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EDUCATION REFORM:

TEACHER TENURE AND COLLECTIVE BARGAINING

JULY 2012

REPORT 380

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CITIZENS RESEARCH COUNCIL OF MICHIGAN

Public K-12 Education in Michigan

In 2010, Michigan residents found public primary and secondary education facing numerous challenges:

- State revenues are falling;
- Local revenue growth is stagnating;
- K-12 education service providers are facing escalating cost pressures, with annual growth rates outpacing the projected growth in available resources;
- Spikes in the level of federal education funding resulting from the American Recovery and Reinvestment Act of 2009 (ARRA) will produce a budgetary "cliff" when the additional dollars expire; and
- School district organization and service provision structures are being reviewed with the goals of reducing costs and increasing efficiencies.

Because of the critical importance of education to the state, its economy, and its budget, the Citizens Research Council of Michigan (CRC) began a long-term project researching education in Michigan with an emphasis on the current governance, funding, and service provision structures and their sustainability.

Public education has been governed largely the same way since its inception in the 1800s. It is important to review the current organization of school districts and structure of education governance, as well as to review new and different ways to organize and govern public education, to determine if Michigan's governance structure meets today's needs. The school finance system has been revamped on a more regular basis throughout history. Changes have been made to address a host of concerns, including per-pupil revenue disparities, revenue-raising limitations of state and local tax systems, as well as taxpayer discontent with high property taxes. Michigan's current finance system was last overhauled in 1994 with the passage of Proposal A, providing sufficient experience to reconsider the goals of the finance reforms and determine whether the system has performed as originally contemplated.

In addition to analyzing education governance and revenues, it is important to review cost pressures facing districts and how education services are provided in Michigan. School budgets are dominated by personnel costs, the level of which are largely dictated by decisions made at the local level. Local school operating revenues are fixed by decisions and actions at the state and federal levels, but local school officials are tasked with making spending decisions and matching projected spending levels with available resources. However, those local decisions are often impacted by state laws (e.g., state law requires districts to engage in collective bargaining, to participate in the state-run retirement system, and to serve special education students through the age of 25). The freefall of the Michigan economy since the 2001 recession has impacted all aspects of the state budget, including K-12 education, and requires state and local officials to review how things are done in an attempt to increase revenues and/or reduce costs.



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Citizens Research Council Education Project

In 2009, CRC was approached by a consortium of education interests and asked to take a comprehensive look at education in Michigan. CRC agreed to do this because of the importance of education to the prosperity of the state, historically and prospectively, and also because of the share of the state budget that education demands. Education is critical to the state and its citizens for many reasons: 1) A successful democracy relies on an educated citizenry. 2) Reeducating workers and preparing students for the global economy are both crucial to transforming Michigan's economy. 3) Education is vital to state and local budgets. 4) Public education represents a government program that many residents directly benefit from, not to mention the indirect benefits associated with living and working with educated people. As with all CRC research, findings and recommendations will flow from objective facts and analyses and will be made publicly available. Funding for this research effort is being provided by the education consortium and some Michigan foundations. CRC is still soliciting funds for this project from the business and foundation communities.

The goal of this comprehensive review of education is to provide the necessary data and expertise to inform the education debate in Lansing and around the state. This is a long-term project that will take much of the focus of CRC in 2010 and into 2011. While an overall project completion date is unknown, CRC plans to approach the project in stages and release reports as they are completed. Topic areas CRC plans to study include education governance, K-12 revenues and school finance, school district spending analyses, public school academies (PSAs) and non-traditional schools, school district service provision and reorganization, and analyses of changes to Michigan's educational system.

Contents

Key Findings	v
Introduction	1
Teacher Tenure	3
History	3
Precautionary Period	4
Continuing Tenure	5
Performance Evaluation	5
Leave of Absence	5
Layoff and Recall	7
Demotion or Dismissal of a Tenured Teacher	7
Appeal to the Tenure Commission	8
Salary during Proceedings	9
Collective Bargaining, Teacher Unions, and Negotiated Rights and Benefits	10
Michigan's Public Employment Relations Act	10
Teacher Unions	12
National Scene	12
The Michigan Scene	13
Teacher Compensation: Salaries	13
The National Context	14
Teacher Salaries in Michigan	16
Comparison with Private Sector Pay	18
Teacher Compensation: Benefits	20
Retirement Benefits	22
Health and Other Insurances for Active Employees	24
Assignment	27
Layoffs	27
Class Size	29
Impact of Collective Bargaining on Student Achievement	29
Challenges to Collective Bargaining	29
PA 204 of 2009	30
PA 4 of 2011	31
The Education Achievement System	31
Challenges to Collective Bargaining in Other States	33
Conclusion	35
Postscript	36

EDUCATION REFORM: TEACHER TENURE AND COLLECTIVE BARGAINING

Tables

Table 1	States Spending the Largest Amounts on Salaries and Wages for Instruction Staff by Public Elementary-Secondary School Systems, 2008-09	. 14
Table 2	Value of College Majors, 2009	. 15
Table 3	Michigan Public Schools, 2010-11	. 16
Table 4	Highest Average Teacher Salaries, 2010-11	. 17
Table 5	Employer Costs per Hour Worked for Employee Compensation March 2011	. 19
Table 6	States with the Highest Spending on Employee Benefits for Instruction Staff by Public Elementary-Secondary School Systems, 2008-09	. 20
Table 7	Spending on Employee Benefits as a Proportion of Salaries and Wages, Public Elementary and Secondary School Systems, 2008-09	. 21
Table 8	Michigan Public School Employees' Retirement System: Pension Plan	. 23
Table 9	Michigan Public School Employees' Retirement System: OPEB	. 23
Table 10	Average Costs for Employer-Based Health Insurance, Michigan, 2010	. 26
Table 11	Persistently Lowest Achieving Schools in ISDs	. 30
Table 12	State Spending on Salaries and Wages for Instruction Staff by Public Elementary-Secondary School Systems, 2008-09	. 37
Table 13	Per Pupil Amounts of State Spending on Salaries and Wages for Instruction Staff by Public Elementary-Secondary School Systems, 2008-09	. 38

Key Findings

- Teachers' unions have historically been very effective in obtaining state legislation that establish tenure and bargaining rights, and in using those statutes to protect members' financial and other interests. More recently, the loss of jobs and pay cuts in the private sector have resulted in greater scrutiny of public sector job protections and compensation. Legislative changes in 2011 have strengthened school district management and weakened seniority protections. Public school management rights and responsibilities are being reinforced and school administrators are being better equipped to improve overall teacher quality. Struggling teachers will be identified and it will be less difficult to fire poorly performing teachers.
- In 2009-10, the average Michigan public school teacher's salary was \$63,024. Education is a key factor determining salary levels: teachers, who must have at least a Bachelor's Degree, are rewarded for earning advanced degrees. In addition to spending over \$6 billion annually on teachers' salaries, Michigan spends proportionately more on teachers' benefits than the national average (43.3 percent of salaries in Michigan compared to the national average of 33.5 percent, due in part to the costs associated with the Michigan Public School Employees Retirement System). Though on average teachers' salaries lag those of other college trained professionals, reducing the amount spent on instructional salaries (the largest expenditure category in education) and benefits would be one way to maintain or expand K-12 programs without a commensurate increase in costs.
- Recent changes in state law have dramatically shifted power away from teachers' unions. Teachers retain the right to bargain collectively, but the number of employer rights that are exempt from bargaining has been expanded; teacher assignment will no longer be subject to collective bargaining. Teachers will have less job security due to changes in rules affecting seniority and tenure. Associated risks include age discrimination and favoritism.

Supporters explain the new statutes and various bills as efforts to help school districts improve the quality of teaching and reduce costs. Opponents define the new rules as efforts to weaken collective bargaining, teachers' unions, and traditional public schools.

Teacher performance evaluations will affect tenure, pay, and layoff decisions. Effective teachers will obtain tenure faster and will not be laid off in favor of an ineffective teacher. The challenge in having teacher performance evaluations drive tenure and pay decisions is ensuring that these evaluations can fairly and properly account for issues of student preparation, class size, infrastructure, and other challenges to educating students that may differ across classrooms. As of November 30, 2011, more than 40 percent of the public and charter school districts in the state had asked for an exemption from the state uniform teacher evaluation system that is supposed to be in place by 2013, suggesting a lack of confidence among districts in the effectiveness of the new evaluation system.

Introduction

Just four months after taking office, Governor Snyder issued a special message on education reform that contained his agenda for changing statutes and practices that directly affect public school teachers, and at six months into his first term, he had signed a series of bills into law that implement a number of his recommendations. This report is designed to help explain both the traditional and the more recently adopted public policies that affect teachers' rights in our tax-supported schools.

This report on public policy related to teacher tenure, teachers' unions and collective bargaining, and teach-

ers' salaries and benefits is the third installment under the general heading of "Education Reform: Teachers." The first installment described various aspects of preand post-employment teacher training; the second installment described teacher performance management systems. This focus on teachers reflects both their importance in the education system and the 2011 changes to state statutes that affect teachers. Education Reform: Teachers is part of a larger series on education that includes descriptions of education governance, funding, non-traditional schools, early childhood education, and related issues.

Part of a Series on Public Education in Michigan

This report is part of a series on public education in Michigan. Other reports include the primer in the series released in January 2010, *Public Education Governance in Michigan*, which describes the complex governance structure and functions carried out by all three levels of government: federal, state, and local. Since January 2010, CRC has released the following reports: *Nontraditional K-12 Schools in Michigan*, which explores the role of charter, parochial, and other means of educating children outside of the public school system; *Early Childhood Education*, which discusses the value of investing in preschool and kindergarten programs; *Child Care and the State*, which describes child care options and average costs and reports what is known about the effects of various child care arrangements on children's development; and *Reform of K-12 School District Governance and Management in Michigan*, which analyzes different models for governing education systems. *State and Local Revenues for Public Education in Michigan* discussed the sources of revenue to fund education, and *Distribution of State Aid to Michigan Schools* discussed the methodologies for distributing those revenues to individual school districts.

Economic restructuring and net tax cuts have reduced tax revenues available to the State of Michigan, which is the primary funder of public schools. At the same time that efforts to improve education have recognized the importance of teachers, funding for public K-12 education has been reduced, criticism of the teaching profession has increased, and new legislation has been adopted that will restrict teacher collective bargaining rights and make firing tenured teachers easier.

Fiscal pressures and policy changes affect all of the approximately 105,000 Michigan public school teachers, but these pressures are not unique to Michigan. There are 3.2 million public school teachers educating 49.4 million children in U.S. prekindergaten through high school classes.¹ *Governing Magazine* estimates

that across the nation, over a quarter million educators may be laid off this year.² Nor is Michigan unique in addressing collective bargaining rights and tenure: across the nation, changes have been adopted that reduce teacher compensation, restrict collective bargaining, tie teacher evaluations to student performance, and link evaluation results to tenure, pay, and promotions. Laws passed in Wisconsin, Indiana, Idaho, Tennessee and other states have eliminated or reduced collective bargaining rights for teachers and other public employees. Florida eliminated tenure and instituted merit pay for teachers.³ New evaluation systems and performance requirements are being imposed and protections offered by seniority and tenure are being challenged in many states.

New Jersey Governor Chris Christie is particularly identified with state efforts to reduce the wages and ben-

efits of 500,000 public sector workers, especially teachers.⁴ New Jersey also achieved state employee health benefit changes through legislation rather than through collective bargaining.⁵ Governor Christie signed Chapter 78, P.L. 2011, effective June

27, 2011, changing state retirement system and state Health Benefits Programs operations, employee con-

The first state to incorporate teacher tenure in law was New Jersey in 1909. Ironically, New Jersey Governor Chris Christie is particularly identified with state efforts to reduce the wages and benefits of 500,000 public sector workers, especially teachers.

tributions and benefits.⁶ Not all of these changes have been accepted by the electorate: restrictions on collective bargaining championed by Governor John Kasich and adopted by the Ohio legislature were rejected by voters in a referendum on November 8, 2011.

Teacher Tenure

In addition to defining certification and continuing training and education requirements, Michigan state law (not local union contracts) also defines teacher tenure. A series of statutes adopted in 2011 substantively changed the tenure rules to strengthen management authority, reduce teacher protections, and reduce the time and costs associated with teacher dismissal. These new laws also strengthened rules on teacher performance evaluations and changed the rules on compensation, placement, and layoff of teachers.

History

Teacher tenure laws, which were originally passed to protect teachers from being fired because of race, gender, political views, or cronyism, provide teachers threatened with dismissal with the right to defend themselves. Ironically, the first state to incorporate teacher tenure in law was New Jersey in 1909. Michigan's original 1937 tenure law required local school boards to vote to be covered by the law; in the 1960s, the law was changed to provide tenure for all teachers after a probationary period.

According to supporters of tenure, strong teacher tenure laws ensure fair employment practices and due process, giving teachers who have been teaching for more than the probationary period the right to con-

test their firing (teachers in some states are not protected by tenure laws: teachers Mississippi are yearly contract employees; Idaho is phasing out tenure for new teachers). Tenured teachers have the right to legal representation, to testify before a hearing, and to present witnesses in their defense. Because of tenure, the process involved in firing a teacher may take years.⁸

The purpose of tenure is to provide a measure of job security for teachers, protection against arbitrary employment practices and political or personal patronage, and protection for academic freedom, fostering a classroom environment conducive to learning and open inquiry.⁹

According to critics, strong tenure laws protect ineffective teachers by requiring such a long, expensive process that many districts won't even attempt to fire teachers for less than egregious, easily proven infractions (and, critics claim, even then the Tenure Commission could put the teacher back in the classroom). Critics note that teachers generally are paid during the suspension that accompanies the appeal process, and that the process may take more than a year and cost hundreds of thousands of dollars. An unintended consequence of strong tenure laws has been that principals would encourage an unsatisfactory teacher to transfer to another school rather than undertake a long,

Academic Tenure

Academic tenure is a professor's or teacher's contractual right not to be removed from his or her position without just cause. This job security is intended to protect academic freedom and free speech and to protect educators from external pressures.

In colleges and universities, the "tenure track" leads those who meet requirements, including teaching ability, departmental service, published research (source of the "publish or perish" threat), and attracting grant funding, to a position with tenure (professor); the decision is usually made by a committee of faculty. In colleges and universities, acquiring tenure can require up to ten years, though many institutions limit the time an individual can spend in a tenure track position. Many college and university teaching and research positions (lecturer, adjunct professor, and research professor) do not lead to tenured positions.

Some judges have lifetime tenure: they are appointed for life and can only be removed by impeachment or conviction by the legislature.

Civil service rules provide a form of tenure to covered public employees after successful completion of a probationary period. Tenure does not protect against the elimination of a position due to lack of funds, but does protect covered individuals against firing for political, partisan, or personal reasons.

expensive, and possibly unsuccessful effort to remove that employee. Critics profess to value job performance over seniority, and question why teachers should have extraordinary job protections that are not available to other workers (although other public sector workers may have civil service protections).

Stories about New York City's "rubber rooms," where hundreds of New York City's tenured teachers who had been charged with wrongdoing or incompetence collected full salaries and waited, sometimes for years, for their cases to be resolved, inflamed public opinion (in 2010, rubber rooms were eliminated and accused teachers were assigned to administrative work or nonclassroom duties while their cases were pending). Similarly, reports of NYC's reserve teacher pools, where teachers who have lost their jobs because of budget cuts or closed schools, but who have not been charged with incompetence or wrongdoing, draw full salaries in spite of not having permanent classroom jobs, drew attention to inefficiencies related to tenure. These stories exacerbated the resentment of taxpayers who had no such job protection, and whose jobs, salaries, and benefits were threatened or lost.

In 2011, a number of bills were introduced in the Michigan legislature to reform various aspects of public education, and 12 of the bills introduced in the first half of 2011 would modify (including eliminate) the state's teacher tenure law. A spokesperson for the Michigan Education Association (MEA) indicated that while the union would seek to ensure that teachers cannot be fired without due process, the MEA had no interest in keeping bad teachers in the classroom and was willing to discuss changes in the current Teacher Tenure Law. 10 The Michigan branch of the American Federation of Teachers (AFT Michigan) recommended a change that would reduce the time required to complete the discharge process.¹¹ But in a June 29, 2011 column in The Detroit News, Iris Salters, then president of the Michigan Education Association, wrote about the proposed bills: " ... this legislation is another spiteful attack on teachers and other school employees, on their due process rights and on collective bargaining in general. In an attempt to scapegoat teachers as the cause of all the problems in education, some legislators have created a hodge-podge of bad laws that throw out meaningful tenure reform and muddy the water with issues of seniority, evaluations and collective bargaining." Ms. Salters supported another bill

"that shifts tenure decisions from the current lengthy and costly system to an efficient, locally-driven arbitration process." 12

On June 30, 2011, four tie-barred bills related to teacher tenure were approved by the legislature. These bills became public acts 100,101,102, and 103 of 2011.

Probationary Period

Research has found that teachers' effectiveness improves during the first two to five years, as new teachers gain practical experience. In general, research has found that little improvement occurs after that initial period. Most states' tenure laws allow teachers to earn tenure after two or three years on probation.

In Michigan, a new probationary teacher must be provided with an individualized development plan created by appropriate administrators in consultation with the probationary teacher. A first year probationary teacher must receive a mid-year progress report; all probationary teachers also must receive at least an annual year-end performance evaluation. Performance evaluations must include ratings of highly effective, effective, minimally effective, or ineffective (performance evaluations were described in a previous report, Teacher Performance Management Systems) and be based in part on classroom observations that include an assessment of whether the probationary teacher is meeting the goals of the individualized development plan. The school board is responsible for determining the number and format of observations for both probationary and tenured teachers in consultation with teachers and school administrators.

The school district is required to provide the probationary teacher with a written statement as to whether his or her work has been effective before the end of each school year.

A probationary teacher may be dismissed from employment by the school board at any time. But a probationary teacher is automatically employed by the district the next year unless he or she is notified by the district at least 15 days before the end of the school year that his or her services will be discontinued (previously, a probationary teacher had to be notified at least 60 days before the end of a school year that his or her services would be discontinued).

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The 2011 changes to Michigan's tenure law extend the probationary period for Michigan teachers from four to up to five years and require a probationary teacher to have been rated as "effective" or "highly effective" in the final three years of the extended fiveyear period in order to successfully complete the probationary period. However, a teacher who receives three consecutive ratings of "highly effective" and who

has been employed for at least four years is also considered to have completed the probationary period, so the highest rated teachers can be granted tenure in the same period as was previously the case. Furthermore, under the new law, a probationary teacher who is rated "effective" or "highly effective" on his or her most recent year-end evaluation cannot be displaced by a tenured teacher solely because that teacher has tenure.

If local school administrators implement rigorous evaluation and development tools for new teachers, the statutory changes applicable to probationary teachers should result in more effective teaching over the long run. In the short run, funding constraints make it more probable that rules applicable to layoffs will be

more important than rules that apply to new hires.

Continuing Tenure

After successfully completing the probationary period, a teacher is on continuing tenure, and once a teacher has achieved tenure, he or she can only be dismissed or demoted in accordance with state law.

Performance Evaluation

Prior to adoption of the 2011 changes, a tenured teacher was required to receive a performance evaluation at least once every three years. If that evaluation was less than satisfactory, the school district was required to provide the teacher with an individualized development plan developed by the appropriate administrative personnel in consultation with the teacher. The performance evaluation was to be based on at least two classroom observations, and if the teacher had an individualized development plan, the evaluation had to include an assessment of the teacher's progress in meeting the goals of the plan. A collective bargaining agreement could require more observations or evaluations, and the state law did not require any particular method for conducting an observation or evaluation or for providing an individualized development plan.

> According to the law, failure to provide an evaluation was conclusive evidence that the teacher's performance was satisfactory.

> school boards, with the involvement of teachers and school administrators, must have adopted and implemented a local, rigorous, fair, and transparent performance evaluation system by September 1, 2011, unless that school was already using a performance evaluation system that met state requirements.

> Under the 2011 law, teachers on continuing tenure must receive an annual year-end performance evaluation, and if a teacher receives a rating of ineffective or minimally effective, he or she must be provided with an individualized devel-

opment plan that requires the teacher to make progress toward individual development goals within a specified time not to exceed 180 days. The annual performance evaluation must be based on multiple classroom observations during the period covered by the evaluation (the number and format of evaluations is to be determined by the school board in consultation with teachers and school administrators) and an assessment of progress in meeting the goals of any individualized development plan.

The performance evaluation system must establish clear approaches to measuring student growth and provide teachers with relevant data on student growth and must provide timely and constructive feedback on performance to teachers. Student growth is to be measured by national, state, or local assessments and other objective criteria.

State law now requires that local

Teachers are to be rated as highly effective, effective, minimally effective, or ineffective. These evaluations are to inform decisions about teacher's effectiveness and ensure that they have ample opportunities for improvement; promotion, retention, and development including relevant coaching, instruction support, and professional development; granting tenure or full certification; and removing tenured and probationary teachers after they have had ample opportunities to improve.

For the 2013-14 school year, at least 25 percent of the

year-end evaluation must be based on student growth and assessment data; for 2014-15, at least 40 percent must be based on student growth and assessment data; and for 2015-16, at least 50 percent must be based on student growth and assessment data. The student growth and assessment data are to be measured by an evaluation tool that will be developed by the state after reviewing the recommendations of the Michigan Council for Educator Effectiveness, 13 which was created by the 2011 legislation.

By the November 30, 2011 deadline, 344 public and charter school districts (more than 40 percent of all the public school and charter districts in the state) had asked the Governor's Council on Education Effectiveness for exemptions from adopting the state uniform teacher evaluation system by 2013.¹⁴

The performance evaluation system adopted by school districts must include classroom observations. Class-

room observations must include a review of the teacher's lesson plan and the state curriculum standard being used in the lesson plan and a review of student engagement in the lesson. Multiple classroom observations are required for any teacher who has not received a rating of effective or highly effective on his or her two most recent year-end evaluations. The planned state evaluation tool will prescribe how classroom observations are to be conducted, and school districts may either adopt this tool or use a local evaluation tool that is consistent with the state tool.

The year-end evaluation must include specific performance goals and any recommended training for that teacher for the next year. The goals and training must be developed by the school administrator or his or her designee in consultation with the teacher. A teacher who is rated as highly effective on three consecutive year-end evaluations may be evaluated biennially instead of annually, as long as he or she continues to be rated highly effective.

If the rating on a teacher's year-end evaluation is "ineffective" or "minimally effective," the district must

provide the teacher with an individualized development plan that reguires the teacher to make progress toward individual development goals within a specified time period of less than 180 days. In that case, the performance evaluation must also include an assessment of whether the teacher is meeting the goals in the plan. Teachers who receive a rating of minimally effective or ineffective in their most recent year-end evaluation (as well as first year probationary teachers) must receive a midyear progress report. The midyear progress report is designed to help the teacher improve. It must be based at least in part on student achievement, it must be aligned with the teacher's individualized development plan, and it must include specific performance goals and recommended training for the rest of the school year. Districts are encouraged to assign a mentor or coach to teachers who receive ratings of minimally effective or ineffective.

Teachers are to be rated as highly effective, effective, minimally effective, or ineffective. These evaluations are to inform decisions about teacher's effectiveness and ensure that they have ample opportunities for improvement; promotion, retention, and development including relevant coaching, instruction support, and professional development; granting tenure or full certification; and removing tenured and probationary teachers after they have had ample opportunities to improve.

Districts may dismiss an ineffective teacher regardless of whether he or she has been rated ineffective on three consecutive evaluations, but a teacher who is rated ineffective on three consecutive year-end evaluations must be dismissed from employment. Teachers may request a review by the district superintendent (the chief administrative officer of a public school academy) of a rating of ineffective, but not more than twice in a three-year period.

in layoff and recall decisions.

A teacher's individual perfor-

mance must be judged on

evidence of student growth,

demonstrated pedagogical

skill, classroom manage-

ment, attendance and dis-

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tributions to the overall per-

formance of the school, and

relevant special training. A

teacher who is rated ineffec-

tive may not be retained

over a higher rated teacher.

relevant

tors include

Leave of Absence

A school board may grant a tenured teacher's request for a leave of absence for up to one year, subject to renewal at the will of the board.

School boards are authorized to place a teacher on leave of absence even if the teacher has not requested leave. A board may grant a leave of absence because of physical or mental disability, without receiving a request from the teacher, for a leave of absence

for up to one year, subject to renewal at the will of the board. A teacher placed on unrequested leave has the right to a hearing, and the board may require a teacher who has been placed on an unrequested leave and desires reinstatement to furnish verification of his or her ability to perform the job.

Layoff and Recall

Districts are required to adopt and implement a policy that ensures that in a staffing reduction or recall, any teacher rated ineffective is not retained over a teacher who receives a higher rating. School districts are prohibited from adopting or implementing a policy that uses seniority or tenure as the primary or determining factor in layoffs and recalls (though seniority or tenure may be a tiebreaker if all other factors are equal). Rather, layoff and recall policies must be based on retaining effective teachers. This is a major break from past practice, when ten-

ure and seniority were controlling factors in layoffs and recall.

Individual performance must be the majority factor in layoff and recall decisions. A teacher's individual performance must be judged on evidence of student growth, demonstrated pedagogical skill, classroom management, attendance and disciplinary record. Other factors include relevant accomplishments and contributions to the overall performance of the school, and relevant special training. A teacher who is rated ineffective may not be retained over a higher rated teacher.

If a current collective bargaining agreement prevents compliance with this new layoff and recall practice, then the practice will be implemented after the collective bargaining agreement expires.

In 2011, Florida, Nevada, and Utah also ended the use of seniority as the basis of layoffs. 15

In March, 2012, the Southfield Education Association filed a lawsuit in U.S. District Court in Detroit asserting that the state law disallowing the use of seniority

al. The suit is based on the concept that tenure is a property right.16

in layoff decisions is unconstitution-Individual performance must be the majority factor

Demotion or Dismissal of a **Tenured Teacher**

Under the previous provisions a tenured teacher in Michigan could be dismissed only for "reasonable and just cause." While a few states have similarly vague and broad reasons for dismissal ("just cause" in Iowa; "good cause" in Montana; "good and just cause" in Ohio and Rhode Island), most other states' reasons for termination are more specific, and include incompetence, instructional ineffectiveness, unsatisfactory teaching performance, insubordination, neglect of duty, unprofessional conduct or conduct unbecoming a teacher, inadequacy of classroom performance, unsatisfactory performance, physical or mental disability, inefficiency, incapacity, excessive or unreasonable absence from per-

formance of duties, failure to show normal improvement and evidence of professional training and growth, dishonesty, habitual or excessive use of alcohol or nonmedical use of a controlled substance, providing false information or knowingly omitting a material fact on an application for employment or in response to a preemployment inquiry.¹⁷

The Michigan Federation of Teachers explained to its members that "It is for the school board to prove on a balance of probabilities both that misconduct occurred and that the misconduct was just cause for the penalty imposed. Just cause includes incompetence, insubordination, unprofessional conduct, absenteeism,

Under the new law, a teach-

er on continuing tenure

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trary or capricious. Further-

more, a tenured teacher

who is rated ineffective on

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missed.

crimes against the employer, intoxication and disruptive conduct. When incompetence is alleged, the Tenure Commission will consider factors such as the existence of clear professional standards, whether the standards were applied without discrimination, the number and quality of evaluations, the skill of the evaluator, whether specific suggestions and recommendations for improvement were made, whether the teacher was afforded the time and assistance to im-

prove performance, and negative adverse effect on the students."18

Under the new law, a teacher on continuing tenure may be dismissed only for a reason that is not arbitrary or capricious. Furthermore, a tenured teacher who is rated ineffective on three consecutive annual evaluations must be dismissed.

Demotion is defined as suspension without pay for 15 or more consecutive days, reduction of compensation for a particular school year by more than 30 days compensation, or transfer to a position with a low-

er salary. Demotion does not include cessation or reduction of performance based compensation, reduction in work week or work days, or reduction in personnel. Demotion may only be for a reason that is not arbitrary or capricious.

Michigan state law is very specific as to the procedure that must be followed by a school district seeking to demote or discharge a tenured teacher: charges must be made in writing and specify a proposed outcome; the local school board must consider the charges and vote to proceed on the charges. Once charges have been filed, a teacher may be suspended with pay until the issue is resolved (either because the teacher does not contest the charges; because a preliminary order

is issued by the administrative law judge; or if the preliminary order is to reinstate the teacher, the final order is issued by the Tenure Commission). If the teacher does not contest the board's decision to dismiss or demote in the time and manner specified in the law, the board's decision takes effect.

Appeal to the Tenure Commission

The teacher may appeal the school board's decision to the state Tenure Commission. (The Tenure Commission consists of five members appointed by the governor to staggered five-year terms. members must be classroom teachers, one must be a member of a local school district, one must be a superintendent of schools, and one must be neither a member of a local school board nor a teacher.) For fiscal year 2008-09, the state Office of Administrative Hearings and Rules in the Department of Education reported receiving 57 new teacher tenure cases, closing 56 cases, and hav-

ing 25 cases remaining as of September 30. In 2009-10, there were 45 cases received, 53 cases closed, and 17 cases pending as of September 30.¹⁹

If the teacher does appeal within 20 days of the school board's decision, the Tenure Commission assigns the case to an administrative law judge (an attorney employed by the state Department of Education). Each party makes its case at the hearing conducted by the administrative law judge; both the teacher and the local board may be represented by legal counsel. A full record of the proceedings is required. Witnesses and documentary evidence may be subpoenaed at the request of the teacher or local board. The hearing

may be either public or private, at the option of the teacher. The administrative law judge may grant, deny, or modify the charges; either party may file exceptions and the other party may file cross-exceptions; if exceptions are filed, the Tenure Commission will make a determination on those exceptions; the aggrieved party may appeal to the court of appeals.

The time period is shortened under the new law: the hearing must be scheduled not more than 45 days (reduced from a maximum of 60 days) after service of the school board's answer (the Tenure Commission can grant a delay for good cause), and the hearing must conclude not more than 75 days (down from 90 days) after the teacher's claim of appeal is filed. The administrative law judge must make the necessary orders to ensure the case is submitted for decision within 50 days after the end of the hearing, and he or she must serve the preliminary decision within 60 days after submission of the case for decision. The preliminary decision may grant, deny, or modify the discharge or demotion that was the subject of the charges.

Not more than 20 days are allowed for an aggrieved party to appeal the administrative law judge's decision to the Tenure Commission (to file a statement of exceptions); 10 days are allowed for the other party's response. If exceptions are filed, the Tenure Commission must review the case, and may adopt, modify, or reverse the preliminary decision and order. The Tenure Commission has 60 days to issue its final decision. Then, the aggrieved party has 20 days to file an appeal with the court of appeals.

An analysis of Tenure Commission cases from 2006 through 2010 found that decisions favored the school district in 37 of the 57 cases, or 65 percent of the time. In cases where the administrative law judge's decision was overturned, teachers were reinstated or were suspended instead of fired.²⁰

Salary during Proceedings

If criminal charges have been filed against a teacher, the teacher's salary may be placed in an escrow account during his or her suspension. The school board has the option of continuing health and life insurance benefits during the suspension. If the administrative law judge issues a preliminary order for the teacher's reinstatement or for payment of lost salary, the school board must pay the salary to the teacher. But if the teacher fails to contest the charges or the judge issues an order to discharge or demote the teacher, the district is entitled to the money in the escrow account.

If a suspended teacher is convicted of a felony that is not a listed offense or a misdemeanor that is a listed offense, the school board may discontinue the teacher's salary on the date of the conviction. If a suspended teacher is convicted of a felony that is a listed offense, the school board must discontinue the teacher's salary on the date of the conviction. A listed offense is defined in the sex offenders registration act. If the Tenure Commission reverses an administrative law judge's order to dismiss a teacher, the Commission may order back pay for the teacher.

Collective Bargaining, Teachers Unions, and Negotiated Rights and Benefits

The process of collective

bargaining, the appropriate

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cations in the public sector

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schools in particular.

According to the Bureau of Labor Statistics, 17.5 percent of Michigan workers were unionized in 2011, down from 26.0 percent in 1989.²¹ Nationally, 11.8 percent of wage and salary workers were union members and over half of all union members work in the public sector, which was 37 percent unionized in 2011; public sector workers had a union membership rate more than five times higher than that of private sector work-

ers (6.9 percent). The highest rate of unionization is in education and library occupations (36.8 percent); 42.3 percent of local government employees are members of unions. The process of collective bargaining, the appropriate subjects for bargaining, and the role of strikes and arbitration have different implications in the public sector than in the private sector in general, and in public schools in particular.²²

Teachers' unions can legally require school districts to collectively bargain in 33 states, including Michi-

gan, and the District of Columbia. In contrast to these "mandatory" states where state law requires school districts to bargain with properly recognized unions, "permissive" states allow districts to choose whether to bargain, and "right to work" states prohibit collective bargaining between districts and unions. Typical bargaining issues include salaries, grievance and dismissal procedures, class size, length of school day and year, the amount of free time teachers have during the school day, transfer and layoff procedures.²³

Michigan's Public Employment Relations Act

In Michigan, the right of public employees to bargain collectively is not protected in the state constitution; it is instead contained in a statute that is subject to legislative change.

Michigan's Public Employment Relations Act (PERA), Public Act 336 of 1947, requires that public employers, which include traditional school districts, bargain collectively with organized representatives of employees. PERA specifies those issues that may not be subjects of a school district collective bargaining agree-

ment, and limits the role of the school district and collective bargaining rights under certain circumstances. The act defines bargaining collectively as "the performance of the mutual obligation of the employer and the representative of the employees to meet at reasonable times and confer in good faith with respect to wages, hours, and other terms and conditions of employment, or the negotiation of an agreement, or any

question arising under the agreement, and the execution of a written contract, ordinance, or resolution incorporating any agreement reached if requested by either party, but this obligation does not compel either party to agree to a proposal or require the making of a concession."

PA 201 of 2009, which amended PERA, states that a public school employer has the responsibility, authority, and right to manage and direct on behalf of the public, the op-

erations and activities of the public schools under its control. Employer rights that cannot be bargained include the following:

- Who is or will be the policyholder of an employee group insurance benefit. This does not affect the duty to bargain with respect to types and levels of benefits and coverages for employee group insurance. A change or proposed change in a type or to a level of benefit, policy specification, or coverage for employee group insurance must be bargained by the public school employer and the bargaining representative before the change may take effect.
- Establishment of the starting day for the school year and of the amount of pupil contact time required to receive full state school aid.
- The composition of school improvement committees.
- The decision of whether or not to provide or allow interdistrict or intradistrict open enrollment opportunity in a school district or of which grade levels or schools in which to allow such an open enrollment opportunity.

- The decision of whether or not to act as an authorizing body to grant a contract to organize and operate one or more public school academies.
- The decision of whether or not to contract with a third party for one or more noninstructional support services; or the procedures for obtaining the contract for noninstructional support services other than bidding; or the identity of the third party; or the impact of the contract for noninstructional support services on individual employees or the bargaining unit. This applies only if the bargaining unit that is providing the noninstructional support services is given an opportunity to bid on the contract on an equal basis as other bidders.
- The use of volunteers in providing services at its schools.
- Decisions concerning use of experimental or pilot programs and staffing of experimental or pilot programs and decisions concerning use of technology to deliver educational programs and services and staffing to provide the technology, or the impact of these decisions on individual employees or the bargaining unit.
- Any compensation or additional work assignment intended to reimburse an employee for or allow an employee to recover any monetary penalty imposed under the act.

In 2011, the following additions were made to the list of subjects that may not be bargained:

- Any decision regarding the placement of teachers, or the impact of that decision on the employee or bargaining unit.
- Decisions about the policies regarding personnel decisions when conducting a reduction in force, elimination of a position, recall, or hiring after a reduction in force.
- Decisions about the performance evaluation system.
- Decisions about a policy regarding discharge or discipline of an employee.
- Decisions about classroom observations.
- Decisions about the method of compensation, about how employee performance evaluation is

- used to determine performance based compensation, and about the performance-based compensation of an individual employee.
- Decisions about the notification to parents of students assigned to a teacher rated ineffective for two consecutive years.

PERA provides that if a public school is placed in the state school reform/redesign school district (as a result of being among the lowest performing five percent of schools) or is placed under a chief executive officer (as a result of a finding of financial emergency), then the state school reform/redesign officer or the chief executive officer is the public employer for the purpose of collective bargaining.

PA 9 of 2011 amended PERA to require that future collective bargaining agreements must include a provision that allows an emergency manager appointed under the Local Government and School District Fiscal Accountability Act (PA 4 of 2011) to reject, modify, or terminate the collective bargaining agreement. This provision cannot be bargained.

Another change made to the act in 2011 specifies that a local government that enters into a consent agreement under PA 4 of 2011 is not required to bargain collectively with employee unions for the term of the consent agreement. Furthermore, collective bargaining agreements may be rejected, modified, or terminated pursuant to the Local Government and School District Fiscal Accountability Act (PA 4). According to this part of the 2011 amendment, there is no right to bargain that would infringe on the exercise of powers under PA 4 of 2011. (PA 4 of 2011 is the subject of CRC Memorandum 1106 and Report 368, Local Government and School District Fiscal Accountability Act)

Recent changes in PERA (and in the Teacher Tenure Act and other statutes) are designed to strengthen management, but it should be noted that both high performing and low performing districts have been covered by the same collective bargaining (and other) laws. While PERA helps to define the rights of management, local school districts individually bargain on teacher compensation including longevity pay and step increases, seniority rights, group health and other insurances, and other non-prohibited issues.

In 2012, Public Act 53, signed by the Governor on March 15, made a public school employer's use of public school resources to assist a labor organization in collecting dues or service fees from wages of public school employees a prohibited contribution to the administration of a labor union. Thus, school districts will not be able to implement automatic payroll deductions for union dues. By appropriating \$100,000 to the Michigan Employment Relations Commission for the costs of implementing a subsection of the new law requir-

ing each exclusive bargaining unit to file an annual independent audit of all expenditures related to the costs of collective bargaining, contract administration, and grievance adjustment, the legislature made PA 53 referendum proof.

Teacher Unions

Teachers unions represent the collective voice of their members in collective bargaining. They negotiate for salaries, benefits, and working conditions for their members and represent members in disputes with management.

The National Scene

Teachers' unions have exercised extraordinarily strong influence on school organization and management and on public

education policy. Just as other unions do, teachers' unions represent and defend their members and fight for better pay, benefits, and working conditions for their members through collectively bargaining contracts at the school district level. And since the 1960s, teachers' unions have been very politically active in advocating for state and federal laws that benefit members

and in blocking state and federal laws and regulations that they consider detrimental to members. According to Terry Moe, a professor of Political Science at Stanford University, teachers' unions nationally represent well over 4 million members, and from 1989 through 2009 the NEA and AFT contributed more to federal elections than any other interest group, making them among the most powerful interest groups of any type in any area of public policy.²⁴

Teachers' unions are being challenged to respond to

changing demands on both the national and local level. One of the unions' highest priorities has been teacher accountability and evaluation systems. The union position is that such systems should be developed with the active participation of teachers and their representative union. The AFT has stated that student test scores that are based on valid assessments should be part of improved teacher evaluation, 25 and the NEA recently adopted a policy that calls for indicators of teacher practice, teacher contribution to the school and teacher professional growth, and contributions to student learning and growth to be used in teacher evaluations. The NEA policy calls for use of student tests that are "developmentally appropri-

ate, scientifically valid and reliable for the purpose of measuring both student learning and a teacher's performance." Any test that does not meet this high standard, according to the NEA policy statement, "may not be used to support any employment action against a teacher and may be used only to provide non-evaluative formative feedback."²⁶

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The Michigan Scene

In Michigan, a teacher hired by a traditional public school district or by a public school academy chartered by a traditional school district (but not those hired by public school academies chartered by other entities) becomes a member of the union that represents that district's teachers. The American Federa-

tion of Teachers Michigan (AFT Michigan) has 98 locals including Detroit, and 35,000 members. The AFT Michigan's 2011 Platform identifies ten pillars of a high quality education system, of which high quality teaching and learning is one.27

The majority of the state's teachers are affiliated with the National Education Association's Michigan Education Association which represents 157,000 teachers, faculty, and education support staff. The MEA's agenda focuses on five areas:

- Realign Michigan's PreK-12 system to support students in achieving the goal the state values most: graduating high school ready to succeed in college or other post-secondary opportunities.
- tently correlated with stu-Increase accountability for everyone in public education dent achievement gains). teachers, administrators, support staff, parents, et al - for the overall educational success of Michigan's stu-

- Increase efficiency for all school districts to get the greatest return on investment for students, communities and the economy.
- Ensure good stewardship of taxpayer dollars by increasing school district financial stability and accountability.
- Fix Michigan's antiquated tax structure that has led to Michigan's decade-long budget crisis.28

Within weeks of Governor Snyder taking office, the MEA presented to him a plan that they argued would increase the graduation rate; increase accountability for school administrators and teachers; simplify school district consolidation and other changes to increase efficiency; better use of school money, including requiring 85 percent be spent in the classroom; and restructure how schools are funded. The MEA plan would require school districts to provide mandatory profes-

> sional development classes for administrators, private contractors, and teachers. The plan would streamline the process to discharge ineffective tenured teachers; require employers to grant time off so parents can attend parent-teacher conferences; and limit the number of remedial classes students can take at community colleges. The MEA plan included expanding the sales tax to services and adopting a progressive income tax to increase funding to the School Aid Fund.29

> A subsequent Detroit News editorial argued that the MEA reform plan would maintain the status quo and increase taxes and that some proposals, such as requiring districts to provide professional development training for all employees, would increase costs and further isolate individual teachers from responsibility for results. That editorial also noted that "A recent Detroit News poll found that 68 percent of voters support basing teacher tenure on

student performance rather than years on the job."30

Teacher Compensation: Salaries

The largest cost in education is teachers' salaries, which traditionally in Michigan are determined locally though collective bargaining between the employing school district and the local teachers' union. Historically, collective bargaining agreements provided that teachers with the same seniority and formal education were paid the same rate (although neither seniority after the first few years nor formal education are consistently correlated with student achievement gains).

The National Context

According to the Census Bureau, the 15,331 public school districts in the U.S spent a total of \$517.7 billion in 2009, and \$209.0 billion of that was spent on instructional salaries and wages. "Instructional salaries" was the largest expenditure category for public elementary and secondary schools (instructional employee benefits totaled an additional \$70.1 billion). In States spent more than Michigan on instructional salaries (California spent over \$24 billion in 2008-09), but the \$6 billion this state spent on instructional salaries in 2008-09 represents a huge investment. (See Table 1.)

Data on all states' spending on instructional salaries and employee benefits, both in total and on a per pupil basis, are included in the appendix.

The total amount spent is one way to compare the cost of teachers' salaries. A different way to compare the cost of instructional staff is on a per pupil basis. In 2008-09, the national average amount spent per pupil on instructional salaries and wages was \$4,333. In Michigan, the amount per pupil was \$3,875; Michigan ranked 32nd of the 50 states in the amount spent on instructional salaries on a per pupil basis. The state

with the highest per pupil expenditure for instructional salaries and wages was New York, at \$8,070.³² Of the ten largest spending states, only Florida spent less than Michigan on a per pupil basis.

Of the ten states that spent the largest total amounts on public elementary and secondary school systems, Michigan spent the smallest proportion of the per pupil expenditure on instructional salaries and wages. Michigan also spent a significantly smaller proportion of the per pupil expenditure on instructional salaries and wages compared to the national average.

Although the total amount spent on teachers' salaries is large, on average teachers' salaries lag those of other college trained professions. The Center on Education and the Workforce at Georgetown University analyzed the 2009 American Community Survey data to identify the economic benefit of various college majors at the bachelors and masters levels, and found that the median earnings of those with only a bachelor's degree in education was \$42,000. For those with graduate degrees in education, median earnings were \$57,000, an increase of \$18,000. The proportion of education majors who obtained a graduate degree was relatively high at 44 percent, and was exceeded only by those in the fields of biology and life sciences (54 percent),

Table 1
States Spending the Largest Amounts on Salaries and Wages for Instruction Staff by Public Elementary-Secondary School Systems, 2008-09

<u>State</u>	Amount for Total (Dollars in <u>Millions)</u>	Instructional Salaries & Wages <u>Per Pupil</u>	Total Spending <u>Per Pupil</u>	Percent on Instructional Salaries & Wages <u>Per Pupil</u>
California	\$24,305	\$3,942	\$9,657	40.8%
New York	21,765	8,070	18,126	44.5
Texas	18,536	3,989	8,540	46.7
Illinois	9,183	4,338	10,835	40.0
New Jersey	8,840	6,504	16,271	40.0
Florida	8,805	3,357	8,760	38.3
Pennsylvania	8,537	5,035	12,512	40.2
Ohio	7,139	4,129	10,560	39.1
Georgia	7,129	4,322	9,650	44.8
Michigan	6,027	3,875	10,483	37.0
U.S.	\$517,708	\$4,333	\$10,499	41.3%

Source: U.S. Census Bureau, "Public Education Finances: 2009," Tables 6 and 8; CRC Calculations

physical sciences (48 percent), and psychology and social work (45 percent).³³ In **Table 2**, median earnings are not adjusted for benefits and time off.

According to this analysis, 10.6 percent of all workers with bachelor's degrees in the U.S. economy had degrees in the education category (this was second only to business, with 25.0 percent). Education is among the majors with the highest concentration of women: 85 percent of health majors, 77 percent of education majors, and 74 percent of social work majors were women.

According to a National Education Association (NEA) survey, the average classroom teacher salary in the U.S. was estimated to be \$56,069 for the 2010-11 school year. New York had the highest average teacher salary, at \$72,708 followed by Massachusetts, at \$71,017. At \$35,201, the average salary for classroom teachers in South Dakota was less than half that in New York. (Average salaries in part reflect differences in the cost of living. Michigan's cost of living ranked 21st of the 50 states and D.C. in the first quarter of 2012 according to the Missouri Economic Research and Information Center.) According to the NEA

survey, the 2010-11 average salary for Michigan classroom teachers was estimated at \$58,595, about \$2,500 higher than the national average, and about \$850 higher than the average of Great Lakes states (\$57,742; Great Lakes states are Illinois, Indiana, Michigan, Ohio, and Wisconsin). According to the NEA, Michigan ranked 12th highest among the 50 states and D.C. on average teacher salaries.³⁴

Over 90 percent of school districts pay teachers according to salary schedules that typically reward experience and degrees. Washington is among the 21 states that have statewide salary schedules, which generally set minimum teacher salaries. Although salaries are negotiated at the local level, the State of Washington uses the statewide schedule to calculate state salary allocations to districts and thereby effectively constrains local salary variation. Districts can exceed the state limitation only on the basis of separate contracts that pay for additional time, additional responsibilities, or incentives, and those contracts must use local funds and may not exceed one year in duration. As would be expected, this system has generated policy discussions centered on merit pay and wage differentials for designated subjects or schools.35

Table 2 Value of College Majors, 2009

	Median Earnings		Percent
	Without a Graduate	With a Graduate	Earning a Graduate
Major Group	<u>Degree</u>	<u>Degree</u>	<u>Degree</u>
Engineering	\$75,000	\$99,000	37%
Computers, Mathematics	70,000	89,000	32
Business	60,000	80,000	21
Health	60,000	80,000	31
Physical Sciences	59,000	90,000	48
Social Science	55,000	85,000	40
Agriculture, Natural Resources	50,000	70,000	27
Communications, Journalism	50,000	62,000	20
Industrial Arts, Consumer Services	50,000	65,000	20
Law, Public Policy	50,000	70,000	24
Biology, Life Science	50,000	85,000	54
Humanities, Liberal Arts	47,000	65,000	41
Arts	44,000	55,000	23
Education	42,000	57,000	44
Psychology, Social Work	42,000	60,000	45

Source: Anthony P. Carnevale, Jeff Strohl, and Michelle Melton, "Select Findings from What's it Worth? The Economic Value of College Majors," The Center on Education and the Workforce at Georgetown University.

Teacher Salaries in Michigan

In 2009, public school districts in Michigan spent over \$6.0 billion on instructional salaries.³⁶

Michigan Department of Education reports³⁷ include averages of teacher salaries for traditional public schools and those charter schools that do not contract with management companies for instructional staff. Each charter school is considered a district; charter schools that employ teachers directly are clustered in the districts with the smallest membership (membership refers to the number of students) counts in **Table 3**.

According to the Bulletin, the average public school teacher salary in Michigan in 2010-11 was \$61,560, down from \$63,024 in the previous year. Average salaries varied by district size, with teachers in larger districts (excepting Detroit) generally having higher average salaries than teachers in smaller districts.

The state's largest school district, the Detroit Public School District reported a decline of 9,943 students, from 84,742 students in 2009-10 to 74,799 in 2010-11. Average teacher salaries in the financially and academically troubled Detroit District, which is under the control of a state-appointed emergency manager, were reported to be \$35,211 in 2010-11, only 55.4 percent of the \$63,607 reported in 2009-10 (though per pupil expenditures were the highest reported for any membership category: \$14,523 compared to the statewide average of \$9,561). Average Detroit teacher salaries ranked 579th of the 788 districts (a number of districts failed to report data necessary to compute average teacher salaries).

The highest average teacher salary, \$94,703, was reported for the affluent Birmingham City School District, but not all of the communities with very high average teacher salaries are affluent (nor do all communities with high average teacher pay have high student achievement³⁸). Districts with the highest aver-

Table 3 Michigan Public Schools, 2010-11

Membership of School Districts	Number of <u>Districts</u>	Number of <u>Teachers</u>	Average <u>Teacher Salary</u>
50,000 and over	1	3,009	\$35,211
20,000-49,999	1	1,093	83,646
10,000-19,999	21	12,102	68,380
5,000-9,999	47	13,077	66,680
4,500-4,999	10	1,948	67,382
4,000-4,499	9	1,512	65,325
3,500-3,999	19	2,995	63,126
3,000-3,499	30	4,087	63,363
2,500-2,999	43	5,079	61,940
2,000-2,499	39	3,730	57,751
1,500-1,999	64	4,824	57,240
1,000-1,499	102	5,708	56,041
500-999	165	5,700	51,565
Below 500	237	3,083	45,279
State totals	788	67,950	\$61,560

Source: Michigan Department of Education, "2010-11 Bulletin 1014," April 2012

Payroll Withholding

In the 2009 contract, the fiscally distressed Detroit Public Schools and the Detroit Federation of Teachers negotiated a unique plan to assist the district with cash flow. The district deducted \$250 from each teacher's biweekly paycheck, and the amount withheld is to be paid, without interest, to the teachers at the time each leaves his or her employment with the district. The agreement was the subject of litigation. For 2011-12, the district's Emergency Manager has imposed a ten percent pay cut and a requirement that employees pay 20 percent of health insurance costs; this would replace the biweekly \$250 deduction. The district's unions filed suit in federal court; a settlement reached in February included partial payment of accumulated sick leave for employees who submitted an irrevocable notice of retirement by March 19, a one time lump sum payment of 2.5 percent of the employee's 2011-12 earnings, and a limited reinstatement of step increases..

age teacher salaries have a wide range of pupil-to-teacher ratios: 20 students per teacher in Grosse Point Public Schools and 32 students per teacher in River Rouge Public Schools. **Table 4** lists the ten school districts that have over 100 students and that have the highest average teacher salaries (Arvon Township School District would rank number two based on the average teacher salary of \$85,108, but it has only six students and so is not included in the list).

Annual adjustments to salary that are also negotiated include step increases, cost of living adjustments, and longevity payments. Step increases are tied to educational levels and years of experience and are granted automatically when designated benchmarks are met.

Cost of living adjustments (COLA) are increases in base pay that are pegged to inflation and designed to maintain purchasing power. Longevity payments reward years of service.

State law now requires that job performance and pay be linked. PA 205 of 2009, which became effective January 4, 2010, requires that "A school district, public school academy, or intermediate school district shall implement and maintain a method of compensation for its teachers and school administrators that includes job performance and job accomplishments as a significant factor in determining compensation and additional compensation. The assessment of job performance shall incorporate a rigorous, transparent, and fair evaluation

Table 4 Highest Average Teacher Salaries, 2010-11

<u>Rank</u>	<u>District</u>	Number of Students	Pupil/ Teacher <u>Ratio*</u>	Average Teacher <u>Salary</u>
1	Birmingham City School District	8,256	25	\$94,703
2	Utica Community Schools	29,541	27	83,646
3	Riverview Community School District	2,758	27	82,071
4	Grosse Pointe Public Schools	8,391	20	80,566
5	Center Line Public Schools	2,728	23	80,295
6	Saline Area Schools	5,330	25	79,599
7	Farmington Public School District	11,762	23	78,677
8	Walled Lake Consolidated Schools	15,536	23	78,434
9	Roseville Community Schools	5,424	27	78,327
10	River Rouge School District	1,090	32	78,285

^{* &}quot;Pupil/teacher ratio" is different than "class size," which reflects the number of students assigned to a classroom.

Source: Michigan Department of Education, 2010-11 Bulletin 1014, April 2012

system that evaluates a teacher's or school administrator's performance at least in part based upon data on student growth as measured by assessments and other objective criteria." According to the statute, if a current collective bargaining agreement prevents compliance

with the requirement, then the requirement will become effective when that collective bargaining agreement expires.

Public Act 54 of 2011 freezes salaries and benefits for teachers during collective bargaining. This includes a prohibition on district payment of step increases and any increases in the cost of insurance benefits that occur after the expiration of the contract. Neither the subsequent agreement nor an arbitration panel will be allowed to order retroactive wage or benefit amounts that are greater than those in effect on the expiration date of the collective bargaining agreement.

Comparison with Private Sector Pay

Loss of jobs and pay cuts in the private sector have resulted in greater scrutiny of public sector pay rates. State officials in Michigan and other states have stated or implied that teachers and other public employees are overpaid. Assumptions un-

derlying statements by state officials arguing that public employee compensation must be comparable to that

in the private sector have been tested using data that controlled for education, size of employer, hours worked, and other factors.

The most important factor in earnings is education.

Teachers are required to have at least a bachelor's degree; only 31 percent of private sector workers have at least a bachelor's degree. On average, Michigan state and local governments pay college educated employees 21 percent less in total annual compensation than private employers pay to comparably educated workers, and a larger proportion of public compensation is paid in benefits, especially health insurance and pensions. The Economic Policy Institute study found no significant difference between private and local public employee compensation when relevant factors were considered.³⁹ It should be noted that the findings contained in this briefing paper are controversial, but they are consistent with a number of national analyses dating back to the 1990s. Those studies have found that at the low end of the pay scale, state and local governments generally paid better than the private sector, but the private sector paid more for white collar workers, and as the duties and responsibilities of white collar jobs increased, the private sec-

tor paid increasingly better wages. Furthermore, state and local government paid far less for professional and

administrative occupations.⁴⁰ A 2010 analysis found that wages and salaries of state and local workers are lower than those for private sector workers with the same educations (11 percent less for state employees and 12 percent for local employees); benefits comprise a larger share of public sector total compensation; and state and local employees have lower total compensation than their private sector counterparts (6.8 percent lower for state employees and 7.4 percent lower for local employees).⁴¹

The Bureau of Labor Statistics reported that employer costs for civilian employee compensation (note that only 31 percent of private sector employees have at least a bachelor's degree) averaged \$30.07 per hour in March, 2011. As can be seen in the following table, wages and salaries plus supplemental pay and paid leave averaged \$23.71 and benefits averaged \$6.36 per hour worked, a total of \$30.07. Costs for teachers (all of whom have at least a bachelor's degree) were much higher: \$42.35 for all wages and salaries including supplemental pay and paid leave, and \$14.03 for fringe benefits, a total of \$56.38. (In **Table 5**, insurance, retirement and savings, and legally required benefits are the components of "total benefits.")

Teacher salaries are receiving a great deal of attention for several reasons. With relatively high rates of unemployment and underemployment in the economy, with widespread pay freezes and benefit reductions, and with public budgets under pressure, all public employees' salaries are receiving attention. As noted previously, teachers' salaries represent a very large public investment: over \$6 billion was spent in Michigan for instructional salaries in 2008-09. Teachers' salaries have a particular burden, however, because the quality of education is recognized as key to the economic success of individuals, states, and the nation. In spite of the billions of dollars being spent on education, there is a consensus that much more needs to be accomplished. And while there is nearly universal agreement that American students need more instruction time, fiscally strapped school districts across the country are shortening the traditional 180-day school year and reducing summer school.⁴² Reducing instructional salaries, the largest expenditure category in education, would be one way to maintain or expand K-12 programs without a commensurate increase in costs.

Table 5
Employer Costs per Hour Worked for Employee Compensation March 2011

	Wages & <u>Salaries*</u>	Total <u>Benefits</u>	Insurance	Retirement <u>& Savings</u>	Required Benefits
All Workers	\$23.71	\$6.36	\$2.67	\$1.36	\$2.33
State and Local Govt	29.91	10.63	4.88	3.32	2.44
Teachers**	42.35	14.03	6.48	4.62	2.92

^{*} Includes supplemental pay and paid leave

Source: Bureau of Labor Statistics, "Employer Costs for Employee Compensation"

^{**} State and local government workers: primary, secondary and special education teachers

Teacher Compensation: Benefits

The Census Bureau reports that in 2009, public school districts in Michigan spent almost \$2.8 billion on employee benefits for instructional personnel. Six states spent more than Michigan on employee benefits for instructional personnel (See **Table 6**).

Nationally, the average per pupil expenditure for instructional employee benefits for public elementary-secondary schools in 2008-09 was \$1,452. In Michigan, the average per pupil expenditure for instructional fringe benefits was \$1,794, which placed this state 17th highest of the 50 states. Of the ten states that

spent the largest amounts on employee benefits for instructional staff, three spent more on a per pupil basis than Michigan. New York spent the largest amount on a per pupil basis, \$3,474, and Alaska was second at \$3,026. Texas spent only \$654 on fringe benefits for instructional personnel, measured on a per pupil basis.

On average, the amount that states spent on employee benefits for instructional personnel was 33.5 percent of the amount spent on salaries and wages. There were five states where the proportion spent on employee benefits was more than in Michigan (43.3 percent of salaries and wages). Michigan was one of 14

Table 6
States with the Highest Spending on Employee Benefits for Instruction Staff by Public Elementary-Secondary School Systems, 2008-09

<u>State</u>	Total Dollars in <u>Millions</u>	Per Pupil Amount for Employee Benefits	Total Spending <u>Per Pupil</u>	Percent of Total per Pupil for Employee <u>Benefits</u>
New York	\$9,370	\$3,474	\$9,657	19.2%
California	7,407	1,201	18,126	12.4
Texas	3,041	654	8,540	7.7
Illinois	3,009	1,421	10,835	13.1
New Jersey	2,980	2,192	16,271	13.5
Pennsylvania	2,934	1,730	8,760	13.8
Michigan	2,790	1,794	12,512	17.1
Florida	2,651	1,011	10,560	11.5
Massachusetts	2,547	2,732	9,650	19.4
Ohio	2,372	1,372	10,483	13.0
U.S.	\$70,059	\$1,452	\$10,499	13.8%

Source: U.S. Census Bureau, Public Education Finances: 2009, Tables 6 and 8; CRC calculations

Defined Benefit and Defined Contribution Pension Plans

The major pension issue for teachers, as for other public employees, is the debate over defined benefit plans versus defined contribution plans. Benefits under defined benefit plans are based on years of service, average final compensation, and a multiplier. Defined benefit plans are cheaper to operate to provide a given retirement benefit because funds are pooled, but the employer takes the risk that contributions and investment performance will be sufficient to pay the guaranteed benefits. Payouts under defined contribution plans are based on the amount the employee and employer have contributed and on investment performance. Employees have more control over investments and take all of the risk. (Jonathan Walters, "Rewriting State Retirement Plans," *Governing*, July 2011)

Public school employees who started work before July 1, 2010 are members of the defined benefit pension plan; those who began on or after July 1, 2010 are enrolled in the Pension Plus plan, a blended plan that includes both a defined benefit plan and a tax deferred savings account. Basic full retirement benefits are available at age 60 with ten years of service or at age 55 with 30 years of service. The pension benefit for the defined benefit plan is final average compensation times 1.5 percent times years of service. Administration of the plan and benefits are defined in the Public School Employees Retirement Act (PA 300 of 1980). According to the most recent comprehensive annual financial report, the system was 78.9 percent funded (actuarial value of assets and actuarial accrued liability were \$44.7 billion and \$56.7 billion respectively) at September 30, 2009.

states where the amount spent on employee benefits was more than 40 percent of the amount spent on salaries and wages (See **Table 7**).

As noted in the previous section, average benefit costs for teachers are high relative to other workers nationally, and both of the above approaches indicate that

Table 7
Spending on Employee Benefits as a Proportion of Salaries and Wages, Public Elementary and Secondary School Systems, 2008-09 (Dollars in Thousands)

		Salaries	Employee	Benefits as a
<u>Rank</u>	<u>State</u>	and Wages	<u>Benefits</u>	Percent of Salaries
1	Alaska	\$603,938	\$394,058	65.2%
2	Massachusetts	4,680,805	2,547,318	54.4
3	West Virginia	1,084,586	534,774	49.3
4	Wisconsin	3,698,415	1,797,902	48.6
5	Oregon	1,948,926	938,122	48.1
6	Michigan	6,027,815	2,790,185	46.3
7	Delaware	565,689	250,483	44.3
8	Indiana	3,729,754	1,640,315	44.0
9	New York	21,764,757	9,370,029	43.1
10	Minnesota	3,749,532	1,574,355	42.0
11	Utah	1,428,096	590,243	41.3
12	Maine	896,809	369,613	41.2
13	Rhode Island	782,563	322,351	41.2
14	Alabama	2,479,840	995,732	40.2
50 Stat	es and D.C.	\$209,007,145	\$70,058,805	33.5%

Source: U.S. Census Bureau, Public Education Finances: 2009, Table 6; CRC calculations

the cost of providing pensions and other benefits to teachers and other instructional personnel in Michigan is high relative to other states.

Retirement Benefits

Public school teachers' accrued (already earned) pension benefits are guaranteed by the state constitution. Teachers' pension plans and other postemployment benefits (OPEBs, which includes retiree medical, hearing, dental, and vision coverage, are not constitutionally protected) are administered by the state through the Michigan Public School Employees' Retirement System (MPSERS). The 724 participating employers in MPSERS include K-12 public school districts, public school academies, district libraries, community colleges and seven universities. Pension and OPEB costs are born by employees and by the local school district or reporting entity, which is required to contribute the full actuarial funding contribution amount to fund pension benefits.

MPSERS had a total of 192,435 retirees and beneficiaries receiving benefits in 2011.

Membership in MPSERS at September 30, 2011

Retirees and beneficiaries receiving benefits:

	9
Regular benefits	170,961
Survivor benefits	15,654
Disability benefits	<u>5,820</u>
Total	192,435

Current employees:

Vested	114,680
Not vested	<u>121,980</u>
Total	236,660

Inactive employees entitled to,

but not yet receiving, benefits: 15,090

Total all members 444,185

Source: 2011 Michigan Public School Employees' Retirement System Comprehensive Annual Financial Report

Pensions and other postemployment benefits together equaled 17.26 percent of annual covered payroll. In 2011, total employer contributions to MPSERS for pensions and OPEBs were \$1.95 billion, member contributions were \$717.2 million, and net investment earnings were 1.46 billion; net assets at year end were \$36.13 billion. In 2010, employer contributions were 1.68 billion, member contributions were \$502.9 million, and net investment income was 3.71 billion; net assets at year end were \$36.85 billion.

The pension plan had assets of \$34.67 billion at September 30, 2011. Of the \$1.16 billion in employer contributions in 2011, \$95.9 million was made by "colleges, universities and federal" and \$1.06 billion was made by "school districts and other." (See **Table 8**.)

Table 8
Michigan Public School Employees' Retirement System: Pension Plan (Dollars in Millions)

Fiscal Year		Employer Contributions			
Ended Sept. 30	Member <u>Contributions</u>	<u>Dollars</u>	Percent of Annual Covered Payroll		
2001	\$371.5	\$629.9	6.80%		
2002	413.2	603.9	6.22		
2003	379.1	697.9	6.95		
2004	456.4	697.6	6.70		
2005	368.2	774.3	7.59		
2006	518.6	995.9	10.15		
2007	356.8	835.4	8.48		
2008	399.3	999.4	10.04		
2009	357.2	1,000.4	10.12		
2010	377.7	1,001.3	11.32		
2011	332.2	1,156.1	N/A		

Source: 2011 Michigan Public School Employees' Retirement System Comprehensive Annual Financial Report

While public employee pension benefits were made contractual obligations of the employer by the 1963 Michigan Constitution, other postemployment benefits are not constitutionally protected. OPEBs are established in state statute, which may be amended. As

of September 30, 2010, if OPEBs were to be prefunded, the actuarial liability would be \$28.6 billion. There were 142,863 MPSERS participants receiving health benefits, and 153,822 receiving dental and vision benefits, in 2011. (See **Table 9**.)

Table 9
Michigan Public School Employees' Retirement System: OPEB (Dollars in Millions)

Fiscal Year	Employer Contributions			
Ended Sept. 30	Member <u>Contributions</u>	<u>Dollars</u>	Percent of Annual Covered Payroll	
2001	\$38.5	\$528.3	5.70%	
2002	43.2	604.6	6.23	
2003	47.4	657.4	6.55	
2004	52.8	618.8	5.95	
2005	62.5	700.4	6.86	
2006	71.8	686.9	7.00	
2007	77.2	671.7	6.85	
2008	78.1	649.6	6.52	
2009	77.0	705.5	7.14	
2010	125.2	675.1	7.63	
2011	385.0	794.8	N/A	

Source: 2011 Michigan Public School Employees' Retirement System Comprehensive Annual Financial Report

23

The legislature is currently

examining potential pen-

sion reforms. Such reforms

could include instituting a

defined contribution plan,

which is the form of pen-

sion plan offered to new

state employees.

A 2010 law required that three percent of school emplovees' pay be deducted to cover future retiree health care costs. This was expected to save about \$300 million to \$400 million annually in school (employer contribution) retirement costs. Teachers' unions challenged the constitutionality of the law, and the Court of Claims struck it down in April of 2011. The state has appealed this decision.

In 2009, the combined employer cost for pensions and OPEB was 17.26 percent of payroll. In 2010, the com-

bined employer cost of retirement benefits was 18.95 percent of payroll. At the same time that school funding has been cut, the cost of retirement benefits is expected to increase dramatically: for employees hired before July 1, 2010, the retirement benefit contribution rate increases to 24.46 percent of payroll in 2011-12 and 27.37 percent of payroll in 2012-13; for employees hired on or after July 1, 2010, the contribution rate is 23.23 percent of payroll in 2011-12 and 26.14

percent of payroll in 2012-13. The 2011-12 state budget includes an appropriation of \$133 million from the estimated 2010-11 year-end balance to the MPSERS reserve for retirement obligation reform. The legislature is currently examining potential reforms. Such reforms could include instituting a defined contribution plan, which is the form of pension plan offered to new state employees.43

Defined benefit pension plans (as well as other postemployment benefits) are increasingly rare in the private sector, and there is a growing sense that public sector defined benefit plans are unsustainable. Increasingly, public plans (including the State of Michigan plan for state employees) offer only defined contribution plans to new employees. Losses in the stock market in 2008 and 2009 resulted in reductions in asset values in all pension plans. Those losses will have to be made up over time, by some combination of investment earnings, member contributions, and employer contributions. In the first half of 2011, eight states passed legislation requiring government employees to contribute more to their pensions and ten other states proposed public pension changes, a response to the estimated \$1 trillion funding gap in government workers' retirement benefits.44 Some of these changes include anti-spiking measures and tightening up vesting and length of service requirements.45

It remains to be seen if and how pension costs will relate to separation decisions. Defined benefit plans make it more difficult for an employee to leave on his or her own because benefits are not portable, and because longer service with that employer results in larger retirement benefits. It is likely, however, that in the near term an unusually high number of teachers will be separated from service due to constraints in

state funding, and increasing retirement system contribution requirements increase the difference in district costs between new teachers and those with many years of service. Legislated changes in tenure and seniority protection may contrib-

ute to the issue.

As previously noted, funding for pensions is calculated and paid into MPSERS as a percent of payroll. One of the effects of having fewer public school teachers employed is that the

cost of pensions (including payments necessary to replace pension fund stock market and real estate investment losses) is spread over fewer active employees, which increases the contribution rate. All things being equal, as the number of active employees declines, the contribution rate increases.

Health and Other Insurances for Active Employees

Health and other insurance benefits are negotiated locally, costs are substantial, and those costs vary depending on family status and applicable policy. School district employers may self insure, obtain insurance coverage directly from a carrier, or join a pool to spread

In 1960, the Michigan Education Association formed MESSA, a nonprofit, voluntary employee benefit association (VEBA), which now has about 300 employees and a payroll of more than \$20 million. MESSA does not share profits with the MEA, but it does pay a \$3.3 million marketing fee to the union.46 MESSA offers group medical, dental, vision, prescription, and life insurances for school employees. According to the 2009 MESSA Programs Brief, MESSA insures over 80,000 members (200,000 insured lives) and 85 percent of MESSA members are MEA members. Cover-

MESSA Coverage

Costs for MESSA coverage continue to be relatively high: when Otsego Public Schools and the Otsego Education Association agreed to switch carriers for comparable coverage from MESSA to Priority Health in 2011-12, costs for health care were expected to decline from \$12,600 per insured employee (scheduled to increase to \$13,780 per covered employee in 2011-12) to \$8,400 per insured employee. The cost savings resulting from the change in health insurance carriers will fund a two percent pay increase.*

* Julie Mack, "Otsego's move from MESSA will save district about \$4,200 per teacher," Mlive.com, July 28, 2011.

age under MESSA is negotiated by local bargaining units. The MESSA strategy pooled members into large community rating areas to spread risk, provided very high quality services, and contracted with individual insurance carriers such as Blue Cross Blue Shield of Michigan, Delta Dental, and the Life Insurance Company of North America (LINA) for insurance coverage.

PA 106 of 2007, the Public Employees Health Benefit Act, requires that a public employer or pooled plan that procures coverage or benefits from one or more carriers is required to solicit four or more bids, including at least one from a VEBA; when renewing or continuing a medical plan, a public employer or pooled plan must solicit four or more bids every three years. (The 2011-12 state budget includes a new requirement that school districts post health care bids required under the Public Employees' Health Benefit Act to their websites. Bills signed by the Governor on July 30, 2011 require school districts to get health care bids from four separate entities when pricing coverage, rather than getting four different packages offered by MESSA.)⁴⁷

In addition to requiring public employers to solicit bids every three years, PA 106 of 2007 was intended to provide greater transparency in health services by requiring plans to supply public employers with claims utilization and cost information, including aggregated claims amounts and types, administrative costs, and fees paid. Those requirements were to enable public employers to make more informed choices, to allow employers to seek competitive bids based on cost and performance, and to obtain the lowest cost for insurance. The act also provided a more straightforward process for employers to form and join pooled plans (in 2005, the Ottawa Area Intermediate School District and other school districts formed the West Mich-

igan Insurance Pool, a multiple employer welfare arrangement (MEWA), intended to reduce insurance costs) which were expected to spend less for administration and risk management. The state Office of Financial and Insurance Services (OFIS) in the Department of Labor and Economic Growth was to examine and regulate pooled plans, and those plans could be required to pay 0.25 percent of annual self-funded contributions to the self insured medical benefit plan to OFIS.⁴⁸

Prior to December 1, 2007, MESSA did not compile claims data on an individual group basis, but PA 106 required that all health plans serving public employers with more than 100 employees report claims experience data to the employer. According to its website, MESSA complied with the legislative requirement and adjusted its strategy for pooling and claims reporting. Legislation passed in 2011 tightens the requirement for district access to health data.

As noted previously, PERA specifically states that a public school employer has the responsibility, authority, and right to manage and direct on behalf of the public, the operations and activities of the public schools under its control. Employer rights that cannot be bargained now include the following:

Who is or will be the policyholder of an employee group insurance benefit. This does not affect the duty to bargain with respect to types and levels of benefits and coverages for employee group insurance. A change or proposed change in a type or to a level of benefit, policy specification, or coverage for employee group insurance must be bargained by the public school employer and the bargaining representative before the change may take effect. (Section 15 (3)(a))

Governor Snyder has proposed "that in fiscal year 2013 a portion of the state foundation allowance be allocated to school districts that pay no more than 80% of employee health care premiums or control costs in other ways." The 2011-12 state budget includes \$154 million for best practices incentive grants to provide \$100 per pupil one-time grants to districts meeting four of five criteria, two of which are charging employees at least ten percent of health care costs and holding the policy for medical benefit plans if directly employing staff.

The high cost of health insurance, the perception of "Cadillac" coverage under the union-affiliated MESSA, and school funding cuts led the state legislature to adopt PA 152 in September, 2011. Effective January 1, 2012, the Act established a maximum spending threshold for employee health insurance for all local governments including school districts (local governments other than school districts can opt out of the requirements). The Act does not affect current collective bargaining agreements unless they are modified or expire. School districts will be allowed to spend no more than the "hard cap" amounts specified in the act (\$5,500 for single person coverage, \$11,000 for an employee and spouse, \$12,500 for single parent employees, and \$15,000 for families; the amounts will be adjusted based on the medical care component of the Consumer Price Index) or districts may chose to split health costs with the employer paying 80 percent and the employee paying 20 percent. The state is authorized to withhold ten percent of School Aid payments to districts that do not comply with the Act. Arguments against the bill noted the potential loss of creativity and flexibility of local collective bargaining. Supporters noted the cost savings that would accrue to local school districts, which could offset the effects of funding reductions.

The percentage of health insurance costs borne by employees is determined during collective bargaining, and the 80-20 split proposed by the Governor and incorporated in the Act would closely mirror the proportions in the private sector. According to the Kaiser Family Foundation, in Michigan in 2010, average costs for private sector, employer-based health insurance were as shown in **Table 10**.

At least one Michigan teachers' union has adopted a new approach to employee health care expenses. The 1,230-member Dearborn Federation of Teachers and the Dearborn school board in May, 2011 approved a four-year contract that shifts responsibility for providing health insurance to the union. The district's cost per employee is limited in the contract (just under \$12,000 per employee this year), and the union will contract with the Michigan State AFL-CIO Public Employee Trust to provide the service.

Table 10 Average Costs for Employer-Based Health Insurance, Michigan, 2010

	Employee Contribution		Employer Contribution	
	<u>Percent</u>	<u>Dollars</u>	<u>Percent</u>	<u>Dollars</u>
Single Employee	20%	\$951	80%	\$3,762
Employee Plus One	21	2,012	80	7,821
Family	22	2,879	78	10,269

Percentages may not total to 100 due to rounding.

Source: Kaiser Family Foundation, <u>statehealthcarefacts.org</u>.

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Assignment

The rights and benefits associated with seniority are among the issues traditionally enshrined in collective bargaining agreements. In Michigan, a series of statutes passed in 2011 effectively demolish seniority rights: layoffs are to be based on teacher effectiveness, and teacher assignment will no longer be a sub-

ject of collective bargaining. These changes are intended to improve the quality of teaching by ensuring that layoffs and recalls preserve the jobs of effective teachers and to require that teacher placement is based on the mutual consent of the teacher and principal.

Traditionally, increased seniority generally gave teachers more control over where and whom they teach, allowing the most experienced teachers to migrate to the most supportive and resource rich schools, with students who were the easiest to teach. This resulted in the most inexperienced teachers being concentrated in schools with students who were the most challenging.50

An example of the dysfunctional effect of seniority based assignment was described in a November, 2010,

analysis of the IMPACT teacher evaluation system results in Washington DC. That report revealed that the district's most affluent ward had more than four times as many highly effective teachers as the poorest ward. The unfortunate effect of the mismatch of the best teachers and the most needy students is highlighted by research suggesting "that low achieving children who have three highly effective teachers in successive years can make dramatic achievement gains." While one way to correct the mismatch is elimination of personnel practices that include traditional salary schedules and seniority rules that encourage veteran teachers to transfer to less challenging schools, an article in The Washington Post recommended doubling performance bonuses for teachers who excel in high poverty schools.51 Another approach (one that has been adopted in Michigan) empowers school principals with increased authority to accept or reject teachers seeking to be placed in their schools.

The effects of the concentration of less experienced teachers in more challenging schools are magnified when layoffs occur on a seniority basis. In that circumstance, new teachers are laid off first, and the schools with the most challenging students are the most disrupted.

While the more experienced, and therefore more highly

paid, teachers are more likely to select better school assignments if they can, they recognize the challenges faced by their less experienced peers. Merit pay for teachers whose students perform well on standardized tests is generally opposed by teachers, but 70 percent of teachers in one survey supported "combat pay" for teachers in tough neighborhoods with low performing schools.52

In Michigan, PA 103 of 2011 amended the Public Employment Relations Act to remove any decision regarding the placement of teachers from collective bargaining. Changes to tenure rules are intended to make it. easier to dismiss ineffective teachers, rather than encouraging principals to pressure those teachers to request a change in school assignment. And school districts will be

required to adopt policies for teacher placement that require the mutual consent of the teacher and the principal, and that place teachers who cannot be assigned within 30 days on unpaid leave.

Lavoffs

The School Aid Fund is scheduled to decline from \$13.1 billion in FY 2011 to \$12.2 billion in FY 2012. As federal stimulus money disappears, state and local revenues continue to reflect the weak economy, the School Aid Fund is stretched to cover state payments to community colleges and universities, and fund balances are exhausted, school districts are increasingly faced with the necessity of laying off teachers. PA 102 of 2011 prevents seniority based layoffs: in the future, layoffs will have to be based on retaining effective teachers.

In his November, 2010 bud-

get address, New York City

Mayor Michael Bloomberg

predicted that 6,100 NYC

public school teachers

would have to be laid off.

He confirmed union fears

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ty based layoffs will result

in a larger number of teach-

ers being lost than if a merit

based system were used.

Under union contracts, seniority was the traditional basis of layoffs, with the most recent hires being the first to be laid off. Neither the effectiveness of the individual teacher, nor the relative cost of the teacher, was considered: under seniority rules, more effective teachers could be laid off while less effective teachers were retained, and a larger number of less senior teachers would be laid off than would be the case if higherpaid, more senior teachers were laid off. In an era of

shrinking revenues and layoffs, reformers in Michigan successfully argued that teacher effectiveness, not seniority, should determine the order of layoffs.

Problems associated with seniority based layoffs have affected school districts across the nation, and Michigan is not the only state that is addressing the issue. In his November, 2010 budget address, New York City Mayor Michael Bloomberg predicted that 6,100 NYC public school teachers would have to be laid off. He confirmed union fears when noting that the most recent hires are also the cheapest, and that seniority based layoffs will result in a larger number of teachers being lost than if a merit based system were used.

In January, 2011, both Mayor Bloomberg and then-New York City Schools Chancellor Cathleen Black called for an overhaul of state law that mandates that system-wide teacher layoffs must occur in reverse seniority order. In arguing for personnel decisions to be made on the basis of merit, Ms. Black also noted the disproportionate effect seniority based layoffs would have on the poorest and most disadvantaged communities, where high turnover rates result in high concentrations of the least senior teachers. While acknowledging that the district had neither adopted nor developed a comprehensive teacher evaluation system, Ms. Black suggested that teachers in the Absent Reserve Pool ("a group of more than 1,200 teachers who lack permanent teaching positions yet still draw full salary and benefits indefinitely, at a cost of more than \$100 million a year")53 and the 1,300 teachers who received an unsatisfactory rating on their latest annual review should be the first to be laid off.54

In February, 2011 the New York City Department of Education published a list of the number of teachers at each school who would be laid off if the state failed to restore the \$1.4 billion proposed to be cut from city schools and if seniority rules were not changed. One city school, which employed a large percentage of new teachers, would have lost 14 of its 20 teachers (70 percent). Many schools would have to replace laid off younger teachers with more senior teachers from else-

where in the system. Whether or not as a result of that tactic, a budget deal was reached that avoided layoffs but would not replace teachers who retired or quit during the year.

In 2010, the Center for Education Data Research at the University of Washington attempted to compare the effects of seniority based layoffs with the assumed effects of layoffs based on teacher effectiveness. The study used a dataset of student, teacher, school, and district variables and compared 1,717 teachers who received layoff notices (nearly all ultimately kept their jobs) with a list of teachers who would have been laid off based on value added evaluations using their students' performance on standardized tests. "Using teachers' past performance, the

researchers predicted the performance of two hypothetical school systems: one in which the teachers receiving notices had actually lost their jobs and one in which more than 1,300 of the lowest performing teachers had been fired instead." (275 teachers were on both the least senior and the lowest performing lists.) The study "projected that student achievement would drop by an estimated 2.5 to 3.5 months of learning per student, when compared to laying off the least effective teachers."⁵⁵

Eliminating seniority as the basis of layoffs increases the probability that more senior, older teachers will be laid off because they cost more. The use of seniority as the basis for layoffs offers some protection against age discrimination; loss of seniority protection and disparities in compensation (exacerbated by pension funding as a percent of payroll) between new and more experienced teachers could well result in the system-

atic loss of older teachers. Not only would this be unfair to those older teachers, but it could also deprive inexperienced teachers of the most seasoned mentors.

For reformers, the question is not whether teacher layoff and retention decisions should be formally linked to student achievement, but how student achievement and teacher effectiveness should be measured and whether there are other measurable factors that should be considered in teacher retention and layoff. For teachers, seniority provided security, protection from suspected favoritism or bias, and assurance that they would not be laid off in favor of less senior, and therefore less highly compensated, employees.

Class Size

Teacher's unions are among those who have advocated for smaller class sizes as an important method to improve student learning. Smaller classes have been considered particularly important in kindergarten through third grade. A recent study by Michigan State University associate professor of education Spyros Konstantopoulos found that having

consistently good teachers in elementary school is as important for student achievement as the cumulative effects of small class size.⁵⁶

Impact of Collective Bargaining on Student Achievement

A recent effort to assess the impact of teacher collective bargaining on student achievement recognizes the influence that teachers' unions and contracts exert on public school policy and school management, and the strong emotions that surround teachers' unions. This analysis examined the unique experience of New Mexico, where the 1992 law that made it a mandatory bargaining state sunset in 1999, making it a permissive state until a new law in 2003 again made it a mandatory state. By comparing the experience of New Mexico from 1993 through 2007 with that of the other

49 states and D.C. (where essential union bargaining laws remained stable), Lindy found "that mandatory collective bargaining laws lead to an increase in SAT

scores and a decrease in high school graduation rates while having no effect on per-pupil expenditures. These impacts are large, with monetized values in the hundreds of millions of dollars."57 The author hvpothesized that bargained transfer rights led more experienced teachers to transfer to higher income, higher performing schools, and the SAT scores of students in those schools increased. Less experienced teachers were concentrated in higher poverty, poorer performing schools, leaving those students further behind and more likely to drop out. When teachers lost collective bargaining rights, the achievement of higher performing students fell, and that of low performing students improved.58

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Challenges to Collective Bargaining

According to the Governor's Special Message on Education Reform, the reform proposals contained in that message can all be achieved within the present system of collective

bargaining. Nonetheless, a number of statutes adopted in the first half of 2011 further restrict the subjects that can be bargained; allow the unilateral modification or termination of a collective bargaining agreement under certain circumstances; and impose other statewide rules. New laws are designed to pressure quick settlements of collective bargaining: PA 54 of 2011 freezes teacher pay and benefits during contract negotiations. Supporters explain the new statutes as efforts to help local school districts improve the quality of teaching and reduce costs. Opponents define the bills as efforts to weaken collective bargaining, teachers' unions, and traditional public schools.

In Michigan, two state acts change the entity that is the public employer in collective bargaining.

PA 204 of 2009

This act authorized a new statewide school reform/redesign district headed by a state school reform/redesign officer, to be appointed by the Superintendent of Public Instruction. One of the tasks assigned to the School Reform/Redesign Office is identification of the Persistently Lowest Achieving (PLA) schools. A list of the 98 PLA schools published on September 29, 2011 includes 39 schools in the Detroit City School District (Detroit Public Schools are in the Wayne Intermediate School District, Wayne RESA). The list includes nine charter schools and 89 traditional schools in 17 intermediate school districts (See **Table 11**).

Public schools in the lowest performing five percent of schools in the state were to be placed under the supervision of the state school reform/redesign officer, who reports to the state superintendent of public instruction. If the officer did not approve a redesign plan crafted by the local school board with input from the local teacher bargaining unit, or determined that the redesign plan was not working, the plan required the officer to place the school in the state school reform/redesign district and to impose an addendum to each applicable collective bar-

gaining agreement as necessary to implement the school intervention model the officer selected for the school. (The four models were defined in the Race to the Top grant program and are the turnaround model. restart model, school closure, and transformation model.) The addendum would include provisions that were necessary to allow the applicable school intervention model to be implemented, including provisions that any contractual or other seniority system that would otherwise be applicable would not apply at that public school and that any contractual or other work rules that were impediments to implementing the redesign plan would not apply at that public school. Neither of those provisions would allow unilateral changes in pay scales or benefits. The addendum would provide that the state school reform/redesign officer would direct the expenditure of all funds attributable to pupils at the public school and the principal or oth-

Table 11
Persistently Lowest Achieving Schools in ISDs

Intermediate School District	Number of Persistently Lowest Achieving Schools		
Wayne RESA	52 (includes 6 charter schools)		
Macomb ISD	7 (includes 1 charter school)		
Oakland Schools	7		
Genesee ISD	6		
Saginaw ISD	4		
Berrien	3 (includes 1 charter school)		
Kalamazoo RESA	3		
Washtenaw ISD	3		
Calhoun ISD	2		
Hillsdale ISD	2		
Ingham ISD	2		
Muskegon Area ISD	2 (includes 1 charter school)		
Bay Arenac ISD	1		
Kent ISD	1		
Menominee ISD	1		
St. Claire County RESA	1		
Van Buren ISD	1		

Source: Michigan Department of Education, 2011 Persistently Lowest Achieving Schools, September 29, 2011

er school leader designated by the state school reform/redesign officer would have full autonomy and control over curriculum and discretionary spending at the public school.

If the officer determined to use the restart model, "There shall be considered to be no collective bargaining agreement in effect that applies to employees working at the public school or schools under this model at the time of imposition of the model."

If the turnaround model were adopted, "A collective bargaining agreement that applies to employees working at the public school or schools...continues to apply with respect to pay scales and benefits." Subject to any addendum to the collective bargaining agreement, an employee would continue to accrue seniority rights according to the agreement.

PA 4 of 2011

The Local Government and School District Fiscal Accountability Act (PA 4 of 2011) provides that consent agreements may be negotiated between the state and local governments found to be in severe financial stress. Thirty days after a consent agreement is entered, a local government, including a school district, becomes exempt from the requirement in PERA to bargain collectively and to enter collective bargaining agreements. If a financial emergency is found to exist in a school district and other governmental unit, the state appoints an emergency manager who has operational and academic powers as well as financial powers. PA 4 of 2011 empowers state-appointed emergency managers to act as the sole agent of the school district in collective bargaining with employees and to approve any contract or agreement. A state-appointed emergency manager may also abrogate collective bargaining agreements under certain conditions.

After meeting and conferring with the appropriate bargaining representative and, if in the emergency manager's sole discretion and judgment, a prompt and satisfactory resolution is unlikely to be obtained, the emergency manager may reject, modify, or terminate one or more terms and conditions of an existing collective bargaining agreement. The rejection, modification, or termination of one or more terms and conditions of an existing collective bargaining agreement is, according to the act, a legitimate exercise of the state's sovereign powers if the emergency manager and state treasurer determine that all of the following conditions are satisfied:

- The financial emergency in the local government has created a circumstance in which it is reasonable and necessary for the state to intercede to serve a significant and legitimate public purpose.
- Any plan involving the rejection, modification, or termination of 1 or more terms and conditions of an existing collective bargaining agreement is reasonable and necessary to deal with a broad, generalized economic problem.
- Any plan involving the rejection, modification, or termination of 1 or more terms and conditions of an existing collective bargaining agreement is directly related to and designed to address the financial emergency for the benefit of the public as a whole.

 Any plan involving the rejection, modification, or termination of 1 or more terms and conditions of an existing collective bargaining agreement is temporary and does not target specific classes of employees.

In late June, 2011, Roy Roberts, the emergency manager of Detroit Public Schools, unilaterally imposed a state-approved ten percent wage reduction for district employees beginning with the August 23 paycheck, imposed a requirement that employees contribute 20 percent of their health benefit costs starting September 1, and eliminated any payout for sick days at retirement. The actions were taken to address a \$327 million deficit. The Detroit Federation of Teachers and two other DPS unions immediately sued Mr. Roberts and State Treasurer Andy Dillon, alleging a violation of the state constitution. The lawsuit was settled on February 29, 2012; key terms included partial payment of accumulated sick leave for employees who submitted an irrevocable notice of retirement by March 19, 2012; a one-time lump sum payment of 2.5 percent of employees' 2011-2012 earnings; and limited reinstatement of step increases.

The Education Achievement System (EAS)

The concepts embodied in PA 204 and PA 4 have been merged in the Education Achievement Authority, which was established through an interlocal agreement between Eastern Michigan University (EMU) and the Detroit Public Schools (DPS) in June, 2011. DPS is currently under the control of an emergency manager.

The new authority is charged with reforming public education in the lowest performing five percent of public schools in the state. It will create the statewide Education Achievement System that will assume operation of those lowest performing schools (including charter schools) that are not achieving success under a redesign plan or that are in a district under the control of an emergency manager. The 11 member board of the Authority was named in August: seven members were appointed by the Governor, two appointed by EMU, and two by DPS. One of the DPS appointees, the district's state-appointed emergency manager, Roy Roberts, will chair the five-member Executive Committee during the new system's incubation period. The Executive Committee has selected John Covington, former superintendent of schools in Kansas City, Missouri, as chancellor for the system.

This system will replace the school reform/school redesign office created under Race to the Top. Although 92 schools were placed in the reform office in August 2010, some have closed or merged and there are currently 36 Detroit schools and 49 other schools in the reform office.

Governor Snyder announced that the EAS will begin operating its first schools in September, 2012, and those schools will be selected from DPS, which includes 39 of the state's lowest performing schools. (Mr. Roberts will determine the criteria to be used to select DPS schools for inclusion in the new system.) EAS could eventually expand to include all of the approximately 200 low performing schools throughout the state, although the state Superintendent of Education has indicated that schools that show improvement will not be placed in the EAS.

EAS will be empowered to hire principals who will then make hiring decisions about school staff including teachers (existing staff will be allowed to apply for positions), facilitated by a central office human resources system. The mandate of the EAS will be to allocate 95 percent of resources to the school level (in DPS, only 55 percent of resources reach the school level). The practical effect of this would seem to be that the original district would continue to fund overhead costs for schools that were transferred to the EAS, leaving fewer resources for the schools remaining in the original district.

According to the plan announced by the State of Michigan, teachers in the EAS will have the right to organize; contracts for the employees of the new system will be negotiated with the chairman of the system's Executive Committee rather than the Chancellor.

Teachers will have the right to organize and will enjoy job protections, including protection from arbitrary dismissal. Unlike the existing system, the EAS is designed to empower teachers to succeed by giving them a professional work environment under which they will have the autonomy, support and empowerment they need to dramatically raise student achievement and close

> have access to: timely and meancontinuous improvement that supports teacher growth, multiple pathways to teacher certification, timely meaningful professtudent needs as shown by data, and pay incentives.59

income and socio-economic achievement gaps. Teachers will ingful student data, access to best instructional practices, time to collaborate with others, mentors, time to teach and re-teach until students master content and skills, an institutional structure of sional development tied to

Schools that are placed in the EAS will remain in the statewide district for at least five years. After five years, if an evaluation determines sufficient progress, the school will be allowed to choose to remain in EAS, transfer back to DPS, or seek a charter to become a public school academy.

A Parent Advisory Council (PAC) will be formed for each school in the system and will assume additional responsibility for the school as it progresses in its improvement plan. At the point that the school must decide its future governance, the PAC and the principal will make the determination.60

The Department of Education has also proposed new accreditation standards that would result in the lowest performing five percent of schools (those destined to be part of the Education Achievement System) losing their accreditation and the next lowest performing 15 percent being labeled "interim accredited." This would shift the basis for accreditation from a school's compliance in areas related to administration and school organization to educational results including standardized test scores and adequate yearly progress.

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officials to give local gov-

ernment and school district

leaders increased ability to

manage their workforce,

are fueling challenges in

other states as well.

perception

Challenges to Collective Bargaining in Other States

States change their collective bargaining rules for public employees using either legislation or executive orders. An executive order by Indiana Governor Evan Bayh gave state employees collective bargaining rights in 1989; an executive order issued by Governor Mitch Daniels rescinded those rights in 2005 (Indiana teachers retained their collective bargaining rights). The

governors of Colorado and Kentucky issued executive orders in 2007 and 2008 that were intended to give state employees a voice in state policies, but those orders did not establish collective bargaining rights. Washington State adopted collective bargaining for public workers in 2002.61

Michigan is not alone in introducing and adopting new laws that restrict public sector collective bargaining. Budget challenges, the job losses and frustration of private sector workers, and the perception of unsustainably generous pay and benefits for public sector workers, as well as a desire on the part of state officials to give local government and school district leaders increased ability to manage their workforce, are fueling challenges in other states as well.

Newly elected governors in several states have sought to reduce the power of public employee unions, including teacher unions. Public employee unions are politically very

active, and critics claim that this political activity has given public sector unions an unfair advantage in bargaining with officials whom the unions helped to get elected. Defenders interpret efforts to reduce the power of public sector unions as an attack on their legitimate fund raising and voter activation activities.

Wisconsin was the first state to give public sector workers the right to unionize. In March, 2011, Wisconsin lawmakers adopted legislation that limits public employee bargaining rights to matters of wages and limits raises to changes in the Consumer Price Index unless the public approves higher raises in a referendum, increases health care and pension costs to public employees, requires most unions to hold votes annually to determine whether members want to retain the union, and ends the state collection of public union dues (exceptions to coverage under the new rules are firefighters, police, and state troopers unions which, coincidentally, endorsed Governor Scott Walker's candidacy).62 Recall efforts began in February, 2011, after the restrictions on public employee collective bargaining were adopted. Nine votes on state

> senators were held in July and August (two lost their seats); recall votes on four other state senators will be held June 5, 2012. In January, 2012, 931,000 petition signatures were filed seeking a vote on removal of Governor Walker; 540,208 signatures were required and the Governor did not file a challenge to the petitions. (Only two U.S. governors have ever been recalled: Lynn Frazier of North Dakota in 1921 and Gray Davis of California in 2003.) Another 842,860 signatures were filed to recall the Lieutenant Governor, Rebecca

> Kleefisch.63

An act adopted in Ohio would have reduced the bargaining power of local public workers including teachers, prohibited teachers from bargaining on class sizes and other working conditions, established merit pay, and barred protection of teachers from layoff on the basis of seniority.64 At a November 8, 2011 referendum, voters repealed the law

by a 61 percent to 39 percent margin.65

In Idaho, a 2011 law limits the length of teacher contracts, limits bargaining to wages and benefits, phases out teacher tenure, and ends the last-in-first-out layoff policy. Districts must base at least 50 percent of teacher and administrator evaluations on student achievement; teachers' salaries can be increased based on improving student achievement and working in hard-to-staff assignments.66

Indiana now also limits collective bargaining to wages and benefits, excludes education policy issues from bargaining (some policy issues, including class size,

must be discussed with teachers outside of bargaining), requires school districts to develop teacher evaluation measures that include student achievement, and include performance in pay raise decisions.⁶⁷

In 2010, Illinois tied teacher and administrator evaluations to student performance. In 2011, Illinois legislation supported by the Illinois Federation of Teachers and the Illinois Education Association tied teacher tenure, advancement, and layoffs to evaluation.⁶⁸

Florida and Nevada modified teacher tenure rules, 69 and Florida is implementing merit pay for teachers and principals. 70

Tennessee lawmakers approved a bill that abolished

teachers' ability to bargain collectively. The new law established new procedures for choosing teacher representatives (instead of selecting one group to negotiate, teachers would pick a committee of representatives through secret ballot elections) who would meet with the school board in "collaborative conferencing" meetings guided by a legal framework that is different from the one that applies to negotiations. Instead of a contract, the talks would result in a memorandum of understanding, which is often less enforceable than a contract. The act limits the topics of agreements, allowing compensation, insurance, and benefits, but prohibiting job assignment, bonuses, and other issues.⁷¹

Many of these new laws are being challenged in court.

Conclusion

Research has demonstrated the critical importance of teachers: teachers are arguably the most important component in the formal education delivery system. Because teachers are so important and because teachers' unions have been so effective in protecting their members, many of the recent efforts to improve the quality of public education have focused on teachers, tenure, and collective bargaining.

State and national government officials are among those who have criticized teacher tenure and job protection; seniority benefits; criteria for wage increases; pensions; health care coverage; and other benefits. Among the reasons for this criticism is an increasing awareness of how far the public education system in the U.S has fallen behind systems in other countries. Also important are budget problems at all levels of government; increased unfunded accrued liabilities in teacher pension funds battered by the recession; and reductions in wages and benefits in the private sector.

Policy changes in response to budgetary pressures include restrictions on the subjects of collective bargaining and tenure reform, both of which increase management control. It is alleged that some reform proposals have political motivations. A change in political control of state houses and governorships is as-

sociated with challenges to teachers' unions (as well as other public employee unions), which are major donors of money and other support in elections (nearly all of that support goes to Democrats). Critics of holding teachers individually accountable note the many other factors that affect student learning, including socioeconomic factors over which teachers have no control, and the imperfection of some evaluation measures. Teachers' union spokespersons assert that teachers are being unfairly blamed for problems they did not create and that they are not being given the resources required to be effective.

The many changes that are taking place in public education include imposition of new core curricula; changes in performance evaluation of teachers; changes in the relationship of teachers and school administrations; reduction of traditional teacher protections; competition between charter schools and traditional schools; state takeover of underperforming school districts and, soon, individual schools. These are profound changes, and supporters believe that they will improve the quality of public education. Because the burden of many of these changes fall on teachers, implementation will require providing the resources teachers need to be successful.

Postscript

There is a general sense that the public education system is broken. Many of the proposals for fixing the system have focused on teachers, and that focus has occurred for several reasons: their importance; their numbers; their status as public employees; the ability of legislatures to exercise control over them; the public's desire for someone to hold accountable. Many policy makers and parents demand increased accountability in language that often sounds accusatory, while at the same, resources for schools are being reduced.

The research on the importance of teachers to education outcomes illustrates the immense added value that

a successful teacher can have, and the detrimental effects that a poorly performing teacher can have. Policies that focus exclusively on addressing poorly performing teachers, but that ignore the benefits that highly successful teachers can bring, risk driving good teachers from the system. Teachers often deal with a variety of challenges including unmotivated or unprepared students, large classes, poorly equipped classrooms, shabby schools, and dangerous neighborhoods. Teachers are now also facing increased risk of layoff, larger class sizes, and reduced pay and benefits. Policy makers should be very sensitive to not driving the best teachers from the system.

Table 12 State Spending on Salaries and Wages for Instruction Staff by Public Elementary-Secondary School Systems, 2008-09 (Dollars in Millions)

1001 Systems, 2008-09 (Dollars in Millions)		
	<u>Total</u>	Salaries and Wages	Employee Benefits
United States	\$311,891.1	\$209,007.1	\$70,058.8
Alabama	3,836.4	2,479.8	995.7
Alaska	1,129.8	603.9	394.1
Arizona	4,296.5	3,047.8	863.8
Arkansas	2,418.0	1,668.2	437.1
California	35,618.0	24,304.9	7,407.5
Colorado	4,108.3	2,957.9	683.3
Connecticut	5,054.4 877.7	3,290.6	1,273.5
Delaware District of Columbia	330.7	565.7 280.2	250.5 30.3
Florida	13,884.3	8,805.1	2,651.1
Georgia	10,063.9	7,129.5	2,041.5
Hawaii	1,402.3	868.4	342.9
Idaho	1,157.6	808.8	262.9
Illinois	13,520.1	9,193.4	3,009.0
Indiana	3,729.8	1,640.3	3,681.8
Iowa	2,914.2	2,085.5	624.6
Kansas	2,883.1	1,901.2	495.8
Kentucky	3,468.2	2,498.4	789.6
Louisiana	4,052.0	2,772.4	925.6
Maine	1,383.7	896.8	369.6
Maryland	6,899.3	4,715.5	1,787.3
Massachusetts	8,885.9	4,680.8	2,547.3
Michigan Minnesota	9,422.7 5,816.0	6,027.8 3,749.5	2,790.2 1,574.4
Mississippi	2,317.7	1,592.8	486.1
Missouri	5,175.1	3,668.3	983.4
Montana	855.8	568.3	161.9
Nebraska	1,887.4	1,238.9	403.3
Nevada	2,145.8	1,423.2	523.5
New Hampshire	1,546.3	1,001.6	383.6
New Jersey	13,800.3	8,839.7	2,979.6
New Mexico	1,807.5	1,244.5	386.7
New York	35,195.4	21,764.8	9,370.0
North Carolina	7,943.5	5,773.6	1,413.5
North Dakota	579.8	412.4	120.8
Ohio	10,734.3	7,139.0	2,371.7
Oklahoma	2,836.9	1,926.8 1,948.9	584.8 938.1
Oregon Pennsylvania	3,291.3 12,803.8	8,537.5	2,933.9
Rhode Island	1,224.2	782.6	322.4
South Carolina	3,854.2	2,736.7	783.2
South Dakota	645.9	443.1	119.1
Tennessee	4,809.8	3,321.8	957.0
Texas	23,895.9	18,535.8	3,041.2
Utah	2,169.4	1,428.1	590.2
Vermont	859.4	545.3	191.9
Virginia	8,194.2	5,737.1	1,973.7
Washington	5,984.1	4,056.7	1,342.0
West Virginia	1,759.4	1,084.6	534.8
Wisconsin Wyoming	5,857.3 744.8	3,698.4 504.3	1,797.9 176.8
wyoning	744.0	504.5	170.0

Source: U.S. Census Bureau, 2009 Annual Survey of Local Government Finances – School Systems, "Public Education

Finances" Table 6

Table 13
Per Pupil Amounts of State Spending on Salaries and Wages for Instruction Staff by Public Elementary-Secondary School Systems, 2008-09

	<u>Total</u>	Salaries and Wages	Employee Benefits
United States	\$6,369	\$4,333	\$1,452
Alabama	5,142	3,326	1,335
Alaska	8,675	4,637	3,026
Arizona	4,376	3,105	880
Arkansas California	5,089 5,776	3,516 3,942	921 1,201
Colorado Connecticut	5,047 8,872	3,641 6,017	841 2,328
Delaware	7,475	4,843	2,326
District of Columbia	7,460	6,321	685
Florida	5,293	3,357	1,011
Georgia	6,052	4,322	1,238
Hawaii	7,813	4,839	1,911
Idaho	4,320	3,018	981
Illinois	6,330	4,338	1,421
Indiana	5,389	3,627	1,595
Iowa	5,977	4,278	1,281
Kansas	6,128	4,044	1,055
Kentucky Louisiana	5,178 6,114	3,730 4,183	1,179 1,397
Maine	7,059	4,802	1,979
Maryland	8,177	5,589	2,118
Massachusetts	8,737	5,020	2,732
Michigan	6,057	3,875	1,794
Minnesota	, 7,242	4,669	1,960
Mississippi	4,719	3,243	990
Missouri	5,759	4,082	1,094
Montana	6,043	4,013	1,143
Nebraska	6,460	4,240	1,380
Nevada New Hampshire	4,979 7,434	3,302 5,060	1,215 1,938
New Hampshire New Jersey	9,337	6,504	2,192
New Mexico	5,498	3,786	1,176
New York	12,524	8,070	3,474
North Carolina	5,470	3,976	973
North Dakota	6,126	4,357	1,276
Ohio	5,940	4,129	1,372
Oklahoma	4,401	2,989	907
Oregon	5,690	3,468	1,669
Pennsylvania	7,516	5,035	1,730
Rhode Island South Carolina	7,906 5,330	5,530 3,831	2,278 1,096
South Dakota	5,097	3,499	940
Tennessee	4,954	3,421	986
Texas	5,142	3,989	654
Utah	4,075	2,682	1,109
Vermont	9,184	6,190	2,179
Virginia	6,630	4,645	1,598
Washington	5,775	3,915	1,295
West Virginia	6,241	3,847	1,897
Wisconsin	6,756	4,266	2,074
Wyoming	8,565	5,799	2,033

Source: U.S. Census Bureau, 2009 Annual Survey of Local Government Finances – School Systems, "Public Education

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