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Stage Employees' Earnings At The John F. Kennedy Center For The Performing Arts

B-154459

Smithsonian Institution

UNITED STATES
GENERAL ACCOUNTING OFFICE

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DEC. 18, 1973

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

GENERAL GOVERNMENT DIVISION

B-154459

The Honorable H. R. Gross
House of Representatives

Dear Mr. Gross:

Your June 21, 1973, letter to the Comptroller General requested information on current pay rates and examples of weekly or monthly earnings for stagehands (stage employees) at the John F. Kennedy Center for the Performing Arts. You cited an example of an apprentice stagehand who was earning about $500 a week and who was paid $200 for one 16-hour assignment.

Stage employees are organized into three departments--electrical, carpentry, and property. The Center pays them from revenues from theater operations and private donations. Federal funds have been appropriated only for construction work and for operating and maintaining the non-performing-arts functions of the Center and are not used to pay stage employees.

We noted that:

--Wage rates for stage employees are specified in the contract between the Center and the local stage employees' union. These rates are comparable to those paid by certain other theaters in the Washington, D.C., area and by theaters in another major city selected for comparison.

--The stage employees earned about $845,000 during 1972. Of the Center's 263 stage employees during 1972, 217 worked for periods ranging from 1 to 28 weeks and earned an average of $841 for the year. On the other hand, 13 full-time employees earned from $20,294 to $29,492.

--Overtime pay represented a large portion of the employees' earnings. During calendar year 1972, the highest paid 13 employees averaged about $9,500 in overtime pay, compared with their average of about $15,000 in regular pay. Factors which contributed to the amount of overtime pay included priority of certain employees for overtime; payment of a minimum of 4 hours' pay for each employee assignment; and the large number of short-running shows which often require rehearsals, performances, and other work on the same day.

--Negotiations for a new contract between the Center and the union have been substantially completed. The new contract when finalized will be subject to the approval of union members. A Center official said this is expected to be accomplished by the end of December 1973.

The appendix discusses the above matters in more detail.

We discussed the results of our review with Center officials and included their comments in this report. We plan no further distribution of this report unless you agree or publicly announce its contents.

Sincerely yours,

Victor L. Lowe

Victor L. Lowe
Director

STAGE EMPLOYEES' PAY AT THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

The Center, a bureau within the Smithsonian Institution, is administered by a Board of Trustees which is responsible for presenting music, opera, dance, poetry, lectures, and other Center programs. Most of these programs are presented in the Center's three theaters--the Concert Hall, the Opera House, and the Eisenhower Theater.

Stage employees at the Center are paid from revenues from theater operations and private donations. Federal funds have been appropriated and used only for construction work and for operating and maintaining the Center's non-performing-arts functions. Under the John F. Kennedy Center Act, as amended, the Board is authorized to appoint and fix the compensation and duties of any officers and employees necessary to efficiently administer the Board's functions. Local Number 22, International Alliance of Theatrical Stage Employees, AFL-CIO, is the authorized bargaining representative for the Center's employees.

The contract between the Board and the union, entered into in September 1971, was to have expired August 31, 1973, but was extended, with an across-the-board pay increase of 4 percent, until completion of negotiations for a new contract. The negotiations have been substantially completed; however, union members have not yet approved the new contract.

Information on the employees, their earnings, and the new contract follows.

STAGE EMPLOYEES

Stage employees are organized into three departments--electrical, carpentry, and property. For payroll purposes stage employees are classified as department heads, flymen, keymen, and all other men. Department heads are stage employees working as foremen who may work alone or with assistance. At some theaters, but not the Kennedy Center, each department head may have an assistant department head. Flymen are members of the carpentry department responsible for vertical movement of scenery, lights, or other props. Keymen are those employees who move props on the stage during a performance. The remaining employees, classified as all other men, perform various duties before, during, and after a performance.

EARNINGS

The following hourly wages were paid to stage employees at various theaters during the year ended August 31, 1973.

Position	Washington area: Kennedy Center	Washington area: Theater A	Washington area: Theater B	Washington area: Theater C (note a)	Washington area: Theater D	Other cities: City A	Other cities: City B
Department heads	$8.10	$8.20	$6.875	$8.157	$8.15	$9.10	$5.80
Assistants			6.25			7.50	5.45
Flymen	7.60	7.70				6.85	5.45
Keymen	7.40	7.55		5.857	7.50		
All other men (note b)	6.95	7.10	6.00	5.50	7.05	6.15	5.25

[a]Computed by dividing the negotiated rates for a full performance by the 3-1/2-hour average time for a performance.

[b]Includes both experienced union members and men working under union permits. The latter may include beginners or apprentices and also experienced stage employees who are not union members. Center records do not identify apprentices or permit workers.

The wage rates for the Center are somewhat less than for theaters A and D. An official of theater B said that its lower rates are due to its small seating capacity which cannot generate sufficient income to pay the usual area rates. An official of theater C said its rates for keymen and other stage employees are considerably lower because it is an outdoor theater specializing in popular shows.

The highest rate for stage employees at the Center was increased in September 1972 from $7.70 an hour to $8.10. At those rates, the basic wage for employees in that category (department heads) averaged $313 a week, or about $16,280 for 52 full weeks. However, one full-time employee earned $1,344 in 1 week, and another worked 48 weeks and earned $29,492. In addition, one part-time employee earned $848 in a single week and $145 for 1 day. These extreme examples are not representative for all stage employees at the Center. Some factors contributing to these high earnings are discussed beginning on page 5.

Although 13 of the 263 stage employees the Center employed during calendar year 1972 earned over $20,000, 217 others averaged $841 for that year. Some of the latter received only 4 hours' pay from the Center during the entire year. These people may have worked most of the time at other area theaters or were part-time permit workers.

A summary showing the range and amounts of stage employees' earnings at the Center for calendar year 1972 follows.

Annual earnings	Number of employees	Total earnings	Weeks worked	Annual average	Weekly average
Over $20,000	13	$320,312	45 to 52	$24,639	$499
$15,000 to $19,999	7	121,787	34 to 49	17,398	395
$10,000 to $14,999	6	78,476	25 to 36	13,079	424
$5,000 to $9,999	20	142,318	11 to 34	7,116	289
Under $5,000	217	182,391	1 to 28	841	156
Total	263	$845,284	1 to 52	3,214	302

As indicated above, the full-time employees had the highest annual earnings. The 13 employees earning over $20,000 received about 38 percent of the total earnings of $845,284. Further details on these employees, who include nine department heads, three keymen, and one flyman, are shown below.

Employee	Total earnings	Weeks worked	Weekly average (note a) Total	Base pay	Overtime	Highest weekly total
1	$29,492	48	$614	$313	$301	$1,205
2	29,085	49	594	313	281	1,060
3	28,067	51	550	313	237	985
4	27,203	50	544	293	251	1,131
5	25,679	49	524	313	211	1,039
6	25,478	52	490	287	203	867
7	23,886	52	459	313	146	986
8	23,181	45	515	287	228	983
9	22,837	52	439	313	126	1,263
10	22,396	45	498	287	211	933
11	22,232	49	454	313	141	1,344
12	20,482	51	402	313	89	795
13	20,294	49	414	313	101	1,251
Total	$320,312	642	499	306	193	

[a]Base pay is computed on the basis of a 40-hour week at the regular hourly rates.

Overtime pay represents a sizable portion of the earnings for these employees. Without overtime, the highest annual earnings would have been about $16,280.

FACTORS CAUSING HIGH EARNINGS

A Center official told us that the terms and conditions in the union contract contribute to the high earnings. Any stage employees called to work at the Eisenhower Theater or the Opera House received 4 hours' pay even though actual time worked may have been much less. Certain work, known as "taking in a show," consists of arranging the scenery, lights, and other props for the first performance of a show and pays at least 8 hours. In addition, these conditions lead to large amounts of overtime as shown by the example below.

In March 1972 the union contract was amended to guarantee Concert Hall stage employees 40 hours' pay per week for performing all necessary work during that time. This eliminated the provision under the original contract which allowed each Concert Hall stage employee to receive a minimum of 4 hours' pay for each assignment (call) regardless of actual work performed. Some Concert Hall employees were being paid for as many as five calls, or 20 hours, for 8 hours' work and earning $1,500 a week. Employees in the Opera House and the Eisenhower Theater are still being paid on the call system, but their earnings are not as high as the Concert Hall employees' previous earnings.

Overtime

The contract requires time and a half to be paid for all hours over 8 for 1 day or 40 for 1 week. The highest paid 13 employees averaged about $9,543 in overtime pay, compared to their average of $15,097 in regular pay. The part-time employees also worked significant overtime.

A Center official told us some employees received a large amount of overtime principally because:

--Some employees regularly assigned to the Concert Hall have priority to work overtime at their option.

--The large number of short-running shows often require the primary stage employees to work rehearsals, performances, and other work on the same day.

--Officials of road shows renting one of the Center's theaters establish their own stage employee requirements. This sometimes forces the Center to use some employees more than 40 hours a week. However, the Center is usually reimbursed by the road shows for these expenses. Center officials said these conditions are normal to theater operations.

A Center official presented the following as a typical example leading to high overtime costs. A show at the Opera House or Eisenhower Theater would arrive early in the morning and stage employees would be called from 8 a.m. to 5 p.m. to prepare the stage. This call pays 8 hours with a 1-hour meal break after 4 hours. If the cast rehearsed between 6 p.m. and 7 p.m., the stage employees would be paid 4 hours at time and a half. These employees would also work the performance starting at 7:30 p.m. and be paid another 4 hours at time and a half although the show may last only 3 hours. After considering mandatory 1-hour meal breaks, the employees would receive 20 hours' pay for the 13 hours covered by the calls.

A Center official informed us that the actual time worked under these conditions may be 10 to 12 hours because stage preparation and the performance generally require less time than the duration of the calls. Some of these conditions, the official said, will be changed under the new contract, which we discuss later.

Depending upon the employee's position, he would earn between $139 and $162 this day. Furthermore, if he had previously worked 40 hours that week, all work on this day would be time and a half. This would increase his gross pay to between $166.80 and $194.40, depending upon his position.

Similar problems occur on the last day of a performance. These problems are significant since the Eisenhower Theater and the Opera House had 54 shows during calendar year 1972.

Center officials informed us that many of the working conditions which lead to high costs resulted from contract terms negotiated by other Washington theaters before the Center was built and that these terms were generally more favorable to the union than contracts in other cities. These officials stated that, on the basis of their experience in theaters here and at other cities, the Washington area historically has the highest stage employee costs in the United States.

NEW CONTRACT NEGOTIATIONS

In its initial proposal for a new contract covering all stage employees at the Center, the union suggested certain changes which Kennedy Center officials found unacceptable. One Center official estimated that, if all the changes were approved, stage employee costs would increase by 220 percent due primarily to the following items: increased minimum number of hours payable for certain work, expanded scope of stage employee operations, expanded minimum crew size in the Eisenhower Theater and Opera House from four to eight men each, increased hourly wages, and increased overtime rate from time and a half to double time.

Because the above changes would so drastically increase stage employees' wages, Center officials rejected this proposal. The union presented a second proposal reducing these increases by about 50 percent. Center officials also rejected this offer. Subsequent negotiations resulted in a new contract to cover a 4-year period from September 1, 1973, to August 28, 1977. Union and Center officials reached substantial agreement on October 8, 1973. The new contract is subject to the approval of union members. According to a Center official, this is expected to be accomplished by the end of December 1973.

Hourly wages would be increased under the new contract as shown in the following comparison with prior contract rates.

Position	Prior rates	New rates 1st year	2d year	3d year	4th year
Department heads	$8.10	$8.60	$9.20	$9.80	$10.50
Flymen	7.60	8.10	8.60	9.20	9.80
Keymen	7.40	7.90	8.40	8.90	9.60
All other men	6.95	7.40	7.90	8.40	9.00

The new hourly rates are retroactive to September 1, 1973; however, the work rule changes discussed below became effective October 8, 1973.

A Center official told us that under the new contract the Center will pay any cost-of-living increase over 5 percent a year above the Washington area index. The Center will also increase its payments to the stage employees' pension and welfare funds from 8 percent of gross stage employee earnings to 13 percent by the fourth year of the contract.

The new contract, according to the Center official, also changed several work rules which will reduce the Center's stage employee costs. For example, stage employees will be paid on an hour-to-hour basis under certain circumstances when previously they received a minimum of 4 hours' pay. Also, the length of time stage employees may be worked without meal breaks has been increased from 4 to 5 hours, which should reduce the amount of overtime. The meal break may be less than 1 hour, if the Center provides the meals. The minimum crew size required to work rehearsals has been reduced from four employees to one under certain circumstances. Finally, the union has agreed that the National Park Service has maintenance jurisdiction over the theater seating areas. This will allow tourists to view the theater chandeliers without the Center's paying a stage employee to turn the lights on and off.

The net cost of these changes has not been determined although a Center official believes the cost increases should approximate the cost decreases. He provided an example of reduced costs, which showed that stage employee costs for a ballet at the Center had been reduced from $27,332 in 1972 to $18,966 in 1973, a difference of $8,366. He said that most of the savings were due to the changes in work rules under the new contract.

The union generally has obtained better pay rates and contract terms and conditions from theaters in the Washington area than in other cities, according to Center officials. A Center official told us one reason for this may be that, in cities such as Boston, Los Angeles, New York, and

Philadelphia, all theaters in the city bargain jointly with their local unions, operate under only one contract, and pay the same rates for similar positions.

In the Washington area each theater bargains separately with the union, negotiates individual contracts, and pays different hourly rates for the same positions. Joint negotiations by Washington area theaters with the union may be feasible. But they could encounter problems because joint negotiations of uniform pay rates and contract terms could result in higher costs to some theaters which now have more favorable contracts than other theaters.