

Sucking the Life Out of America's Public Schools

The Expense of Teachers Union Contracts



Part 9

Denver Classroom Teachers Association Contract

EAG
news.org

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How much do Denver Public Schools spend on runaway union labor costs?

The Denver school board is asking voters to approve “the biggest school tax package in Colorado history” in the Nov. 6 election.

The district is seeking \$515 million in new taxes for repairs to facilities and extra operating revenue.

District officials say the additional revenue is necessary due to the “perfect storm of increasing enrollment, state funding cuts and aging buildings.”

But before voters head to the polls, they may want to know what their district has done, or plans to do, about runaway union labor costs.

Union labor comprises a huge percentage of costs in every government school district in the nation, and Denver is no exception. Most of those costs can be traced to collective bargaining agreements (CBAs) negotiated with local teachers unions.

In the past, when the economy was in better shape and tax revenue was plentiful, schools could afford many of those contractual perks without having to deplete their budgets. But in recent years the recession has reduced local tax revenues and forced states to decrease funding for government schools. That has forced many districts to alter their budgets dramatically.

But too many districts have aimed the budget ax at student services instead of labor costs. Because many of the labor costs are contractual, teachers unions have no legal responsibility (and very little willingness) to give up expensive perks guaranteed by their CBAs.

That means school services necessarily shrink while teachers and other union members hang on to all of their goodies.

In 2009-10 and 2010-11, for example, the Denver school district cut a combined \$34 million out of its general fund budget to make ends meet, according to media reports. There were large reductions in administrative and support staff, increases in class sizes, and large cuts to transportation services, among other things.

But during the 2010-11 school year, the district still paid out \$21.4 million in automatic, annual salary increases for teachers, regardless of classroom performance; \$23.8 million for an employee benefit allowance, \$311,542 in reimbursement for unused teacher sick days, and many other similar expenses.

We only looked at a sampling of labor costs from that year and came up with potential savings of close to \$37.5 million. That’s money that could have been used to fully restore the district budget without dramatically altering anyone’s compensation.

We urge Denver residents to dig deeper into the school district’s labor budget, and ask school officials if this kind of spending is still going on, despite the financial difficulties facing the district. The waste will only continue unless taxpayers demand otherwise.

The following dollar figures, representing labor spending in 2010-11, were provided by Denver Public Schools.

TEACHERS UNION LABOR COSTS

Total labor expenses for Denver Public Schools in 2010-11 came to \$711 million. Salary and benefits for members of the Denver Classroom Teachers Association totaled \$418 million, or nearly 60 percent of the total labor budget.

AUTOMATIC, ANNUAL STEP INCREASES

These are a common cost for school districts around the nation. Most CBAs stipulate that the majority of teachers must receive automatic pay raises every year, based on seniority and the number of graduate credits earned. Classroom effectiveness is not considered in this annual raise.

The Denver school district paid out \$21.4 million for automatic, annual “step” wage increases in 2010-11.

PROFESSIONAL LEAVE

The CBA allows teachers to take paid days off for professional development, one year of sabbatical leave at half salary, or vocational educational professional leave at full salary (provided any money earned during the vocational leave is returned to the district, up to the amount of regular teaching salary).

Members of the teachers union took a combined 7,181 professional, sabbatical or vocational proficiency leave days in 2010-11. That total, multiplied by the minimum cost of a daily substitute, equals an estimated \$671,782.

SUBSTITUTE TEACHER COSTS

According to the CBA, the district provides each teacher 10 days of paid sick leave per 184-day work year, which carry over and can be accumulated from year to year. Teachers are also provided four personal days per year. Unused personal days convert to unused sick days, which can be converted to cash by employees. According to the district, Denver’s 4,302 classroom teachers took a total of 14,086 sick and personal days in 2010-11.

We suspect that number may be inaccurate, based on absentee figures we’ve obtained from similarly sized districts.

Members of the teachers union took a combined 7,181 professional, sabbatical or vocational proficiency leave days in 2010-11 (as mentioned above). Those absences clearly drove up the substitute teacher cost.

The CBA stipulates the following rates for substitute teachers: Retired teachers who sub earn \$110.01 per day, and \$154.50 per day after they sub for 60 days in one school year. Daily subs earn \$93.55 per day, and \$141.11 per day after 60 days in one school year.

The Denver school district paid out \$1.9 million for substitute teachers in 2010-11.

REIMBURSEMENT FOR UNUSED SICK DAYS

According to the CBA, the district reimburses union members for up to 184 days of unused, accumulated sick leave. This is payable upon retirement, or on an annual basis if the employee chooses to cash out only the previous year’s unused sick days.

The Denver school district paid out \$331,542 as reimbursement for unused sick days in 2010-11.

EXTRACURRICULAR COSTS

The school district pays extra salary for union members (and presumably others) who coach school sports teams or advise or oversee other extracurricular programs. There are 43 salaried positions listed on the chart, including \$281,609 for basketball coaches, \$197,452 for football

coaches, \$135,589 for “volleyball” (the word coach is not included in the description), \$85,708 for baseball coaches and \$93,082 for track coaches. Even the forensics director made \$68,885.

The Denver school district paid out \$5.8 million to employees to coach or oversee various student extracurricular activities in 2010-11.

UNION PRESIDENT LEAVE TIME

The CBA requires the district to give the teacher who serves as the local union president paid leave to perform union duties on a full time basis. The president draws his or her regular salary and full benefits while on leave. The union is required to reimburse the district for the cost of a replacement teacher, which in all likelihood costs much less than the president, who is generally a veteran teacher who has moved up the salary scale. The CBA also says the district must allow teachers who are union officials (besides the president) up to 150 paid leave days per year to perform union business. The union only reimburses for the cost of daily substitutes if the union uses more than 150 days.

The Denver school district paid out \$72,714 in salary and \$9,184 in benefits to the president of the teachers union to take full time leave to conduct union business in 2010-11. The district also paid out an estimated \$14,032 (based on the minimum substitute rate) for 150 days of “association leave time.”

BENEFITS ALLOWANCE

According to the CBA, the benefits allowance is extra compensation to help union members pay their portion of the cost for health, dental and vision insurance. The contract also says the allowance “is not merely to provide an amount equal to the prices of health, dental and vision insurance, but to pay an extra amount that plays a significant role in enhancing the district’s competitive position in attracting and retaining teachers.”

The Denver school district paid out \$23.8 million in benefits allowance in 2010-11.

SICK LEAVE PAYMENTS FOR SUBSTITUTE TEACHERS

The CBA stipulates that substitute teachers must receive one day of paid sick leave for every 18 days of employment.

The Denver school district paid out \$51,451 in sick leave payments for long-term substitutes in 2010-11.

LONGEVITY INCREMENTS

These are extra salary bonuses available based on a union employee’s length of stay with the district. According to the CBA, “longevity increments are awarded after the completion of 15 years of Denver Public Schools experience and each 5 year period thereafter.”

The Denver school district paid out \$301,398 in longevity increments in 2010-11.

HOW THE DISTRICT COULD HAVE SAVED MONEY

Media reports tell us that Denver Public Schools cut a combined \$34 million from its budget in 2009-10 and 2010-11. Based on our sampling of labor costs, we believe the district could have saved at least that much (and probably much more) by suspending or eliminating many extra labor costs mandated by the CBA. That sort of logical move would have required the courage of the school board and cooperation of the teachers union.

Our suggestions, based on the information we received, are below:

Eliminate automatic, annual step raises for one year	\$21.4 million
Cut the benefits allowance budget in half for one year	\$11.9 million
Cut extracurricular costs by ½ by cutting salaries and seeking volunteers	\$2.9 million
Cut substitute cost by 1/3 by reducing sick, professional days and sub pay	\$633,000
Suspend or eliminate reimbursement for unused sick days for one year	\$331,542
Suspend longevity increment payments for one year	\$301,398
Suspend paid sick days for long-term subs for one year	\$51,451
Cut union leave time costs by billing union dollar for dollar	\$51,900
TOTAL SAVINGS	\$37.5 million

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.