward the property tax. This attitude, along with the depressed economy, has made it increasingly difficult to increase school district revenues through millage elections.

The effects of declining enrollments, a depressed economy, efforts to provide property tax relief, and the decline in state spending in the past decade are some of the factors affecting dollars available for K-12 school districts. The availability of dollars will, in turn, affect future trends in fringe benefits for Michigan's public school teachers.

Summary

Over the past three decades, percentage costs of fringe benefits have been increasing substantially faster than basic wages. Many factors have contributed to this costly type of compensation. Briefly, factors that have influenced the increase of fringe benefits in the public school sector are (1) increases in collective bargaining and teacher union power, (2) federal and state legislation, (3) teacher

attitudes relating to hygienic factors and job security, (4) increases in fringe benefit compensation in the private and governmental sectors, and (5) other environmental factors.

The varieties and types of fringe benefits that are likely to be of importance in the 1980s, 1990s, and beyond the year 2000 are unlimited. New approaches that may be of value to Michigan public school teachers and/or boards of education include flexible benefit packages, HMOs, and self-insurance.

Fringe benefit compensation has become an area that requires greater attention by school personnel. It is vitally important for both teacher organizations and school districts to examine the future of fringe benefits as a major factor in the economic salary package of Michigan's public school teachers.

Compensation practices in the public school sector should be oriented toward planning and controlling wages and fringe benefits. If present trends continue, fringe benefits will assume an even greater proportion of school districts' operating costs. Consequently, a greater understanding of potential changes and developments relating to fringe benefits will provide direction to teacher organizations and school district administrators. Through such direction, some of the problems that have arisen at the bargaining table and also within local school district budgets may be alleviated or brought to light so that adequate planning may occur.

Since 1947, Chamber of Commerce studies have provided the major source of pertinent fringe benefit information published on a

systematic basis in the United States. These Chamber studies were used in the initial formation of the fringe benefit lists used in the present study. Additional items relating to fringe benefits and related fringe benefit developments were identified from a review of articles found in a variety of periodicals.

For purposes of this study, fringe benefits were categorized into four major areas: (1) health-related, (2) economic, (3) family-related and/or personal, and (4) professional. The related fringe benefit developments were organized into three topical groups, based on the level they may first affect: (1) local and regional, (2) state, and (3) national. The following chapter details the methodology designed to forecast the future trends in fringe benefits for Michigan's public school teachers.

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CHAPTER III

METHODOLOGY OF THE STUDY

Introduction

This study centers on four basic questions with regard to forecasting future fringe benefits for Michigan's public school teachers. These questions are: (1) What fringe benefits are expected to occur in the future, and are the two groups of panelists from populations with the same median? (2) What local, state, and federal fringe benefit developments are expected to occur in the future, and are the two groups of panelists from populations with the same median? (3) Are there differences between the selected administrators and uniserv directors with regard to the desirability of the fringe benefit developments occurring? and (4) What organizational units are most likely to oppose or support the occurrence of specific fringe benefit developments?

Questions 3 and 4 were included in the study because they may have a direct influence on the occurrence of the related developments. In addition, they should provide insight into areas in which agreement or conflict may arise in future fringe benefit negotiations.

This chapter describes the methodology used to gather, process, and analyze the data that provide the answers to the four research questions. The major divisions of the chapter are overview of

methodology, population and sample, questionnaire, data collection, and treatment of the data.

Overview of Methodology

The Delphi technique (see Appendix A) used in this study has been used predominantly in long-range technological forecasting. It is a method of eliciting and refining group judgments. Delphi procedures have three important features:

1. Anonymous response--opinions of panel members are obtained by formal questionnaires.
2. Iteration and controlled feedback--interaction is effected by a systematic exercise conducted over several rounds, with controlled feedback between rounds.
3. Statistical group response--the group opinion is defined as an appropriate aggregate of individual opinions on the final round.

These features are designed to minimize the biasing effects of dominant individuals, of irrelevant communications, and of group pressure toward conformity.

The initial step was to develop a two-part questionnaire containing fringe benefit and related development items. These items were presented to a selected panel of experts to elicit their independent judgments. From an analysis of this pilot questionnaire, the first formal questionnaire was designed. Through three succeeding rounds, panelists were requested to respond to 44 fringe benefit items and 30 related fringe benefit developments. After the first two

rounds, panelists' responses were summarized and respondents were given a concise summary of results. In the third and final round, the responses were compiled into statistical findings.

The steps of the Delphi technique as used in this study can be diagrammed as shown in Figure 1.

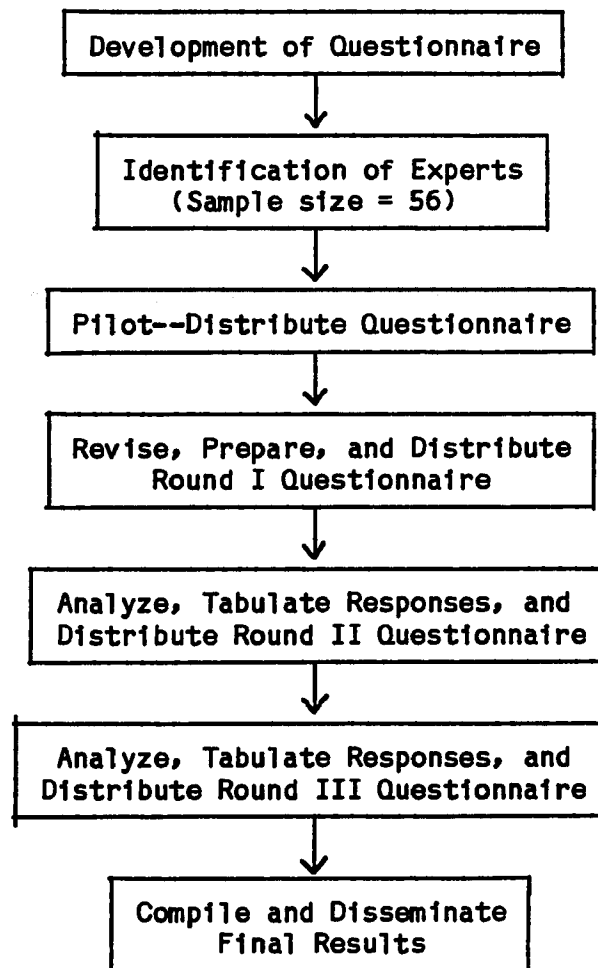


Figure 1.--Steps of the Delphi technique.

The findings obtained through the use of the Delphi procedure provided the information or data base of the study. In the remainder of this chapter, the methodology of this research is described in detail.

Population and Sample

The population for this study was derived from two different groups of experts. The first group was a selected group of Michigan public school administrators who had been identified as being the individuals in their school districts who were primarily responsible for employee compensation and fringe benefits. These selected experts were further limited to being from school districts that had student enrollments of 10,000 or more as identified in the Michigan Education Directory (1980). Given these restrictions, the population of administrators available for this study consisted of 28 potential participants.

Names of the second group of experts were obtained from the MEA's list of uniserv directors. With the assistance of Fred Comer, MEA Associate Director, a list was compiled of 28 uniserv directors who were employed in the same geographical areas as the selected school administrators. Additional criteria used in selecting the uniserv directors were their experience and knowledge of compensation and fringe benefits for Michigan public school teachers.

The experience and job specializations of the selected administrators and uniserv directors were major criteria used in selecting the panelists. The selection procedure and criteria employed

for each group were designed to produce relatively homogeneous groups with expertise in the area of fringe benefits.

Considerations of homogeneity influenced the size of the sample needed in this Delphi study. Cyfert and Gant reported that if a group is relatively homogeneous, between 10 and 15 respondents are sufficient.¹ In another study by Brown, Cochran and Dalkey, as reported by Uhl, it was suggested that nothing meaningful is lost in a Delphi study by including less-knowledgeable persons as long as some participants are knowledgeable.² The actual participation of 19 panelists throughout the entire study indicates that the sample size of panelists was sufficient to generate meaningful results.

Judd studied the relationship between reliability and group size. Figure 2 was constructed by randomly selecting various-sized groups of respondents and correlating the median responses of the pairs on 20 questions. The ordinate is the average of these correlations.³

It is clear from Figure 2 that there is a definite increase in the reliability of the group responses with increasing group size. From these studies on homogeneity and group size, it appears that the selected population and sample size of this study were sufficient for successful implementation of the Delphi technique.

Additional factors to be considered in selecting participants were discussed by Weatherman and Swenson. They reported that a number of characteristics are critical to the validity and reliability of a Delphi study:

(a) Representativeness of panel. A sufficient number of panel members have been included in a given study to insure that the outcome accurately represents thinking in a field. (b) Appropriateness and competence of panel. Each panel member has been appropriately chosen and is competent to render the judgment required. (c) Commitment of panel. Panel members will give carefully considered judgments to repeated questionnaire items. (d) Clarity of questionnaire. Respondents will understand the questionnaire items. (e) Independence of responses. Responses will not be affected by statistical reporting of other responses as they would by pressures of a convened group. (f) Personality differences of panel. Individual dispositional differences will not affect response patterns. (g) Nonrespondents. There is no significant difference between respondents and those who fail to complete and return the survey instrument.⁴

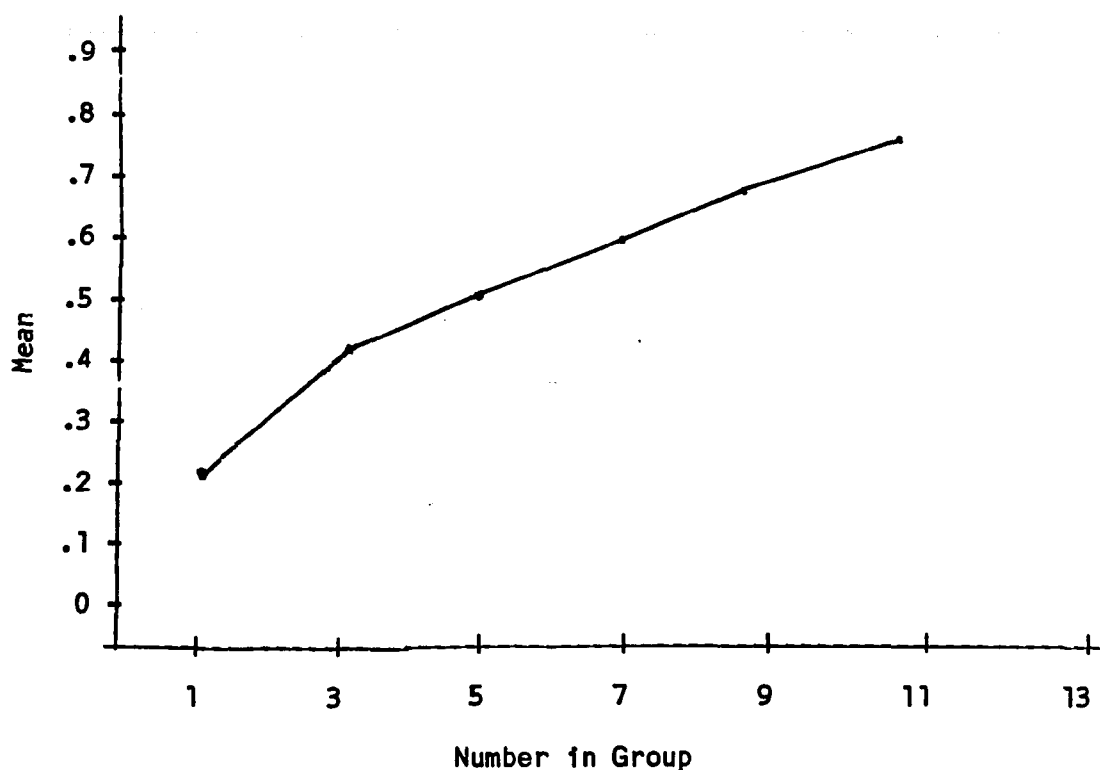


Figure 2.--Relationship between reliability and group size.

A Chamber of Commerce study indicated that larger companies tend to pay higher benefits than smaller ones.⁵ Consequently, larger school districts may follow the same pattern and be trend setters for Michigan public school teachers' fringe benefits. Second, large districts employ people who are primarily responsible for employee benefits and who therefore become more specialized in their job assignments than do administrators in smaller districts.

The uniserv directors were selected on the basis of longevity in their positions and also by their geographical proximity to the large school districts. Thus, the administrators and uniserv directors provided the expertise needed to forecast the future of fringe benefits for Michigan's public school teachers.

Development of the Questionnaires

The initial questionnaire items were derived through a search of relevant literature. Recommendations of additional items were obtained from discussions with personnel from companies involved with school district insurance programs.

Fifty-six pilot questionnaires were mailed to selected administrators and uniserv directors. This initial pilot round served three major purposes. First, a commitment to participate in the study was obtained. Thirty individuals indicated a willingness to participate in the Delphi study. This initial group comprised 12 administrators and 18 uniserv directors. Second, the clarity of 30 fringe benefit items and 26 development items was assessed. Six items were changed to clarify the wording. Finally, the potential panelists were requested

to add any additional fringe benefits and developments that should be included in the study. From this input, revisions were made. Fourteen new fringe benefits were added, making the final number 44 items. Four new fringe benefit developments were added, bringing the total number to 30.

Data Collection

In general, this Delphi study requested respondents to select a time interval for the expected occurrence of an event. First-round responses were summarized, and the median and semi-interquartile ranges of responses were computed and fed back to the respondents with a request to revise their first-round estimates, where appropriate. Respondents were asked to provide written comments if they wished to do so.

On the second and third rounds, participants were given their responses to the previous round, written comments made by the respondents, a new median, and a new semi-interquartile range. The participants were then given another opportunity to reconsider and revise earlier opinions or estimates. This process continued through the third round. Those individuals whose opinions deviated greatly from the majority (outside the semi-interquartile range) were requested on the second and third rounds to give the reasons for their extreme opinions.

This process provided for (1) anonymity, (2) controlled feedback, and (3) statistical group response. Anonymity, provided by the

use of mailed questionnaires, reduced the effect of dominant individuals. The study respondents were not aware that both administrators and uniserv directors were participants. Controlled feedback was obtained by conducting the exercise in a sequence of rounds, between which a summary of the results of the previous round was given to the participants. This provided each of the participants (and groups) with the rationale supporting the selection of a particular response. The purpose of providing information feedback was to elicit more precise predictions and to encourage opinion convergence. Finally, a statistical analysis of the group responses was performed to insure that the opinion of every member of each group was represented in the final results. Individual and group estimations were expected to move closer to the statistical summary of group responses in each succeeding round. However, those items that showed a divergence between the groups of administrators and uniserv directors were of special interest. These items could indicate potential conflicts at the bargaining table.

A summary of the number of individuals contacted for each round and actual participation is shown in Table 3. Follow-up of nonrespondents was made after each round. The final list of 19 panelists who participated in the complete study comprised nine administrators and ten uniserv directors. A profile of these participants is presented in Appendix B.

Table 3.--Number of individuals contacted and actual participation.

Round	Individuals Contacted	Actual Participation	Percent (%) Participation
Round 0	56	30	53.5%
Round I	30	30	100.0
Round II	30	24	80.0
Round III	24	19	79.0

Treatment of the Data

Fringe Benefits and Developments

This researcher was primarily concerned with forecasting the occurrence of future fringe benefits and developments influencing their occurrence. Specifically, the study was intended to determine when selected fringe benefits are likely to exist for 50% or more of Michigan's public school teachers and when potential developments will have an influence on changes in fringe benefits.

The fringe benefit and development data collected in the first two rounds of the questionnaire were used to provide feedback to the respondents. After each round, the data were summarized and returned with the forecasted median date of occurrence as a measure of central tendency and the semi-interquartile range provided as a measure of dispersion, including any remarks made by the respondents. The summarized data included feedback from both groups of respondents. The median dates of occurrence from the third and final round provided estimates of when fringe benefits and related developments would occur.

To determine if the two respondent groups were from the same population with respect to fringe benefits and developments, the median test was used. A $2 \times K$ contingency table was set up, entering the number of scores above the median and the number at or below the median for each of the two groups for each fringe benefit and development item for each round. Using these data, a chi-square value was computed, testing the hypotheses:

H_0 : The two samples are from the same population with the same median.

H_1 : The two samples are from populations with unequal medians (two-tailed).

In interpreting this chi-square analysis, $df = (2-1)(k-1)$ was used, which reduces to $k-1$, or one less than the number of samples. If the computed chi square exceeded the tabled chi-square value for $df = k-1$ at the 5% level, the null hypothesis--that the samples came from a population with the same median--was rejected, and the alternate--that the samples were from populations with unequal medians--was accepted.

The median test contingency table quasi-experimental design was set up as follows:

	Administrators X	Union Y	Total
Above median	a	b	k
Not above median	c	d	l
Total	m	n	N

The test of significance (.05 level) using chi square was as follows:

$$\chi^2 = \frac{N}{(k)(l)(m)(n)} (ad - bc)^2 - \frac{N}{2}$$

Data from each of the three rounds of the Delphi questionnaire were analyzed for statistically significant differences between groups by using the SPSS median test program at the Michigan State University Computer Center. Because of the contrived collective-bargaining situation built into the design, it was of interest to compare data from each of the three rounds for the administrators and uniserv directors. If the median test on the third round indicated statistically significant differences between the groups, a follow-up analysis was conducted to determine the nature of the differences. This information was obtained by using a cross-tabulation set up to exhibit statistical association between group and predicted time interval of occurrence. (See Figure 3.)

In addition, data from the cross-tabulations were used to determine the percentage of administrators and uniserv directors who were above or below the median. These data were also used to compute the semi-interquartile range for each of the 44 fringe benefits and 30 developments.

Group	Before 1980	1980- 1984	1985- 1989	1990- 1994	1995- 1999	Beyond 2000	Never	Row Total
Adminis- trators								
Union								
Column Total								

100

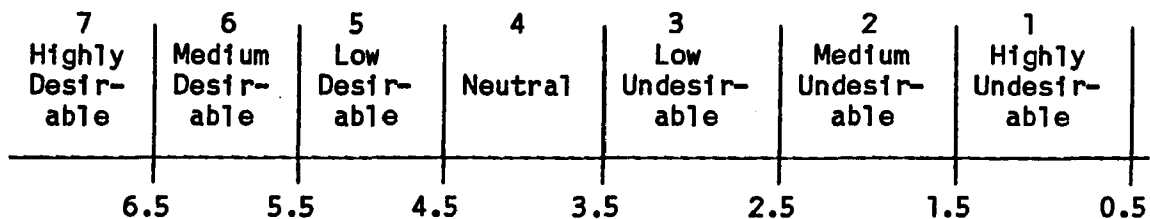
Figure 3.--SPSS cross-tabulation program.

Desirability

In Round 2, each respondent was requested to check the desirability of specific fringe benefit developments occurring. The responses were tabulated for each of the respondent groups (administrators and unserv directors) for comparison purposes, and a desirability score was obtained. The score was arrived at by assigning each response a value representing its desirability:

<u>Desirability</u>	<u>Scale Factor</u>
Highly Desirable	7
Medium Desirable	6
Low Desirable	5
Neutral	4
Low Undesirable	3
Medium Undesirable	2
Highly Undesirable	1

An average score for each respondent group and for the composite group was calculated by summing desirability scores for a fringe benefit development and dividing by the number of responses. Finally, the average scores were assigned a desirability level using the cut points shown in the following diagram:



A descriptive comparison was then made of the desirability level for each group and the composite group.

Organizational Factors

In Round 3, participants were asked to identify the organizations that would be (1) most supportive of the fringe benefit development in question and (2) most opposed to the occurrence of the fringe benefit development. The organizations of interest were:

- local boards of education
- state board of education
- local education associations
- MEA (Michigan Education Association)
- NEA (National Education Association)
- administrator associations
- legislative action (state or federal)

A composite total of administrators' and uniserv directors' responses for each development was tabulated. The organization that received the most pluses (+) was identified as the group "most in favor of" the fringe benefit development occurring. The organization receiving the most minuses (-) was identified as the group "most opposed to" the fringe benefit development. This was done by constructing a conflict matrix of groups most supportive of and most opposed to the developments.

Summary

The purpose of the Delphi methodology used in this study was to gather data to forecast fringe benefit trends and related fringe benefit developments for Michigan's K-12 public school teachers and to determine if administrators and uniserv directors forecasted the same time interval of the fringe benefits' occurrence. Of additional interest was the respondents' perceptions of the desirability of related fringe benefit developments and, finally, what professional or political group(s) would support or oppose their occurrence. Results of the data analysis for each research question are reported in Chapter IV.

Footnotes--Chapter III

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CHAPTER IV

ANALYSIS OF DATA

This chapter presents the findings as they relate to the research questions upon which the study is based. The data have both statistical and nonstatistical elements. The chapter is divided into four major sections: the first section presents statistical information relating to specific fringe benefits, the second to related fringe benefit developments, the third to desirability of fringe benefit developments, and the fourth to organizational units opposing or supporting fringe benefit developments.

Nonstatistical data comprise suggestions and rationales from the selected groups of panelists. These comments were grouped for each item and grouped further to reflect patterns of rationales.

Because the study did not have a randomly selected population, inferential statistics were considered inappropriate. Therefore, analyses were based on descriptive statistics such as median scores, semi-interquartile ranges, and weighting factors.

It should be recalled that a major purpose of the study was to forecast (1) what specific fringe benefits are expected to become a part of Michigan's teacher benefit packages in the foreseeable future and (2) what fringe benefit developments will have a major influence on

teachers' fringe benefits. A second major purpose was to analyze the responses of the two groups of panelists, administrators and uniserv directors, to identify areas in which they agreed or disagreed in their forecasts.

The findings are organized into four sections, in which the following research questions are answered:

Research Question 1: What fringe benefits are expected to occur in the future? That is, in what estimated time intervals will specific fringe benefits be likely to occur as part of the economic package of Michigan's K-12 public school teachers? Of additional interest was determining whether the two groups of panelists were from populations with the same median.

Research Question 2: What local, state, and national fringe benefit developments are expected to occur in the future? Specifically, in what estimated time intervals are specific developments likely to occur? Again, determining whether the two groups of panelists could be considered as populations with the same median was of interest.

Research Question 3: Are there differences between the selected administrators and MEA uniserv directors with regard to the desirability of the fringe benefit developments occurring?

Research Question 4: What organizational units are most likely to oppose or support the occurrence of specific fringe benefit developments?

Fringe Benefits

Research Question 1: What fringe benefits are expected to occur in the future, and are the two groups of panelists from populations with the same median?

Forty-four fringe benefits were identified through a review of literature, including current school district master agreements, and from perceptions of the selected panelists. These fringe benefits were perceived as the most likely ones to appear in the fringe benefit packages of Michigan's public school teachers. Using traditional

Delphi procedures, the fringe benefits were forecasted into a time interval when respondents thought they were most likely to occur. Data from the third round were used to make the forecasts.

Topical Groupings of Fringe Benefits

An initial step in this study was to organize the forecasts of the fringe benefits into the decades of the 1980s, 1990s, beyond the year 2000, and never.

A major problem in dealing with large quantities of data, such as this study employed, is organizing the findings in an efficient and meaningful manner. To assist in this organization, the fringe benefits were reorganized into four topical groups:

1. Health-Related Fringe Benefits--Benefits that are specifically related to the health and well being of the teacher and members of his/her immediate family.
2. Economic Fringe Benefits--Benefits that result in additional compensation and are not health related.
3. Family-Related and/or Personal Fringe Benefits--Benefits that may provide additional compensation for members of the teacher's family or benefits that affect the quality of the teacher's nonwork environment.
4. Professional Benefits--Benefits that may provide opportunities for a teacher's professional growth or personal needs.

Classifying the 44 fringe benefits into these topical groupings provided a manageable set of categories into which to summarize findings.

Tables 4, 5, and 6 summarize the panelists' forecasts of fringe benefits. The data are presented for each item using the median time interval of its occurrence for 50% of the school teachers in Michigan. Finally, for each benefit presented, the time interval expected and

Table 4.--Fringe benefits in the 1980s.

Benefit Area	Item No.	Fringe Benefit	Median Time Interval of Acceptance	
			1980-84	1985-89
Health-Related Benefits	4	Dental insurance	C	
	5	Vision insurance		C
	9	Health insurance with prescription rider	C	
	12	Unlimited sick leave accumulation		N
	17	Short-term disability insurance		C
	18	Long-term disability insurance	C	
	20	Travel accident insurance		N
	42	Sick leave bank		N
Economic Benefits	24	Retirement incentive of one year's salary		N
Family-Related and Personal Benefits	1	Term life insurance		N
	2	Accidental death and dismemberment (AD&D)		C
	28	Dependent life insurance of \$1,000 minimum		C
Professional Benefits	16	Short-term paid leaves		C
	23	Two personal holidays per year		N
	29	Paid personal leave days without reason given		N

Key: C = consensus
N = no consensus

Table 5.--Fringe benefits in the 1990s.

Benefit Area	Item No.	Fringe Benefit	Median Time Interval of Acceptance	
			1990-94	1995-99
Health-Related Benefits	6	Paid hearing care		N
	14	Continuation of fringe benefit coverage for retirees		N
	19	School-district-financed physical exam every two years	N	
	22	Additional medical options to cover in-hospital benefits, etc.	N	
Economic Benefits	3	Paid overtime for hours beyond contracted school day		N
	11	Cost-of-living allowances	N	
	13	Full pay for unused sick leave at retirement		N
	25	Retirement incentive plan		N
	30	Longevity pay of 1% per year beyond B.A. top step		N
	32	Tax-sheltered annuity plan		N
	41	Option to receive money in lieu of fringe benefit	C	
	43	Retirement pay of a minimum of \$100 per year of service	N	

Table 5.--Continued.

Benefit Area	Item No.	Fringe Benefit	Median Time Interval of Acceptance	
			1990-94	1995-99
Family-Related and Personal Benefits	10	Survivor income insurance		N
	26	Prepaid legal plan	N	
Professional Benefits	7	Full tuition reimbursement		N
	34	Personal liability insurance	N	
	35	Guaranteed professional leave with expenses paid	N	
	40	Paid counseling services for laid-off teachers	N	
	44	Board pays for property damage when on legitimate business	N	

Key: C = consensus
N = no consensus

Table 6.--Fringe benefits in the years 2000+ and never.

Benefit Area	Item No.	Fringe Benefit	Median Time Interval of Acceptance	
			2000+	Never
Health-Related Benefits	27	Cancer insurance		C
Economic Benefits	8	Teacher effectiveness (merit) pay		C
Family-Related and Personal Benefits	21	Vacation time during school year		C
	33	Auto insurance	N	
	37	Fringe benefit and salary continuation	N	
	38	Home insurance		C
	39	Home mortgage insurance		C
Professional Benefits	15	Sabbatical leave with full pay every seven years	N	
	31	Membership fees of \$100 per year for nonunion educational associations	N	
	36	Lease cars for teacher travel between buildings		C

Key: C = consensus
N = no consensus

whether or not the panelists reached consensus on the item of interest is indicated with a C for consensus or an N for no consensus. Consensus means that 50% or more of the panelists agreed on the time interval of occurrence for a specific item.

Tables 4, 5, and 6 showed the forecasts of fringe benefits within the decades of their probable occurrence. Analysis of these forecasts provides insight into the major benefit areas for the decades of interest. Table 7 shows the breakdown of benefits by topical groupings and the decade of their occurrence.

Table 7.--Occurrence of fringe benefits by topical grouping and decade of occurrence (N = 44).

Benefit Area	1980s	1990s	Beyond 2000 and Never
Health related	8	4	1
Economic	1	8	1
Family related/personal	3	2	5
Professional	3	5	3
Total	15	19	10

As shown in Table 7, health-related benefits are expected to receive the most attention in the 1980s. Table 4 showed that these benefits are dental and vision insurance, health insurance with a prescription rider, short- and long-term disability, and travel accident insurance. Also, unlimited sick leave accumulation and sick leave banks are health-related fringe benefits that respondents expect in the 1980s.

According to the panelists, the 1990s will see a shift to economic benefits. Table 7 indicated that 8 of the 19 benefits forecasted for this decade are economic benefits. Cost-of-living allowances, the option to receive money in lieu of fringe benefits, and retirement or severance pay of a minimum of \$100 per year of service are expected during the first half of this decade (see Table 5). The second half of the 1990s will see five additional economic benefits occur in Michigan teachers' fringe benefit packages (Table 5). These are paid overtime, full pay for unused sick leave at retirement, early retirement plans, longevity pay of 1% per year beyond the top salary step, and tax-sheltered annuity plans.

Table 7 also showed that respondents thought family-related/personal and professional benefits might receive attention beyond the year 2000 and never. From Table 6 it can be seen that auto insurance, fringe benefit and salary continuation after the death of a teacher, sabbatical leave with full pay, and paid membership fees are possibilities of such benefits. Four remaining benefits were forecasted never to appear. These family-related/personal and professional benefits were vacation time during school year, home and home mortgage insurance, and lease cars for teachers' travel between buildings.

Overall, one may conclude that those benefits forecasted to occur in the near future may have a higher priority than those forecasted to occur at later time intervals. This indicates that health-related benefits may be perceived as the area of most immediate

interest, followed by economic benefits, professional fringes, and finally family-related/personal benefits.

In addition, from Tables 4, 5, and 6, some insight into the time interval of occurrence may be gained from an analysis of the patterns of consensus. If 50% or more of the panelists agreed on the time interval of occurrence for a benefit item, consensus was deemed to have occurred. From these tables a summary of consensus can be made. Table 8 shows the breakdown of consensus by the fringe benefit median time intervals of acceptance.

Table 8.--Consensus of fringe benefits by median time interval of acceptance (N = 44).

	Median Time Interval					Never
	1980-84	1985-89	1990-94	1995-99	2000+	
Consensus #/Total	3/3	5/12	1/10	0/9	0/4	6/6
Percent Consensus	100%	42%	10%	0%	0%	100%

As seen in Table 8, consensus was reached on 15 (34%) of the 44 fringe benefits. Further analysis shows that the panelists reached consensus on 100% of the benefits expected to occur during the 1980-84 time interval and 42% for the 1985-89 interval. Overall, the panelists reached consensus on 8 of 15 benefits forecasted for the decade of the 1980s. These benefits were dental, vision, health, short-term, and long-term disability insurance, accidental death and dismemberment insurance, and short-term paid leaves.

For the decade of the 1990s and beyond the year 2000, consensus was reached on only 1 out of 23 benefits. This benefit was the option to receive money in lieu of fringe benefits.

Finally, six benefits were forecasted in the time interval of "never." The panelists reached consensus on all six items. The benefits that were expected never to occur in the fringe benefit packages of Michigan's public school teachers were cancer insurance, teacher effectiveness (merit) pay, paid vacation time during the school year, home insurance, home mortgage insurance, and lease cars for teacher travel between buildings (see Table 6). It is interesting that although the panelists concurred that teacher effectiveness or merit pay is not likely to occur, several national studies have recently been advocating merit pay.

Overall, the findings indicated that consensus is most probable for those benefits that are likely to occur in the immediate future and, at the other end of the time spectrum, in the "never" interval. This conclusion may lead to the assumption that the fringe benefits forecasted for the 1980s have the highest probability of occurring in teachers' benefit packages, those in the 1990s a lesser probability, and those forecasted for beyond the year 2000 and never the least likelihood of occurrence.

Summary of Forecasted Median-Time-Interval Changes

The forecasted fringe benefit median time intervals are reported in Appendix F. Using the data from Appendix F, the fringe

benefits were grouped according to the number of forecasted median-time-interval changes that occurred between Round 1 and Round 3 of this study. Using consensus where 50% or more of the panelists were within one time interval, the median time interval of the third round was analyzed to determine if consensus had been reached between the administrators and uniserv director panelists. This consensus or convergence of opinions is a common occurrence in a Delphi study. It should be emphasized that even if consensus does not occur, the Delphi technique serves the purpose of crystallizing the reasoning process that leads to the positions that were taken and thus helps to clarify the issues even in the absence of group consensus. Table 9 shows a summary of the median-time-interval changes between Rounds 1 and 3.

Table 9.--Summary of fringe benefits: median-time-interval changes between Rounds 1 and 3.

Median Time Interval	Item Number
No change	2*, 4*, 5*, 8*, 9*, 12, 15, 16*, 17*, 18*, 19, 21*, 22, 23, 25, 26, 27*, 28*, 29, 30, 31, 32, 35, 36*, 37, 38*, 39*, 40, 41*, 42
Increased one	1, 3, 6, 7, 10, 11, 33, 34, 43, 44
Decreased one	13, 14, 20, 24

*Indicates consensus.

As shown in Table 9, 30 fringe benefits or approximately 68% of the forecasted median time intervals did not change between Rounds 1 and 3 of the Delphi study. Ten (23%) of the fringe benefits were forecasted to occur at a later time interval than initially forecasted in Round 1. The remaining four (9%) fringe benefits were forecasted to occur at an earlier time interval than initially forecasted in Round 1. These four were: (1) full pay for unused sick leave at retirement, (2) continuation of fringe benefit coverage for retirees, (3) travel accident insurance provided for job-related travel, and (4) retirement incentive plans for early retirement. Three of the four items whose forecasted time intervals decreased over the three rounds were related to retiree benefits. This finding may indicate increased attention to retirement benefits in the near future.

The panelists reached consensus on 15 of the 30 fringe benefits whose time intervals did not change between Rounds 1 and 3. Interestingly, of the 14 fringe benefits whose median time intervals increased or decreased, none reached consensus. It appears that the panelists were not as likely to agree on a forecasted time interval when it shifted over the course of the Delphi study.

Summary of Semi-Interquartile Changes

Again using the data from Appendix F, the semi-interquartile range changes between Rounds 1 and 3 were determined. These changes are summarized in Table 10.

Table 10.--Summary of fringe benefits: semi-interquartile range changes between Rounds 1 and 3.

Semi-Interquartile Range Time Intervals	Item Number
No change	1, 2*, 5*, 8*, 9*, 11, 18*, 22, 23, 24, 26, 27*, 29, 32, 36*, 38*, 39*, 40, 43, 44
Narrowed one time interval	3, 6, 7, 10, 12, 13, 14, 19, 20, 21*, 25, 28*, 30, 31, 33, 34, 35, 37, 42
Narrowed two time intervals	16*, 17*
Increased one time interval	4*
Shifted range	15, 41*

*Indicates consensus.

The semi-interquartile range for 20 (45%) of the 44 fringe benefits remained unchanged throughout the three rounds. Nineteen (43%) decreased their semi-interquartile range one time interval, and two (5%) decreased their ranges two time intervals. Thus, almost one-half of the benefits decreased their time intervals. This is a common pattern in a Delphi study and indicates that the panelists were less polarized as the study progressed through the three rounds. The two benefits that narrowed their range by two time intervals were paid leaves of shorter duration than sabbatical leaves and short-term disability insurance. On both of these items, panelists reached consensus.

Of the three remaining benefits, one increased its time interval range by one, whereas two items shifted their range to a later time span. Dental insurance shifted from a range of 1980-89 in Round 1 to 1980-94 in Round 3. Sabbatical leaves with full pay went from 1985-2000+ to 1990-never, and the option to receive money in lieu of fringe benefits shifted from 1985-94 to 1990-99. For these three items, consensus was reached on all but sabbatical leaves.

Summary of Median Test

An additional point of interest in forecasting fringe benefits was to determine if the two groups of panelists were from populations with the same median. The median test, using a two-tailed chi-square value with .05 as the significance level, was used to determine if there were statistically significant differences between the two sub-populations. Complete data for the median tests for the three rounds are presented in Appendix D. A summary of the median test for the 44 fringe benefits of interest in this study is shown in Table 11.

Table 11.--Summary of median test for the 44 fringe benefits.

Population Comparisons	Round 1	Round 2	Round 3
No. of benefits Differences	2 (4.5%)	0 (0%)	0 (0%)
No. of benefits No difference	42 (95.5%)	44 (100%)	44 (100%)

Note: Refer to Appendix D for complete data.

In Table 11, the two populations of administrator and uniserv director panelists are compared over the three Delphi rounds. On 2 of the 44 fringe benefits in Round 1, there was a statistically significant difference between the two groups of panelists. These benefits were (1) longevity pay of at least 1% of B.A. base for each year beyond the top step of a negotiated salary schedule and (2) an early retirement incentive plan whereby a teacher may be compensated a minimum of one year's salary for early retirement at age 55. However, on all 44 fringe benefits in Rounds 2 and 3, the panelists were from populations with the same median. Thus, although the administrators and uniserv directors had different forecasted median time intervals on two items during the first round, in the second and third rounds there were no statistically significant differences between the two groups.

Related Fringe Benefit Developments

Research Question 2: What local, state, and federal fringe benefit developments are expected to occur in the future, and are the two groups of panelists from populations with the same median?

Attempting to forecast future fringe benefits requires an understanding of some factors that may influence their occurrence. Although it may be impossible to consider every potential development, 30 important related fringe benefit developments were identified through a review of relevant literature and from the perceptions of the selected panelists. These fringe benefit developments were analyzed by using traditional Delphi statistics for feedback. These developments are perceived as trends that may have an important influence on

Michigan teachers' fringe benefit packages in the 1980s, 1990s, and beyond the year 2000.

Topical Groupings of
Fringe Benefit Developments

The 30 fringe benefit developments were organized into three general topical groupings, based on the level at which the development may initially occur. These groupings were (1) local and/or regional, (2) state, and (3) national developments. The researcher does not claim that this list is exhaustive. Undoubtedly, new developments will occur that may have a major effect on future fringe benefit trends.

Tables 12, 13, and 14 summarize the panelists' forecasts of the 30 developments into their expected median time intervals of occurrence. Each development is presented in its respective time interval, along with whether or not panelists reached consensus (50% or more of the panelists estimating the same time interval) on that item.

Tables 12, 13, and 14 show the forecasts of the 30 related developments into their probable decades of occurrence. Analysis of these forecasts provides a breakdown of the developments into topical groupings by their expected time interval of occurrence. Table 15 shows this summary.

Table 12.--Fringe benefit developments in the 1980s.

Development Area	Item No.	Fringe Benefit Development	Median Time Interval of Acceptance	
			1980-84	1985-89
Local and Regional Developments	4	Local E.A.s join regional bargaining units		N
	11	Local district pays 100% of F.B. costs--no contributory costs by employees		N
	23	Increase in in-service of computers, T.V., and new teaching technologies	N	
	25	Boards in a region unite to review negotiated local agreements		N
State Developments	26	Teachers' retirement system will have a built-in cost-of-living factor		N
National Developments		None		

Key: C = consensus
N = no consensus

Table 13.--Fringe benefit developments in the 1990s.

Development Area	Item No.	Fringe Benefit Development	Median Time Interval of Acceptance	
			1990-94	1995-99
Local and Regional Developments	8	Individually tailored (cafeteria-style) fringe benefit packages for teachers	N	
	9	School districts self-insure some fringe benefits	N	
	12	School districts will permit teachers to trade fringe benefits for cash		N
	30	Health maintenance organizations replace present health insurance plans		N
State Developments	1	Teachers' fringe benefits will average 50% of payroll		N
	5	Local boards of education unite into a multiple-district bargaining unit	N	
	13	Teachers retire after 30 years with full fringe benefit coverage		N
	24	School personnel administrators will increase by 50%	N	
National Developments	2	Median family income will double	C	
	3	Median teachers' salary doubles	C	
	22	Federal funding will increase to 15% of total tax dollars received by local districts		N
	27	IRS will tax fringe benefits	C	

Key: C = consensus
N = no consensus

Table 14.--Fringe benefit developments beyond the year 2000 and never.

Development Area	Item No.	Fringe Benefit Development	Median Time Interval of Acceptance	
			2000+	Never
Local and Regional Developments	10	Local school districts unite to insure some fringe benefits	N	
	18	Teachers' salaries and costs for fringe benefits tied to CPI	C	
	19	Performance contracting with teachers		C
	20	Average class size less than 20 students	C	
	21	School districts will pay bonuses to hire teacher candidates		C
State Developments	6	Teachers form a state-wide bargaining unit	N	
	14	Schools will operate less than 180 days		C
	15	Michigan schools operate on a four-day week and maintain a 180-day school year	N	
	16	Teachers work only when they have specific teaching assignments		C
	17	Teachers' probationary period shortened to one year		C
	28	Public schools leave Social Security system and institute an alternate program		C
	29	Michigan goes to a year-round school		C
National Developments	7	Teachers form a federal bargaining unit		C

Key: C = consensus
N = no consensus

Table 15.--Topical grouping of related fringe benefit developments by expected time interval of occurrence (N = 30).

Development Area	1980s	1990s	Beyond 2000 and Never
Local and/or regional developments	4	4	5
State developments	1	4	7
National developments	0	4	1
Totals	5	12	13

Table 15 indicates that five developments were forecasted for the decade of the 1980s. Again, if those developments forecasted to occur in the near future have a higher priority, it may be assumed that local and regional developments will receive the most attention in this decade. The expected developments are that local education associations will join regional bargaining units, that 100% of fringe benefit costs will be paid, that there will be an increase in in-service or professional development, and that boards of education will unite to review negotiated local agreements (see Table 12).

Only one state development and no national development was forecasted for the 1980s. This state development will be a built-in cost-of-living factor for the teachers' retirement system. According to the respondents, the 1990s (see Table 13) will witness the occurrence of 12 fringe benefit developments, which are evenly divided among the three levels in which they are expected to occur. This researcher considers some of these developments to be very important. At the

local and regional levels are cafeteria-style fringe benefit packages, self-insurance, and the growth of health maintenance organizations. At the state level, teachers' fringe benefits are expected to average 50% of payroll. National developments forecasted for this decade include doubling median teachers' salaries (in 1980 dollars) and IRS taxation of fringe benefits.

Developments forecasted for beyond the year 2000 and never (see Table 14) may be considered very unlikely in the near future. Noteworthy among these developments at the local and regional levels are the remote possibilities of teacher salaries and fringe benefit costs tied to a consumer price index and of performance contracting. A statewide teachers' bargaining unit, schools operating less than 180 days a year, and a year-round school schedule were identified state developments. At the national level, teachers forming a federal bargaining unit was forecasted as never occurring.

Tables 12, 13, and 14 provide a pattern of consensus for the 30 fringe benefit developments. Table 16 shows the breakdown of consensus by the fringe benefit developments' median time intervals of acceptance.

As shown in Table 16, the Delphi panelists did not reach consensus on any of the five developments forecasted for the decade of the 1980s. This was a deviation from their forecasts for the fringe benefits expected to occur in the 1980s, where they reached consensus on 15 (53%) benefits. Interestingly, the panelists did not reach consensus on the current trends of local education associations joining

regional bargaining units and of local districts paying 100% of fringe benefit costs with no contributory costs by teachers.

Table 16.--Consensus of fringe benefit developments by median time intervals of acceptance (N = 30).

	Median Time Interval					
	1980-84	1985-89	1990-94	1995-99	2000+	Never
Consensus #/Total	0/0	0/5	3/7	0/5	2/5	8/8
Percent Consensus	0%	0%	42.8%	0%	40%	100%

Panelists expected the decade of the 1990s to see the occurrence of 12 fringe benefit developments. Consensus was not reached on any of the local/regional or state developments. Cafeteria-style fringe benefit packages came the closest to consensus with 43.8% of the panelists supporting the 1990-94 expected time interval of occurrence (see Appendix G).

Four national developments were forecasted for the 1990s. The panelists reached consensus on all three (100%) developments forecasted for the 1990-94 median time interval. The three developments expected to occur in 1990-94 were that median family income will double (in 1980 dollars), that median teacher salaries will double, and that the IRS will tax fringe benefits. The other national development forecasted for 1995-99--that federal funding will reach 15% of total tax dollars for local districts--did not obtain consensus.

Greater consensus occurred on the developments forecasted for beyond the year 2000 and never. Two (40%) of the five developments forecasted for beyond the year 2000 reached consensus. These developments were that teachers' salaries and costs for fringe benefits will be tied to a consumer price index and that an average class size will be less than 20 students; both were categorized as local or regional developments. No state developments forecasted for beyond the year 2000 reached consensus (see Table 14).

Finally, all eight developments (100%) forecasted never to occur reached consensus. The two local or regional developments in the "never" interval were performance contracting and school districts paying bonuses to hire certain teacher candidates. Five state developments reaching consensus in the "never" interval of acceptance were schools operating less than 180 days, teachers working only when they have specific teaching assignments, teachers' probationary period shortened to one year, public schools leaving the present Social Security system, and year-round schools. Teachers' probationary period shortened to one year was the state development with the highest consensus (68%) that it would never occur. The single national development forecasted for the "never" interval was teachers forming a federal bargaining unit. Strong consensus was reached on this item, with 75% of the panelists selecting the "never" interval (see Appendix G).

Summary of Median-Time-Interval Changes

The 30 fringe benefit developments in Rounds 1, 2, and 3 were analyzed to determine changes in the projected median time intervals of occurrence. The median time interval of the third round was used to determine if consensus existed. If 50% of the respondents were within one time interval in Round 3, consensus was achieved. A summary of these data is presented in Appendix G. The median time intervals for the items were grouped according to the number of time-interval changes that occurred between Rounds 1 and 3. Table 17 contains a summary of these changes.

Table 17.--Summary of fringe benefit developments: median-time-interval changes between Rounds 1 and 3.

Median Time Interval	Item Number
No change	2*, 3*, 5, 7*, 9, 11, 14, 15, 17*, 18*, 19*, 20*, 21*, 24, 26, 27*, 28*, 29*
Increased one	1, 4, 6, 8, 10, 12, 13, 16*, 22, 23, 25, 30

*Indicates consensus.

As shown in Table 17, the median time intervals of 18 (60%) of the 30 fringe benefit developments did not change throughout the three rounds of the Delphi study. Twelve (40%) of the fringe benefit developments were forecasted to occur at a later time interval than

initially forecasted in Round 1. The panelists reached consensus on 11 of the 18 items that showed no change. Finally, consensus was reached on only 1 of the 12 developments that increased by one time interval. Michigan teachers having a shortened workday, permitting them to work only when they have specific teaching assignments, changed from beyond the year 2000 in Round 1 to never in Rounds 2 and 3. The findings indicate that consensus was more likely for those items whose median time intervals did not change (61%), as opposed to those whose time intervals did change (8%).

Summary of Semi-Interquartile Changes

In addition to changes in the median time interval over the three rounds of this Delphi study, changes in the semi-interquartile ranges of the 30 fringe benefit developments were also examined. This statistic provides a measure of the actual time parameters of the middle 50% of the panelists' forecasts for the time intervals of interest. A summary of the semi-interquartile changes for the 30 fringe benefit developments is shown in Table 18.

By examining the data in Table 18 and Appendix G, it can be seen that the semi-interquartile range for 18 (60%) of the 30 fringe benefit developments remained unchanged throughout the three rounds of the study. The semi-interquartile ranges of five (17%) items decreased two intervals. Median family income (in 1980 dollars) doubling by 1990-94, school districts paying all of the teachers' contributory costs, school districts operating less than 180 school days, federal

funding reaching 15% of the total tax dollars for Michigan schools, and health maintenance organizations replacing present medical and hospitalization plans were the five items included in this group. Panelists reached consensus on two of these five developments. The respondents forecasted that the median family income would double by 1990-94 and that Michigan schools would never operate less than 180 days. The latter development had a range from 1995-never. Finally, none of the 30 developments widened its range throughout the course of the three rounds. This is consistent with other Delphi studies because the technique is designed to seek consensus or a convergence of opinions or judgments.

Table 18.--Summary of fringe benefit developments: semi-interquartile time interval changes between Rounds 1 and 3.

Semi-Interquartile Time Intervals	Item Number
No change	4, 5, 8, 9, 10, 12, 13, 17*, 19*, 20*, 21*, 23, 24, 25, 26, 27*, 28*, 29*
Decreased range one time interval	1, 3*, 6, 7*, 15, 16*, 18
Decreased range two time intervals	2*, 11, 14*, 22, 30

*Indicates consensus.

Consensus among the panelists was more likely on those developments whose range decreased one time interval (57%). For those

items with no change, 23% reached consensus. For the five developments decreasing two time intervals, two (40%) reached consensus.

Further analysis of the data in Appendix G shows that for the 12 developments whose semi-interquartile ranges decreased, 10 changed their expected time intervals of occurrence to a later time span. Two were forecasted to occur in an earlier time span. These were districts paying full fringe benefit costs and fringe benefit costs tied to a consumer price index. Thus, for those developments whose semi-interquartile ranges decreased, it appears more likely that the Delphi respondents would forecast them to occur at a later date.

Summary of Median Test

The median time interval and composite semi-interquartile range were used to report statistics to the panelists and to summarize their data from each of the three rounds of this study. In addition, to measure the degree of convergence or variance of responses between the two groups of respondents, the median test was used with a two-tailed chi-square value with .05 as the significance level. Complete data for the median tests for the three rounds are included in Appendix E.

Using the data from Appendix E, a summary of the median test population comparisons for the 30 fringe benefit developments of interest in this study was formulated. This summary is shown in Table 19.

Table 19.--Summary of median test population comparisons for fringe benefit developments (N = 30).

Population Comparisons	Round 1	Round 2	Round 3
No. of developments Differences	0 (0%)	1 (3.3%)	0 (0%)
No. of developments No difference	30 (100%)	29 (96.7%)	30 (100%)

Note: Refer to Appendix E for complete data.

In Table 19, the two populations of administrators and uniserv directors are compared for the three rounds of the Delphi study. Using a two-tailed chi-square value with .05 as the significance level, there was no statistically significant difference between the two populations of panelists during Round 1. In Round 2, the two populations differed significantly on one development. This development was a forecast of teachers' salaries, including costs for fringe benefits, being tied to a valid index of economic growth such as a consumer price index. In Round 3 there were no statistically significant differences between the two populations of panelists for any of the 30 developments. Thus, although the administrators and uniserv directors estimated different median time intervals for one development in Round 2, in the first and third rounds there were no significant differences between the two groups.

Desirability of Fringe Benefit Developments

Research Question 3: Are there differences between the selected administrators and uniserv directors with regard to the desirability of the fringe benefit developments occurring?

Data from Round 2 of this Delphi study were used to determine the panelists' perceptions of the desirability of the 30 fringe benefit developments. The union and administrator panelists responded to each of the 30 items using a seven-point Likert scale that ranged from highly undesirable to highly desirable. An average score was computed for each of the groups by multiplying the total of each response category by the scale factor (1-7) and dividing by the number of responses. This quotient established a desirability level for each of the two groups. The same method of calculation was used to determine a composite response, using the total responses for all panelists. Table 20 shows a summary of the desirability responses for the 30 fringe benefit developments.

Using the data in Table 20, a desirability comparison was made. Figure 5 shows how the two groups were compared, using the differences in their average response on the seven-point Likert scale.

<u>Likert Scale Intervals (Difference)</u>	<u>Comparison</u>
0	No Disagreement
1-2	Minor Disagreement
3-4	Great Disagreement
5-6	Very Great Disagreement

Figure 5.--Desirability comparison (administrators versus union members).

Table 20.--Fringe benefit developments: desirability and organizational factors.

Fringe Benefit Development	Desirability-Undesirability							Organizational Factors						
	Highly Desir.	Medium Desir.	Low Desir.	Neutral	Low Undesir.	Medium Undesir.	Highly Undesir.	Local Boards	State Board	LEA	MEA	NEA	Admin. Assoc.	Legis. Action
1. The U.S. Chamber of Commerce reports that fringe benefits for all employees reached 36.7% of payroll in 1977. In your opinion, in what time interval will fringe benefits for Michigan public school teachers average 50% of payroll?				C U	A					+	+			
2. In what year will the median family income (in 1980 dollars) reach twice its present amount?			U		C	A		-		+	+			
3. When will the median teachers' salary reach twice its present amount?		U		C	A			-		+				
4. By what year will 50% or more of the local E.A.s belong to a regional bargaining unit?		U		C		A		-			+			
5. By what year will 50% or more of the Michigan public school districts' boards of education unite into a multiple-district bargaining unit?		U	C		A			-						

Table 20.--Continued.

Fringe Benefit Development	Desirability-Undesirability							Organizational Factors						
	Highly Desir.	Medium Desir.	Low Desir.	Neutral	Low Undesir.	Medium Undesir.	Highly Undesir.	Local Boards	State Board	LEA	MEA	NEA	Admin. Assoc.	Legis. Action
6. By what year will teachers belong to one statewide bargaining unit that will determine statewide teachers' salaries and fringe benefits (with possible cost-of-living indexes for different areas of the state)?			U	C		A		-			+			
7. In what year will teachers have their salaries and fringe benefits negotiated by a federal bargaining unit (with a cost-of-living index for different areas of the United States)?						A U C		-			+			
8. By what time interval will teachers be able to select an individually tailored (cafeteria-style) fringe benefit package from a designated number of dollars in their school district?			U	A C				-		+				
9. In what year will 50% or more of the school districts self-insure some fringe benefits such as long-term disability or life insurance?			A	C	U			+			-			

Table 20.--Continued.

Fringe Benefit Development	Desirability-Undesirability							Organizational Factors						
	Highly Desir.	Medium Desir.	Low Desir.	Neutral	Low Undesir.	Medium Undesir.	Highly Undesir.	Local Boards	State Boards	LEA	MEA	NEA	Admin. Assoc.	Legis. Action
10. In what year will 50% or more of the Michigan school districts unite together to self-insure some fringe benefits such as long-term disability or life insurance?				A U C				+			-			
11. In what year will 50% or more of the Michigan school districts pay all of the teacher's fringe benefit costs with no contributory costs made by teachers?	U			C		A		-		+				
12. By what year will 50% or more of the Michigan school districts permit teachers to trade fringe benefits for cash in hand if they desire?				U	C	A		-		+				
13. In what time interval will Michigan public school teachers have optional retirement after 30 years of service with full fringe benefits that are offered by the local school district?	U		C		A			-		+	+			

Table 20.--Continued.

Fringe Benefit Development	Desirability-Undesirability							Organizational Factors						
	Highly Desir.	Medium Desir.	Low Desir.	Neutral	Low Undesir.	Medium Undesir.	Highly Undesir.	Local Boards	State Board	LEA	MEA	NEA	Admin. Assoc.	Legis. Action
14. In what time interval will Michigan school operate less than 180 instructional days?					C U A			-	-	+				
15. In what time interval will Michigan schools operate on a four-day week and still maintain a minimum 180-day school year?				U A C				+	-	+				
16. By what time interval will Michigan teachers have a shortened workday permitting teachers to work only when they have specific teaching assignments?			U	C		A		-		+				
17. In what time interval will the nontenure teachers' probationary period be reduced to one year?				U	C	A		-			+			
18. In what time interval will teachers' salaries, including costs for fringe benefits, be tied to a valid index of economic growth such as a consumer price index (CPI)?	U			N			A	-			+			

Table 20.--Continued.

Fringe Benefit Development	Desirability-Undesirability							Organizational Factors						
	Highly Desir.	Medium Desir.	Low Desir.	Neutral	Low Undesir.	Medium Undesir.	Low Undesir.	Local Boards	State Board	LEA	MEA	NEA	Admin. Assoc.	Legis. Action
19. By what time interval will performance contracting with teachers become an acceptable method for receiving additional compensation?				A	C	U		+			+			
20. By what time interval will the average class size be less than 20 students?	U	C	A					-		+				
21. In what time interval will it become commonplace for school districts to offer bonuses to hire outstanding teacher candidates?					A C	U		+			-			
22. By what time interval will federal funds reach a 15% proportion of the total tax dollars received by Michigan school districts (present level is approximately 7%)?		U		C	A			-				+		-

Table 20.--Continued.

Fringe Benefit Development	Desirability-Undesirability							Organizational Factors						
	Highly Desir.	Medium Desir.	Low Desir.	Neutral	Low Undesir.	Medium Undesir.	Highly Undesir.	Local Boards	State Board	LEA	MEA	NEA	Admin. Assoc.	Legis. Action
23. By what time interval will in-service training of teachers become a necessity because of computers, T.V., and new teaching technologies?		A C U						+						
24. By what time interval will there be a 50% increase in personnel administrators whose primary responsibilities will be to work with employee benefits and other related personnel functions in the public school districts of Michigan?			A C	U				-					+	
25. By what time interval will boards of education in a region or area unite together to review negotiated local agreements for acceptability?				A U C				+			-			
26. By what time interval will the Michigan Public School Employees' Retirement System have a built-in cost-of-living factor in the retirement allowance?	U	C	A								+			-

Table 20.--Continued.

Fringe Benefit Development	Desirability-Undesirability							Organizational Factors						
	Highly Desir.	Medium Desir.	Low Desir.	Neutral	Low Undesir.	Medium Undesir.	Highly Undesir.	Local Boards	State Board	LEA	MEA	NEA	Admin. Assoc.	Legis. Assoc.
27. By what time interval will the IRS tax fringe benefits received by teachers as taxable income?						A	U C					-		+
28. By what time interval will Michigan public school employers and employees get out of the Social Security (FICA) program and institute an alternate program?				A	C	U					-			+
29. By what time interval will Michigan go to a year-round school with teachers working on a staggered basis?				A U C				-	+					
30. By what time interval will health maintenance organizations replace the present medical and hospitalization plans?				A C		U		+			-			

Key: A = Administrator response
 U = Union response
 C = Composite response

+ = Group most in favor
 - = Group most opposed

Using the Likert-scale intervals (difference), a desirability comparison summary of the 30 fringe benefit developments was made.

Table 21 shows a breakdown of the developments according to the difference-of-opinion categories between union and administrator panelists.

Table 21.--Desirability comparison by total responses of administrator and union panelists (N = 30).

Difference of Opinion	Local and Regional	State	National
No disagreement	4	3	1
Minor disagreement	6	5	1
Great disagreement	1	3	3
Very great disagreement	2	1	0
Totals	13	12	5

Table 21 shows the number of developments at the local/regional, state, and national levels on which great or very great disagreement occurred. Three local or regional developments on which great or very great disagreement existed between the administrator and union panelists are (1) local education associations belonging to a regional bargaining unit, (2) Michigan school districts paying all of the teachers' fringe benefit costs with no contributory payments made by teachers, and (3) teachers' salaries and costs for fringe benefits tied to a valid index of economic growth such as a consumer price index (see Table 20). For these three developments, the greatest

disagreement existed for no contributory payments made by teachers to their fringe benefits and teacher salaries and fringe benefit costs tied to a consumer price index. The union panelists strongly favored these two developments, whereas the administrator panelists strongly opposed their occurrence.

Four state developments received strong differences of opinion between the union and administrator panelists. These include (1) Michigan public school districts' boards of education uniting into multiple-district bargaining units, (2) optional retirement after 30 years with full fringe benefit coverage, (3) a statewide bargaining unit, and (4) a shortened work day, permitting teachers to work only when they have specific teaching assignments. The development in this group with the greatest disagreement between respondent groups was optional retirement after 30 years with full fringe benefit coverage.

The union panelists favored all four of the aforementioned developments, including boards of education forming multiple-district bargaining units. Indications are that the union members perceived this development as corresponding to their desire for regionalized and even state bargaining units for teachers. On the other hand, administrators may have viewed this potential happening as foreshadowing a loss of local control.

On three of the five potential national developments, there was great disagreement between the union and administrator panelists. The doubling of median family income (in 1980 dollars) and median teachers' salary reaching twice its present amount were in this group. The third

development was federal funds reaching a 15% proportion of total tax dollars received by Michigan school districts. Again, the union panelists favored the occurrence of these three developments, whereas opposition came from the administrators.

Organizations Opposing or Supporting
Fringe Benefit Developments

Research Question 4: What organizational units are most likely to oppose or support the occurrence of specific fringe benefit developments?

This researcher identified seven organizations as being potential groups that might influence the trends of the fringe benefit developments of interest in this study. In Round 3, the respondents were requested to identify the organizational unit that would be most likely to favor and the one most likely to oppose the occurrence of each development.

In this part of the analysis, the panelists' Round 3 responses are expressed as a composite score. The composite scores were calculated by totaling the most frequent responses for (1) the organization most in favor of the fringe benefit occurring and (2) the organization most opposed to its occurring. These data were included in the summary of fringe benefit developments in Table 20.

Table 22 is a summary of the panelists' projections of where organizational conflicts might occur for the 30 identified fringe benefit developments.

Table 22.--Panelists' projections of organizations favoring or opposing fringe benefit developments, by total number of responses.

Group Most in Favor	Local Boards	State Board	LEA	MEA	NEA	Admin. Assoc.	Legis. Bodies	Totals
Local boards	1	1	0	6*	0	0	0	8
State board	1	0	0	0	0	0	0	1
LEA	10*	2	0	0	0	0	0	12
MEA	9*	0	0	0	0	0	1	10
NEA	1	0	0	0	0	0	1	2
Admin. assoc.	1	0	0	0	0	0	0	1
Legis. bodies	0	0	0	1	1	0	1	3
Totals	23	3	0	7	1	0	3	37

Note: Seven developments had two organizations that equally favored or opposed that development.

*Major conflict areas.

As can be seen from Table 22, three potential major conflicts may be expected between organizational units. These conflicts are between (1) local boards of education and the MEA, (2) local education associations (LEAs) and local boards of education, and (3) the MEA and local boards of education.

Examining these conflict areas more closely revealed that panelists expected six developments to be favored by local boards of education with major opposition expected from the MEA. These developments are (1) school districts self-insuring fringe benefits, (2) school districts uniting to self-insure teachers' fringe benefits, (3) contracting, (4) boards offering bonuses to hire outstanding

teacher candidates, (5) boards of education uniting to review negotiated local agreements, and (6) HMOs replacing present medical and hospitalization plans (see Table 20).

Local education associations were expected to favor ten developments that would likely face major opposition from local boards of education. These developments are (1) teachers' fringe benefit costs averaging 50% of payroll, (2) median family income (in 1980 dollars) doubling, (3) median teachers' salary (in 1980 dollars) doubling, (4) individually tailored (cafeteria-style) fringe benefit packages, (5) local districts paying 100% of fringe benefit costs, (6) school districts allowing teachers to trade fringe benefits for cash, (7) teachers being allowed to retire after 30 years with full fringe benefit coverage, (8) schools operating less than 180 days per school year, (9) teachers working only when they have specific teaching assignments, and (10) average class size being less than 20 students.

The MEA and local boards of education were the third combination from which a large number of conflicts was expected. As shown in Table 22, nine developments were forecasted to receive MEA support, with the major organization opposing their occurrence being local boards of education. These nine developments are (1) LEAs belonging to regional bargaining units, (2) boards of education uniting in multiple-district bargaining units, (3) a statewide teacher bargaining unit, (4) a federal teacher bargaining unit, (5) optional retirement after 30 years with full fringe benefit coverage, (6) teacher probationary period of one year, (7) costs for teacher salaries and fringe benefit

costs averaging 50% of payroll, and (9) median family income (in 1980 dollars) reaching twice its present amount.

Altogether, Table 22 indicates that panelists expected local boards of education to oppose 23 fringe benefit developments, whereas the MEA was expected to oppose seven. Support for the occurrence of 12 developments was expected to come from local education associations, and the MEA was expected to favor ten others. A complete summary of all data for each of the 30 fringe benefit developments may be found in Appendix H.

Summary

This chapter contained a discussion of the data related to forecasting the future occurrence of 44 fringe benefits and 30 related fringe benefit developments. Also indicated was whether the panelists reached consensus on each item.

Additional data were examined to determine the panelists' perceptions of the desirability of a particular fringe benefit development occurring. Perceptions of the administrator and union panelists were compared. Also included were the panelists' composite responses regarding the organizations or groups that are most likely to support or oppose the occurrence of each related development and the groups that are likely to be in conflict over each development.

A summary of this study is presented in Chapter V. The discussion of findings is organized according to the time intervals in which the fringe benefits and related developments were forecasted to occur.

CHAPTER V

SUMMARY AND IMPLICATIONS

Chapter V contains a summary and interpretation of the findings of this study, which explored future fringe benefit trends for Michigan's public school teachers. The forecasts were made by a panel of authorities composed of (1) administrators whose primary function is to administer public school employees' fringe benefit plans and (2) uniserv directors who negotiate Michigan public school teachers' fringe benefit packages.

Of the many forecasting procedures that might have been used, the Delphi technique was selected as the most appropriate one for this study. This technique involved a controlled-opinion feedback in which the panel of experts exchanged reasoned opinions anonymously through three rounds of questionnaires, of which the last two were built on the results of the preceding one.

The first major area investigated was the time intervals in which the panelists estimated specific fringe benefits are most likely to occur as part of the economic package of 50% or more of Michigan's public school teachers. These estimates were based on the responses of the two groups included in this study, administrators and MEA uniserv directors.

In this research, 44 specific fringe benefits were studied. The major purpose was to forecast the most likely time interval when 50% or more of Michigan's public school teachers would have the benefit as part of their district's fringe benefit package. For the purpose of this study, the 44 fringe benefit items were categorized into the following four areas:

1. Health-related fringe benefits--Benefits that are specifically related to the health and well being of the teacher and, in some cases, may benefit members of the teacher's family.
2. Economic fringe benefits--Benefits that result in additional compensation and are not health related.
3. Family-related and/or personal fringe benefits--Benefits that may provide additional compensation for members of the teacher's family or benefits that affect the quality of the teacher's nonwork environment.
4. Professional benefits--Benefits that may provide opportunities for a teacher's professional growth or personal needs.

A second major purpose of this study was to explore 30 potential developments that may influence fringe benefit trends. The specific topics investigated were (1) estimated time intervals when specific fringe benefit developments are likely to occur, (2) the desirability of the specific fringe benefit developments as perceived by administrators and uniserv directors, and (3) organizational factors that may influence specific fringe benefit developments, as perceived by administrators and uniserv directors.

The fringe benefit developments were arranged into topical groupings, based on the level at which the development would initially occur. The researcher identified these groupings as (1) local and regional, (2) state, and (3) national developments.

General Comments

What are the varieties and types of fringe benefits that are likely to be important in the 1980s, 1990s, and beyond the year 2000? As indicated by the respondents' forecasts regarding the 44 fringe benefits of interest in this study, there appears to be an infinite variety of combinations or configurations of benefits. The major point that should be made is that the number and variety of fringe benefits have been increasing. This point was substantiated by the literature review and by the relatively lengthy list of 44 fringe benefits of interest in this study.

Some trends were indicated in this research, if one can assume that those benefits that were forecasted to appear in the 1980s are of greater priority and will receive the most attention at the negotiating tables in the near future. Therefore, the fringe benefits forecasted for the 1990s and beyond may be of less concern in the immediate future.

It was further assumed that teacher unions will continue to make fringe benefits a major bargaining objective. Obviously, the demands for fringe benefits will vary from school district to school district and from one area of the state to another. Such demands will be offset by local boards of education, which are and will continue to be faced with the increasingly difficult problem of financing schools under the present system or even with alternative methods of financing.

Recent developments such as retrieval bargaining have appeared since the initiation of this study. The effect of these new

developments is still unknown. However, an assumption that can be made from this research, one that is supported by history, is that public school teachers will want and expect more fringe benefits in the 1980s, 1990s, and beyond.

If the forecasts in Chapter IV are correct, some important changes in fringe benefits and related developments may be expected by the 1980s, 1990s, and beyond the year 2000. The two populations of experts used in this study may be considered as one when considering their estimated time intervals of occurrence of specific fringe benefits and developments. At the 0.05 level of significance, the computed chi square supported the hypothesis that the two groups were from populations with the same median. This held true for both the 30 developments and the 44 fringe benefits. Hence the administrator and union panelists may be considered as one statistical population for this study.

In the following discussion, the forecasts of fringe benefits and related developments are summarized according to the time frame in which they were forecasted to appear.

Summary of Trends for the 1980s

Health-Related Benefits

Three health-related fringe benefits were forecasted to receive attention during the first half of this decade (1980-84). These benefits are dental insurance, health insurance with a prescription

rider, and long-term disability insurance. The panelists reached consensus on all three benefits.

The forecasts concurred with the 1980-81 MASB-MASA Contract Settlement Report (cited in Chapter II) for the health and dental benefits. The report stated that 100% of Michigan's school districts provided health insurance, and 90.2% had dental insurance. LTD was provided by nearly 46% of the districts, and more than 50% of the public school teachers were employed in these districts.

According to the panelists, the second half of the 1980s will see four additional health benefits become common in teachers' benefit packages. They are vision insurance, unlimited sick leave accumulation, short-term disability, and travel accident insurance. Of these four benefits forecasted for 1985-89, the experts reached consensus on vision insurance and short-term disability insurance. Unlimited sick leave accumulation and travel accident insurance were not supported as well; 36.8% of the panelists forecasted unlimited sick leave accumulation would appear in this time interval, and 31.6% forecasted travel accident insurance.

Economic Benefits

Only one economic benefit was forecasted for the 1980s. A retirement incentive of one year's salary for early retirement at age 55 was expected to occur in 1985-89. Overall, the panelists did not feel economic benefits would be a priority benefit area in the 1980s, even though ten economic benefits were included in the questionnaire.

Family-Related and Personal Benefits

Three fringe benefits in this category were related to life insurance. Term life insurance up to full amount of salary or higher came close to reaching consensus, with 47.4% of the panelists forecasting 1985-89 as the expected time interval of occurrence. Accidental death and dismemberment (AD&D) insurance up to full amount of salary or higher and dependent life insurance with a minimum of \$1,000 per dependent both reached consensus, with 57.9% and 63.2% of the respondents, respectively. It should be clarified that an AD&D rider is normally attached to term life insurance, paying a benefit that is twice the amount of term life. The Round 3 interquartile range for term life was 1980-89, and the range for AD&D was only one time interval: 1985-89. Three of the five benefits in this topical grouping were expected to occur in the late 1980s.

Professional Benefits

The panelists forecasted that Michigan's public school teachers will receive three professional fringe benefits during the time interval of 1985-89. Paid leaves of shorter duration than sabbatical leaves received consensus by the panelists. A minimum of two personal holidays to be used during the school year and a minimum of two personal paid leave days per year that can be used without any reason given did not receive consensus. Only 3 of the 11 categorized professional benefits were expected in this decade.

Summary of Fringe Benefit Developments in the 1980s

Local and Regional Developments

The panel of experts forecasted four local or regional developments to appear in the decade of the 1980s. All of them were expected to occur in the latter half of the decade--in the 1985-89 time interval.

According to the panelists, local education associations will join regional bargaining units in this decade. The union panelists viewed this development as moderately desirable, in contrast with the administrators' perception of this event as one of medium undesirability. The panelists did not reach consensus on this item; only 37.5% agreed on the expected time interval of its occurrence. The semi-interquartile range was from 1980-89. Local boards of education were the organizations that panelists expected to be most likely to oppose this development, whereas the MEA was identified as the group most in favor of its occurrence.

Another development expected in the 1985-89 interval is that Michigan school districts will pay all of the costs for teachers' fringe benefits without any employee-contributed funds. This event was considered highly desirable by the union members and moderately undesirable by the administrators. Panelists expected local boards to be most opposed to this development, while they perceived that local education associations would view it most favorably. The panelists did not reach consensus on this development.

According to study participants, a third development in the 1980s will be an increased emphasis on in-service training or professional development. The range was in the time interval of 1980-89. Both union and administrator panelists considered this development to be of medium desirability. The organization that panelists felt would most favor and most oppose this development was local boards of education. The researcher assumes this means that although local boards favor more professional development, they also would perceive it as a cost item in their district's budget.

A final local or regional development forecasted for 1985-89 is that boards of education in a particular region or area will unite to review negotiated local agreements for acceptability. This development did not reach consensus as only 37% of the panelists agreed with this time interval. The range had a large dispersion, which covered three time intervals, including the years 1980-94. Administrators and union panelists were neutral on the desirability of this development. Local boards were projected to be the group most in favor of its occurrence, whereas the MEA would be most opposed.

State Developments

Only one of the 12 categorized state developments was expected to occur in the 1980s. The Michigan Public School Retirement System was expected to have a built-in cost-of-living factor in its retirement allowance by 1985-89. The panelists did not reach consensus on this item. The union perceived this development as highly desirable, whereas administrators saw it as having low desirability; for the

composite group, the item had medium desirability. Panelists viewed the MEA as being the group most in favor of this event, whereas they felt the legislature would be most opposed to its occurrence.

National Developments

The panelists did not forecast any of the five categorized national developments to occur in the 1980s.

Summary of the 1980s

Based on the findings of this study, the 1980s will see a major emphasis on health-related fringe benefits; family-related or personal benefits and professional benefits will also receive attention. A low-priority area will be economic benefits or those that result in additional compensation. This finding is congruent with the fiscal problems that school districts and the state are facing in this decade.

Local and regional developments will be priority areas in the 1980s. Regional bargaining, professional development, and increased cooperation with school boards are developments that have received increased attention and are expected to be realized by 1985-89. With the advent of retrieval bargaining, no contributory costs by teachers as a development will be of interest. Whether local boards are able to prevent this development from occurring remains to be seen. The single state development relating to a cost-of-living factor for retired teachers expresses the concern about inflationary costs in recent years. Overall, state and national developments will not receive the

attention that local and regional developments will experience in the 1980s.

Summary of Future Trends for the 1990s

Health-Related Benefits

According to the panelists in this Delphi study, Michigan's public school teachers can expect two health-related benefits to appear during the first half of the 1990s (1990-94). A school-district-financed physical examination at a minimum of every two years was forecasted for this time interval. Initially, in the first round, the panelists selected 1985-99 as the semi-interquartile range for this benefit and finally narrowed the range to 1990-99 in the third round. However, consensus was not achieved; 42.1% selected this time interval. The second benefit forecasted to occur during the 1990-94 interval was additional options to cover in-hospital benefits, weekly indemnity, and so on. This benefit had an even wider range of acceptance with a time span of 1985-99. Again, the panelists did not reach consensus on this item (36.8%).

During the latter half of the 1990s, two other health-related benefits were forecasted to occur. These are paid hearing care and continuation of fringe benefit coverage for retirees. Neither benefit reached consensus. The semi-interquartile range for hearing care was 1990-99, whereas the range for fringe benefit coverage for retirees was from 1990 to beyond the year 2000. Some panelists indicated that paid hearing care is partially covered by present group health insurance and that any new benefits would be incorporated into new types of health

plans. For retirees' fringe benefit plans, existing restrictions on local school districts and other public bodies prevent continuation of benefits for employees who are no longer employed by the school district. Thus, although some panelists felt this was a desirable benefit, they realized these restrictions would require major changes.

Economic Benefits

According to the panelists, economic benefits will receive major attention in the 1990s. Eight economic benefits were forecasted for this decade.

During the 1990-94 time interval, three fringe benefits are expected to occur. Cost-of-living allowances (COLA) had a semi-interquartile range of 1985-99. Only 15.8% of the panelists supported the 1990-94 time interval of occurrence. The option to receive money in lieu of fringe benefits in the event of double coverage with a spouse employed by the school district reached consensus with 63.2% supporting the median time interval of 1990-94. The range shifted from 1985-94 in the initial round to 1990-99 in the final round. Some respondents expressed concern for present tax laws preventing employees the option of receiving cash in lieu of fringe benefits. Should changes occur in these laws, the researcher feels this benefit could become a reality for both spouses and other teachers who might desire cash instead of specific fringe benefits. The final benefit forecasted to occur in the first half of the 1990s is retirement pay of \$100 for each year of service in the school district. This time interval was

supported by only 26.3% of the panelists. The three rounds had a consistent range of 1985-99.

The second half of this decade will see five additional economic benefits. They are paid overtime, full pay for unused sick leave at retirement, longevity pay of 1% per year beyond the B.A. top step, a retirement incentive plan, and a tax-sheltered annuity plan paid by the school district. The experts did not reach consensus on the 1995-99 median time interval for any of these fringe benefits. Using the semi-interquartile range, full pay for unused sick (1985-99) and paid overtime (1990-99) appear to have the greatest likelihood of occurring in this decade. A retirement incentive plan, longevity pay of 1%, and a paid tax-sheltered annuity plan were forecasted in the time range of 1990 to beyond the year 2000.

Family-Related and Personal Benefits

Two family-related and personal fringe benefits were forecasted for the 1990s. They are a prepaid legal plan and survivor income insurance.

Prepaid legal plans were forecasted for 1990-94. The range was 1985-94. The panelists were close to consensus, with 47.4% selecting the 1990-94 time interval. The researcher is familiar with local school districts that have received teacher negotiation proposals containing suggestions for prepaid legal plans. These proposals may be expected to become even more common in the near future.

Survivor income insurance with a minimum of \$200 a month/spouse and \$100 a month/child was forecasted to occur in the 1995-99 interval.

The range was 1990-99, and the panelists did not reach consensus on this benefit.

Professional Benefits

Four professional benefits were forecasted for the first half of this decade, during the 1990-94 time interval. One benefit was forecasted for the latter half of the 1990s.

Personal liability insurance, paid guaranteed professional leave, paid counseling services for laid-off teachers, and board-paid property damage for teachers while on school business were forecasted for the 1990-94 time interval. None of these benefits received consensus by the panelists. The range for paid professional leave was 1990-99, whereas the other three professional benefits had a range of 1985-94.

The remaining professional benefit forecasted for this decade was full tuition reimbursement, which was forecasted to occur in the 1995-99 interval. Consensus was not reached on this benefit as only 26.3% of the panelists selected this median time interval. The range was from 1990 to beyond the year 2000. Some panelists expressed the opinion that teachers are rewarded for additional course work by being placed on a higher salary schedule. Thus, the higher salary plus paid tuition was considered to be double-dipping. Overall, panelists expected 5 of the 11 categorized professional benefits to occur in the 1990s.

Summary of Fringe Benefit Developments in the 1990sLocal and Regional Developments

The panel of experts forecasted four local and regional developments to occur in the 1990s. Consensus was not reached on any of these developments.

Cafeteria-style fringe benefit packages will gain acceptance during the first half of the 1990s. The panelists were close to consensus, with 43.8% agreeing on the 1990-94 time interval. The range was 1985-94, and some panelists saw this development occurring even earlier. Both union and administrator panelists were neutral on the desirability of this benefit occurring. Local education associations were perceived as the group most in favor, whereas opposition was expected from local boards of education. Should this development occur, it will have a tremendous effect on benefit packages for teachers. Most experts agreed that although it may be desirable to base benefits on need, this might accelerate trends to tax fringe benefits. The other problem would be the need for increased bookkeeping and for providing employees with thorough insurance counseling.

A second development projected to occur in the first half of the 1990s is school districts entering the self-insurance arena. The range was from 1985-99. The administrators considered self-insurance to be of low desirability, whereas the union members considered this development to be of low undesirability. It was of interest to this researcher that the union did not consider the development to be highly

undesirable. The MEA and its insurance affiliate have opposed this approach to providing teachers' fringe benefits. Finally, panelists expected local boards to be most in favor of this development, whereas they felt the MEA would provide the most opposition.

The opportunity for teachers to trade fringe benefits for cash in hand was projected for 1995-99. The range was 1990-2000+. The union panelists were neutral about this development, whereas the administrators considered it of medium undesirability. Local education associations were expected to be most supportive of this development, and opposition was expected from local boards. Major reasons for this relatively late time interval were that only sick people would take the insurance, the IRS taxability rules would cause both the fringe benefit and cash in hand to be taxed, and that cash would destroy the true idea of insurance.

The final local and regional development is health maintenance organizations replacing present health insurance plans. The range was from 1990 to beyond the year 2000. Administrators were neutral on this development's desirability, whereas the union members considered it to be of medium undesirability. Panelists expected that local boards would favor this development and that the MEA would provide the greatest opposition. Since this study was initiated, interest in the formation of HMOs in Michigan has increased greatly. In fact, employees now may select an HMO instead of a traditional carrier for their health insurance. This researcher believes that HMOs will become a viable option earlier than the panelists forecasted.

State Developments

Four state developments were forecasted to occur in the 1990s. Two are expected during the 1990-94 interval and the other two during 1995-99.

According to the panelists, Michigan school districts' boards of education will unite into multiple-district bargaining units in 50% or more of the districts by the end of the first half of the 1990s. The range was 1990-99. The union panelists perceived this development to be of medium desirability; administrators rated it as having low undesirability. Consensus was not reached; 37.5% selected the 1990-94 time interval. The MEA was expected to be the group most in favor of this development, whereas local boards were expected to be most opposed. The researcher believes the MEA sees this as a favorable development, which would further their attempts to expand regionalized bargaining. In opposition, administrators view multiple-district bargaining as a threat to local control. The panelists as a composite group considered the development to be of low desirability.

The second development expected to occur in 1990-94 is a 50% increase in personnel administrators who would work with employee benefits and other related personnel functions. The range was 1990-99. Consensus was not reached, with 37.5% of the panelists selecting the 1990-94 median time interval. Administrators and the composite group considered this event of low desirability; the union panelists took a neutral position. Administrators were identified as the group most in favor of this development; local boards were expected to be most

opposed to it. Feedback indicated that local boards may perceive this development as costly in terms of adding administrators. Thus, budget problems in local districts may cause local boards to delay or prevent the occurrence of this development.

Panelists expected fringe benefits for Michigan's public school teachers to average 50% of payroll by 1995-99. The composite group of panelists and union experts was neutral on the desirability of this development. Consensus was not reached, and the range was from 1990 to beyond the year 2000. The MEA and LEAs were expected to be in favor of the development, and local boards were expected to oppose it. The panelists varied in their reasons for this development's present trend, such as the question of the possibility of salaries rising faster than benefits after a certain point is reached, the IRS taxing fringe benefits, and inflation.

The final state development expected in the 1990s is the option for teachers to retire after 30 years of service with full fringe benefits paid by the local district. The probable date of acceptance was 1995-99, and the range was from 1990 to beyond the year 2000. There was great disagreement between the two groups of panelists on this benefit. The union panelists considered it as highly desirable, and the administrators categorized it as being of low undesirability. The MEA and LEA would be most in favor of the development, while opposition was expected to come from local boards of education. Costs, early retirement plans, legislation, and so on, will be influencing factors, according to panelists' feedback.

National Developments

Four national developments were forecasted for the 1990s. Three were expected to occur during the first half of the decade, and the panelists reached consensus on all three of them. The fourth was expected to occur in the 1995-99 time interval. Consensus was not reached on this item.

Median family income (in 1980 dollars) was expected to reach twice its present amount by 1990-94. More than half of the experts (56.3%) agreed on this time interval. The union and administrator panelists evidenced great disagreement on the desirability of this development. The union panelists perceived it to be of low desirability, whereas administrators rated it of medium undesirability. Panelists thought both the MEA and the LEA would favor its occurrence. Opposition would come from local boards. The inflation rate, Michigan's economy, and other factors will affect this development, according to the panelists.

The second national development forecasted for 1990-94 is that median teachers' salaries will reach twice their present amount. Almost 70% of the experts forecasted this median time interval. The narrow semi-interquartile range was also 1990-94. Great disagreement existed between the two panelist groups; the union members considered this development as having medium desirability, and administrators saw it as having low undesirability. LEAs would be most in favor of this development, with opposition coming from local boards. Key factors mentioned by the panelists were fewer and fewer young teachers and thus

a higher median salary, inflationary factors, Michigan's economy, and past salary records.

Panelists expected the IRS to consider teachers' fringe benefits as taxable income by 1990-94. The semi-interquartile range was 1985-94. Fifty percent of the panelists agreed on this 1990-94 forecast. Administrator panelists considered this development to be medium undesirable, whereas the union members and the composite group considered it highly undesirable. Panelists thought legislative action would provide the most support for this development's occurrence, whereas the NEA would provide the most opposition. Although many panelists felt there would be a great deal of opposition by various groups to this development, they still believed it would occur in the 1990-94 interval.

One national development was forecasted for 1995-99. Federal funds reaching 15% of the total tax dollars received by Michigan school districts did not receive consensus. The range was 1990-99. Great disagreement existed between the two groups, with the union members considering this development to be of medium desirability and the administrators considering it to be of low undesirability. LEAs would be most in favor of this development, and opposition would come from local boards. Strings attached to federal funds, as well as presidential and federal priorities, were seen as factors influencing increases in federal funding to schools.

Summary of the 1990s

According to the findings of this study, fringe benefits will shift from an emphasis on health-related benefits in the 1980s to an emphasis on economic benefits in the 1990s. Professional benefits will also receive major attention in this decade. Health-related benefits will continue to grow in numbers, and family-related and personal benefits will be given low priority.

It is evident that after Michigan's public school teachers have obtained major health-related necessities, their focus will turn to economic and professional benefits in the 1990s. The increased attention to these two topical areas of fringe benefits follows the serious fiscal difficulties school districts have faced during the 1980s. Altogether, of the ten economic benefits forecasted in this study, eight are expected to occur in the 1990s. Five of the 11 professional benefits are also expected to occur, making this the second category of importance. Of major importance in the area of economic benefits are expected cost-of-living allowances (COLA) and the option for teachers to receive money in lieu of fringe benefits.

In terms of related fringe benefit developments, several important occurrences were forecasted. Cafeteria-style fringe benefit packages, self-insurance, the doubling of 1980 median family income and median teachers' salaries, and the IRS taxing fringe benefits were all expected in the first half of the 1990s. Health maintenance organizations (HMOs) were expected to become a replacement for traditional health insurance by the latter part of the 1990s. The researcher feels

this forecast may occur sooner than the panelists expected. During the time this study was being conducted, HMOs became commonplace, especially in large urban areas. Recent changes in legislation allow HMOs as an option in place of health insurance. It is therefore reasonable to assume that the number of Michigan teachers covered by HMOs will increase. Overall, some of the most noteworthy developments investigated in this study were forecasted for the 1990s.

Summary of Future Trends for Beyond the Year 2000 and Never

Health-Related Benefits

Cancer insurance was the one remaining health-related benefit included in the study. The experts reached strong consensus on this item; 84.2% forecasted that cancer insurance would never become a fringe benefit for Michigan's public school teachers.

Economic Benefits

Teacher effectiveness (merit) pay was forecasted never to occur. The panelists reached consensus on this forecast, with 63.2% selecting the "never" time interval.

Family-Related and Personal Benefits

Overall, this group of benefits was not expected to receive much attention in the distant future. The only benefit with any likelihood of occurring is fringe benefit and salary continuation for a negotiated period of time after the death of an employee. The panelists did not reach consensus on this benefit; only 26.3% selected the

2000+ interval as the expected time of occurrence. Vacation-time allotments based on years of service, to be taken during the regular school year; home insurance; and home mortgage insurance were forecasted never to appear. The panelists reached consensus on these benefits (68.4%, 68.3%, and 73.7%, respectively).

Professional Benefits

Panelists expected two professional benefits to have a remote chance of occurring beyond the year 2000. Sabbatical leave with full pay every seven years did not receive a consensus vote of the experts, with only 31.6% agreeing on this time interval. A minimum of \$100/year for membership in nonunion education associations paid for by the school district was not strongly supported, with only 36.8% of the panelists forecasting the 2000+ time category. Finally, there was strong consensus (73.7%) that teachers would never have available lease cars for travel between buildings.

Summary of Fringe Benefit Developments for Beyond the Year 2000 and Never

Local and Regional Developments

The panel of experts forecasted three local or regional developments as having a remote possibility of occurring beyond the year 2000. Two developments were expected never to occur. Local school districts uniting to self-insure some fringe benefits did not have consensus on a time interval; only 25% of the panelists selected the median time of 2000+. Both administrators and union members were neutral on the desirability of this development occurring. Local

boards of education were the groups most in favor of this development, and the MEA was most likely to oppose the development. The second development with a possibility of occurring beyond the year 2000 is teachers' salaries, including costs for fringe benefits, being tied to a valid index of economic growth such as a consumer price index. There was great polarization on the desirability of this benefit, with the union members considering it highly desirable and the administrators seeing it as highly undesirable. Local boards were identified as being the groups most opposed to the development and the MEA most in favor of it. Average class size of less than 20 students was the final local or regional development with a possibility of occurring beyond the year 2000. The panelists barely reached consensus; 50% selected the 2000+ time interval. The union and administrator panelists as a composite group perceived this benefit to be of medium desirability; the union members considered it to be highly desirable. This researcher assumed that although the panelists considered small class size to be desirable, they also realized this would be very costly; therefore, there would be very little opportunity for this development to occur in the near future. Local boards would be the group most opposed to this development, and local education associations would be most in favor of this event.

Two local and regional developments were forecasted never to occur. They are (1) performance contracting with teachers as an acceptable method for receiving additional compensation and (2) school districts offering bonuses to hire outstanding teacher candidates. The

panelists reached consensus on both of these developments, with 62.5% and 56.3%, respectively, agreeing on the "never" interval. Administrators were neutral on the desirability of performance contracting; the union members perceived it to be of medium undesirability. According to the panelists, local boards would be the groups most in favor of this development, whereas the MEA would provide the most opposition. Both administrators and union members considered offering bonuses to hire outstanding teacher candidates undesirable. Again, panelists expected local boards would be most in favor of this occurrence and the MEA would be the most opposed. This appears to be consistent with the MEA's (and the NEA's) recent vocal opposition to the concept of merit pay. It is also apparent that administrators as a group did not perceive performance contracting as a desirable development.

State Developments

Seven fringe-benefit-related developments were forecasted for the 2000+ and never median time intervals. The existence of one statewide bargaining unit to determine teachers' salaries and fringe benefits (with possible cost-of-living indexes for different areas of the state) was not forecasted to occur until after the year 2000. This development did not reach consensus because a number of panelists felt this event might occur at an earlier date. The semi-interquartile range was 1995-2000+. There was great disagreement between the two panelist groups about the desirability of this development. The union members perceived it to be of medium desirability, whereas the adminis-

trators felt it was of medium undesirability. The MEA would be the group most in favor of the development, whereas local boards would be most opposed.

The second development that has a chance of occurring in the 2000+ time frame is the possibility of Michigan's schools operating on a four-day week and still maintaining a minimum 180-day school year. Consensus was not reached on this item. Possibly, a variety of plans have been advocated for the school year and not enough support existed for the panelists to agree on this development. In addition, many of the recent reports concerning excellence in the nation's schools have advocated lengthening the school year. Both administrator and union panelists were neutral on the desirability of this item. Panelists felt local boards and local education associations would be most in favor of this development, but that the state board of education would oppose it.

The remaining five state developments were forecasted never to occur, and the panelists reached consensus on this time interval. Of these developments, the possibility of Michigan schools operating fewer than 180 instructional days appears to have the most likelihood of occurring. The semi-interquartile range was 1995-never. The union and administrator panelists were in agreement that it was of low undesirability to have the school year shortened to fewer than 180 days. Nevertheless, it was felt that local education associations would be the groups to favor this happening, whereas local boards and the State Board of Education would be equally opposed to it.

Allowing teachers to have a shortened workday, permitting them to work only when they have specific teaching assignments, was an area of great disagreement between the union members and administrators. The union panelists considered this development to be of low desirability; the administrators categorized it as being of medium undesirability. Panelists said local education associations would be most in favor of the shortened workday, while opposition would come from local boards.

Reducing nontenured teachers' probationary period to one year does not appear likely to occur. The union members were neutral about the desirability of this development; the administrators felt it was of medium undesirability. The composite group considered this development to be of low undesirability. Panelists expected the MEA to be the organization most in favor of the development, and local boards were expected to oppose this change.

Based on the study findings, it does not appear likely that Michigan's public school employers and employees will leave the present Social Security program and institute an alternative program.

National Developments

The remaining national development is the possibility of teachers forming a federal bargaining unit. The panelists reached a strong consensus that this item would never occur. The 75% consensus was the highest reached for any of the 30 developments included in this study. The union and administrator panelists both felt this development was of medium undesirability. Local boards of education

would be the group most opposed to federal bargaining, whereas the MEA would be most in favor of it. Panelists commented that, at the federal level, there are already too many problems with federal employees. Also, a shift to more federal money for schools would have to occur before federal bargaining could be undertaken.

Summary of Beyond the Year 2000 and Never

Health-related fringe benefits were emphasized in the 1980s, and economic and professional benefits were expected to receive attention in the 1990s. For the time interval beyond the year 2000, no major trend was indicated. It is interesting that all of the health-related benefits were expected to occur by the year 2000.

Ten of the 44 fringe benefits included in this study were forecasted for beyond the year 2000 and never. Eight were identified in the topical areas of (1) family-related and personal benefits and (2) professional benefits. An important benefit forecasted in the "never" time interval was teacher effectiveness or merit pay. Recent reports referring to excellence in education have advocated merit pay as a means of influencing teachers' performance. These reports have appeared since the data were collected for this study. It remains to be seen if merit pay or any form of teacher effectiveness pay can overcome the apparent opposition of the panelists and possibly occur at some time in the near future.

Of the 30 related developments of interest in this study, 13 were forecasted to occur beyond the year 2000 and never. Hence a large

number of developments did not receive much support for occurrence in the near future.

Potentially important related developments that may occur beyond the year 2000 are local school districts uniting to insure some fringe benefits, teacher salaries and costs for fringe benefits being tied to a consumer price index, average class sizes less than 20 students, statewide teacher bargaining units, and a shortened school week.

Eight of the 13 developments forecasted for these time intervals were expected never to occur. Important developments among these eight are performance contracting, bonuses to hire teacher candidates, schools operating less than 180 days a year, year-round schools, and teachers forming a federal bargaining unit.

Many factors may have influenced the experts to categorize a specific fringe benefit or a related development as likely to occur beyond the year 2000 or never. Nevertheless, the possibility of these items actually occurring or influencing Michigan public school teachers' benefit packages appears to be very remote.

Implications

The major purpose of this study was to anticipate the future of fringe benefit trends in Michigan. Some individuals may feel that the projections made in this study are highly fallible estimates of an uncertain future. However, to fail to anticipate and plan is to face the uncertain future with no preparation, inadequate attention to alternatives, and very little effort to control or determine the course

of events. From this perspective, the researcher made some basic assumptions that may assist educational planners who are involved in determining future Michigan teacher fringe benefit packages.

There is no reason to believe that Michigan teachers' fringe benefits have reached their ceiling. As stated earlier, fringe benefit costs have been increasing faster than wages, when considered as a total percentage of payroll. Although this percentage may not increase as rapidly as some forecasters have suggested, the varieties and costs of fringe benefits will continue to grow. The varieties and types of fringe benefits that are likely to be important in the 1980s, 1990s, and beyond were reported in this study. Undoubtedly, new benefits and different versions of present benefits will appear in the future. The possibilities are unlimited.

Since the advent of collective bargaining in the mid-1960s, when teachers were relatively deprived in relation to the benefits they receive today, teachers have been attaching much value to increased sick leave days, personal leave, insurances, shortened work days and contract year, and a variety of other fringe benefits. Since that time, teacher unions have considered fringe benefits as a means of providing a genuine service to their memberships. Moreover, fringe benefits are tangible aspects of a district's master agreement and make good bargaining issues. Since unions are political organizations, their numerous fringe benefit demands can be expected to continue.

Since the mid-1960s, a major focus of teachers' unions has been health-related fringe benefits. Since then, substantial increases have

been made in health, dental, vision, life, and similar types of insurance. It may be anticipated that after teachers feel they have obtained the basic health and personal insurance needed for themselves and their families, they will expect other benefits. Based on the findings of this study, the next emphasis will be on economic benefits (overtime pay, pay for unused sick leave, tax-sheltered annuities, and so on). Because of the rising costs of present insurances and the union demand for new benefits, a continued struggle between teacher unions and boards of education should be anticipated. Boards of education can be expected to counter union demands by proposing that teachers assume a portion of fringe benefit costs or accept plans with different levels of coverage.

Compounding the problems of local boards of education in recent years have been the fiscal problems faced by the state of Michigan. With the reduced funding available from the state, many boards of education have had to bargain salary freezes and concessions in fringe benefit packages. Although it is not likely that this trend will continue indefinitely, there will be fierce competition at the bargaining table for available dollars. Thus, the conflict between unions and boards of education, exacerbated by inflation and rising costs, may be expected to continue for several years.

Although this study did not deal specifically with the changing characteristics of Michigan's teachers, it may safely be stated that these teachers have a greater variety of family and behavior patterns than ever before. For example, teacher unions and boards of education

will need to consider the fringe benefit needs of two-career families, children living with the former spouse, a live-in partner, a higher percentage of aging staff, and so on. Unions will seek a greater variety of fringe benefit choices for individual teachers. Different benefit packages keyed to diverse needs or life styles will bring about changes in future benefit plans. Chief among projected benefit plans is the flexible or so-called "cafeteria"-style plan. As an example, young or single teachers may desire a different benefit plan than would two-career families nearing retirement. This change to flexible benefit plans will not occur rapidly, but this researcher believes it will occur.

Another major development expected to occur by the early 1990s is school districts self-insuring some of the teachers' fringe benefits. Self-funded programs will replace the most costly, fully funded insurance programs so common in Michigan school districts. This development will cause major conflicts at the negotiating table between teacher unions and boards of education. The conflict may be long and difficult, but boards of education will be persistent because of the potentially significant savings they may realize.

In recent years, fringe benefits have finally received increased attention. However, many facets of such benefits are relatively unknown. For example, it is not easy to characterize teacher attitudes toward fringe benefits because so many dimensions, such as age, marital status, and seniority, are involved. What is the interaction between wage compensation and benefits? Does the union at the

state level establish fringe benefit and bargaining goals, or do the benefits negotiated at the local level truly represent the needs of the local teachers? Other factors such as the effect of fringe benefits on need fulfillment, management attitudes about and perceptions of fringe benefits, and the effect of benefits in helping to attract and retain teachers in a school district are areas in which further research is needed.

Two additional developments will greatly affect the growth of fringe benefits for Michigan's public school teachers. First, the federal government will be less generous in its treatment of fringe benefits as nontaxable compensation. The government could obtain millions of dollars by taxing fringe benefits. Such taxation will probably be initiated by degrees. An example is the taxation as income of the premium to purchase group term life insurance over \$50,000. This type of incremental taxation will be phased in very soon.

Second, recent studies advocating a return to excellence in the nation's public schools may have important implications for teachers' fringe benefits. Since the onset of teachers' collective bargaining in the 1960s, the unions have repeatedly negotiated benefits that have reduced teacher contact time with students. Increased amounts of sick leave, personal leave days, family-care days, shorter work day and contract year, and so on, have eroded contact time and must be considered a major reason for the alleged decline in excellence. One thing is certain: the public will insist on improvements in student achievement. This mandate will require both teacher unions and boards

of education to deal with the implications of this sweeping movement at the negotiating table.

Suggestions for Future Research

During the course of this study, several areas were revealed that would benefit from additional study. The following questions are suggested for further investigation:

1. What are the forecasts and opinions of school board members, other administrators, citizens, and/or teachers on future teacher fringe benefits and related developments? How do those forecasts and opinions compare with the ones expressed in the present study?
2. Do the forecasts and opinions of the panelists in this study accurately reflect those of employee benefit administrators and uniserv directors as a total population?
3. How do the fringe benefits of teachers in Michigan's private and parochial schools compare with those of Michigan's public school teachers?
4. What teacher fringe benefits, including a complete cost analysis, are provided by different-sized school districts and regions of Michigan?
5. What fringe benefit trends and related developments can be forecasted for Michigan's public school administrators?

6. How does the Delphi technique as a forecasting methodology compare with the nominal group technique or other procedures for forecasting future fringe benefits and related developments?

7. What is the opinion of teachers concerning the effect of collective bargaining on the magnitude of fringe benefit and wage expectations?

8. What role do fringe benefits play in attracting teachers, retaining them, and/or providing job satisfaction or dissatisfaction?

APPENDICES

APPENDIX A

THE DELPHI TECHNIQUE

THE DELPHI TECHNIQUE

The forecasting technique selected for this study is the Delphi technique. It is a technique that has merit for this type of study as indicated by the following discussion.

There is an age-old adage that says, "Two heads are better than one." This adage could apply to any situation or circumstance in which the exact knowledge is not known or available. Also, if two heads are better than one, it can be further assumed that three heads are better than one or that, simply stated, n heads are better than one. This has been very evident historically, when one considers the pooling of minds that has existed in societies throughout the ages. Legislative bodies, juries, boards of education, councils, commissions, and others are examples of group judgments.

On the other hand, grouping may create the problem of "pooling ignorance." In other words, there is at least as much misinformation in n heads as there is in one. Thus, the problem becomes one of putting n heads together and obtaining a reliable opinion.

Grouping individuals together may cause a number of hindering side effects. Delbecq and Van (1975) noted that emergent leaders (high-status, expressive, or strong individuals) tend to dominate activities either because of their knowledge or because of informal influence. Personalities and organizational status affect decisions because credibility is influenced by perceptions of the person offering an idea or by his position. Generally, compromise decisions are obtained, as opposed to a consensus decision. Tersine and Riggs (1976)

stated that group processes often leave participants exhausted, discouraged, and frustrated because of endless meanderings and a lack of resolution.

In an effort to eliminate these negative side effects, the Rand Corporation developed a technique called Delphi, to be used in long-range technical forecasting in which a group of experts from diverse backgrounds is called upon to make decisions. Dalkey and Helmer (1963) and their colleagues developed the Delphi as a systematic method to solicit, collect, evaluate, and tabulate independent opinions without group discussion.

The basic procedure eliminates any direct confrontation of the participants and yet allows their projections to reach consensus based on increasingly relevant information. A series of questionnaires may be used, or interviews may be conducted with each participant. Following the tabulation of responses for each questionnaire or round, the participants are given the information that other participants have contributed. The process is continued through successive rounds until sufficient convergence of opinion occurs.

Delphi Procedure

The steps of the Delphi technique can vary somewhat, based on the intended application of the results. A basic diagram of the model used in this research can be found in the Design section of this study.

Several assumptions should be discussed that are relevant to the procedure or use of the Delphi technique. These assumptions may be stated in the following terms:

Assumption 1: The process of making successive judgments with feedback produces convergence in perceptions among the members of a Delphi panel. This assumption is perhaps the most basic of all to the Delphi technique and has been widely recognized by Dalkey (1970), Uhl (1971), and others.

Assumption 2: Convergence on the second round of judgments (the first round with feedback) is greater than on subsequent rounds. This observation was reported by Uhl (1971) and Cypert and Gant (1971).

Assumption 3: It is necessary to conduct three or more rounds of a Delphi procedure to produce reliable, convergent results. Since the Delphi technique is based on intention, the question of how many rounds are necessary to achieve consensus is pertinent. Cypert and Gant (1971) found that virtually all (99%) of respondents' changes in opinions occurred by the third questionnaire.

Helmer (1967) commented on this important aspect of convergence:

This convergence of opinions has been observed in the majority of cases where the Delphi approach has been used. In a few of the cases where no convergence toward a relatively narrow interval of values took place, opinions began to polarize around two distinct values, so that two schools of thought regarding a particular issue seemed to emerge. This may have been an indication that opinions were based on different sets of data, or on different interpretations of the same data. In such cases, it is conceivable that a continuation of the Delphi process, through several more rounds of anonymous debate-by-questionnaire, eventually might have tracked down and eliminated the basic cause of disagreement and thus led to a true consensus. But even if this did not happen, or if the process were terminated before it had a chance to happen, the Delphi Technique would have served the purpose of crystallizing the reasoning process that led to the positions which were taken and thus would have helped to clarify the issues even in the absence of a group consensus.

This convergence factor was a very important aspect of the present study. Can the groups representing both sides of the bargaining table have a convergence of opinions as they relate to the forecasting of fringe benefits? The Delphi technique was used to test this question.

APPENDIX B

PROFILE OF DELPHI PANELISTS

PROFILE OF DELPHI PANELISTS

Nineteen panelists participated in this Delphi forecast of fringe benefits and fringe benefit developments. Nine of the panelists were administrators selected from Michigan public school districts that had enrollments of 10,000 or more students. Dr. Stanley Hecker of Michigan State University assisted in identifying administrators. Fred Comer, Assistant Director of the Michigan Education Association, assisted in identifying uniserv directors from the geographical areas of the identified school districts. Ten uniserv directors participated in the study.

Study participants were given the opportunity to remain anonymous or to volunteer participant information. Of 19 participants in the three complete rounds of this study, 16 volunteered information regarding their background.

The following is a list of major professional organizations to which the study participants belonged. Local and county associations were deleted from the list.

Professional Organizations--Administrators

Phi Delta Kappa
 American Association of School Administrators
 Michigan Association of School Administrators
 Michigan Negotiators' Association
 American Association of School Personnel Administrators
 Michigan Association of School Personnel Administrators
 National Association of Educational Negotiators

Professional Organizations--Uniserv Directors

National Education Association
 Michigan Education Association
 Michigan Executive Directors Association
 Michigan Bar
 Federal Bar
 National Staff Organization
 National Organization on Legal Problems of Education

Experience in Education
and/or Related Fields

The 16 Delphi panelists were requested to specify their
 (1) total years in education or a related field and (2) total years in
 their present position. The responses follow:

	Total Years in Education or Related Field (Avg.)	Total Years in Present Position (Avg.)
Administrators	18.0	17.0
Uniserv directors	7.9	8.4

The Delphi panelists' experience in education or a related
 field and total years in their present position were very similar when
 compared for the group as a whole.

DELPHI PANELISTS
(Administrators and Uniserv Directors)

<u>Delphi Panelists</u>	<u>Official Job Title</u>	<u>Employer</u>
Bruce J. Ambs	Director of Labor Relations	Jackson Public Schools
William Browne	Executive Director	Utica Education Association
Howard Chenoweth	Associate Superintendent, Personnel Employee Relations	Warren Consolidated Schools
Harlow M. Cleggett	Director, Employee Relations	Lansing School District
Gerald A. Collins	Assistant Superintendent for Personnel	Huron Valley Schools
Joseph Cushmano	Uniserv Director	Michigan Education Association
Tom Everitt	Director, Employee Relations	Pontiac Public Schools
Errol Goodman	Director, Employee Relations	Ann Arbor Public Schools
Gerald E. Haymond	Uniserv Director	South Oakland MEA/NEA
Richard L. Higginbotham	Director of Personnel and Employee Relations	Waterford Schools
Jim Matteson	Uniserv Executive Director	Waterford Education Association MEA/NEA
Samuel B. LaMonica	Director of Employee Relations	Livonia Public Schools
Robert G. Nicholson	Uniserv Director	MEA
Edwin N. Shimabukuro	Executive Director	Bay City Education Association
Robert Sikkenga	Uniserv Director	MEA
Larry Westley	Personnel Manager	Rochester Community Schools

APPENDIX C

**LETTERS, FEEDBACK, AND DELPHI QUESTIONNAIRE
(FIRST ROUND)**

Dear

The attached items will form a questionnaire that will study fringe benefit trends for teachers in Michigan's public schools. Primarily, this study is concerned with (1) developments that may influence fringe benefits and (2) specific fringe benefits that may now, or in the future, become a part of fringe benefit packages for Michigan public school teachers.

This study will utilize selected participants in a series of Delphi projection questionnaires to carefully formulate forecasts of trends relating to fringe benefits in the Michigan public schools. This Delphi technique was recently developed by the Rand Corporation, and participants in similar studies have found it to be an interesting and rewarding experience.

Mr. Fred Comer has assisted me in your selection as a participant because of your background and knowledge as a UniServ Director. Basically, it would involve your participation in three questionnaires that will take an average of twenty minutes each to complete for a total of approximately sixty minutes over the complete study. Furthermore, I want to assure you that responses will only be reported as a total group, and individual responses will not be identified.

This doctoral study is being conducted under the guidance of the following Michigan State University professors:

Dr. Frederick Ignatovich	- School of Administration and Higher Education
Dr. Stanley Hecker	- School of Administration and Higher Education
Dr. Glen Cooper	- College of Education
Dr. John Wanous	- Department of Management

It would be appreciated if you could complete the attached sheet by March 21 and return it in the stamped, self-addressed envelope enclosed. When I receive your acceptance, I will send the first round of the Delphi questionnaire and a brief timetable for the remainder of the study. Also, I would be very pleased to send you a summary of the results if you desire.

Won't you please join twenty-seven other selected Uni-Serv Directors in this study? I know your time is very valuable, but the results we obtain should provide us with some valuable insight into fringe benefit trends and your contribution will be very much appreciated.

Sincerely yours,

Study approved by

Jerry L. Cushman
Greenville Public Schools

Fred Comer
Associate Director

Dear

The attached items will form a questionnaire that will study fringe benefit trends for teachers in Michigan's public schools. This study is concerned with (1) developments that may influence fringe benefits and (2) specific fringe benefits that may now, or in the future, become a part of fringe benefit packages for Michigan public school teachers.

This doctoral study is being conducted under the guidance of the following Michigan State University professors:

Dr. Frederick Ignatovich	- School of Administration and Higher Education
Dr. Stanley Hecker	- School of Administration and Higher Education
Dr. Glen Cooper	- College of Education
Dr. John Wanous	- Department of Management

This study will utilize selected participants in a series of Delphi projection questionnaires to carefully formulate forecasts of trends relating to fringe benefits in the Michigan public schools. This Delphi technique was recently developed by the Rand Corporation, and participants in similar studies have found it to be an interesting and rewarding experience.

Because of your background and knowledge as a central office administrator you are being requested to participate in this study. Basically, it would involve your participation in three questionnaires that will take an average of twenty minutes each to complete for a total of approximately sixty minutes over the complete study. Furthermore, I want to assure you that responses will only be reported as a total group and individual responses will not be identified.

It would be appreciated if you could complete the attached sheet by March 21 and return it in the stamped, self-addressed envelope enclosed. When I receive your acceptance, I will send the first round of the Delphi questionnaire and a brief timetable for the remainder of the study. Also, I would be very pleased to send you a summary of the results if you desire.

Won't you please join twenty-seven other carefully selected central office administrators in this study? As a fellow central office administrator (Greenville Public Schools), I know your time is very valuable, but the results we obtain should provide us with some valuable insight into fringe benefit trends, and your contribution will be very much appreciated.

Sincerely yours,

Jerry L. Cushman

Name _____ Research Number _____

FRINGE BENEFITS

The following list contains 29 fringe benefits that may or may not be a part of Michigan public school teachers' fringe benefit packages now or in the future.

Directions

1. Circle any fringe benefit number that is unclear or confusing in its wording. If the items are all understandable (in their general context), it is not necessary to do anything.
 2. If you can think of any additional fringe benefits that may develop in the future, please add them to the list (Item 30).
 3. Please return this list in the self-addressed stamped envelope by Friday, March 21, 1980. Thanks!
-

1. Increased term life insurance up to full amount of salary.
2. Increased accidental death and dismemberment (AD&D) insurance up to full amount of salary.
3. Paid overtime for hours worked beyond normal school day.
4. Paid dental insurance with a variety of benefit options.
5. Paid vision care with a variety of options.
6. Paid hearing care with a variety of options.
7. Full tuition reimbursement for approved coursework.
8. Teacher effectiveness pay (merit pay, performance bonuses, etc.).
9. Fully paid health insurance and prescriptions.
10. Survivor income insurance with a minimum of \$200 a month/spouse and \$100 a month/child.
11. Automatic cost-of-living allowances (COLA).
12. Unlimited sick leave accumulation.

13. Full pay for unused sick leave at retirement based on final pay rate.
14. Sabbatical leaves with full pay at least every seven years for approved reasons.
15. Fully paid short-term disability insurance.
16. Fully paid long-term disability insurance.
17. A health examination. Insurance program or school-district-financed physical examination at least every two years.
18. A fully paid travel accident insurance program.
19. Vacation time allotments based on years of service, to be taken during the regular school year.
20. Additional ultra-medical options to cover in-hospital benefits, weekly indemnity, etc.
21. A minimum of two personal holidays to be used during the school year (birthdays, anniversaries, etc.).
22. Retirement incentive plans where a teacher may be compensated a minimum of one year's salary for early retirement.
23. A prepaid legal plan that would allow advisory service, legal counseling, investment planning, etc.
24. A fully paid cancer insurance plan.
25. Dependent life insurance with a minimum of \$1,000 per dependent.
26. A minimum of two personal leave days that can be used without any reason given and fully compensated.
27. Longevity pay (the top consecutive pay step) of 1% of base for each year beyond.
28. A minimum of \$100/year for membership to nonunion education associations.
29. A tax-sheltered annuity plan up to 5% of annual income paid by the school district.
30. Please list any additional fringe benefits that you feel may become important.

Name _____ Research Number _____

FRINGE BENEFIT DEVELOPMENTS

The following list contains 27 fringe benefit developments that may or may not affect fringe benefits now or in the future.

Directions

1. Do not try to answer the question expressed in any of the developments.
 2. Circle any number that is unclear or confusing in its wording. If the items are all understandable (in their general context), it is not necessary to do anything.
 3. If you can think of any additional developments that may be factors in fringe benefit trends, please add them to the list (Item 28).
 4. Please return this list in the self-addressed stamped envelope by Friday, March 21, 1980. Thanks!
-

1. The U.S. Chamber of Commerce reports that fringe benefits for all employees reached 36.7% of payroll in 1977. In your opinion, in what time interval will fringe benefits for Michigan public school teachers average 50% of payroll?
2. In what year will the median family income (in 1980 dollars) reach twice its present amount?
3. When will the median teachers' salary reach twice its present amount?
4. By what year will 50% or more of the local LEAs belong to a regional bargaining unit?
5. By what year will teachers belong to one statewide bargaining unit that will determine statewide teachers' salaries and fringe benefits (with possible cost-of-living indexes for different areas of the state)?
6. In what year will teachers have their salaries and fringe benefits negotiated by a federal bargaining unit (with a cost-of-living index for different areas of the United States)?
7. By what time interval will teachers be able to select an individually tailored (cafeteria-style) fringe benefit package from a designated number of dollars in their school district?

8. In what year will 50% or more of the school districts self-insure some fringe benefits such as long-term disability or life insurance?
9. In what year will 50% or more of the Michigan school districts unite together to self-insure some fringe benefits such as long-term disability or life insurance?
10. In what year will 50% or more of the Michigan school districts pay all of the teacher's fringe benefit costs with no contributory costs made by teachers?
11. By what year will 50% or more of the Michigan school districts permit teachers to trade fringe benefits for cash in hand if they desire?
12. In what time interval will Michigan public school teachers have optional retirement after 30 years of service with full fringe benefits?
13. In what time interval will Michigan schools operate less than 180 days?
14. In what time interval will Michigan schools operate on a four-day week and still maintain a minimum 180-day school year?
15. By what time interval will Michigan teachers have a shortened workday, permitting teachers to work only when they have specific teaching assignments?
16. In what time interval will the nontenure teachers' probationary period be reduced to one year?
17. In what time interval will teachers' salaries, including costs for fringe benefits, be tied to a valid index of economic growth such as a consumer price index (CPI)?
18. By what time interval will performance contracting with teachers become an acceptable method for receiving additional compensation?
19. By what time interval will the average class size be less than 20 students?
20. In what time interval will it become commonplace for school districts to offer bonuses to hire outstanding teacher candidates?
21. By what time interval will federal funds reach a 15% proportion of the total tax dollars received by Michigan school districts (present level is approximately 7%)?

22. In what time interval will greater accountability or scrutiny of school district expenditures be implemented by local, state, and federal funding sources?
23. By what time interval will in-service training of teachers become a necessity because of computers, T.V., and new teaching technologies?
24. By what time interval will there be a 50% increase in personnel administrators whose primary responsibilities will be to work with employee benefits and other related personnel functions in the public school districts of Michigan?
25. By what time interval will boards of education in a region or area unite together to review negotiated local agreements for acceptability?
26. By what time interval will the Michigan Public School Employees' Retirement System have a built-in cost-of-living factor in the retirement allowance?
27. By what time interval will the IRS tax fringe benefits received by teachers as taxable income?
28. Please list any development(s) that in your judgment may have an influence on fringe benefits now or in the future.

April 17, 1980

Dear Colleague,

I was very pleased that you are willing to participate in this fringe benefit study. The response to the study was excellent, and I am very confident that some very beneficial information will be obtained. Also, I would like to thank many of you who made some meaningful suggestions to improve the questionnaire.

As I mentioned in the initial communication, there will be three rounds to the Delphi questionnaire. This tentative timeline will be followed:

April 30, 1980--Complete and return Round I
May 23, 1980 --Complete and return Round II
June 30, 1980 --Complete and return Round III

Directions for Round I (enclosed)

Part I --FRINGE BENEFIT DEVELOPMENTS--This part is a list of 30 developments that may or may not be factors that influence fringe benefits for Michigan public school teachers. Simply indicate the time interval under Date of Occurrence that in your judgment the event is most likely to occur. Use an "x" or "✓"

Part II--FRINGE BENEFITS--Part II of this questionnaire relates to some actual fringe benefits that have appeared or may possibly appear in the future. By using an "x" or "✓" indicate the time interval during which, in your judgment, the fringe benefit will be received by 50% or more of the Michigan public school teachers.

The column REMARKS in Parts I and II may be used if you wish to make any comments that may be relevant to the time interval you selected.

It would be appreciated if you could complete this questionnaire by April 30, 1980, and return it in the stamped, self-addressed envelope enclosed. Round II of this Delphi projection questionnaire will include the total group tabulations from Round I and any relevant remarks concerning the items.

Finally, because of the nature of the developments and variety of fringe benefits possible, the factors in this questionnaire are listed in general terms. Also, some of the items may presently be illegal according to present laws. The last point that needs to be mentioned is that these projections should be made looking at the entire state of Michigan.

If you have any questions concerning any aspect of this questionnaire, please contact me by phoning 616/754-3686 office phone or 616/754-8591 home phone.

Again, I want to thank you for participating in this project. A summary of the findings will be made to each participant. Thanks!

Sincerely,

Jerry L. Cushman
912 South Street
Greenville, Michigan 48838

June 19, 1980

Dear Delphi Colleague:

This envelope contains Round II of the Delphi Projection Questionnaire relating to fringe benefits in Michigan's public schools. Because of some minor delays, it is slightly behind schedule as originally planned.

As a selected expert in this study, you may be interested to know that the Rand Corporation developed this Delphi forecasting technique. One of the features of this procedure is the use of controlled feedback to the participants in a series of successive rounds. The Delphi method summarizes the responses to one round of questions and provides this information to the survey participants with the next round of questions. In this way, the experts, while remaining anonymous, still communicate with each other in a limited fashion. Through this anonymity of the participants, the Delphi method prevents some members of the panel from unduly overriding or swaying the opinions of other members, which often occurs in face-to-face group situations.

This is the reason you are given the feedback from the total group of participants in Round I. Also, I have indicated the response you made as a reminder. This feedback may or may not influence your responses to Round II.

Round III should be available sometime in August. With this final round, I will include a brief questionnaire requesting information relating to your professional background. These data will be used to recognize you and the other specially selected experts who have participated in this study.

Finally, I want you to know that your participation is greatly appreciated. It isn't a very easy job to make forecasts into the future with all of the unpredictable factors that are part of our educational system. However, it is with your help and other professionals like yourself, that some insight may be obtained that will enable us to better cope with this period of uncertainty and change.

I hope you have an enjoyable summer!

Very truly yours,

Jerry L. Cushman
912 South Street
Greenville, MI 48838
Office Phone: (616) 754-3686
Home Phone: (616) 754-8591

EDITED FEEDBACK FROM ROUND I
PART I

2. Inflation is a big factor.
3. Median is going up because there are fewer and fewer young teachers.
4. Isolated districts outstate will not accept or will withdraw from the regional units. Local resources differ, and boards will refuse to lose identity.
5. That's after they get wise that they would have a chance as a united front.
6. The state cannot respond quickly enough. Teachers of urban areas will not allow this for some time. International types of agreements for economics. Working conditions, etc., still to be done locally.
7. Teachers have this to some extent now. I don't think it will be as inclusive as the statement indicates. Never, at least until they learn what to do for federal employees. Too many problems.
9. Self-insurance needs at least a group of 200 or more to sustain a program. Do 50% of the districts have 200 or more teachers in them? Could districts combine for self-insurance? This cuts a lot of bucks and as they add plans, they are learning this. Some larger districts already are.
10. This would have to be done by an outside party or agent. Cost us. Risk is the key.
11. We are in a posture of expanding benefits. Generally "phase in" those as co-paid for awhile.
12. This destroys the idea of insurance. Insurance spreads the risk. If only people who use it take it, the cost would be prohibitive. IRS taxability would be a problem. Option packages more likely.
13. Bargain with legislature. The next one-half decade will see some retrenchment economically.
14. Never is a long time. However, I do not see a reduction at this time. Parents don't think kids are in school enough now. Can dollars for salaries and fringes be justified if shorter school year?

Too many agencies involved. Part of the job is custodial. People are used to this. It would be politically unpopular. Not if the public has anything to say about it. I see expansion, optional offerings, accelerated graduation.

15. This is possible in light of the energy problems.

16. Only if the job market gets even more drastic.

Teachers like additional time because they get paid for it.

17. It may move this way in next 15-20 years, again.

Not feasible by the way colleges are training these days. Boards are lobbying for more time.

18. "Never" for complete salaries. A formula will be used to determine a segment of the wages, as it is now. The current indices are not true indicators. Done by districts to not grant sizable increases. Teachers to indicate they are lagging behind. Need more stability in the economy.

19. No way! Half the staff would be fired, other half too busy competing to do their jobs.

20. The structure of teaching would have to change. To assure all increases and fringes, class size has to be sacrificed.

21. Teacher unions will oppose this. That push is on and has been for coaches especially. Supply and demand are out of "sync."

22. Federal programs are dropped by districts when funds run out. This will limit federal funding. Too much pressure from other areas of governments for funds. Cutbacks will occur federally. Politically we've become more forceful.

23. Isn't it now?

24. I foresee a possibility of this occurring at the intermediate level or with several districts hiring someone. It won't be administrators who increase. Depending on student enrollment, staffing patterns, and/or consolidations. This area has grown more complex--as costs rise, so does motivation to seek some savings.

25. The organizations are loose but do exist.

26. Too many groups have a vested interest.

28. Perhaps some of the large school systems. Currently we can double dip.

29. Depends on the energy crunch and number of buildings that have been closed. Will save money. Parents have historically objected most.
30. It will become an integral part but will not replace. They will co-exist. Unless they clean up their act, they may just go out of existence. Primarily in the large metropolitan school systems.

EDITED FEEDBACK FROM ROUND I
PART II

1. This is a very inexpensive fringe.
2. This is not a very costly fringe.
6. Our teaching population may not be old enough to warrant this.
7. Labor market will have to change.
8. The union has fought against this for years. There seems to be no equitable way to do it.
11. Many forms now, but is it COLA? No teachers in Michigan have a true COLA. It depends on our domestic economy. Depends upon formula.
13. AGO rulings are not encouraging.
14. Some fringe benefits may be continued. Not unless state assumes cost.
15. Not current sabbatical.
17. Unnecessary with unlimited sick days.
21. This could happen if we have year-around schools. Communities would not allow this to go through unless 12-month school system. Cost problems along with current calendar.
22. Out-of-date coverage now.
24. This depends on court rulings in the near future.
25. This depends on AGO rulings and court cases in the near future. Teachers would not see this plan as worthwhile.
27. This type of insurance is a rip-off. Any excellent medical plan will cover it. Little trust in this program.
33. In some form. Reduced rates, etc.
34. Maybe.
35. Everyone just about has this in some form except in tiny districts.

41. This would depend on how it is packaged.
43. Hard to say if the area of retirement negotiations will take exactly this turn. This is more realistic. Most have this instead of a paid retirement plan. AGO opinion a problem. Court fight now.

EDITED FEEDBACK ON FRINGE BENEFIT DEVELOPMENTS
ROUND II, PART I

1. Philosophically, unions have to show money gains also. I think government will start to zero in on tax-free benefits. When more fringes become taxable, the trend will cease. I believe this trend may reverse in terms of percentage of payroll. Teachers may again opt for B.F. as inflation recedes over salary because it comes off top and there is no income tax.
2. There are balancing factors. Companies move out. Probably wishful thinking, but the value of the dollar is at stake. If it's inflation, so what. I may be overly optimistic in spite of some economists' predictions. I see the inflationary spiral coming to a screeching halt. Depends upon factors related to such an increase, i.e., rate of inflation, improved productivity.
3. Teachers' salaries will not keep pace with inflation. If it's inflation, so what. Based on past record, salaries aren't climbing this rapidly. Conversely, as inflation increases, boards get tighter; so does community.
4. This concept is losing ground. This was true in 1979 as well as 1980. There will be a consolidation into larger districts who will remain jealous of their identity. This is a new concept...change occurs slowly.
5. There may not be a need to do this. Boards do not want to give up their local control. They (members) can't even agree among themselves. The trend will reverse when the disadvantages are known. Local control will win out in the end. Boards are afraid to do it.
6. The larger districts will never agree to this. The time and effort of 560 K-12 districts in bargaining will force this earlier than 1995. Neither the union or boards will allow this. I saw this happen in New York state. They have since split. This will mean state control of schools; local boards won't allow it.
7. As soon as the financing shifts to federal money, the bargaining will also--even if they are statewide units. We learn at the bargaining table never to say "never." Never to me means impossible. I don't believe bargaining is a federal arena.
8. I do not believe that dollars will be spent like this. Equal coverage does not mean equal dollars. Proposal makes sense. Use money on basis of need! Will destroy the principle of insurance,

which depends on chance. I suspect that such an approach would eventually cause benefits to be taxed. Because of fear of losing tax advantages plus Board's "Big Brother" attitude. Options packages in certain districts. The way of the future.

9. Some cost savings can result. There are over 500 districts in Michigan where the coverage has less than 250 total employees and going down. You cannot self-insure with these numbers. A poor idea for small districts. OK for big ones. I see pitfalls for self-insurance. Could cause inferior programs to materialize. Potential for catastrophic cost is too risky for school district. Also, required reserve would be too great.
10. This could prove to be a savings to school districts depending on the experience factor. Sounds like an insurance co-op, and I don't see this as probable.
11. I feel there should always be some employee contribution; otherwise increased costs have no meaning for them. "All" is too inclusive. "All" of "all" fringe benefits will never happen. I suspect this is true now. This will not occur until after teachers have an acceptable fringe benefit package. MERC, arbitration, court rulings encourage the employee to pay a "little" for carrier purposes.
12. Destroys true insurance coverage. This goes against insurance principles--chance. This has pros and cons. Too costly. Protection is more important in my estimation than money in the pocket. Runs against historical argument with Board and IRS--fringes aren't taxable salary.
13. This will help to encourage early retirement. There will be a need for legislation to do this. MEA is strong in this area. Hopefully we have learned from other governmental units--large cities--many benefits don't make sense--also double dipping. The retirement system couldn't handle such a wide variety of coverages. Michigan schools will never be able to afford it. Perhaps I'm too optimistic, but I think the current thrust in retirement incentives will ground swell.
14. Right-to-strike legislation will permit this. There are alternatives. Perhaps we will be forced to explore them. This will be an area of movement when money isn't. Will probably happen sooner than predicted with trend to four-day week--maintain hours. Four-day week due to energy costs.
15. If we go to a four-day week, I do not believe teachers will work the additional weeks. This may be an answer for more in-service and/or management. Not unless the parents go on a four-day week. This would mandate year-round school; it just isn't going to

happen. Some will do this; not all. Depends on fuel/types of winters. Have been doing this in New Mexico districts and elsewhere, successfully.

16. Why not? It is done at the college and university level. This could be a political reality. If schools are to maintain public support, teachers need to be involved in more than just classes. My answer was and is based on teachers seeking part-time or shared classroom assignments.
17. With proper evaluation, why should it be so long? Evaluation of staff must be improved for this to happen.
18. As long as there are unions or even a labor party the push will be to improve. CPI is beginning to lose its credibility; besides this idea is not too rational for collective bargaining. This just won't happen with all teachers as the question indicates. "Valid" is a key word. CPI is current controlling factor in negotiations.
19. This form of merit pay will be a reality if responses continue as they have. Productivity will become a national issue as demanded by a weakened economy. Over several collective dead bodies. Damnable notion!
20. With declining enrollments class sizes will edge downward. With federal financing of an appreciable amount. Too expensive for this.
21. With an increasing teacher shortage this will be a reality. A long shot. We may see a teacher shortage again. Contracts may change in this regard, but commonplace? Probably not.
22. This is developing clout and states' fiscal woes will hasten arrival of this. After the 1984 presidential election year. I do not see an increase in federal funds. The new Department of Education will take money to create more offices and procedures. The political scene changes too quickly to be accurate. Although new Department of Education will push for more funds, they are vulnerable for cuts as total student enrollments decline. As long as national defense has the first priority, the progress will be slow and minimal. I think trend will reverse in spite of our desires. This will take a long time.
23. I changed my mind. We need more of this. It's a necessity now, but it is not required. Such a time is already upon us. In-service training has always been a necessity. I will revise my estimate downward here.
24. The personnel function will be more and more important. I believe 50% is just too high a projection. The growth will instead come in

clerical rated employees. Finances will prohibit this. It isn't going to happen until there is a significant expansion of the F.B. package. Budget problems cause administrative cuts. This is a reason why districts will not self-insure. Runs against MESSA re "carrier" question.

25. This concept is not being accepted or used successfully now. Representatives of Boards are doing this now. But "review" does not yet mean having the right to accept or reject. As Boards fight regional bargaining, they will be forced out of this. Local autonomy. Boards don't organize that efficiently. This could be highly desirable or highly undesirable--depends on attitude.
26. Again, I believe the magic of Cost of Living may be declining in importance in the near future.
27. "Some" fringe benefits or "All" fringe benefits? Only if we are fools enough to take cafeteria. Not as long as they are not flat dollar amounts. Too many and varied groups would fight, e.g., business, unions, etc.
28. This could prove beneficial to all involved. Never is a long time. Changed my mind on this one--I think it may well happen. We can do it better and retain more control. Frustration will increase more quickly.
29. The community will require full utilization of buildings. It has already happened in Michigan--will not be the trend! My response is based on experience with school closings and more efficient use of buildings.
30. They will coexist.

EDITED FEEDBACK ON FRINGE BENEFITS
ROUND II, PART II

1. I don't think this has high priority. It's not the cost. It's the amount--full salary.
2. I don't think this has high priority. It's not the cost. It's the amount--full salary.
3. It's happening now. I don't think this has high priority. Already being paid.
4. I think they have it now. Very prevalent in Metro contracts.
5. This is a costly fringe not all people are interested in. Additional fringes come awfully slow. Vision will follow dental.
6. Should be covered by current health insurance. Specific plans not on the market.
7. Not 50%. Many districts pay on scale--why pay twice?
8. This will come with teacher accountability.
9. There are too many contracts through 1983 without the prescription rider. Very prevalent in Metro area.
10. Government benefits, Social Security, etc. Cannot continue to be piled on top of each other. Not until greater expansion of fringes for present employees. This depends on which party is in control. This will encompass much more than education. Some districts have this.
11. Can't budget it. COLA will lose its magic. The trend will change. COLA language may come with caps or other limitations...but not unlimited.
12. I thought we had this now. Tremendous liability for districts. This trend is toward LTD insurance. LTD rather than unlimited sick leave.
13. Doesn't make sense. Far too costly. I think we're moving away from this.
14. Doesn't make sense. Will remain at state level. Illegal. Is an early retirement incentive. Extremely expensive--schools in budget crunch.

15. Not full pay and not so frequent. Too costly. Not a biggie with most teachers. Small schools will never agree--too expensive. Not acceptable to people not on leave.
16. Too costly. Too disruptive to personnel offices.
17. Sick leave bank is a better answer. The trend is LTD. Employees can survive the short term.
18. Close now. This is a substitute for unlimited sick leave.
19. Not too bad an idea, but I doubt it. Already in many districts.
20. Too difficult to rate for insurance premium. Not a high-priority item. Not until the basic fringes are obtained.
22. That's an outdated benefit. Phasing in now as option plan.
23. This is almost true now. Still a low priority. Too expensive. Many Boards don't recognize any holidays. They also are convinced that they have too many paid leave days now. Many have this in my area.
24. Few people can afford to retire at age 55. Pyramiding benefits. When teachers are not plentiful, plans will stop. It's going to take a lot more education of general public/school boards.
25. These plans haven't worked so far. When teachers are not plentiful, plans will stop. As it stands this is illegal (AGO opinion). In court now.
26. Boards are going to resist this. They will pay to sue their self. This has to come after dental, LTD and vision. At the present time, this is a low-cost fringe.
27. The innovative insurance plans are constant. Bad insurance.
28. Dependent insurance is illegal. Only after adequate fringes for employees. Being phased in. Some have now.
29. It's just not happening any more. Cost item. Districts will begin to curtail or restrict use.
30. Extremely expensive. Other needs for dollars.
31. Depends on how much professional development comes through membership in such associations.
32. Changed my mind. This may well happen. Cannot justify raises if 50% don't need the money.

33. Cannot justify this to public.
34. Doesn't make sense. Boards are reluctant to automatically guarantee anything...especially leave days. Being phased in now.
35. Too costly.
36. Too expensive.
37. Most in my area have started this with insurance for 30 days more.
38. Questionable on tax.
39. Questionable on tax.
40. Changed my mind. This might happen. Boards are more concerned with active employees.
41. Boards will not do this unless required by law. I doubt that very many Boards will go for this soon--if ever. This does not seem legal. Historically we have argued dollars with Board and IRS.
42. There will always be some penalty. It's done already.
43. Obviously not very expensive approach--Really not much economic incentive. Legality?
44. Too difficult to rate for insurance coverage. Board will never be able to afford auto damages. Just too much broad liability for Board. Board won't guarantee--plus need room to allow for teacher fault. Many have this.

EDITED FEEDBACK FROM ROUND III
PART I

1. This won't happen unless we become much more of a socialist nation. Disagree...salaries will rise faster.
2. Ten percent a year will yield twice the family income by 1988. Must slow down or other factors will appear. We will get a handle on inflation in the next decade. I don't think Michigan's economy will allow this to happen as soon as you think.
3. State will have to recover economically...I think the recovery will be slow. Michigan's economy will not allow this to happen as soon as you think.
4. I don't believe one-half of the districts will have regionalized bargaining by 1990. This is already true if mere definitions are used. Present structure has not produced and has created some backlash of public sentiment.
5. Local control is more important. I don't believe one-half of the districts will work in this manner. Boards will react and adopt this plan as a defense in bargaining. Local control is one factor...The legality will be challenged. Boards are too protective of their political power. This will not occur unless forced by state legislation...politics will delay this indefinitely. Regional bargaining is losing its charm.
6. This would take legislative action. Never is a long time...I changed my mind. A statewide schedule for salaries and fringes will come as taxing power shifts and as labor peace becomes more attractive. Local units will be reluctant to give up autonomy. I think this is being planned now...the trend is to tighter state control. Thirty years is too long...I say 14 years, but it might happen sooner with state of our economy.
7. When taxing base shifts to the federal level, so will bargaining.
8. The biggest fear is loss of tax advantage.
9. As the money squeeze continues this offers some hope of relief. This is a one-time cash flow advantage by eliminating reserves. This is beginning to occur more frequently already. Many are already doing this...it's a must. The financial crunch will force self-insurance. Self-insurance will be combined with high-risk insurance.

10. Worker's comp. is a likely prospect on a regional basis. It may be necessary to establish groups large enough to be rated. Legal problems and autonomy barriers will hinder this.
11. The priority will continue to be salary improvement. The Board's position is better cost containment...teacher pays part of benefit. We are seeing this in some contracts in recent years.
12. The cost of equal dollars for each teacher is prohibitively expensive. I hope never...only sick people will take insurance and costs would skyrocket.
13. Many districts and local EA's will be promoting early retirement plans. Paid fringes will be incentives to early retirement. Not full benefits. Some districts are presently giving huge lump-sum payments which serve the same purpose.
14. This one is now open to question...I would change my answer to 1990-94. Right now...right-to-strike legislation allows this.
15. In-service and a full work year will move this idea ahead.
16. I believe this is in the immediate future and is being done right now in some districts by shared assignments, etc. Possibly in lieu of added compensation when the money runs dry.
17. Few if any professions have probationary periods of two years.
18. I see many contracts across the state where salary and benefits are tied to a CPI. I doubt if any tax paid employees can ever expect COLA...The employer doesn't have that much control over revenues. CPI type index is on the way out. Need to put limits that are known...experiences with COLA have not always worked out. A CPI uncapped will not be a valid index.
19. Our present K-12 schooling pattern is going to change drastically. ...Performance contracting may happen sooner than most people think. As the public becomes more vocal, accountability will be stressed.
20. No one is against small class sizes if it can be afforded. Results supported by research vs. cost will have to be shown in order for this to happen. Declining enrollments combined with strict layoff provisions may cause this to happen.
21. This may happen sooner than most people think. Unions can't allow this. This occurs now when districts give credit for additional experience.

22. Districts will take the funds and then complain about the strings attached. We are going the other way. Trend toward "Reaganism" will reduce federal involvement in school financing. It's taken over 200 years to get 7%...it's not going to double for an awfully long time.
23. It is already upon us. We need it now but costs won't allow us in the next 10 years. It is a necessity now...teachers don't want it, boards can't afford it and are unaware of need.
24. As personnel problems continue to become more complex, it will become necessary. Cost factor is too high for most boards.
25. Boards won't do this...negotiators already do. Local boards will jealously guard their autonomy.
26. COL is on the way out as an automatic factor.
27. Political clout will prevent this for some time. This won't happen as long as teachers remain politically active and away from flat amounts for fringes.
28. Options to Social Security will continue to be sought. As it appears that the system will become bankrupt the change will occur. I wonder about my "never" response. There is a level of distrust about our Social Security system and its solvency.
29. This will fill the need to fully utilize the districts' resources. Not sure any group really supports year-round school. I think this still is an approach to save energy and make more effective use of facilities.
30. HMO plans can coexist with hospitalization and medical insurance plans.

DELPHI PROJECTION QUESTIONNAIRE
ROUND II--PART II

Part II of this questionnaire is concerned with some actual fringe benefits that have appeared or will possibly appear in the future.

Your responses will be based on your judgment, "When will 50% of Michigan public school teachers receive the following fringe benefits?"

Directions--Part II

Each of the fringe benefits has feedback from the Round I responses. These responses have been summarized as indicated in Part I using the same symbols for the interquartile range, median, and your last response.

In the column headed with the time intervals indicate your estimate when the fringe benefit has a chance of being part of the fringe benefit package for 50% or more of Michigan teachers. Use an "x" or "✓."

The column headed REMARKS is provided for you to make any comments that may be relevant to the time interval you selected. Specifically, you are requested to respond to those fringe benefit items where your Round II time estimate is outside of the interquartile range (Round I feedback). These remarks will be summarized for the final round and may provide insight that could influence other participant responses.

Please complete this questionnaire and return it in the stamped envelope enclosed. These data will be tabulated and included with the final round feedback. The final round should be mailed to you some time in August.

If you have any questions, please contact me by phoning (616) 754-3686 office phone or (616) 754-8591 home phone.

Fringe Benefit Developments Part I	<u>Date of Occurrence</u>							<u>Remarks</u>	
	Estimated time interval								
	By 1980	1980-84	1985-89	1990-94	1995-99	Beyond 2000	Never		
1. The U.S. Chamber of Commerce reports that fringe benefits for all employees reached 36.7% of payroll in 1977. In your opinion, in what time interval will fringe benefits for Michigan public school teachers average 50% of payroll?									
2. In what year will the median family income (in 1980 dollars) reach twice its present amount?									
3. When will the median teachers' salary reach twice its present amount?									
4. By what year will 50% or more of the local EAs belong to a regional bargaining unit?									
5. By what year will 50% or more of the Michigan public school districts' boards of education unite into a multiple-district bargaining unit?									

Fringe Benefit Developments Part I	<u>Date of Occurrence</u>							<u>Remarks</u>
	Estimated time interval							
	By 1980	1980-84	1985-89	1990-94	1995-99	Beyond 2000	Never	
6. By what year will teachers belong to one statewide bargaining unit that will determine statewide teachers' salaries and fringe benefits (with possible cost-of-living indexes for different areas of the state)?								
7. In what year will teachers have their salaries and fringe benefits negotiated by a federal bargaining unit (with a cost-of-living index for different areas of the United States)?								
8. By what time interval will teachers be able to select an individually tailored (cafeteria-style) fringe benefit package from a designated number of dollars in their school district?								

Fringe Benefit Developments Part I	Date of Occurrence							Remarks	
	Estimated time interval								
	By 1980	1980-84	1985-89	1990-94	1995-99	Beyond 2000	Never		
9. In what year will 50% or more of the school districts self-insure some fringe benefits such as long-term disability or life insurance?									
10. In what year will 50% or more of the Michigan school districts <u>unite</u> together to self-insure some fringe benefits such as long-term disability or life insurance?									
11. In what year will 50% or more of the Michigan school districts pay all of the teacher's fringe benefit costs with no contributory costs made by teachers?									
12. By what year will 50% or more of the Michigan school districts permit teachers to trade fringe benefits for cash in hand if they desire?									

Fringe Benefit Developments Part I	Date of Occurrence							Remarks	
	Estimated time interval								
	By 1980	1980-84	1985-89	1990-94	1995-99	Beyond 2000	Never		
13. In what time interval will Michigan public school teachers have optional retirement after 30 years of service <u>with</u> full fringe benefits that are offered by the local school district?									
14. In what time interval will Michigan schools operate less than 180 instructional days?									
15. In what time interval will Michigan schools operate on a <u>four</u> -day week and still maintain a <u>minimum</u> 180-day school year?									
16. By what time interval will Michigan teachers have a shortened workday permitting teachers to work only when they have specific teaching assignments?									
17. In what time interval will the nontenure teachers' probationary period be reduced to one year?									

Fringe Benefit Developments Part I	<u>Date of Occurrence</u>							<u>Remarks</u>	
	Estimated time interval								
	By 1980	1980-84	1985-89	1990-94	1995-99	Beyond 2000	Never		
18. In what time interval will teachers' salaries, including costs for fringe benefits, be tied to a valid index of economic growth such as a consumer price index (CPI)?									
19. By what time interval will performance contracting with teachers become an acceptable method for receiving additional compensation?									
20. By what time interval will the average class size be less than 20 students?									
21. In what time interval will it become commonplace for school districts to offer <u>bonuses</u> to hire outstanding teacher candidates?									
22. By what time interval will federal funds reach a 15% proportion of the total tax dollars received by Michigan school districts (present level is approximately 7%)?									

Fringe Benefit Developments Part I	<u>Date of Occurrence</u>							<u>Remarks</u>	
	Estimated time interval								
	By 1980	1980-84	1985-89	1990-94	1995-99	Beyond 2000	Never		
23. By what time interval will in-service training of teachers become a necessity because of computers, T.V., and new teaching technologies?									
24. By what time interval will there be a 50% increase in personnel administrators whose primary responsibilities will be to work with employee benefits and other related personnel functions in the public school districts of Michigan?									
25. By what time interval will boards of education in a region or area unite together to review negotiated local agreements for acceptability?									
26. By what time interval will the Michigan Public School Employees' Retirement System have a built-in cost-of-living factor in the retirement allowance?									

Fringe Benefit Developments Part I	Date of Occurrence							Remarks	
	Estimated time interval								
	By 1980	1980-84	1985-89	1990-94	1995-99	Beyond 2000	Never		
27. By what time interval will the IRS tax fringe benefits received by teachers as taxable income?									
28. By what time interval will Michigan public school employers and employees get out of the Social Security (FICA) program and institute an alternate program?									
29. By what time interval will Michigan go to a year-round school with teachers working on a staggered basis?									
30. By what time interval will health maintenance organizations replace the present medical and hospitalization plans?									

Fringe Benefits, Part II (In your judgment, when will 50% of the Michigan public school teachers receive the following fringe benefits?)	Mark the column that indicates the time interval when the fringe benefit is most likely to occur. Use "x" or "✓."							<u>Remarks</u>
	By 1980	1980-84	1985-89	1990-94	1995-99	Beyond 2000	Never	
1. Term life insurance up to full amount of salary or higher.								
2. Accidental death and dismemberment (AD&D) insurance up to full amount of salary or higher.								
3. Paid overtime for hours worked beyond contracted school day at a negotiated rate.								
4. Paid dental insurance.								
5. Paid vision care.								
6. Paid hearing care.								
7. Full tuition reimbursement.								
8. Teacher effectiveness pay (i.e., merit pay, performance bonuses).								
9. Hospitalization insurance with prescription rider.								

Fringe Benefits, Part II (In your judgment, when will 50% of the Michigan public school teachers receive the following fringe benefits?)	By 1980	1980-84	1985-89	1990-94	1994-99	Beyond 2000	Never	<u>Remarks</u>
10. Survivor income insurance with a minimum of \$200 a month/spouse and \$100 a month/child.								
11. Cost-of-living allowances (COLA).								
12. Unlimited sick leave accumulation.								
13. Full pay for unused sick leave at retirement based on final pay rate.								
14. Continuation of fringe benefits coverage for retirees.								
15. Sabbatical leaves with full pay at least every seven years for approved reasons.								
16. Paid leaves of shorter duration than sabbatical leaves.								
17. Short-term disability insurance.								
18. Long-term disability insurance.								
19. School-district-financed physical examination a minimum of every two years.								

Fringe Benefits, Part II (In your judgment, when will 50% of the Michigan public school teachers receive the following fringe benefits?)	By 1980	1980-84	1985-89	1990-94	1995-99	Beyond 2000	Never	<u>Remarks</u>
20. Travel accident insurance program for job-related travel.								
21. Vacation time allotments based on years of service to be taken during the regular school year.								
22. Additional medical options to cover in-hospital benefits, weekly indemnity, etc.								
23. A minimum of two personal holidays to be used during the school year (i.e., birthdays, anniversaries).								
24. Retirement incentive plans where a teacher may be compensated a minimum of one year's salary for early retirement at age 55.								
25. A retirement incentive plan that would pay the teacher one-half of the difference between the B.A. minimum and what they could be earning for every year from age 55 up to a negotiated year.								

Fringe Benefits, Part II (In your judgment, when will 50% of the Michigan public school teachers receive the following fringe benefits?)	By 1980	1980-84	1985-89	1990-94	1995-99	Beyond 2000	Never	<u>Remarks</u>
26. A prepaid legal plan that would allow advisory service, legal counseling, investment planning, etc.								
27. Cancer insurance plan.								
28. Dependent life insurance with a minimum of \$1,000 per dependent.								
29. A minimum of two personal leave days per year that can be used without any reason given and fully compensated.								
30. Longevity pay (the top consecutive pay step) of at least 1% of B.A. base for each year beyond top step of negotiated salary schedule.								
31. A minimum of \$100/year for membership to nonunion education associations paid for by the school district.								
32. A tax-sheltered annuity plan up to 5% of annual income paid by the school district.								

Fringe Benefits, Part II (In your judgment, when will 50% of the Michigan public school teachers receive the following fringe benefits?)	By 1980	1980-84	1985-89	1990-94	1995-99	Beyond 2000	Never	<u>Remarks</u>
33. Auto insurance.								
34. Liability insurance; damage to personal property, clothing, etc.								
35. Guaranteed professional conference leave with expenses paid.								
36. Lease cars for teachers that travel between buildings.								
37. Fringe benefit and salary continuation after death of employee for a negotiated period of time.								
38. Home insurance.								
39. Home mortgage insurance.								
40. Paid counseling services for laid-off teachers to assist them in acquiring other employment.								

Fringe Benefits, Part II (In your judgment, when will 50% of the Michigan public school teachers receive the following fringe benefits?)	By 1980	1980-84	1985-89	1990-94	1995-99	Beyond 2000	Never	<u>Remarks</u>
41. Option to receive money in lieu of fringe benefits in the event of double coverage with a spouse employed by the school district.								
42. Sick leave bank that continues 100% pay and fringe benefits from the time personal leave is used up until the teacher qualifies for long-term disability.								
43. Retirement pay of a minimum of \$100 for each year of service in the school district.								
44. Guarantee that the board will pay for any property damage incurred by a teacher when on legitimate school business.								

APPENDIX D

SUMMARY OF SIGNIFICANCE LEVELS:

FRINGE BENEFITS

Table D.1.--Fringe benefits: summary of significance level, three rounds.

Fringe Benefit	Signif. Level 0.05			Round 3	
	1	Round 2	3	Null Hypothesis Accepted	Rejected
1. Term life insurance up to full amount of salary or higher.	.586	.586	.263	x	
2. Accidental death and dismemberment (AD&D) insurance up to full amount of salary or higher.	.333	.263	.263	x	
3. Paid overtime for hours worked beyond contracted school day at a negotiated rate.	.395	.741	.470	x	
4. Paid dental insurance.	.741	.741	.444	x	
5. Paid vision care.	.741	.556	.458	x	
6. Paid hearing care.	.395	.051	.333	x	
7. Full tuition reimbursement.	.414	.255	.128	x	
8. Teacher effectiveness pay (i.e., merit pay, performance bonuses).	1.000	1.000	1.000	x	
9. Hospitalization insurance with prescription rider.	.751	.789	.526	x	
10. Survivor income insurance with a minimum of \$200 a month/spouse and \$100 a month/child.	.570	.570	.542	x	
11. Cost-of-living allowances (COLA).	.430	.745	.430	x	
12. Unlimited sick leave accumulation.	1570	.395	.395	x	
13. Full pay for unused sick leave at retirement based on final pay rate.	.430	.414	.255	x	
14. Continuation of fringe benefits coverage for retirees.	.259	.414	.430	x	

Table D.1.--Continued.

Fringe Benefit	Signif. Level 0.05			Round 3	
	1	Round 2	3	Null Hypothesis Accepted	Rejected
15. Sabbatical leaves with full pay at least every seven years for approved reasons.	.370	.370	.370	x	
16. Paid leaves of shorter duration than sabbatical leaves.	.745	.570	.430	x	
17. Short-term disability insurance.	.395	.395	.184	x	
18. Long-term disability insurance.	.395	.741	.570	x	
19. School-district-financed physical examination a minimum of every two years.	.741	.556	.370	x	
20. Travel accident insurance program for job-related travel.	.444	.395	.570	x	
21. Vacation time allotments based on years of service to be taken during the regular school year.	1.000	1.000	1.000	x	
22. Additional medical options to cover in-hospital benefits, weekly indemnity, etc.	.395	.570	.570	x	
23. A minimum of two personal holidays to be used during the school year (i.e., birthdays, anniversaries).	.745	.570	.242	x	
24. Retirement incentive plans where a teacher may be compensated a minimum of one year's salary for early retirement at age 55.	.011	.125	.128	x	
25. A retirement incentive plan that would pay the teacher one-half of the difference between the B.A. minimum and what they could be earning for every year from age 55 up to a negotiated year.	.055	.259	.130	x	

Table D.1.--Continued.

Fringe Benefit	Signif. Level 0.05			Round 3	
	1	Round 2	3	Null Hypothesis Accepted	Rejected
26. A prepaid legal plan that would allow advisory service, legal counseling, investment planning, etc.	.741	.751	.556	x	
27. Cancer insurance plan.	1.000	1.000	1.000	x	
28. Dependent life insurance with a minimum of \$1,000 per dependent.	.395	.115	.370	x	
29. A minimum of two personal leave days per year that can be used without any reason given and fully compensated.	.370	.370	.370	x	
30. Longevity pay (the top consecutive pay step) of at least 1% of B.A. base for each year beyond top step of negotiated salary schedule.	.017	.119	.119	x	
31. A minimum of \$100/year for membership to nonunion education associations paid for by the school district.	.745	.745	.586	x	
32. A tax-sheltered annuity plan up to 5% of annual income paid by the school district.	.586	.745	.586	x	
33. Auto insurance.	.745	.789	.789	x	
34. Liability insurance; damage to personal property, clothing, etc.	.255	.745	.474	x	
35. Guaranteed professional conference leave with expenses paid.	.055	.255	.414	x	
36. Lease cars for teachers that travel between buildings.	1.000	1.000	1.000	x	

Table D.1.--Continued.

Fringe Benefit	Signif. Level 0.05			Round 3	
	1	Round 2	3	Null Hypothesis Accepted	Rejected
37. Fringe benefit and salary continuation after death of employee for a negotiated period of time.	.430	.259	.130	x	
38. Home insurance.	1.000	1.000	1.000	x	
39. Home mortgage insurance.	1.000	1.000	1.000	x	
40. Paid counseling services for laid-off teachers to assist them in acquiring other employment.	.119	.751	.751	x	
41. Option to receive money in lieu of fringe benefits in the event of double coverage with a spouse employed by the school district.	.741	.370	.741	x	
42. Sick leave bank that continues 100% pay and fringe benefits from the time personal leave is used up until the teacher qualifies for long-term disability.	.259	.259	.255	x	
43. Retirement pay of a minimum of \$100 for each year of service in the school district.	.586	.586	.586	x	
44. Guarantee that the board will pay for any property damage incurred by a teacher when on legitimate school business.	.414	.249	.249	x	

APPENDIX E

**SUMMARY OF SIGNIFICANCE LEVELS:
RELATED FRINGE BENEFIT DEVELOPMENTS**

Table E.1.--Fringe benefit developments: summary of significance level, three rounds.

Fringe Benefit Development	Signif. Level 0.05			Round 3	
	1	Round 2	3	Null Hypothesis Accepted	Rejected
1. The U.S. Chamber of Commerce reports that fringe benefits for all employees reached 36.7% of payroll in 1977. In your opinion, in what time interval will fringe benefits for Michigan public school teachers average 50% of payroll?	.157	.157	.451	x	
2. In what year will the median family income (in 1980 dollars) reach twice its present amount?	.231	.392	.392	x	
3. When will the median teachers' salary reach twice its present amount?	.608	.600	.300	x	
4. By what year will 50% or more of the local EAs belong to a regional bargaining unit?	.500	.500	.150	x	
5. By what year will 50% or more of the Michigan public school districts' boards of education unite into a multiple-district bargaining unit?	.549	.286	.671	x	
6. By what year will teachers belong to one state-wide bargaining unit that will determine state-wide teachers' salaries and fringe benefits (with possible cost-of-living indexes for different areas of the state)?	.500	.055	.300	x	
7. In what year will teachers have their salaries and fringe benefits negotiated by a federal bargaining unit (with a cost-of-living index for different areas of the United States)?	1.000	1.000	1.000	x	

Table E.1.--Continued.

Fringe Benefit Development	Signif. Level 0.05			Round 3	
	1	Round 2	3	Null Hypothesis Accepted	Rejected
8. By what time interval will teachers be able to select an individually tailored (cafeteria-style) fringe benefit package from a designated number of dollars in their school district?	.500	.608	.700	x	
9. In what year will 50% or more of the school districts self-insure some fringe benefits such as long-term disability or life insurance?	.671	.671	.329	x	
10. In what year will 50% or more of the Michigan school districts <u>unite</u> together to self-insure some fringe benefits such as long-term disability or life insurance?	.500	.451	.451	x	
11. In what year will 50% or more of the Michigan school districts pay all of the teacher's fringe benefit costs with no contributory costs made by teachers?	.671	.500	.671	x	
12. By what year will 50% or more of the Michigan school districts permit teachers to trade fringe benefits for cash in hand if they desire?	.500	.286	.500	x	
13. In what time interval will Michigan public school teachers have optional retirement after 30 years of service <u>with</u> full fringe benefits that are offered by the local school district?	.500	.500	.500		
14. In what time interval will Michigan schools operate less than 180 instructional days?	1.000	1.000	1.000	x	

Table E.1.--Continued.

Fringe Benefit Development	Signif. Level 0.05			Round 3	
	1	Round 2	3	Null Hypothesis Accepted	Rejected
15. In what time interval will Michigan schools operate on a <u>four</u> -day week and still maintain a minimum 180-day school year?	.286	.121	.231	x	
16. By what time interval will Michigan teachers have a shortened workday permitting teachers to work only when they have specific teaching assignments?	.500	1.000	1.000	x	
17. In what time interval will the nontenure teachers' probationary period be reduced to one year?	1.000	1.000	1.000	x	
18. In what time interval will teachers' salaries, including costs for fringe benefits, be tied to a valid index of economic growth such as a consumer price index (CPI)?	.286	.029	.069	x	
19. By what time interval will performance contracting with teachers become an acceptable method for receiving additional compensation?	1.000	1.000	1.000	x	
20. By what time interval will the average class size be less than 20 students?	.671	.286	.451	x	

Table E.1.--Continued.

Fringe Benefit Development	Signif. Level 0.05			Round 3	
	1	Level 2	3	Null Hypothesis Accepted	Rejected
21. In what time interval will it become common-place for school districts to offer <u>bonuses</u> to hire outstanding teacher candidates?	1.000	1.000	1.000	x	
22. By what time interval will federal funds reach a 15% proportion of the total tax dollars received by Michigan school districts (present level is approximately 7%)?	.671	.500	.392	x	
23. By what time interval will in-service training of teachers become a necessity because of computers, T.V., and new teaching technologies?	.157	.127	.700	x	
24. By what time interval will there be a 50% increase in personnel administrators whose primary responsibilities will be to work with employee benefits and other related personnel functions in the public school districts of Michigan?	.549	.671	.500	x	
25. By what time interval will boards of education in a region or area unite together to review negotiated local agreements for acceptability?	.500	.500	.635	x	

Table E.1.--Continued.

Fringe Benefit Development	Signif. Level 0.05			Round 3	
	1	Round 2	3	Null Hypothesis Accepted	Rejected
26. By what time interval will the Michigan Public School Employees Retirement System have a built-in cost-of-living factor in the retirement allowance?	.549	.451	.157	x	
27. By what time interval will the IRS tax fringe benefits received by teachers as taxable income?	.365	.608	.400	x	
28. By what time interval will Michigan public school employers and employees get out of the Social Security (FICA) program and institute an alternate program?	1.000	1.000	1.000	x	
29. By what time interval will Michigan go to a year-round school with teachers working on a staggered basis?	1.000	1.000	1.000	x	
30. By what time interval will health maintenance organizations replace the present medical and hospitalization plans?	.500	.157	.671	x	

APPENDIX F

SUMMARY OF FRINGE BENEFITS: MEDIAN, RANGE, AND CONSENSUS

Table F.1.--Fringe benefits: summary of three rounds for median, range, and consensus.

Fringe Benefit	Median Time Interval			Semi-Interquartile Range			Consensus
	Round 1	Round 2	Round 3	Round 1	Round 2	Round 3	Round 3
1. Term life insurance up to full amount of salary or higher.	1980-84	1980-84	1985-89	1980-89	1980-89	1980-89	N 47.4%
2. Accidental death and dismemberment (AD&D) insurance up to full amount of salary or higher.	1985-89	1985-89	1985-89	1985-89	1985-89	1985-89	Y 57.9%
3. Paid overtime for hours worked beyond contracted school day at a negotiated rate.	1990-94	1995-99	1995-99	1990-2000+	1990-2000+	1990-99	N 21.1%
4. Paid dental insurance.	1980-84	1980-84	1980-84	1980-89	1980-89	1980-94	Y 68.4%
5. Paid vision care.	1985-89	1985-89	1985-89	1980-89	1980-89	1980-89	Y 57.9%
6. Paid hearing care.	1990-94	1990-94	1995-99	1985-2000+	1990-99	1990-99	N 31.6%
7. Full tuition reimbursement.	1990-94	1995-99	1995-99	1985-2000+	1990-2000+	1990-2000+	N 26.3%
8. Teacher effectiveness pay (i.e., merit pay, performance bonuses).	Never	Never	Never	2000+-Never	2000+-Never	2000+-Never	Y 63.2%
9. Hospitalization insurance with prescription rider.	1980-84	1980-84	1980-84	1980-84	1980-84	1980-84	Y 68.4%
10. Survivor income insurance with a minimum of \$200 a month/spouse and \$100 a month/child.	1990-94	1990-94	1995-99	1985-99	1990-2000+	1990-99	N 36.8%
11. Cost-of-living allowances (COLA).	1985-89	1985-89	1990-94	1985-94	1985-99	1985-99	N 15.8%
12. Unlimited sick leave accumulation.	1985-89	1985-89	1985-89	1980-94	1985-94	1985-94	N 36.8%
13. Full pay for unused sick leave at retirement based on final pay rate.	2000+	1995-99	1995-99	1985-2000+	1985-Never	1985-99	N 10.5%
14. Continuation of fringe benefits coverage for retirees.	2000+	1995-99	1995-99	1985-2000+	1990-2000+	1990-2000+	N 26.5%
15. Sabbatical leaves with full pay at least every seven years for approved reasons.	2000+	2000+	2000+	1985-2000+	1990-Never	1990-Never	N 31.6%

Table F.1.--Continued.

Fringe Benefit	Median Time Interval			Semi-Interquartile Range			Consensus
	Round 1	Round 2	Round 3	Round 1	Round 2	Round 3	Round 3
16. Paid leaves of shorter duration than sabbatical leaves.	1985-89	1985-89	1985-89	1980-99	1985-99	1985-94	Y 57.9%
17. Short-term disability insurance.	1985-89	1985-89	1985-89	1980-94	1985-94	1985-89	Y 63.2%
18. Long-term disability insurance.	1980-84	1980-84	1980-84	1980-89	1980-89	1980-89	Y 57.9%
19. School-district-financed physical examination a minimum of every two years.	1990-94	1990-94	1990-94	1985-99	1985-99	1990-99	N 42.1%
20. Travel accident insurance program for job-related travel.	1990-94	1985-89	1985-89	1980-94	1980-94	1980-94	N 31.6%
21. Vacation time allotments based on years of service to be taken during the regular school year.	Never	Never	Never	1995-Never	2000+-Never	2000+-Never	Y 68.4%
22. Additional medical options to cover in-hospital benefits, weekly indemnity, etc.	1990-94	1990-94	1990-94	1985-99	1985-99	1985-99	N 36.8%
23. A minimum of two personal holidays to be used during the school year (i.e., birthdays, anniversaries).	1985-89	1985-89	1985-89	1985-94	1985-94	1985-94	N 47.4%
24. Retirement incentive plans where a teacher may be compensated a minimum of one year's salary for early retirement at age 55.	1990-94	1985-89	1985-89	1985-94	1985-94	1985-94	N 47.4%
25. A retirement incentive plan that would pay the teacher one-half of the difference between the B.A. minimum and what they could be earning for every year from age 55 up to a negotiated year.	1995-99	1995-99	1995-99	1985-2000+	1990-2000+	1990-2000+	N 31.6%
26. A prepaid legal plan that would allow advisory service, legal counseling, investment planning, etc.	1990-94	1990-94	1990-94	1985-94	1985-94	1985-94	N 47.4%
27. Cancer insurance plan.	Never	Never	Never	Never	Never	Never	Y 84.2%
28. Dependent life insurance with a minimum of \$1,000 per dependent.	1985-89	1985-89	1985-89	1985-99	1985-99	1985-94	Y 63.2%
29. A minimum of two personal leave days per year that can be used without any reason given and fully compensated.	1985-89	1985-89	1985-89	1980-94	1980-94	1980-94	N 42.1%

Table F.1.--Continued.

Fringe Benefit	Median Time Interval			Semi-Interquartile Range			Consensus
	Round 1	Round 2	Round 3	Round 1	Round 2	Round 3	Round 3
30. Longevity pay (the top consecutive pay step) of at least 1% of B.A. base for each year beyond top step of negotiated salary schedule.	1995-99	1995-99	1995-99	1985-2000+	1985-99	1990-2000+	N 31.6%
31. A minimum of \$100/year for membership to nonunion education associations paid for by the school district.	2000+	2000+	2000+	1995-Never	1995-Never	2000+-Never	N 36.8%
32. A tax-sheltered annuity plan up to 5% of annual income paid by the school district.	1995-99	1995-99	1995-99	1990-2000+	1990-2000+	1990-2000+	N 15.8%
33. Auto insurance.	1995-99	2000+	2000+	1990-2000+	1990-2000+	1995-2000+	N 47.4%
34. Liability insurance; damage to personal property, clothing, etc.	1985-89	1985-89	1990-94	1980-94	1980-94	1985-94	N 47.4%
35. Guaranteed professional conference leave with expenses paid.	1990-94	1990-94	1990-94	1985-99	1990-99	1990-99	N 47.4%
36. Lease cars for teachers who travel between buildings.	Never	Never	Never	2000+-Never	2000+-Never	2000+-Never	Y 73.7%
37. Fringe benefit and salary continuation after death of employee for a negotiated period of time.	2000+	2000+	2000+	1990-Never	1990-Never	1995-Never	N 26.3%
38. Home insurance.	Never	Never	Never	2000+-Never	2000+-Never	2000+-Never	Y 68.4%
39. Home mortgage insurance.	Never	Never	Never	2000+-Never	2000+-Never	2000+-Never	Y 73.7%
40. Paid counseling services for laid-off teachers to assist them in acquiring other employment.	1990-94	1990-94	1990-94	1985-94	1985-94	1985-94	N 31.6%
41. Option to receive money in lieu of fringe benefits in the event of double coverage	1990-94	1990-94	1990-94	1985-94	1990-99	1990-99	Y 63.2%
42. Sick leave bank that continues 100% pay and fringe benefits from the time personal leave is used up until the teacher qualifies for long-term disability.	1985-89	1985-89	1985-89	1985-99	1985-94	1985-94	N 47.4%
43. Retirement pay of a minimum of \$100 for each year of service in the school district.	1985-99	1985-99	1990-94	1985-99	1985-99	1985-99	N 26.3%
44. Guarantee that the board will pay for any property damage incurred by a teacher when on legitimate school business.	1985-89	1990-94	1990-94	1985-94	1985-94	1985-94	N 47.4%

APPENDIX G

SUMMARY OF FRINGE BENEFIT DEVELOPMENTS: MEDIAN, RANGE, AND CONSENSUS

Table G.1.--Fringe benefit developments: summary of three rounds for median, range, and consensus.

Fringe Benefit Development	Median Time Interval			Semi-Interquartile Range			Consensus
	Round 1	Round 2	Round 3	Round 1	Round 2	Round 3	Round 3
1. The U.S. Chamber of Commerce reports that fringe benefits for all employees reached 36.7% of payroll in 1977. In your opinion, in what time interval will fringe benefits for Michigan public school teachers average 50% of payroll?	1990-94	1990-94	1995-99	1985-2000+	1985-2000+	1990-2000+	N 18.8%
2. In what year will the median family income (in 1980 dollars) reach twice its present amount?	1990-94	1990-94	1990-94	1985-99	1990-94	1990-94	Y 56.3%
3. When will the median teachers' salary reach twice its present amount?	1990-94	1990-94	1990-94	1985-94	1990-94	1990-94	Y 68.8%
4. By what year will 50% or more of the local EAs belong to a regional bargaining unit?	1980-84	1980-84	1985-89	1980-89	1980-89	1980-89	N 37.5%
5. By what year will 50% or more of the Michigan public school districts' boards of education unite into a multiple-district bargaining unit?	1990-94	1990-94	1990-94	1990-99	1990-99	1990-99	N 37.5%
6. By what year will teachers belong to one statewide bargaining unit that will determine statewide teachers' salaries and fringe benefits (with possible cost-of-living indexes for different areas of the state)?	1995-99	1995-99	2000+	1990-2000+	1995-2000+	1995-2000+	N 43.8%
7. In what year will teachers have their salaries and fringe benefits negotiated by a federal bargaining unit (with a cost-of-living index for different areas of the United States)?	Never	Never	Never	Never	Never	Never	Y 75.0%
8. By what time interval will teachers be able to select an individually tailored (cafeteria-style) fringe benefit package from a designated number of dollars in their school district?	1985-89	1990-94	1990-94	1985-94	1985-94	1985-94	N 43.8%
9. In what year will 50% or more of the school districts self-insure some fringe benefits such as long-term disability or life insurance?	1990-94	1990-94	1990-94	1985-99	1990-2000+	1985-99	N 18.8%

Table G.1.--Continued.

Fringe Benefit Development	Median Time Interval			Semi-Interquartile Range			Consensus
	Round 1	Round 2	Round 3	Round 1	Round 2	Round 3	Round 3
10. In what year will 50% or more of the Michigan school districts unite together to self-insure some fringe benefits such as long-term disability or life insurance?	1995-99	1995-99	2000+	1985-2000+	1990-2000+	1990-2000+	N 25.0%
11. In what year will 50% or more of the Michigan school districts pay all of the teacher's fringe benefit costs with no contributory costs made by teachers?	1985-89	1985-89	1985-89	1985-2000+	1980-94	1985-94	N 43.8%
12. By what year will 50% or more of the Michigan school districts permit teachers to trade fringe benefits for cash in hand if they desire?	1990-94	1995-99	1995-99	1990-2000+	1990-2000+	1990-2000+	N 18.8%
13. In what time interval will Michigan public school teachers have optional retirement after 30 years of service with full fringe benefits that are offered by the local school district?	1990-94	1995-99	1995-99	1990-2000+	1990-2000+	1990-2000+	N 18.8%
14. In what time interval will Michigan schools operate less than 180 instructional days?	Never	Never	Never	1985-Never	1990-Never	1995-Never	Y 56.3%
15. In what time interval will Michigan schools operate on a four-day week and still maintain a minimum 180-day school year?	2000+	2000+	2000+	1995-Never	1990-Never	1995-2000+	N 37.5%
16. By what time interval will Michigan teachers have a shortened workday permitting teachers to work only when they have specific teaching assignments?	2000+	Never	Never	1995-Never	2000+-Never	2000+-Never	Y 62.5%
17. In what time interval will the nontenure teachers' probationary period be reduced to one year?	Never	Never	Never	2000+-Never	2000+-Never	2000+-Never	Y 68.8%
18. In what time interval will teachers' salaries, including costs for fringe benefits, be tied to a valid index of economic growth such as a consumer price index (CPI)?	2000+	2000+	2000+	2000+-Never	1990-2000+	2000+	Y 56.3%
19. By what time interval will performance contracting with teachers become an acceptable method for receiving additional compensation?	Never	Never	Never	2000+-Never	2000+-Never	2000+-Never	Y 62.5%

Table G.1.--Continued.

Fringe Benefit Development	Median Time Interval			Semi-Interquartile Range			Consensus
	Round 1	Round 2	Round 3	Round 1	Round 2	Round 3	Round 3
20. By what time interval will the average class size be less than 20 students?	2000+	2000+	2000+	2000+-Never	2000+-Never	2000+-Never	Y 50.0%
21. In what time interval will it become commonplace for school districts to offer bonuses to hire outstanding teacher candidates?	Never	Never	Never	2000+-Never	2000+-Never	2000+-Never	Y 56.3%
22. By what time interval will federal funds reach a 15% proportion of the total tax dollars received by Michigan school districts (present level is approximately 7%)?	1990-94	1990-94	1995-99	1985-2000+	1990-99	1990-99	N 31.3%
23. By what time interval will in-service training of teachers become a necessity because of computers, T.V., and new teaching technologies?	1980-84	1980-84	1985-89	1980-89	1980-89	1980-89	N 43.8%
24. By what time interval will there be a 50% increase in personnel administrators whose primary responsibilities will be to work with employee benefits and other related personnel functions in the public school districts of Michigan?	1990-94	1990-94	1990-94	1990-99	1990-Never	1990-99	N 37.5%
25. By what time interval will boards of education in a region or area unite together to review negotiated local agreements for acceptability?	1980-84	1980-84	1985-89	1980-94	1980-94	1980-94	N 37.5%
26. By what time interval will the Michigan Public School Employees' Retirement System have a built-in cost-of-living factor in the retirement allowance?	1985-89	1985-89	1985-89	1985-94	1985-94	1985-94	N 43.8%
27. By what time interval will the IRS tax fringe benefits received by teachers as taxable income?	1990-94	1990-94	1990-94	1985-99	1985-94	1985-94	Y 50.0%
28. By what time interval will Michigan public school employers and employees get out of the Social Security (FICA) program and institute an alternate program?	Never	Never	Never	2000+-Never	2000+-Never	2000+-Never	Y 62.5%
29. By what time interval will Michigan go to a year-round school with teachers working on a staggered basis?	Never	Never	Never	2000+-Never	2000+-Never	2000+-Never	Y 56.3%
30. By what time interval will health maintenance organizations replace the present medical and hospitalization plans?	1990-94	1990-94	1995-99	1985-Never	1985-Never	1990-2000+	N 12.5%

APPENDIX H

**SUMMARY OF FRINGE BENEFIT DEVELOPMENTS:
COMPOSITE**

SUMMARY OF FRINGE BENEFIT DEVELOPMENTS: COMPOSITE

A. Local and Regional Fringe Benefit Developments

By what year will 50% or more of the local EAs belong to a regional bargaining unit (Item 4)?

Probable date of acceptance

Median: 1985-89

Range: 1980-89

Desirability

Composite: Neutral

Comparison: Great disagreement

Organizational factors

Group most in favor: MEA

Group most opposed: Local boards

Panelists' feedback (Round)

--Isolated districts outstate will not accept or will withdraw from the regional units. Local resources differ and boards will refuse to lose identity (I).

--This concept is losing ground. This was true in 1979 as well as 1980 (II).

--There will be a consolidation into larger districts and they will be jealous of their identity (II).

--This is a new concept...change occurs slowly (II).

--I don't believe one-half of the districts will have regionalized bargaining by 1990 (III).

--This is already true if mere definitions are used (III).

--The present structure has not produced and has created some backlash of public sentiment (III).

In what year will 50% or more of the Michigan school districts pay all of the teachers' fringe benefit costs with no contributory costs made by teachers (Item 11)?

Probable date of acceptance

Median: 1985-89
Range: 1985-94

Desirability

Composite: Neutral
Comparison: Very great disagreement

Organizational factors

Group most in favor: LEA
Group most opposed: Local boards

Panelists' feedback (Round)

- We are in a posture of expanding benefits (I).
- Generally "phase in" those as co-paid for awhile (I).
- I feel there should always be some employee contributions, otherwise increased costs have no meaning for them (II).
- "All" is too inclusive (II).
- "All" of "all" fringe benefits will never happen (II).
- I suspect this is true now (II).
- This will not occur until after teachers have an acceptable fringe benefit package (II).
- MERC, arbitration, court rulings encourage the employee to pay a "little" for carrier purposes (II).
- The priority will continue to be salary improvement (III).
- The Board's position is better cost containment....Teacher pays part of benefit (III).
- We are seeing this in some contracts in recent years (III).

By what time interval will in-service training of teachers become a necessity because of computers, T.V., and new teaching technologies (Item 23)?

Probable date of acceptance

Median: 1985-89
Range: 1985-89

Desirability

Composite: Medium desirability
Comparison: No disagreement

Organizational factors

Group most in favor: Local boards
Group most opposed: Local boards

Panelists' feedback (Round)

- Isn't it now (I)?
- I changed my mind (II).
- We need more of this (II).
- It's a necessity now but it is not required (II).
- Such a time is already upon us (II).
- In-service training has always been a necessity (II).
- I will revise my estimate downward here (II).
- It is already upon us. We need it now but costs won't allow us in the next ten years (III).
- It is a necessity now...teachers don't want it, Boards can't afford it and are unaware of the need.

By what time interval will boards of education in a region or area unite together to review negotiated local agreements for acceptability (Item 25)?

Probable date of acceptance

Median: 1985-89
Range: 1980-94

Desirability

Composite: Neutral
Comparison: No disagreement

Organizational factors

Group most in favor: Local boards
Group most opposed: MEA

Panelists' feedback (Round)

- The organizations are loose but do exist (I).
- This concept is not being accepted or used successfully now (II).
- Representatives of boards are doing this now...but review does not yet mean having the right to accept or reject (II).
- As boards fight regional bargaining, they will be forced out of this (II).
- Local autonomy (II).
- Boards don't organize that efficiently (II).
- This could be highly desirable or highly undesirable--depends on attitude (II).
- Boards won't do this...negotiators already do. Local boards will jealously guard their autonomy (III).

By what time interval will teachers be able to select an individually tailored (cafeteria-style) fringe benefit package from a designated number of dollars in their school district (Item 8)?

Probable date of acceptance

Median: 1990-94
Range: 1985-94

Desirability

Composite: Neutral
Comparison: No disagreement

Organizational factors

Group most in favor: LEA
Group most opposed: Local boards

Panelists' feedback (Round)

- No comments (I).
- I do not believe that dollars will be spent like this (II).
- Equal coverage does not mean equal dollars (II).
- Proposal makes sense (II).
- Use money on basis of need! (II)
- Will destroy the principle of insurance, which depends on chance (II).
- I suspect that such an approach would eventually cause benefits to be taxed (II).
- Because of fear of losing tax advantages plus Board's "Big Brother" attitude (II).
- Options packages in certain districts (II).
- The way of the future (II).
- The biggest fear is loss of tax advantage (III).

In what year will 50% or more of the school districts self-insure some fringe benefits such as long-term disability or life insurance (Item 9)?

Probable date of acceptance

Median: 1990-94
Range: 1985-99

Desirability

Composite: Neutral
Comparison: Minor disagreement

Organizational factors

Group most in favor: Local boards
Group most opposed: MEA

Panelists' feedback (Round)

- Self-insurance needs at least a group of 200 or more to sustain a program (I).
- Do 50% of the districts have 200 or more teachers in them (I)?
- Could districts combine for self-insurance (I)?
- This cuts a lot of bucks and as they add plans, they are learning this (I).
- Some larger districts already are (I).
- Some cost savings can result (II).
- There are over 500 districts in Michigan where the coverage has less than 250 total employees and going down (II).
- You cannot self-insure with these numbers (II).
- A poor idea for small districts. OK for big ones (II).
- I see pitfalls for self-insurance (II).
- Could cause inferior programs to materialize (II).
- Potential for catastrophic cost is too risky for school district...Also, required reserve would be too great (II).
- Self-insurance will be combined with high-risk insurance (III).
- As the money squeeze continues this offers some hope of relief (III).
- This is a one-time cash flow advantage by eliminating reserves (III).
- This is beginning to occur more frequently already (III).
- Many are already doing this...it's a must (III).
- The financial crunch will force self-insurance (III).

By what year will 50% or more of the Michigan school districts permit teachers to trade fringe benefits for cash in hand if they desire (Item 12)?

Probable date of acceptance

Median: 1995-99
Range: 1990-2000+

Desirability

Composite: Low undesirability
Comparison: Minor disagreement

Organizational factors

Group most in favor: LEA
Group most opposed: Local boards

Panelists' feedback (Round)

- This destroys the idea of insurance (I).
- Insurance spreads the risk (I).
- If only people who use it take it, the cost would be prohibitive...IRS taxability would be a problem (I).
- Option packages more likely (I).
- Destroys true insurance coverage (II).
- This goes against insurance principles--chance (II).
- This has pros and cons (II).
- Too costly (II).
- Protection is more important in my estimation than money in the pocket (II).
- Runs against historical argument with Board and IRS--fringes aren't taxable salary (II).
- The cost of equal dollars for each teacher is prohibitively expensive (III).
- I hope never...only sick people will take insurance and costs would skyrocket (III).

By what time interval will health maintenance organizations replace the present medical and hospitalization plans (Item 30)?

Probable date of acceptance

Median: 1995-99
Range: 1990-2000+

Desirability

Composite: Neutral
Comparison: Minor disagreement

Organizational factors

Group most in favor: Local boards
Group most opposed: MEA

In what year will 50% or more of the Michigan school districts unite together to self-insure some fringe benefits such as long-term disability or life insurance (Item 10)?

Probable date of acceptance

Median: 2000+
Range: 1990-2000+

Desirability

Composite: Neutral
Comparison: No disagreement

Organizational factors

Group most in favor: Local boards
Group most opposed: MEA

Panelists' feedback (Round)

- This would have to be done by an outside party or agent (I).
- Cost us (I).
- Risk is the key (I).
- This could prove to be a savings to school districts depending on experience factor (II).

- Sounds like an insurance co-op and I don't see this as probable (II).
- Worker's comp. is a likely prospect on a regional basis (III).
- It may be necessary to establish groups large enough to be rated (III).
- Legal problems and autonomy barriers will hinder this (III).

In what time interval will teachers' salaries, including costs for fringe benefits, be tied to a valid index of economic growth such as a consumer price index (CPI) (Item 18)?

Probable date of acceptance

Median: 2000+
Range: 2000+

Desirability

Composite: Neutral
Comparison: Very great disagreement

Organizational factors

Group most in favor: MEA
Group most opposed: Local boards

Panelists' feedback (Round)

- "Never" for complete salaries (I).
- A formula will be used to determine a segment of the wages, as it is now (I).
- The current indices are not true indicators (I).
- Done by districts to not grant sizable increases (I).
- Teachers to indicate they are lagging behind (I).
- Need more stability in the economy (I).
- As long as there are unions or even a labor party the push will be to improve (II).
- CPI is beginning to lose its credibility; besides this idea is not too rational for collective bargaining (II).

- This just won't happen with all teachers as the question indicates (II).
- "Valid" is a key word (II).
- CPI is current controlling factor in negotiations (II).
- I see many contracts across the state where salary and benefits are tied to a CPI (III).
- I doubt if any tax paid employees can ever expect COLA...The employer doesn't have that much control over revenues (III).
- CPI type index is on the way out (III).
- Need to put limits that are known...experiences with COLA have not always worked out (III).
- A CPI uncapped will not be a valid index (III).

By what time interval will performance contracting with teachers become an acceptable method of receiving additional compensation (Item 19)?

Probable date of acceptance

Median: Never
Range: 2000+-Never

Desirability

Composite: Low undesirability
Comparison: Minor disagreement

Organizational factors

Group most in favor: Local boards
Group most opposed: MEA

Panelists' feedback (Round)

- No way! (I)
- Half the staff would be fired, other half too busy competing to do their jobs (I).
- This form of merit pay will be a reality if response continue as they have (II).

- Productivity will become a national issue as demanded by a weakened economy (II).
- Over several collective dead bodies...damnable notion! (II)
- Our present K-12 schooling pattern is going to change drastically (III).
- Performance contracting may happen sooner than most people think. As the public becomes more vocal, accountability will be stressed (III).

By what time interval will the average class size be less than 20 students (Item 20)?

Probable date of acceptance

Median: 2000+
Range: 2000+--Never

Desirability

Composite: Median desirability
Comparison: Minor disagreement

Organizational factors

Group most in favor: LEA
Group most opposed: Local boards

Panelists' feedback (Round)

- The structure of teaching would have to change (I).
- To assure all (salary) increases and fringes, class size has to be sacrificed (I).
- With declining enrollments class sizes will edge downward (II).
- With federal financing of an appreciable amount (II).
- Too expensive for this (II).
- No one is against small class sizes if it can be afforded (III).

- Results supported by research vs. cost will have to be shown in order for this to happen (III).
- Declining enrollments combined with strict layoff provisions may cause this to happen (III).

In what time interval will it become commonplace for school districts to offer bonuses to hire outstanding teacher candidates (Item 21)?

Probable date of acceptance

Median: Never
Range: 2000+-Never

Desirability

Composite: Low undesirability
Comparison: Minor disagreement

Organizational factors

Group most in favor: Local boards
Group most opposed: MEA

Panelists' feedback (Round)

- Teacher unions will oppose this (I).
- That push is on and has been for coaches especially (I).
- Supply and demand are out of "sync" (I).
- With an increasing teacher shortage, this will be a reality (II).
- A long shot. We may see a teacher shortage again (II).
- Contracts may change in this regard, but commonplace? Probably not (II).
- Unions can't allow this (III).
- This may happen sooner than most people think (III).
- This occurs now when districts give credit for additional experience (III).

B. State Fringe Benefit Developments

By what time interval will the Michigan Public School Employees Retirement System has a built-in cost-of-living factor in the retirement allowance (Item 26)?

Probable date of acceptance

Median: 1985-89

Range: 1985-94

Desirability

Composite: Medium desirability

Comparison: Minor disagreement

Organizational factors

Group most in favor: MEA

Group most opposed: Legislative action

Panelists' feedback (Round)

--I believe the magic of cost-of-living may be declining in importance in the near future (II).

--Cost-of-living is on the way out as an automatic factor (II).

The U.S. Chamber of Commerce reports that fringe benefits for all employees reached 36.7% of payroll in 1977. In your opinion, in what time interval will fringe benefits for Michigan public school teachers average 50% of payroll (Item 1)?

Probable date of acceptance

Median: 1995-99

Range: 1990-2000+

Desirability

Composite: Neutral

Comparison: Minor disagreement

Organizational factors

Group most in favor: LEA, MEA

Group most opposed: Local boards

Panelists' feedback (Round)

- Inflation is a big factor (I).
- Philosophically, unions have to show money gained also (II).
- I think government will start to zero in on tax-free benefits.
When more fringes become taxable, the trend will cease (II).
- I believe this trend may reverse in terms of percent of payroll (II).
- Teachers may again opt for fringe benefits as inflation recedes over salary because it comes off the top and there is no income tax (II).
- This won't happen unless we become much more of a socialist nation (III).
- Disagree...salaries will rise faster (III).

By what year will 50% or more of the Michigan public school districts' boards of education unite into a multiple-district bargaining unit (Item 5)?

Probable date of acceptance

Median: 1990-94
Range: 1990-99

Desirability

Composite: Low desirability
Comparison: Great disagreement

Organizational factors

Group most in favor: MEA
Group most opposed: Local boards

Panelists' feedback (Round)

- That's after they get wise that they would have a chance as a united front (I).
- There may not be a need to do this (II).
- Boards do not want to give up their local control (II).

- They (members) can't even agree among themselves (II).
- The trend will reverse when the disadvantages are known (II).
- Local control will win out in the end (II).
- Boards are afraid to do it (II).
- Local control is more important. I don't believe one-half of the districts will work in this manner (III).
- Boards will react and adopt this plan as a defense in bargaining (III).
- Local control is one factor...the legality will be challenged (III).
- Boards are too protective of their political power (III).
- This will not occur unless forced by state legislation... politics will delay this indefinitely (III).
- Regional bargaining is losing its charm (III).

In what time interval will Michigan public school teachers have optional retirement after 30 years of service with full fringe benefits that are offered by the local school district (Item 13)?

Probable date of acceptance

Median: 1995-99
Range: 1990-2000+

Desirability

Composite: Low desirability
Comparison: Very great disagreement

Organizational factors

Group most in favor: LEA, MEA
Group most opposed: Local boards

Panelists' feedback (Round)

- Bargain with legislature (I).
- The next one-half decade will see some retrenchment economically (I).

- This will help to encourage early retirement (II).
- There will be a need for legislation to do this (II).
- MEA is strong in this area (II).
- Hopefully, we have learned from other governmental units--large cities--many benefits don't make sense--also double dipping (II).
- The retirement system couldn't handle such a wide variety of coverages (II).
- Michigan schools will never be able to afford it (II).
- Perhaps I'm too optimistic, but I think the current thrust in retirement incentives will ground swell (II).
- Many districts and local EA's will be promoting early retirement plans (III).
- Paid fringes will be incentives to early retirement (III).
- Not full benefits (III).
- Some districts are presently giving huge lump sum payments which serve the same purpose (III).

By what time interval will there be a 50% increase in personnel administrators whose primary responsibility will be to work with employee benefits and other related personnel functions in the public school districts of Michigan (Item 24)?

Probable date of acceptance

Median: 1990-94

Range: 1990-99

Desirability

Composite: Low desirability

Comparison: Minor disagreement

Organizational factors

Group most in favor: Administrator associations

Group most opposed: Local boards

Panelists' feedback (Round)

- I foresee a possibility of this occurring at the intermediate level or with several districts hiring someone (I).
- It won't be administrators who increase (I).
- Depending on student enrollment, staffing patterns and/or consolidations (I).
- This area has grown more complex--as costs rise so does motivation to seek some savings (I).
- The personnel function will be more and more important (II).
- I believe 50% is just too high a projection (II).
- The growth will instead come in clerical rated employees (II).
- Finances will prohibit this (II).
- It isn't going to happen until there is a significant expansion of the fringe benefit package (II).
- Budget problems cause administrative cuts (II).
- This is a reason why districts will not self-insure (II).
- Runs against MESSA re "carrier"? (II)
- As cost problems continue to become more complex it will become necessary (III).
- Cost factor is too high for most boards (III).

By what year will teachers belong to one statewide bargaining unit that will determine statewide teachers' salaries and fringe benefits (with possible cost-of-living indexes for different areas of the state) (Item 6)?

Probable date of acceptance

Median: 2000+
Range: 1995-2000+

Desirability

Composite: Neutral
Comparison: Great disagreement

Organizational factors

Group most in favor: MEA

Group most opposed: Local boards

Panelists' feedback (Round)

- The state cannot respond quickly enough (I).
- Teachers of urban areas will not allow this for some time (I).
- International type of agreements for economics (I).
- Working conditions, etc., still need to be done locally (I).
- The larger districts will never agree to this (II).
- the time and effort of 560 K-12 districts in bargaining will force this earlier than 1995 (II).
- Neither the union or boards will allow this (II).
- I saw this happen in New York State. They have since split (II).
- This will mean state control of schools; local boards won't allow it (II).
- Never is a long time...I changed my mind (III).
- This would take legislative action (III).
- A statewide schedule for salaries and fringes will come as taxing power shifts and as labor peace becomes more attractive (III).
- Local units will be reluctant to give up autonomy (III).
- I think this is being planned now...the trend is to tighter state control (III).
- Thirty years is too long...I say 14 years but it might happen sooner with the state of our economy (III).

In what time interval will Michigan schools operate less than 180 instructional days (Item 14)?

Probable date of acceptance

Median: Never
Range: 1995-Never

Desirability

Composite: Low undesirability
Comparison: No disagreement

Organizational factors

Group most in favor: LEA
Group most opposed: Local boards and State Board

Panelists' feedback (Round)

- Never is a long time (I).
- I do not see a reduction at this time (II).
- Parents don't think kids are in school enough now (I).
- Can dollars for salary and fringes be justified if shorter school year (I).
- Right-to-strike legislation will permit this (II).
- There are alternatives. Perhaps we will be forced to explore them (II).
- This will be an area of movement when money isn't (II).
- Will probably happen sooner than predicted with trend to four-day week--maintain hours (II).
- Four-day week due to energy cost (II).
- This one is now open to question...I would change my answer to to 1990-94 (II).
- Right now...right-to-strike legislation allows this (III).

In what time interval will Michigan schools operate on a four-day week and still maintain a minimum 180-day school year (Item 15)?

Probable date of acceptance

Median: 2000+
Range: 1995-2000+

Desirability

Composite: Neutral
Comparison: No disagreement

Organizational factors

Group most in favor: Local boards and LEA
Group most opposed: State board

Panelists' feedback (Round)

- This is possible in light of the energy problem (I).
- If we go to a four-day week, I do not believe teachers will work the additional weeks (II).
- This may be an answer for more in-service and/or management (II).
- Not unless the parents go on a four-day week (II).
- This would mandate year-round schools; it just isn't going to happen (II).
- Some will do this; not all (II).
- Depends on fuel/types of winters (II).
- They have been doing this in New Mexico just recently and elsewhere, successfully (II).
- In-services and a full work year will move this idea ahead (III).

By what time interval will Michigan teachers have a shortened work day permitting teachers to work only when they have specific teaching assignments (Item 16)?

Probable date of acceptance

Median: Never
Range: 2000+-Never

Desirability

Composite: Neutral
Comparison: Great disagreement

Organizational factors

Group most in favor: LEA
Group most opposed: Local boards

Panelists' feedback (Round)

- Only if the job market gets even more drastic (I).
- Why not? It is done at the college and university level (II).
- This could be a political reality (II).
- If schools are to maintain public support, teachers need to be involved in more than just classes (II).
- My answer was and is based on teachers seeking part-time or shared classroom assignments (II).
- I believe this is in the immediate future and is being done right now in some districts by shared assignments, etc. (III).
- Possibly in lieu of added compensation when the money runs dry (III).

In what time interval will the nontenure teachers' probationary period be reduced to one year (Item 17)?

Probable date of acceptance

Median: Never
Range: 2000+-Never

Desirability

Composite: Low undesirability
Comparison: Minor disagreement

Organizational factors

Group most in favor: MEA
Group most opposed: Local boards

Panelists' feedback (Round)

- Too many groups have a vested interest (I).
- With proper evaluation, why should it be so long? (II)
- Evaluation of staff must be improved for this to happen (II).
- Few if any professions have probationary periods of two years (III).

By what time interval will Michigan public school employers and employees get out of the Social Security (FICA) program and institute an alternative program (Item 29)?

Probable date of acceptance

Median: Never
Range: 2000+→Never

Desirability

Composite: Low undesirability
Comparison: Minor disagreement

Organizational factors

Group most in favor: Legislature
Group most opposed: MEA and legislature

Panelists' feedback (Round)

- Perhaps some of these large school systems (I).
- Currently we can double dip (I).
- This could prove beneficial to all involved (II).
- Never is a long time. Changed my mind on this one--I think it may well happen (II).
- We can do it better and retain more control (II).
- Frustration will increase very quickly (II).
- Options to Social Security will continue to be sought (III).
- As it appears that the system will become bankrupt the change will occur (III).

--I wonder about my "never" answer (III).

--There is a level of distrust about our Social Security system and its solvency (III).

By what time interval will Michigan go to a year-round school with teachers working on a staggered basis (Item 29)?

Probable date of acceptance

Median: Never

Range: 2000+-Never

Desirability

Composite: Neutral

Comparison: No disagreement

Organizational factors

Group most in favor: State board

Group most opposed: Local boards

Panelists' feedback (Round)

--Depends on the energy crunch and number of buildings that have been closed (I).

--Will save money (I).

--Parents have historically objected most (I).

--The community require full utilization of buildings (II).

--It has already happened in Michigan--will not be the trend. My response is based on experience with school closings and more efficient use of buildings (II).

--This will fill the need to fully utilize the district's resources (III).

--Not sure any group really supports year-round school (III).

--I think this still is an approach to save energy and make more effective use of facilities (III).

C. National Fringe Benefit Developments

In what year will the median family income (in 1980 dollars) reach twice its present amount (Item 2)?

Probable date of acceptance

Median: 1990-94

Range: 1990-94

Desirability

Composite: Neutral

Comparison: Great disagreement

Organizational factors

Group most in favor: LEA and MEA

Group most opposed: Local boards

Panelists' feedback (Round)

--Inflation is a big factor (I).

--There are balancing factors. Companies move out (II).

--Probably wishful thinking, but the value of the dollar is at stake (II).

--If it's inflation, so what? (II)

--I may be overly optimistic in spite of some economists' predictions. I see the inflationary spiral coming to a screeching halt (II).

--Depends upon factors related to such an increase, i.e., rate of inflation, improved productivity (II).

--10% a year will yield twice the family income by 1988 (III).

--Must slow down or other factors will appear (III).

--We will get a handle on inflation in the next decade (III).

--I don't think Michigan's economy will allow this to happen as soon as you think (III).

When will the median teachers' salary reach twice its present amount (Item 3)?

Probable date of acceptance

Median: 1990-94
Range: 1990-94

Desirability

Composite: Neutral
Comparison: Great disagreement

Organizational factors

Group most in favor: LEA
Group most opposed: Local boards

Panelists' feedback (Round)

- Median is going up because there are fewer and fewer younger teachers (I).
- Teachers' salaries will not keep pace with inflation (II).
- If it's inflation, so what? (II)
- Based on past record, salaries aren't climbing this rapidly (II).
- Conversely, as inflation increases, boards get tighter; so does the community (II).
- State will have to recover economically. I think the recovery will be slow (III).
- Michigan's economy will not allow this to happen as soon as you think (III).

By what time interval will federal funds reach a 15% proportion of the total tax dollars received by Michigan school districts (present level is approximately 7%) (Item 22)?

Probable date of acceptance

Median: 1995-99
Range: 1990-99

Desirability

Composite: Neutral
Comparison: Great disagreement

Organizational factors

Group most in favor: LEA
Group most opposed: Local boards

Panelists' feedback (Round)

- Median is going up because there are fewer and fewer younger teachers (I).
- Teachers' salaries will not keep pace with inflation (II).
- If it's inflation, so what? (II)
- Based on past record, salaries aren't climbing this rapidly (II).
- Conversely, as inflation increases, boards get tighter; so does the community (II).
- State will have to recover economically. I think the recovery will be slow (III).
- Michigan's economy will not allow this to happen as soon as you think (III).

By what time interval will federal funds reach a 15% proportion of the total tax dollars received by Michigan school districts (present level is approximately 7%) (Item 22)?

Probable date of acceptance

Median: 1995-99
Range: 1990-99

Desirability

Composite: Neutral
Comparison: Great disagreement

Organizational factors

Group most in favor: NEA
Group most opposed: Local boards and legislative action

Panelists' feedback (Round)

- Federal programs are dropped by districts when funds run out.
This will limit federal funding (I).
- Too much pressure from other areas of government for funds (I).
- Cutbacks will occur federally (I).
- Politically we've become more forceful (I).
- This is developing clout and state's fiscal woes will hasten arrival of this (II).
- After the 1984 presidential election year (II).
- I do not see an increase in federal funds (II).
- The new Department of Education will take money to create more offices and procedures.
- The political scene changes too quickly to be accurate (II).
- Although new Department of Education will push for more funds they are vulnerable for cuts as total student enrollments decline (II).
- As long as national defense has the first priority the progress will be slow and minimal (II).
- I think the trend will reverse in spite of our desires (II).
- This will take time (II).
- Districts will take the funds and then complain about the strings attached (III).
- We are going the other way. Trend toward "Reaganism" will reduce federal involvement in school financing (III).
- It's taken over 200 years to get 7%...It's not going to double for an awfully long time (III).

By what time interval will the IRS tax fringe benefits received by teachers as taxable income (Item 27)?

Probable date of acceptance

Median: 1990-94
Range: 1985-94

Desirability

Composite: Highly undesirable
Comparison: Minor disagreement

Organizational factors

Group most in favor: Legislative action
Group most opposed: NEA

Panelists' feedback (Round)

- Too many groups have a vested interest (I).
- "Some" fringe benefits or "all" fringe benefits (II)?
- Only if we are fools enough to take cafeteria (II).
- Not as long as they are not flat dollar amounts (II).
- Too many and varied groups would fight, e.g., business, unions, etc. (II).
- Political clout will fight this for some time (III).
- This won't happen as long as teachers remain politically active and away from flat amounts for fringes (III).

In what year will teachers have their salaries and fringe benefits negotiated by a federal bargaining unit (with a cost-of-living index for different areas of the United States) (Item 7)?

Probable date of acceptance

Median: Never
Range: Never

Desirability

Composite: Medium undesirability
Comparison: No disagreement

Organizational factors

Group most in favor: MEA

Group most opposed: Local boards

Panelists' feedback (Round)

--Teachers have this to some extent now (I).

--I don't think it will be as inclusive as the statement indicates (I).

--Never, at least until they learn what to do for federal employees (I).

--Too many problems (I).

--As soon as the financing shifts to federal money, the bargaining will also--even if there are statewide units (II).

--We learn at the bargaining table never to say "never" (II).

--Never means to me impossible (II).

--I don't believe bargaining is a federal arena (II).

APPENDIX I

**NEA PROFESSIONAL SALARIES
AND FRINGE BENEFIT GOALS**

NEA PROFESSIONAL SALARIES AND FRINGE BENEFIT GOALS
(Edited List)

Source: NEA Reporter, September 1981

1. Salary Goals

- a. Provide scheduled minimum salaries which are competitive with beginning salaries paid to college graduates entering business and industry and adjusted annually through negotiated contracts which result in a doubling of the current annual minimum salary within ten years of faculty experience.
- b. Have automatic annual increments for experience which are in no case less than 10% of the bachelor's degree minimum.
- c. Assure that initial placement, advancement on the salary schedule, and promotions are based on objective criteria to eliminate the disparities which currently exist among faculty members of comparable preparation, experience, and length of service.
- d. Assure that salary paid for summer, continuing education programs, extended contracts, and extra duty is not less than the rate for regular contract pay.
- e. Be developed through the process of collective bargaining.
- f. Include a cost-of-living adjustment, based upon the consumer price index, which is in addition to the regular pay scale and payable to the employee.

2. Basic/Fringe Benefits

The National Education Association believes that the school system must provide and pay for basic/fringe benefits including, but not limited to, the following:

- a. Comprehensive health insurance
- b. Sick leave, with unlimited accumulation
- c. Personal leave
- d. Maternity/paternity leave, including adoption
- e. Sabbatical leave
- f. Paid professional leave
- g. Paid association leave
- h. Workers' Compensation
- i. Life insurance
- j. Severance pay
- k. Tuition reimbursement

- l. Personal assault protection
- m. Long-term physical and mental disability insurance
- n. Benefit extension for laid-off employees
- o. Religious leave
- p. Retirement compensation

The Association also believes that the basic benefits of comprehensive health insurance, life insurance, and long-term disability insurance should be provided for educational staff members on official leave of absence or maternity/paternity leave.

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