

Sucking the Life Out of America's Public Schools

The Expense of Teachers Union Contracts



Part 5

United Teachers Los Angeles Contract

EAG
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LAYOFFS, FURLOUGH DAYS AND RUNAWAY LABOR SPENDING IN LOS ANGELES SCHOOLS

Headed into the 2010-11 school year, one could have easily assumed that the Los Angeles Unified School District had no money to waste.

The district's budget deficit stood at \$640 million. More than 2,000 employees had just been laid off. The school board had just approved a deal giving teachers five unpaid furlough days, and cutting five days from the academic calendar.

Yet the district managed to spend \$416 million on health insurance premiums for teachers and retirees, with no contribution from the insured parties. Somehow it was able to spend \$47 million on automatic, annual salary increases for teachers who remained on staff.

The district also managed to spend a whopping \$382 million for substitute teachers and \$62 million on an "instructional coaches" program.

Those highly questionable expenses, and many more, can be traced to the collective bargaining agreement (CBA) negotiated between the school board and the United Teachers of Los Angeles.

We studied the 2007-11 CBA, identified various provisions that appeared to be expensive, then secured the corresponding costs for the 2010-11 school year through a freedom of information request.

It turns out that LAUSD was indeed spending big bucks on many employee perks that have no connection to student learning. And this was happening as the school board continued to eliminate crucial instructional hours from the district schedule.

We strongly suspect the pricey items we discovered are only part of the story. We believe there are many other provisions in the 349-page CBA we did not inspect that cost the district even more money.

Some of the expenditures we list below may not come from the district's general fund. Some may be financed with state dollars or other sources of outside revenue. But if the money existed to pay for union perks and unnecessary programs, why can't money be found to prevent teacher layoffs, larger class sizes and furlough days?

Sadly the situation has not improved in the nation's second-largest school district. The school board and teachers union recently concluded a deal that will eliminate another five days of classroom instruction in 2012-13 and result in the layoff of another 1,300 employees.

The district has now eliminated a total of 18 days of instruction over the past four years.

Shamefully, there are still no signs that the school board is ready to confront the teachers union about runaway labor costs. Apparently the employees come first in Los Angeles, and students are an afterthought.

Parents and taxpayers should rise up and demand that more money be directed toward student needs, rather than extras for unionized staff.

The following dollar figures were provided by the Los Angeles Unified School District.

OVERALL UTLA LABOR COSTS

The Los Angeles school district spent **\$2.9 billion** on salaries and benefits in 2010-11 for employees (mostly teachers) covered by the teachers union CBA. That represented 52 percent of all labor spending in the district that year (**\$5.5 billion**) and 34 percent of the district's total expenditures (**\$8.4 billion**).

EMPLOYEE HEALTH INSURANCE

Health insurance for employees and retirees covered by the CBA falls under the district's Health and Welfare Fund. Health insurance enrollment in 2010-11 was open to all full-time and many part-time employees as well as spouses, domestic partners and dependents. We found no contractual language regarding responsibility for the payment of health insurance premiums, but the obligation obviously fell completely to the school district.

The Los Angeles Unified School District paid out \$334 million in 2010-11 for health insurance premiums for employees covered by the teachers union CBA. The employees contributed nothing toward premiums, which is an increasingly unusual arrangement for an American school district.

RETIREE HEALTH INSURANCE

The district offered generous extended coverage to retirees who were members of the teachers union. According to the CBA, they qualified for coverage equal to the number of years they worked in the district for at least 100 days.

The Los Angeles Unified School district paid out \$82 million in 2010-11 for health insurance premiums for retirees covered by the teachers union CBA. The retirees contributed nothing toward premiums.

SUBSTITUTE TEACHER COSTS

The murky language of the CBA suggested that all employees covered by the contract received 10 paid sick days per academic year, and also earned .05 hours of "illness absence credit" for each hour of work. They also received up to six paid days for personal leave. Teachers took 297,905 sick days and 39,873 personal days in 2010-11. That averaged out to 12 days of paid absence for the 27,925 full-time union teachers. There are also many types of unpaid absences allowed by the district. Substitutes were obviously needed on most occasions to cover for absent teachers.

Under the CBA, regular subs were paid a base rate of \$173 per day (\$28 per hour) in 2010-11. Those on the "daily incentive plan" or those considered "day-to-day" substitutes were paid \$233 per day (\$38 per hour). Summer school subs were paid between \$189 and \$255 per day. Subs working in the Developmental Center/Early Education Center were paid between \$151 and \$168 per day.

The Los Angeles Unified School District reported spending \$382 million for substitute teacher services in 2010-11. We thought that figure sounded a bit high, and we double-checked with communication personnel at the district, to make sure it wasn't a typographical error. Despite their best efforts, they were unable to contact the departments that could

either confirm or correct the reported dollar figure.

AUTOMATIC, ANNUAL SALARY INCREASES

These are common in American school districts, and incredibly expensive. Contract terms guarantee most teachers an automatic raise every year, based on their years of service and level of college degree attained, with no regard to classroom performance.

The Los Angeles Unified School District spent \$47 million on automatic, annual raises for teachers in 2010-11.

INSTRUCTIONAL COACHES

The CBA offered a limited description of the “instructional coaches” program, but it seems clear it involves selected employees working with classroom teachers to improve instruction. According to a 2009 media report, there were more than 1,000 of these coaches working in the district at that time. The CBA says, “The goal of instructional coaches is to increase the opportunity for success of teachers and students by demonstrating, teaching and inspiring excellence in the profession.” Instructional coaches are paid “according to the teacher preparation salary table plus a salary differential of \$150 per pay period.”

The Los Angeles Unified School District spent \$62 million for instructional coaches in 2010-11.

REPLACEMENT TEACHERS

The CBA stipulated that teachers who fill in for absent colleagues (classroom teachers or library media teachers) when a substitute can't be found receive extra pay.

The Los Angeles Unified School District paid teachers \$6.2 million in 2010-11 to serve as replacement teachers.

RETIREMENT BONUSES

The CBA stipulated that “employees who were employed by the district for 1992-93, and then retire from the district commencing July 1, 1994 or thereafter, shall receive a lump sum bonus at the time of retirement. An employee will be paid an amount determined by multiplying the employee’s regular daily rate for the year preceding the retirement date by 20.4.”

The Los Angeles Unified School District paid out \$5.4 million in retirement bonuses to 787 employees covered by the teachers union CBA in 2010-11. That averaged out to \$6,861.49 per employee.

PROFESSIONAL DEVELOPMENT

According to CBA, teachers were paid to participate in a certain number of professional development programs during the course of a school year. “Participation in such continued learning is a required professional duty and part of each teacher’s basic personal obligation to

the profession and to the students of the district,” the contract said.

The Los Angeles Unified School District spent \$402,427 on extra pay for teachers for professional development activities in 2010-11.

NATIONAL BOARD CERTIFICATION BONUSES

The CBA said “the district has agreed to establish a program for payment of additional compensation to UTLA-represented permanent employees who work directly with students on a daily basis in a classroom setting who obtain National Board Certification from the National Board for Professional Teaching Standards. Each qualified employee in permanent or probationary status shall receive compensation at their daily rate for actually working a number of additional days/hours equal to 7.5 percent of their work year (92 hours) and shall also receive a differential of 7.5 percent per year for a total of 15 percent increase in compensation above their base rate.”

The Los Angeles Unified School District spent \$3.7 million on extra compensation in 2010-11 for employees who obtained National Board Certification status.

CONFERENCE AND CONVENTION ATTENDANCE

The CBA said, “A paid leave may ... be granted by attendance at conferences and conventions sponsored by professional instructional organizations which are recognized by the State Board of Education or approved by the appropriate administrator.” The leaves are not supposed to necessitate the hiring of a substitute teacher, unless the attendee is the official representative of the district or a workshop leader or speaker at the event.

The Los Angeles Unified School District spent \$1.8 million on salary for teachers attending conferences and conventions in 2010-11.

ATTENDANCE INCENTIVE PLAN

According to the CBA, “the attendance incentive plan is intended to reward regular attendance in order to improve the instructional program and reduce the costs of absenteeism.” The maximum yearly bonus payment is equal to the number of illness days actually earned by the employee during the school year, or a maximum of 10 days. Each hour of absenteeism due to illness or personal necessity is subtracted from that amount. Half of each employee’s payments were put into an interest-gathering reserve fund, to be paid to the employee upon retirement.

The Los Angeles Unified School District paid employees covered by the teachers union CBA \$207,047 in attendance incentive bonuses in 2010-11.

HOW THE DISTRICT COULD HAVE SAVED MONEY

The school district had a deficit of \$640 million in 2010-11. A common sense approach to trimming that shortfall by nearly half, and limiting the number of layoffs and furlough days, would have been to reduce, delay or eliminate many of the expenditures listed above (as well as many others not listed). Nobody's base salary would have been cut, and retiree health insurance would not have been affected. Such a plan would have required the cooperation of the teachers union.

Cut substitute teacher costs by one-third	\$127 million
Employees pay 20 percent of their health care premiums	\$66.8 million
Cancel automatic, annual salary increases for one year	\$47 million
Cut the instructional coaches budget in half	\$31 million
Make teachers cover for absent colleagues without extra pay	\$6.2 million
Delay payment of retirement bonuses	\$5.4 million
Eliminate conference and convention activities for one year	\$1.8 million
Suspend national certification bonuses for one year	\$3.7 million
Suspend the attendance incentive program for one year	\$207,047
Suspend professional development pay for one year	\$402,427
Total savings	\$289 million

HOW COULD THEY AFFORD THIS KIND OF STUFF?

Before the 2010-11 school year, the Los Angeles Unified School District was reporting a staggering budget deficit of \$640 million. Thousands of employees were laid off and five instructional days were removed from the school calendar. Yet the district somehow found money to spend:

\$382 million on substitute teachers

\$416 million on free health insurance for employees/retirees

\$62 million for “instructional coaches”

\$47 million on automatic, annual raises for teachers

\$6.2 million for teachers who cover for absent colleagues

\$5.4 million for retirement bonuses

\$3.7 million for national board certification bonuses

\$1.8 million for conference and convention attendance

\$402,427 for professional development activities

\$207,047 for attendance incentive bonuses

ABOUT EAGNEWS.ORG



EAGnews.org is a service of Education Action Group Foundation, a Michigan-based 501(c)(3) non-partisan non-profit organization. It has been researching and promoting school spending reform for more than four years.

Originally focused solely on Michigan schools, EAGnews.org has since begun analyzing school spending and education reform across the nation. The organization has three regular publications: **Focus on Reform** (national), the **Ed Reform Radar** (national) and **Wisconsin School Reformer**. The newsletters focus largely on the agenda and tactics of the national teachers' unions, as well as reform efforts around the country.

EAG's research and writing are regularly seen on websites such as Breitbart.com and Townhall.com. Kyle Olson, publisher of EAGnews.org, appears in a weekly segment on **Fox & Friends** called "The Trouble with Schools" on the Fox News Channel.

EAG recently published a book, "**Indoctrination: How Useful Idiots Are Using Our Schools to Subvert American Exceptionalism**," which can be purchased at Amazon.com.

EAG also produced a short documentary film, "**A Tale of Two Missions**," with Fox News analyst Juan Williams, which examines the fight for school choice in Chicago. It can be viewed at **TwoMissionsMovie.com**.

EAGnews.org is currently producing a series of reports exposing school spending habits tied to teachers contracts from large districts around the country.

Visit **EAGnews.org** for more research, reporting, analysis and commentary.