

Sucking the Life Out of America's Public Schools

The Expense of Teachers Union Contracts



Part 6

Cleveland Teachers Union Contract

EAG
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Before spending billions to “transform” the district, Cleveland school officials should tackle runaway union labor costs

Cleveland Metropolitan School District will be asking voters in the November election to approve a whopping 50 percent property tax increase to help “transform” the school district, according to news reports.

Before they step into the ballot box, discerning voters might ask school officials if they’ve stopped the financial bleeding caused by runaway union labor costs.

If the answer is “no,” then some voters may be tempted to give the school board the same answer on Election Day.

Cleveland, like most metropolitan school districts, has been battling mounting budget deficits in recent years caused by declining enrollment and a slowdown in tax revenues.

Let’s go back to the 2010-11 school year, which began on an ugly financial note in Cleveland. Facing a \$53 million deficit, the school board voted to close 16 buildings and eliminate 800 jobs, including nearly 545 teaching positions and more than 100 principals and assistant principals. That meant larger class sizes in a district with woeful academic numbers.

Yet at the same time the district continued to drop millions of dollars on unnecessary union labor costs.

The staff at Education Action Group recently reviewed a copy of the Cleveland Teachers Union’s 2007-10 collective bargaining agreement (CBA), then submitted a questionnaire to the district regarding various costs tied to that contract for the 2010-11 school year.

We found several examples of expenditures that were difficult to defend during a period of layoffs and other types of budget cutting. For instance, the district spent \$43 million on health insurance premiums for employees covered by the agreement, while the employees only kicked in a combined \$3.4 million. The district also spent about \$84 million on pension costs for CTU employees, with no contribution from employees.

Adjustments in those two areas alone would have been nearly enough to eliminate the \$53 million deficit. And we found even more expenditures, outlined below, that wasted a lot of money.

It’s important to note that our survey of the contract was limited in scope. Our goal was to provide a basic example of how teachers unions suck millions of dollars every year from cash-strapped school districts. There were many more examples of pricey provisions in the Cleveland contract we didn’t have time to explore.

Unfortunately the union spending problem has not been addressed in Cleveland. The CTU recently rejected a fact-finder report that recommended several rather painless contract concessions that would have saved the district nearly \$14 million.

The report proposed the elimination of three voluntary paid professional days, three mandatory paid professional days and six paid holidays, along with modification of the bonus plan for teachers with extra kids in their classroom. The school district could have saved a combined \$13.6 million if the union had cooperated.

Union members rejected these ideas by a vote of 4,183-119. If the teachers were so opposed to that set of very tame concessions, will they ever be convinced to give up their automatic, annual “step” salary increases or reimbursement for unused sick days?

Probably not. That means the school district, which spends a huge percentage of its budget on union labor costs every year, will continue to struggle to balance its budget and provide quality services for students.

If the Cleveland school board wants taxpayers to cough up even more money, it might consider doing whatever is necessary to get labor spending under control. Otherwise voters might assume the district will waste the new revenue in the same manner it has for years, on expensive goodies for staff.

The dollar figures listed below were provided by the Cleveland school district.

UNION LABOR COSTS

Total expenditures for the Cleveland school district were just over \$995 million in 2010-11 and total labor costs came to \$564 million.

Labor costs for members of the Cleveland Teachers Union totaled \$349 million. That means CTU labor costs totaled 61 percent of all labor costs and 35 percent of the total district budget.

PENSION COSTS

According to district officials, the Cleveland district was scheduled to pay nearly \$49 million toward the employee pension plan through the State Teachers Retirement System in 2010-11, while employees were supposed to pay a collective \$35 million. But according to the CBA, "the district agrees to pay the employee's share of the payment to the STRS in accordance with Ohio Attorney General's opinion."

The Cleveland school district paid roughly \$84 million toward the pension program for employees covered by the CTU collective bargaining agreement, while employees paid nothing.

EMPLOYEE HEALTH INSURANCE

According to the collective bargaining agreement, eligible employees could choose from one of four single or family health care plans which were largely funded by the school district. The maximum amount any employee was required to pay for monthly premiums was \$30.

Health insurance premiums for employees covered by the teachers union collective bargaining agreement totaled approximately \$47.3 million in 2010-11. The district paid the vast majority - \$43.9 million – while CTU members collectively contributed only \$3.4 million.

REIMBURSEMENT FOR UNUSED SICK DAYS

According to the CBA, teachers with at least 10 years of experience are allowed to accumulate unused sick days at no limit and cash them in at the time of retirement. They receive a payment equal to the value of 30 percent of their accumulated sick leave credit.

Cleveland schools paid out just over \$4 million in reimbursement for unused sick days for teachers and others covered by the teachers union CBA in 2010-11.

TEACHER ABSENCES/SUBSTITUTE TEACHER EXPENSES

The CBA provides Cleveland teachers with a very generous 18 paid sick and personal days per year, to go along with regular school vacations and paid holidays for Labor Day, Veteran's Day, Thanksgiving (2 days off), Christmas, New Year's Day, Martin Luther King Jr.'s birthday, President's Day, Good Friday and Memorial Day. The district's 3,547 full-time teachers took

40,675 sick days and 5,082 personal days in 2010-11 (for a total of 45,757), which means they averaged almost 13 absences per teacher.

The union contract also stipulates a generous pay scale for substitutes, starting at \$127 per day for “inexperienced substitutes” (the rate goes up to \$142 per day starting with the sixth consecutive day of the same assignment), and \$142 per day for “experienced subs” (that rate increases to \$165 per day on the sixth consecutive day of the same assignment).

Cleveland Public Schools paid out nearly \$11.6 million in total substitute teacher costs in 2010-11.

AUTOMATIC, ANNUAL SALARY INCREASES

Nearly every public school district in the nation, including Cleveland, gives most teachers (and other union employees) automatic, annual “step” salary increases, regardless of performance. The raises are based solely on a pay chart that only considers length of service and number of college credits earned.

The Cleveland school district spent nearly \$4 million on automatic, annual “step” raises for teachers and other employees covered by the teachers union CBA in 2010-11.

OVERSIZED CLASSROOM PAYMENTS

The CBA establishes maximum class sizes for various grade levels in the district, and offers several different possible remedies if the limits are violated. One option is to pay individual teachers extra salary for each child they teach over the limit.

The Cleveland school district paid teachers \$797,330 for oversized classroom payments in 2010-11.

CONVENTIONS, CONFERENCES AND WORKSHOPS

According to the CBA, “the union shall have the right to send representatives to selected union or professional conferences or conventions. The district shall bear the cost of any substitutes which may be required provided the total cost in any fiscal year does not exceed \$15,000.” The contract also stipulates that teachers must be given paid released time to attend district sponsored events like committee meetings, workshops, professional meetings, athletic events (supervision or coaching), field trips, musical competitions and fairs.

The Cleveland school district paid out \$611,855 in salaries for CTU members to attend various meetings, conferences, workshops and other events in 2010-11.

UNION PRESIDENT LEAVE TIME

The CBA says the district must pay a full-time salary and benefits to the teachers union president while he or she is released from the classroom full-time to perform union duties. The union reimburses that cost, but does not provide the money necessary to pay a replacement teacher.

The Cleveland school district paid out \$116,423 for salary and benefits for the union president, who never taught in 2010-11. The CBA says that amount was supposed to be reimbursed by the union, but there is no mention of reimbursement for the cost of a replacement teacher. If no replacement teacher was hired, then the district is, in effect, loaning money to the union to pay its president that could be used to hire at least one full-time teacher.

EXTRA-CURRICULAR ACTIVITIES PAYMENTS

The CBA mandates that school employees who coach various athletic teams or oversee other extracurricular activities are paid extra “differential” salaries for their services. Dozens of employees fill these positions, mostly at the high school and middle school levels.

The Cleveland school district paid out \$2.3 million in differential salary payments for coaching or supervision of extracurricular activities in 2010-11.

HOW THE DISTRICT COULD HAVE SAVED MONEY

Facing a \$53 million budget deficit before the 2010-11 school year, the Cleveland school district, with the cooperation of the teachers unions (and in a few cases the state legislature), could have made the following budget adjustments to wipe out that deficit with money left over. We would have offered the following suggestions:

Employees pay the amount they were supposed to pay toward pensions	\$35 million
Employees pay 20 percent of health insurance premiums	\$6 million
Suspend automatic, annual salary increases for one year	\$3.9 million
Delay payment of reimbursement for unused sick days	\$4 million
Cut the substitute budget in half by cutting half of paid sick/personal days	\$5.8 million
Eliminate the annual loan to the union for salary/benefits for union president	\$116,423
Cut differential payments for extra-curricular activities by half	\$1.1 million
Cut payments for meetings, conventions and travel by half	\$305,927
Eliminate oversized classroom payments	\$797,330
Total savings	\$57 million

CLEVELAND TEACHERS SALARY "STEP" CHART

39 Weeks/195 Days

(Subject to Article 30, Section 2)

Step	Schedule A No Degree	Schedule B B.A.	Schedule C B.A. + 1/2 M.A. B.A. + 30 Hrs.	Schedule D M.A.	Schedule E M.A. +15 Grad. Semester Hrs.	Schedule F M.A. + 30 Grad. Semester Hrs.
1	30,275	38,534	38,801	40,546	40,820	41,630
2	31,545	39,488	40,678	42,722	42,722	42,722
3	33,040	40,745	42,436	45,196	45,196	45,196
4	34,352	42,218	44,478	47,745	47,745	47,745
5	36,096	44,344	46,887	50,733	50,733	50,733
6	36,616	46,232	49,042	53,468	53,840	53,840
7	39,081	48,132	51,210	55,991	56,658	56,658
8	40,571	50,116	53,362	58,748	59,492	59,492
9	42,362	52,398	55,861	61,795	62,619	62,619
10	43,863	54,392	58,107	64,527	65,425	65,696
11	45,392	56,364	60,378	67,289	68,269	68,851
12	46,948	58,354	62,670	70,026	71,085	71,686
13	48,919	60,705	65,394	73,287	74,261	75,050
14	50,553	62,695	67,017	73,759	74,729	75,518
15	52,257	63,125	67,835	73,759	74,729	75,518
16	54,298	63,516	68,228	74,151	75,128	75,908
17	54,298	63,516	68,228	74,151	75,128	75,908
18	54,858	63,516	68,228	74,151	75,128	75,908
19	54,858	63,516	68,228	74,151	75,128	75,908
20	54,858	63,516	68,228	74,151	75,128	75,908
21	55,945	64,601	69,309	75,234	76,209	76,996
22	55,945	64,601	69,309	75,234	76,209	76,996
23	55,945	64,601	69,309	75,234	76,209	76,996
24	55,945	64,601	69,309	75,234	76,209	76,996
25	55,945	64,601	69,309	75,234	76,209	76,996
26	57,183	65,838	70,546	76,481	77,449	78,235
27	57,183	65,838	70,546	76,481	77,449	78,235
28	57,183	65,838	70,546	76,481	77,449	78,235
29	57,183	65,838	70,546	76,481	77,449	78,235
30	57,183	65,838	70,546	76,481	77,449	78,235
31	58,737	67,386	72,100	78,021	78,998	79,785
32	58,737	67,386	72,100	78,021	78,998	79,785
33	58,737	67,386	72,100	78,021	78,998	79,785
34	58,737	67,386	72,100	78,021	78,998	79,785
35	58,737	67,386	72,100	78,021	78,998	79,785
36	60,597	69,247	73,961	79,885	80,861	81,734

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.

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