

Newark teachers' contract: Weighing down public education



**A review of New Jersey contracts to uncover a
major source of waste in public schools
Part 3 of 9**



PublicSchoolSpending.com
Spring 2011

Public School Spending Analysis: Newark Public School District

The Newark, New Jersey school district is the largest public school system in the state with about 40,000 students and 3,774 teachers last school year. The district's operating budget for 2009-10 totaled nearly a billion dollars at \$991,952,699, with district officials identifying \$658,663,774, or about 66 percent of the budget, as labor expenses. A review of New Jersey Department of Education records, however, reveals that the percentage of the budget dedicated to labor is likely closer to 85 percent, when administrative costs, benefits, and other expenses are rolled in.

Newark district officials currently are working to bridge a massive \$75 million budget gap and are considering layoffs for hundreds of employees, including teachers, parent liaisons, school clerks, and security guards, according to The Star-Ledger.

The school dynamics in Newark are further complicated by a recent \$100 million infusion of private funding to improve academics, and a political power struggle over the role of charter schools in one the state's consistently lowest-performing districts.

To provide some context to the heated debate, EAG reviewed the collective bargaining agreement between the Newark Teachers Union and Newark Public Schools – which covers reimbursement and working conditions for teachers, aides and other school staff – to illustrate for taxpayers how the document dictates school spending.

EAG also submitted a public information request for 26 items detailing the costs of specific provisions in the NTU's collective bargaining agreement for the 2009-10 school year. The results depict a district plagued by expensive labor expenses that could be cut or trimmed to save teaching positions or preserve student programs.

This report includes an outline of some of the more pricey labor expenses, and an analysis of possible savings that could be realized through modification of the union contract.

Insurance

The 2009-10 NTU contract states that supplemental fringe benefits “shall be made available for all employees in the bargaining unit. The level of such benefits shall be established by the Trustees of the Supplemental Fringe Benefits Fund ...

“The New Public Schools agrees to budget and appropriate funds sufficient to cover the actual cost of benefits only, such benefits to be provided for Fund beneficiaries.”

The district's health insurance provider, and specifics on health and other coverage, is managed by the Benefits Fund Trustees, and not outlined in the NTU contract.

Information provided by NPS shows that employee benefits cost the district \$111,742,197 in 2009-10, with no employee contributions made. If employees contributed 15 percent of the premiums, an amount comparable to private sector professionals, simple math suggests that Newark taxpayers could save an estimated \$16.7 million per year.

Leave Time

The NTU teachers contract for 2009-10 dictates that “Teachers shall be granted sick leave for fifteen days in each school year, with the exception of the regular teachers in the Newark

Evening High School, who shall receive twelve days per year.

“Teachers with twenty-five years experience in the system shall receive ten additional non-cumulative days per year after accumulated leave has been exhausted,” the union contract states.

The contract permits unused sick leave days to accumulate without limit to be cashed out later.

The union agreement states educators are “granted three days leave annually for personal reasons without explanation.” Unused personal days can also be converted to cash under provisions of the contract. NPS educators are also allowed paid leave for various other reasons, including union conventions, state and local government meetings and professional activities.

The union leave policy resulted in NTU members taking a total of 64,169.47 sick days, 10,558 personal days and 11,056.44 professional days in the 2009-10 school year. Using the teacher’s average daily rate of \$335.61, the combined 85,783.91 paid leave days have an estimated value of \$28.7 million. NPS also spent \$29.9 million on substitutes to cover the absences.

Step Increases

The union contract awards annual, automatic pay increases for teachers based on the number of years employed by the district. The automatic increases vary, based on post-graduate education level, and the contract provides three salary lanes for educators: Bachelor’s degree, Master’s degree and Doctorate degree.

The Bachelor’s lane calls for a salary of \$50,000 in the first year to \$87,216 in year 14. Longevity pay increases of up to \$3,775 are also mandated for years 15, 20, 25, and 30, when the Bachelor’s lane tops out at \$96,166. The Master’s lane increases from \$51,000 to \$99,932 over 30 years. The Doctorate lane ranges from \$53,000 to \$103,159 over 30 years.

The automatic annual raises – which have no correlation to teacher performance or student achievement – increased NPS’ payroll by \$7.4 million in 2008-09 and \$6.7 million in the 2009-10 school year, according to district records.

Super Seniority, Union “Administrative” Time

A contract provision titled “NTU Rights” gives union leaders special treatment and privileges over other employees. The union contract states that “Super seniority shall be defined as being placed at the head of all applicable seniority lists, where not inconsistent with ... the laws of the State of New Jersey.

“Such status shall apply during the term of any officer, executive board member, and no more than one building representative at each school location designated by the NTU president.”

NTU building representatives also get one paid “administrative period” of 40 minutes per week to work on union business under a different contract provision.

Based on a 191-day contractual work year, a 6.5 hour work day, and an average teacher daily rate of \$335.61, the administrative period has an estimated value of \$1,314.56 per building representative per year. Assuming one building representative for each of NPS’ 75 schools, the union administrative time costs the district an estimated \$98,591.89 each school year.

Sick Leave Buyout

NTU members can cash out unused sick or personal days at the end of each school year and upon retirement from NPS.

The 2009-10 union contract states that “unit members whose total number of sick and or personal days absent does not exceed six days, shall be able to convert the remaining accumulated sick and or personal days, at the end of each school year on the basis of a conversion equaling one day’s pay for each five days accumulated ...”

This contract provision forced NPS to pay out \$739,558.67 for unused sick days in 2009-10.

The NTU contract mandates payment for unused sick days accumulated at the time of retirement based on the amount of advance notice given, an employee’s position, and the number of days accumulated. For example, a teacher who retired on July 1, 2010 must receive \$135 for each unused sick day for the first 90 accumulated days. Payment for days 91 through 150 of accumulated unused sick leave were based on one day’s pay at current salary level for every 3.5 accumulated sick days, according to the contract. Payments for unused sick days accumulated between 151 and 250 and beyond were also paid at different ratios and daily rates.

The sick leave buyout for retiring employees in the 2009-10 school year totaled \$3,418,206.43.

Cafeteria and Playground Duty

The 2009-10 NTU contract states that “In elementary/middle schools, teachers may volunteer for cafeteria/playground duty during the teacher’s duty free lunch period.” But it’s hardly volunteer work. The contract goes on to say that “any teacher who volunteers for cafeteria/playground duty during his/her duty free lunch period for a full school year shall be paid two thousand dollars.”

The bonus pay provision cost NPS \$62,101 in the 2009-10 school year.

Discretionary Fund

“The Newark Public Schools and the Union agree to continue the teachers’ discretionary fund. Ninety dollars per teacher shall be made available by the school district in each school year,” according to the 2009-10 NTU contract.

NPS ultimately deposited \$336,299 in the fund during the 2009-10 school year.

Extra-Curricular Supplemental Compensation

The NTU contract states that selection for extra-curricular positions, such as track coach or twirling advisor, “shall be based on consideration of qualifications, seniority, personal preferences of the applicant, integration of staff and welfare of children and the community.”

The collective bargaining agreement also shuns community volunteers by stipulating that “All full-time certified employees who apply for coaching and extra-curricular positions will be considered for the position prior to giving consideration to part-time certified employees or persons from outside the NPS.”

The 2009-10 NTU contract specifies pay for nearly seven dozen job titles, ranging from city wide robotics coordinators to football coaches and student chaperones.

District records indicate that taxpayers spent \$10,986,969.93 on supplemental pay during the 2009-10 school year.

Possible Savings

Considering Newark Public Schools' massive budget deficit, it may be wise for the union and officials to agree to trim or eliminate, at least temporarily, many of the expensive union contract provisions mentioned above, and numerous other costs tied to the collective bargaining agreement. The following are a few logical suggestions for savings:

Potential contract adjustment	Potential approximate savings
Employees cover 15 percent of insurance and fringe benefits costs	\$16.7 million
Cut the number of approved paid leave days in half	\$14.4 million
Lower substitute costs by allowing fewer paid leave days	\$14.9 million
Suspend automatic salary increases for one year	\$7 million
Cut unused sick leave buyout payments half	\$2 million
Employ unpaid community volunteers to cut supplemental pay in half	\$5.5 million
Eliminate cafeteria and lunchroom duty pay	\$62,000
Cut teacher discretionary fund in half	\$168,000
Total potential savings	\$60,730,000

About Education Action Group Foundation

Education Action Group Foundation, Inc. is a Michigan-based 501(c)(3) national education reform organization. It has been researching and promoting school spending reform for more than three years.

Education Action Group analyzes school spending across the nation. The organization also maintains several websites, including PublicSchoolSpending.com, NEAexposed.com and AFTexposed.com, four weekly newsletters, the EAG Insider (Michigan), the Hoosier Report Card (Indiana), Wisconsin School Reformer and the Ed Reform Radar (national). The websites and newsletters focus on the agenda and tactics of the national teachers' unions.

EAG's new media arm, EAGtv (EAGtv.com), has produced a 9-part series of short documentary films, titled "Kids Aren't Cars." They can be viewed at KidsArentCars.com.

EAG's work has been covered by Fox News Channel, MSNBC, National Public Radio, The Washington Post, New York Post, Detroit News, Cincinnati Enquirer, Indianapolis Star, and scores of other newspapers and local television and radio stations.

