

June 28, 2012 No. 12-5

Highlights

- About 22 months have passed since the current contract expired. The last contract was signed 6½ months after the previous contract ended.
- The average salary of a BPS teacher this school year just ended was \$81,633.
- The delay in negotiating a new teachers' contract means that seniority is still an important factor in the teacher excess process.

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High Stakes for Final Teachers' Contract

Future direction of the BPS may be decided by the outcome

The outcome of the collective bargaining contract being negotiated between the Boston Public Schools (BPS) and the Boston Teachers Union (BTU) is one of the most important policy issues facing the City of Boston this year and one that will have a significant impact on the future direction of the BPS. This contract provides a critical opportunity to achieve needed systemic reform that will improve student achievement and support effective teaching. These reforms must come at a reasonable cost that is sustainable which will necessitate the BTU to temper its proposals for salaries and extended time. For almost two-thirds of the students in the BPS, this contract is the only means of bringing meaningful reform to their schools. This opportunity does not present itself often and should not be squandered. Over five years have passed since the current contract was signed in March 2007. Boston's students and parents have one shot at each grade and they will be the losers if real reform is delayed. A new reform contract should be settled and ratified before the first day of school on September 6, 2012.

The BPS-BTU contract is not just about teacher wages and working conditions. This contract has the potential to improve teaching and learning in all schools, reduce the achievement gap and enable the BPS to be a more competitive school system. A marathon session in early April produced near agreement on several key reforms and these reforms should be expected intact in the final agreement. A few of the key points in this report include:

- The BPS is at a crossroads with an urgency for a new teachers' contract that includes significant systemic reforms. Without reforms to improve student performance and effective teaching, the demand by parents and students for more options outside the BPS will grow stronger.
- The cost difference of \$75 million between the most recent contract proposals of the two parties needs to be reduced to a total cost that is sustainable in this economy without sacrificing beneficial reforms.
- The stakes are high for both parties in these negotiations to agree on a contract with systemic reform which would enable the BPS to be more competitive with the public charter schools. A competitive BPS would reduce the loss of students and subsequent state aid, a situation that would require fewer schools and a reduction of teaching positions.

Setting the Stage

The Boston teachers' contract expired on August 31, 2010. The BPS and BTU negotiating teams had been in negotiations for over 22 months but in late March agreed that they were at an impasse and the first day of mediation started on June 6, 2012.

- Massachusetts enacted the Achievement Gap Act in January 2010 and 11 BPS schools were identified as Turnaround Schools with greater resources and administrative flexibility.
- The BPS operates 125 schools and approximately one-third of the schools have some form of flexibility in staff selection and scheduling and additional resources for extended time and staff development. However, that leaves two-thirds of the students in traditional schools and this contract is the only means of bringing real reform to these schools.

Why the Urgency for Reform?

The importance of this contract providing systemic reform, and not settling for just incremental change, stems from the importance for the BPS to apply the same level of reform to the traditional schools as now provided to the schools with greater flexibility and the most underperforming schools through the state Achievement Gap initiative. The BPS should be able to provide all students with the educational environment that gives each the opportunity to succeed in this knowledge-based regional economy. Examples of other factors that demonstrate why there is a real urgency for fundamental reform include:

- The BPS four-year cohort graduation rate in 2011 was a record high of 64%, 6.4% higher than in 2007 and the fourth consecutive annual increase. However, 11 of the high schools or 31% had graduation rates below 50%.
- The gap is still too wide for the graduation rate by race and gender. The 2010 five-year cohort graduation rate for Asian students was 86% compared to 63% for Hispanic, 67% for Black students and 78% for White students. Female

students had a higher graduation rate at 74% than male students at 64%.

- The BPS' most recent four-year cohort dropout rate, as reported by the Massachusetts Department of Education, fell to a record low of 15% for the 2011 cohort, a 6.4% decrease from the 2008 cohort. However, significant differences in dropout rates remain across racial/ethnic groups. The Asian student cohort dropout rate was 6.3% compared to 18.5% for Hispanic, 15% for Black and 12.2% for White students.
- Too many BPS schools are considered underperforming based on the state's Accountability and Assistance Level reports using No Child Left Behind standards. Of the BPS' 125 schools, 66 or 53% are characterized as Level 3 (55) or Level 4 (11) schools which means that they are in the bottom 20% of all public schools in the Commonwealth.

The BPS has made important academic progress in recent years, but clearly significant challenges still lie ahead. The educational and social forces behind these challenges will by no means be solved solely by a reform contract between the BPS and BTU, but it can make an important difference in improving student achievement and supporting effective teaching.

Results of Negotiations To-Date

In the almost two years that a successor contract had been negotiated several initiatives and language changes were discussed, but the principal reforms centered on the following:

1. Compensation incentives - factors that should be the basis for salary increases
2. Teacher evaluation starting with the state model and regulations
3. Teacher transfer and reassignment process
4. Professional development
5. Extended time for enrichment/instruction
6. Parent and student involvement in school decision-making

Tentative Agreements

For some of these issues the two negotiating teams had reached a tentative agreement subject to final agreement on compensation. A few examples are:

Teacher Transfer and Reassignment - Parties agreed to a post transfer placement process that would replace the excess pool process and mirror the transfer process with staffing decisions based on mutual consent between the principals with their personnel subcommittees and the teachers. This new system would significantly reduce seniority as a factor in teacher selection at schools. The current system and proposed new system for teacher transfers and reassignments were described in a Bureau [Special Report](#) issued in March. Seniority would still play a role for permanent teachers who would need to be administratively placed. Human Resources will offer teachers available positions in their program area in order of seniority.

The experience in SY2010-2011 in planning teacher staffing for this year shows that of 371 teachers who were part of an excess process, 120 teachers were assigned through the Excess Pool process and 145 teachers were administratively placed for a total of 265 teachers with little school involvement. The remaining teachers either left the system (84) were selected through open posting (20) or transferred (2). Right now in planning for this September, 175 teachers have placements pending with 66 who have submitted bids. That would leave 109 teachers who would be administratively placed with no involvement from the schools' principals or personnel subcommittees.

It is worth noting that state law (MGL c.71, s42) that prohibits the layoff of a permanent teacher if certified for a position held by a provisional teacher is a key factor in the placement of permanent teachers in positions and the non-renewal of provisional teachers who formerly held some of those positions. This situation occurs especially at times of fiscal retrenchment and facility consolidation that the BPS has faced over the past

few years. This law also makes it more difficult to establish an exit policy for underperforming permanent teachers through the collective bargaining process. However, a rigorous and thorough teacher evaluation system effectively implemented with trained evaluators and an active labor relations staff can help address the potential impact of this law.

Professional Development - The parties have discussed a new process of how teachers earn graduate credits beyond the Master+15 lane to earn a higher salary. The new plan would give the BPS more control over the courses that would be eligible for credit and the authority to recommend courses based on a new teacher evaluation system. The BPS would be responsible for providing the instruction for the courses for which the teachers would not pay tuition or would authorize courses that would be eligible at colleges or universities. This plan would still retain the current step and lane structure which is a more limited reform than originally proposed by the BPS.

Almost Tentative Issue

Teacher Evaluation - In early April, the BPS and BTU were close to reaching agreement on a new teacher evaluation process based on the state standards with modifications. This more effective evaluation system combines multiple measures and more frequent observations to evaluate the work of teaching effectively. Centered around a five-step cycle, this process involves a more active role for teachers in the evaluation process and gives teachers specific feedback on strength and developmental needs for continual improvement. Also, evaluators will be trained to provide high quality, consistent evaluations, a key issue given past teacher criticisms. The BPS will begin using the new evaluation system in all schools this fall.

Parent and Student Involvement

Both parties have come to an agreement about a strengthened role for parents and students in school decision-making. The agreement centers on representation of parents and students on school

site councils and personnel subcommittees and the provision of appropriate training as well as the involvement of student feedback in the teacher evaluation process in future years.

Issues Not Resolved - The Money Issues

Salary Increases - The inability of the two parties to come to agreement on the money issues of salary increases and payment for extended time is primarily why a new contract has not been finalized. As indicated in a Research Bureau [Special Report](#) in January, the initial BTU proposal was \$83.5 million over the BPS plan over four years. In negotiations since that time, the contract proposal has been extended to five years (FY11-FY15) but the parties are still too far apart. The last offer on the table from the BPS provided for an 8% increase over five years (0%, 1.25%, 1.75%, 2.5%, 2.5% effective September 1 of each year) for a total cost of \$124.1 million. The BTU's proposal was 10.25% over five years (1.5%, 2.5%, 1.25%, 2.5%, 2.5 for a total cost of \$199.8 million, a difference of \$75.7 million. Of that amount, salary increases account for \$51.6 million and extended time for \$24.1 million. To be sustainable, this gap should be reduced. The average salary of a BPS teacher this school year just ending is \$81,633.

Compensation incentives for teachers in past years have been based on time in service (salary steps and career awards) and graduate credits (lanes). The BPS had introduced a new compensation plan that seemed promising that reconfigured the same dollars to pay new teachers and existing teachers who opted into the plan based on performance and achievement measures. Unfortunately, this plan and attempts to address elements of the plan individually do not seem to be part of the current negotiations.

In early May, the Menino Administration was able to come to agreement on a new contract with the AFSCME and SEIU city unions for a total of six years at 12% made up of two three-year contracts (0%, 1%, 2% and 3%, 3%, 3%) with reform measures agreed upon. The structure of this offer is expected

to be discussed with the BTU in mediation or negotiations outside of mediation.

Extended Time - Extending the time for elementary and middle school students to be in school engaged in enrichment and instructional programs has been an objective in negotiations but a source of contention given the cost differences for both sides. Initially proposed at one hour, then 30 minutes and in the last weekend of negotiations 45 minutes, the cost of the final proposal on the table from the BPS was \$38.3 million while the cost of the BTU proposal was \$62.4 million, a difference of \$24.1 million over the last three years of the contract. Adding 45 minutes a day is equivalent to 22 days or more than a month of enrichment and instruction.

The total cost difference between the two proposals of \$75.7 million is unrealistic and needs to be reduced to a total cost that is more practical and sustainable in this economy without sacrificing the reform measures that will be beneficial to students and teachers.

City's Financial Position

The City of Boston has managed relatively well through the recession and the subsequent years of slow growth but not without having to tightly control spending and rely more on reserves. Over the past five years from fiscal 2007 through fiscal 2012, operating expenditures have increased by only 9% with departmental spending, in aggregate, increasing by 6%. Spending was driven more by health and pension benefits which increased by \$109 million or 16%. On the revenue side, during these five years Boston relied on the property tax that grew by 29% but state aid, the City's second largest revenue source, decreased by \$97 million or 20%.

The Mayor's recommended fiscal 2013 operating budget totals \$2.467 billion, an increase of \$71.8 million or 3%. A one-time decrease of \$26 million in health insurance has allowed this budget to provide a stabilizing influence with few cuts, but the expectation is that the fiscal 2014 budget will be

more difficult as federal funds for operations wind down, grant funds are further reduced and spending will increase due to health insurance increases and collective bargaining costs.

Casualties of Delay

The delay in negotiating a new teachers' contract for 22 months since it expired on August 31, 2010, which now could extend into the 2012-2013 school year, has caused casualties directly affecting the students and teachers in the BPS such as:

Teacher Transfer and Reassignment - Because the new contract is not finalized, the BPS Human Resources Office currently is managing the teacher transfer and reassignment process based on the existing system. This means that once again seniority is an important factor in the excess process and teachers will be administratively placed without the consent of a school's principal and personnel subcommittee.

Teacher Incentive Funds – Federal funds of \$9.4 million were allocated to attract high-quality teachers to the 11 underperforming Boston Turnaround schools and reward them based on the performance of their students over three years. The inability of the BPS and BTU to agree on a new contract that covered this issue and the unwillingness of the BTU to agree to negotiate this matter outside the contract, as was done in Springfield, resulted in the parties not meeting the deadline and the loss of \$9.4 million.

Teacher Evaluation and Professional Development
If mediation extends beyond September 6, implementation of the new teacher evaluation system tied closely to a new professional development plan would be delayed.

The Achievement Gap Act of 2010 required the BPS to develop a new teacher evaluation system for the 11 Turnaround schools for the 2011-2012 school year. The BPS is also required to implement a teacher evaluation system for all schools in the 2012-2013 school year based on the standards

established by the state Department of Elementary and Secondary Education. The BPS has modified the evaluation system based on its experience this year and has begun implementing the process for all teachers starting with training evaluators and briefing teachers. Authorized by state regulations to govern the evaluation process, the BPS will begin to use the new system in all schools this fall. The BPS is required to discuss the process with the BTU. If the two parties meet but do not agree, they could engage in binding interest arbitration which has no strict timelines, or the BTU could wait to act when a disciplinary action is taken using the new process and challenge that action.

What Should Happen in Mediation

After almost two years of negotiations, Mayor Menino brought the two negotiating teams together for a marathon session on the first days of April that produced near agreements on several key reforms, but the money issues could not be resolved. Where negotiations stood on April 3 should be the starting point for mediation now. Boston students and parents have lost valuable time without reform over the past two years and cannot afford to lose one more year. The teachers' contract should be settled and ratified before the first day of school, September 6, 2012.

Conclusion

The Boston Public School System is at a crossroads and the outcome of the new teachers' contract will dictate, in good part, the role it will serve going forward. A new contract should expand the flexibility to all schools to select their teaching team based on performance, not seniority, offer extended time for enrichment and instructional programs and establish a more effective teacher performance evaluation system tied to focused professional development at a cost that is reasonable and sustainable in this economy. These systemic reforms to improve student achievement and effective teaching in the BPS should be negotiated in this new contract or the demand by parents and students of Boston for more options outside the BPS will grow stronger.