

The Real Cost of the Contract

An Analysis of the Salaries and Benefits of
Boston Public Schools Teachers

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UNDERSTANDING BOSTON

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An Analysis of the Salaries and Benefits of Boston Public Schools Teachers

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Dear Friends;

This an exciting time for public education in Boston, and a tremendous opportunity to make lasting improvements in the lives of its children. Almost one year ago, on Martin Luther King Day, Governor Patrick signed *An Act to Close the Achievement Gap*, which provided the superintendent with new intervention powers to turn around the Boston's underperforming schools and raised the cap on public charter schools. In August of 2010, the Commonwealth of Massachusetts won a \$250 million Race to the Top grant from the federal government, with the highest score of any state in the nation. With the momentum of these two important victories for education we now turn to the third challenge – ensuring that a new contract between the Boston School Committee and the Boston Teachers Union will create real change in relationships and rules flexibility, so that children in our capital city are at the center.

This report, *The Real Cost of the Contract: An Analysis of the Salary and Benefits of Boston Public Schools Teachers*, prepared by the Boston Municipal Research Bureau as part of the Foundation's *Understanding Boston* series, shows how a representative teacher with three years in the system and a bachelor's degree plus 15 graduate credits who received \$50,057 in overall compensation in the 2005-2006 school year would have seen that compensation increase to \$72,059 by 2010, a 44 percent increase over the life of the current contract. Most discussions on the contract have focused on the negotiated annual salary increases of 2 percent in year one, 3 percent in year two, and 4 percent in both year three and four. This report shows that the cost was actually much greater, with salary increases built into the contract based on length of time in the system and educational attainment. These increases have no relation to school or teacher performance, nor do they reflect the harsh economic environment and difficult budget realities facing the city.

At the core of any lasting school reform are teachers. They are the ones who are doing the work, and they need a greater role in decision making at the school level. Incentives must be available to encourage high-performing teachers who have shown demonstrable results assume the most challenging posts and take additional responsibility. Their compensation reflects the professional nature of teachers, yet the current contract only rewards time in the system and the number of graduate credits accumulated.

It is time to recognize that performance measures and accountability must be added to that equation. Only then can our public schools attract, retain, and reward the teachers necessary to provide a world class school system for the children of Boston.

Sincerely,



Paul S. Grogan
President and CEO
The Boston Foundation

Introduction

The Boston Public Schools (BPS) is facing another challenging year as it strives to affect meaningful changes that will contribute to improved student performance at a time of limited revenue growth. In a year where BPS is wrestling with an estimated budget gap of \$63 million, all Boston teachers will see an increase in pay that has no relation to school or student performance. As of November, 2010, the average annual salary of the 5,095 teachers in the BPS is \$71,830, higher than eight surrounding cities and towns. A representative teacher with three years in the system and a bachelor's degree plus 15 graduate credits who received \$50,057 in overall compensation in the 2005-2006 school year would have seen that compensation increase to \$72,059 by 2009-2010 school year. That is an increase of 44 percent in four years with no additional educational attainment.

BPS teachers now reach the maximum level of salary after nine years, the shortest length of any major school district. After nine years of service they receive career awards that increase their pay at 10 years of service and every five years thereafter. BPS teachers also receive additional salary increases that reward teachers for graduate degrees and graduate credits. The amount of resources allocated for step increases, changes in salary lanes, and career awards total \$20 million in fiscal 2011.

These increases in compensation are in addition to the annual salary increases negotiated in collective bargaining contracts for each year of the contract, and will be incurred despite the

fact that the contract between the BPS and the Boston Teachers Union (BTU) expired on August 31, 2010.

To help solve next year's budget gap, the School Committee has approved the Superintendent's *Redesign and Reinvest* plan that is also intended to better address the academic needs of the students in Boston. Implementation of this plan will require a major realignment of school resources to support student achievement while improving fiscal stability through better management of resources. This plan will benefit teachers by helping them improve their skills through an improved teacher evaluation process, targeting professional development to meet specific teacher needs, and rewarding teachers for exceptional performance. Significant reforms in the teachers' contract are an important ingredient in the BPS plan, as spending for employee salaries and benefits represents approximately \$671.6 million or 82 percent of the BPS operating budget in fiscal 2011. The City's ability to further assist the School Department is limited by the expectation of a fourth consecutive year of state aid cuts for fiscal 2012 that will be deeper than experienced this year, coupled with the loss of federal stimulus funds for operations that were used in the FY11 state BPS budget.

In order to understand the impact of the proposed contract changes, it is important first to understand the expired contract and how resources are now allocated for teacher salaries and benefits. That is the purpose of this report, to explain the total compensation provided a typical Boston Public Schools teacher.

BPS Budget at a Glance

The Boston Public Schools has a \$821.4 million general fund budget that serves 56,742 students throughout 134 schools. This year, 82% of the budget or \$671.6 million is spent on employee salaries and benefits combined. Salaries for teachers total \$399.2 million or 49 percent of the total BPS budget. In FY11, \$9.1 million is expected to be paid for teacher step increases. Teacher health insurance is budgeted at \$52.5 million while the BTU Health and Welfare Fund totals \$8.4 million

The focus of this report is mainly on a traditional teacher and not teachers who are in extended day schools such as McKinley schools, Pilot schools, turnaround schools, a Project Promise school or any other extended day school for which they receive extra compensation for extended time.

Key findings of this report include:

- The BPS pay scale is very traditional, focusing on length of employment and educational attainment as a means of increasing salaries, rather than on the teacher's job performance.
- Boston teachers can attain top pay more quickly than their counterparts elsewhere. A 2010 report indicated that reaching the maximum salary in nine years for teachers in Boston is the shortest of any of the largest 75 school districts in the country plus one district from each state not represented in the top 75.
- Each step increases a teacher's salary by 5 percent to 6 percent in addition to the

negotiated salary increase. Teacher salaries also grow by the level of educational attainment, placing each teacher in one of nine salary lanes which reward teachers for earning higher degrees and graduate credits. Educational research now indicates that the correlation of advanced coursework and higher student achievement is weak.

- BPS teachers receive excellent benefits, even by municipal employee standards, including health and life insurance offered to all city employees, sick and personal leave, plus benefits not available to other City of Boston employees.
- In calendar year 2009, \$9.9 million was paid out for accumulated sick leave for all BPS employees who left the district. For teachers who left the district, the sick leave payout ranged from \$41 for one teacher to a high of \$81,729 for another teacher. BPS teachers receive 15 sick days and four personal days every year, with no limit on the amount of sick time a teacher can accumulate.
- Salary increases, step increases, change in academic lanes and other differentials can add considerably to the base pay of a teacher. In one case, not including differentials, a teacher with a bachelor's degree plus 15 graduate credits at step 3 (meaning three years of service) in 2005, earning \$50,057, and who received his or her master's degree by August 2010, would earn \$74,196, and experience a \$24,139 or 48.2 percent salary increase over the life of the four-year contract.

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- BPS teachers are highly educated with more than 80 percent having attained a master's degree or higher. Most teachers have several years of teaching experience with 58 percent paid at the top step of the salary schedule.
 - A Boston teacher's total annual compensation, including benefits and salary differentials, can exceed his or her salary base by 29.2 percent to 40.6 percent depending on length of service, educational attainment, or additional responsibilities. A teacher with a master's degree and 75 graduate credits (masters +75), in step 9 this year, can add approximately \$27,070 or 29.2 percent more to his or her compensation once benefits, career awards and differentials are included. Benefits of health insurance and Health and Welfare services alone add \$17,113 or 18.5 percent to the salary base. Differentials are extra pay for such things as board certification, mentoring fellow teachers, working at a school with extended day or other non-traditional schools, or compensation for missed planning and development periods. The annual normal costs for teacher pensions are not included in this calculation.
 - BPS teachers contractually have a shorter school day than their counterparts around the country. An elementary teacher is required to be at school six hours and 30 minutes, of which four hours and 42 minutes is direct instructional time. A secondary teacher is required to be at school six hours and 40 minutes, of which five hours and 7 minutes is direct instructional time.

How Teacher Compensation Works

Compensation of a BPS teacher is contractually established in the contract. All BPS teachers are eligible for salaries and benefits that have been negotiated by the BPS and the BTU over many years. Salary levels are determined by a traditional salary schedule that focuses on length of employment and educational attainment as the means for salary increases. This report considers the salary schedule to be the base teacher salary. In addition to this base pay, there are many differentials, stipends, career awards and other components that increase a teacher's salary along with generous benefits.

The contract does not provide financial incentives that directly relate to the district's educational goals, such as encouraging exceptional teachers to work in hard-to-staff schools or recruiting candidates for hard-to-fill subjects such as math and science. Additionally, teachers may accrue salary increases for educational attainment at approved institutions, but with very few restrictions as far as the relevance of the course to the teacher's area of instruction.

The most recent contract with the BTU covered a period of four years that began on September 1, 2006, and expired on August 31, 2010. However, in practice the expired contract and many of its provisions remain in effect until a new contract is negotiated.

Salary Schedule - In Boston, the current salary schedule provides nine steps that are achieved annually until the maximum is reached in the ninth year. The schedule also provides for nine levels based on educational attainment (lanes). After reaching the maximum level of the salary schedule, teachers receive longevity or career

Table 1

Boston Teachers Union Contract Increases

Latest Contract 2006-2010

	% Increase
Year 1	2.0%
Year 2	3.0%
Year 3	
9/08-1/09	3.0%
2/09-8/09	1.0%
Year 4	
9/09-1/10	3.0%
2/10-8/10	1.0%

Source: BPS & BTU Contract 9/1/06 - 8/31/10 and Salary Schedule.

awards after the completion of a selected number of years. These increases in compensation are in addition to the annual salary increases negotiated in collective bargaining contracts for each year of the contract.

The most recent contract included a 14 percent compounded salary increase for teachers. The negotiated increases for each year of the contract are illustrated in Table 1. Lately, as a means of providing teachers with the annualized benefit of a yearly accumulated salary increase but to manage the actual expense for the year, contracts have split some years into two different salary increases that take effect at different times of the year. As will be discussed below, the combination of an annual salary increase with a step increase and perhaps a lane change due to additional educational credits can produce a significant increase in a teacher's salary over the life of a contract.

Step Increases - Teachers not at the maximum step of the salary schedule receive a step increase each year on the anniversary of their employment. These salary increases are automatic and not contingent upon any performance evaluations or indications of student performance. In fiscal 2011, \$9.1 million is expected to be paid for teacher step increases. Step increases are received each year even if a contract has expired and a new contract has not yet been negotiated as is the situation in Boston now. In the most recent contract, step increases average between 5 percent and 6 percent each year. **(Appendix A)**

Boston teachers receive their highest annual raise in their second year of teaching due primarily to a double-digit jump in their step increase. This year, a teacher with a bachelor's degree will receive a step increase of 12.2 percent in his or her second year while a teacher with a master's degree will receive a 12.7 percent increase. A teacher with a master's and 45 credits will receive a 13.1 percent increase in the second year. An annual salary increase on top of the step increase would add to the overall pay increase for the year.

A 2010 report prepared by the National Council on Teacher Quality (NCTQ) on the Boston Public Schools, *Human Capital in Boston Public Schools*, indicated that reaching the maximum salary in nine years for teachers in Boston is the shortest of any of the 100 school districts in its data base. The NCTQ data base consists of the largest 75 school districts in the country plus one district from each state not represented in the top 75. This report was commissioned by the Massachusetts Business Alliance for Education.

Salary Lanes - Teacher salaries also grow by the level of educational attainment, placing each teacher in one of nine salary lanes which reward teachers for earning higher degrees and additional graduate credits. The lanes begin at bachelor's degree and continue up to doctorate, with lanes for master's degree and increments of 15 graduate credits over bachelor's and master's degrees. In fiscal 2011 approximately \$1.6 million was allotted for changes in salary lanes. The current teachers' contract does not authorize the Superintendent or principals or headmasters to approve higher degrees or courses in the subject area they teach or to address weaknesses identified through teacher evaluations.

Accordingly, a teacher who had a bachelor's degree plus 15 graduate credits and was at step 3 in the 2005-2006 school year and who received a master's degree by August 2010 (year four of the contract - school year 2009-2010) would experience a \$24,139 or 48.2 percent salary increase over the life of the four-year contract due to the contract salary increases, step increases, and lane changes. Additionally, this same scenario without educational advancement would result in a \$22,002 or 44 percent increase in compensation over the life of the four-year contract. In another scenario, a teacher at the maximum step who received the contract salary increases, plus career awards would receive an increase of \$10,915 or 15.4 percent. (Table 2)

Table 2

Bachelors +15 to a Masters Degree

2005-2006 SY **	\$50,057	Bachelor's+15 S3
2006-2007 SY	\$53,906	Bachelor's+15 S4
2009-2010 SY	\$74,196	Masters S7
Variance 2005-2006 SY 2009 - 2010 SY	\$24,139	
%	48.2%	

Bachelors +15 Without Degree Advancement

2005-2006 SY	\$50,057	Bachelor's+15 S3
2006-2007 SY	\$53,906	Bachelor's+15 S4
2009-2010 SY	\$72,059	Bachelor's+15 S7
Variance 2005-2006 SY 2009 - 2010 SY	\$22,002	
%	44.0%	

Bachelors +15 At Maximum Without Degree Advancement

2005-2006 SY	\$71,077	Bachelor's+15 S9
2006-2007 SY	\$72,474	Bachelor's+15 S9
2009-2010 SY	\$81,992	Bachelor's+15 S9
Variance 2005-2006 SY 2009 - 2010 SY	\$10,915	
%	15.4%	

* Assumes 11 years of experience in 2005 and 15 years of experience in 2010. This results in career awards of \$1,250 and \$1,950 respectively.

**SY = School Year

Source: BPS & BTU Contract 9/1/06 - 8/31/10 and Salary Schedule.

The standard of compensating teachers based on earning graduate degrees and credits is being challenged as educational research has indicated that the correlation of advanced

coursework and higher student achievement is "weak to non-existent" according to the NCTQ report. This is especially true if the advanced degree is not related to the specific subject matter taught. The current contract requires the credit-awarding institution to be approved by the School Committee, but allows the BPS to disapprove credits only if the course in question is unrelated to the field of education in the BPS as a whole.

Career Awards - After completing their ninth year, teachers no longer receive yearly step increases, but instead receive career awards that are annually added to their base salaries. (Table 3) Career awards reward longevity but are not based on performance or indications of student performance. Career awards are found in other public employee contracts as well. The fiscal 2011 budget includes \$9.2 million for career awards.

Annual career awards for teachers begin at \$1,250 after completion of their ninth year and increase after every five-year interval of service to a maximum of \$5,050 after 44 years of service. Teachers are also allowed creditable years of service for teaching outside of the BPS or inside as a substitute teacher, allowing them to enter the BPS above the step 1 pay rate. As a result, a teacher with a master's degree and 32 years of service would receive a \$10,972 or 14.6 percent increase by year four of the contract.

Current Teacher Salary Profile

The Boston Public Schools employs 5,095 teachers as of November 21, 2010, which represents over 65 percent of the school workforce. Irrespective of educational attainment or length of service, the average

annual base salary for teachers is currently \$71,830.

In terms of overall general educational categories, over 80 percent of Boston's teachers hold a master's degree or higher. Currently, there are 1,016 teachers (20 percent) who hold a master's degree at a collective cost of \$71 million with 36 percent of the teachers positioned at the top step (step 9). The average base salary in the master's level is \$69,853. The next highest concentration of teachers by educational attainment is in the master's-plus-15-credit category in which the BPS spends \$56.8 million for 738 teachers or an average of \$77,013. Throughout all educational categories, 58.4 percent of the teachers fall in the highest step (step 9) for longevity. The highest concentration of teachers is found in the master's+75 category, step 9, with 634 teachers at a salary of \$92,607. This is followed by a concentration of 416 teachers in the master's +30 category, step 9 with a salary of \$86,446.

(Appendix A)

Table 3

BTU Career Awards Schedule

Effective 2/1/05

After	Amount
9 years	\$1,250
14 years	\$1,950
19 years	\$2,350
24 years	\$2,550
29 years	\$3,550
34 years	\$4,050
39 years	\$4,550
44 years	\$5,050

Source: BPS & BTU Contract 9/1/06 - 8/31/10.

Teacher Benefits

Adding to the compensation of a teacher are benefits provided in the contract. Benefits for teachers who work at least half-time include: health and life insurance, sick and personal leave, tuition reimbursement, and additional benefits through the Health and Welfare Fund. These components all increase the compensation package of a teacher and are explained in this section.

Sick and Personal Leave - Under the contract, teachers are entitled to 15 sick days and four personal days without loss of pay. The 15 days of sick leave are standard for all City employee contracts. Unused sick and personal days accumulate from year to year. If after 10 years of teaching in the BPS a teacher resigns, retires or dies, the teacher is paid at the rate of 40 percent of accumulated, unused paid sick days, with no limits applied. This payment is based on the annual rate of pay of the teacher at the time of resignation, retirement or death and is not based on the salary at each year of accumulation. In calendar year 2009, \$9.9 million was paid out for accumulated sick leave for all BPS employees who left the district. For teachers who left the district in 2009, 30 percent received less than \$10,000. On the high side, 30 percent received sick leave buy-back of \$30,000 or more with the maximum payment of \$81,729. This is followed closely by 22 percent of teachers leaving with a pay out of \$20,000 to \$29,999 for accumulated sick leave. **(Table 4)**

Table 4
Sick Leave Buy Back
Calendar Year 2009

<u>Pay out</u>	<u>% of Teachers</u>
Under \$1,000	4%
\$1,000-\$9,999	26%
\$10,000-\$19,999	18%
\$20,000-\$29,999	22%
\$30,000-\$39,999	14%
\$40,000-\$49,999	10%
\$50,000-\$59,999	4%
\$60,000-\$81,729	2%

* Figures reflect approximate teachers who left the district
Source: City of Boston Auditing Reports.

Health Insurance - Through contract negotiations, health insurance is provided to all teachers. Teachers and all other employees may choose from six different plans. The City pays 85 percent of the cost of HMO plans and 75 percent of the cost for indemnity plans. In fiscal 2010, the average teacher health insurance plan cost the BPS \$10,296. The most commonly chosen plan is the Harvard Pilgrim HMO plan that costs the BPS \$15,690 for the family plan and \$5,833 for the individual plan.

Life Insurance and Tuition Reimbursement - The BPS also offers a life insurance policy of \$5,000 per teacher. The cost to the BPS for this benefit is \$37.08 per teacher each year. Also, permanent teachers who are not getting their first career award are eligible for a \$500 yearly tuition program reimbursement.

Health and Welfare Fund - In addition to the same health and life insurance benefits received by all city employees, members of the BTU receive additional benefits through its Health and Welfare Fund which is supported through annual contributions by the BPS. This Trust Fund provides "generous and valuable" additional services such as dental, vision, legal, funeral expenses, psychiatric care, and a hospitalization income supplement.

For many years, these benefits exceeded those available to other city workers. However, in recent contracts, the City has negotiated dental and optical benefits with most of the civilian unions such as AFSCME, SEIU and SENA for which it pays 100 percent of the premium cost. In fiscal 2010, the BPS will spend \$1,423 per teacher to fund this Trust. On an annual basis in fiscal 2011, \$8.4 million is budgeted for the total Health & Welfare Fund. This Trust Fund is managed by a Board of eight Trustees, five appointed by the union and three appointed by the School Committee.

Working Conditions

The contract also covers working conditions for areas such as student teacher ratio, hours worked, professional development time, lunch and student teachers.

Student Teacher Ratio - Collective bargaining establishes a class size maximum of students in a class depending on grade level. These maximums are outlined in **Table 5**. At the elementary level where there is only one regular education class in a grade level, the School Department may, if the teacher consents, exceed the class size maximum by one or two students at a compensated rate of

\$1,500 for one student and \$3,000 for two students. At the secondary level where there is only one regular course offering, the class size may also be exceeded by one or two students at a compensated amount of \$300 and \$600 respectively.

Table 5

BPS Class Size Max

Regular Education

Grade	Students
Kindergarten-Grade 2	22
Grade 3 - 5	25
Grades 6-8	28
Grades 9-12	31
Grade Combinations (elementary)	20
Industrial Classes	20

Source: BPS & BTU Contract 9/1/06 - 8/31/10.

Hours Worked and Planning & Development -

For Boston teachers, the contract provides for a school year consisting of 183 days - 180 of these days the students are in attendance. The three extra days are generally used for the start of school preparation, in-service training, curriculum development or other professional purposes. Generally, students in traditional schools are in attendance for six hours and 10 minutes each day. Extended day schools, turnaround schools and other non-traditional schools have different attendance hours for students and teachers and are not included in this analysis.

Teachers in traditional elementary schools are required to be at the school for six hours and 30

minutes and teachers in traditional secondary schools are required to be at the school for six hours and 40 minutes each day. However, teachers are not instructing students for the entire time. The contract provides for planning and development periods, time when teachers are not assigned to regular instruction. This time is teacher directed and is used primarily for educational planning, team meetings and parental contact. **(Table 6)**

Teachers at both the elementary and secondary level receive the same amount of planning and development time which is divided differently. At the elementary level, teachers receive four 48-minute planning and development periods per week. In addition, elementary level teachers have a 48-minute common planning period each week to be used for purposes such as cluster meetings, mentor meetings, staff meetings and certain workshops. At the secondary level, teachers receive 240 minutes per week for planning and development, no less than 40 minutes per day.

At the elementary level, teachers have approximately four hours and 42 minutes of direct instructional time each day after adjustments for lunch, recess and planning and development. At the secondary level, direct teacher instruction reaches approximately five hours and seven minutes with similar adjustments.

Table 6

Teacher Hours Worked at Elementary Level

Students Attend	370	Minutes each day - 6:10 hours
Teacher Requirement in School Building	390	Minutes each day - 6:30 hours
Before & After School Time	20	Minutes each day
Lunch & Recess	40	Minutes each day
Planning & Development	48	Minutes each day
Total direct teacher instruction	282	Minutes of Teacher Instruction or 4:42 hours

Teacher Hours Worked at Secondary Level

Students attend	380	Minutes each day - 6:20 hours
Teacher Requirement in School Building	400	Minutes each day - 6:40 hours
Before & After School Time	20	Minutes each day
Lunch & Recess	25	Minutes each day
Planning & Development	48	Minutes each day min.
Total direct teacher instruction	307	Minutes of Teacher Instruction or 5:07 hours

Source: BPS & BTU Contract 9/1/06 - 8/31/10.

Boston teachers work fewer annual contractually required hours than counterparts throughout the country. For example, according to a recent study by Educational Resource Strategies, teachers in Boston are required to work 1,220 hours annually.

That compares with 1,346 hours in Baltimore, 1,358 hours in Seattle, 1,470 hours in Washington, D.C. and 1,279 hours in Philadelphia. The NCTQ report cited Boston's 183 days for teachers as one of the shortest work years within its 100 school district database. Boston's three days work beyond the student year compares with the database district average of eight days.

The length of the school day for teachers includes 10 minutes before and 10 minutes after school time for a total of 20 minutes. While many teachers work well beyond the contractual time in their school or at home, the contract has a shorter work day and work year than most urban districts.

Professional Development - The contract provides for 18 hours of professional development for each teacher beyond the regular school day, plus one full day. These 18 hours are to focus on the advancement of each school's *Whole School Improvement Plan*. A Headmaster/Principal may require up to 10 additional professional development hours and all teachers required to attend are compensated for that additional time.

Miscellaneous - Teachers are not required to monitor lunch periods, recess or bus duty. Additionally, if a teacher accepts a student teacher into the classroom, at the end of the internship the permanent teacher is allowed two days off with pay. If a teacher participates in a job sharing option, he or she receives 50 percent of the salary with full benefits. The contract also provides paid days off for certain religious holidays when students are expected to be in attendance. Four paid days off are also granted for various types of leave such as

graduations, funerals of friends or educational conventions. Paid bereavement of up to five days without loss of pay for death of an immediate family member is also provided for in the contract.

The NCTQ report found that Boston offers more days of leave and more kinds of leave than most districts in their sample. The report noted that only half of the 100 school districts allocated personal leave at all and those that do generally include religious and bereavement leave in their personal leave allotment.

Teacher Retirement

Teachers receive a pension tailored to their employment history and retirement circumstances. Teachers have a portion of their salaries deducted for pensions as required by law. **See Table 7** for the deduction schedule. In 2010, the average teacher pension paid out was \$3,707.73 per month or \$44,493 annually for a regular retiree. For teachers who retired over the last five years ('04-'09), the average teacher pension was \$55,920.

Pensions received are based on the average of a teacher's three highest-paid years of service, their total creditable years of service and their age. A teacher cannot receive more than 80 percent of the average of their three highest years. Teachers may retire at any time upon completion of 20 years of service. Additionally, the Legislature has approved a special retirement benefit for teachers through the Retirement Plus program.

This benefit, also known as the Teachers' Alternative Retirement Program (TARP), was approved in 2000 to provide teachers with enhanced benefits for long-term teaching service (Ch. 114, the Acts of 2000). Retirement

Plus applies to all teachers hired after July 1, 2001 with 30 years of experience, of which 20 were in Massachusetts, and who contributed 11 percent to their pension for at least five years.

Table 7

Teacher Contribution for Pensions

% of Regular Compensation	Date of Appointment
11%	on or after July 1, 2001
9%	on or after July 1, 1996 yet prior to July 1, 2001
8%	on or after January 1, 1984 yet prior to January 1, 1996
7%	on or after January 1, 1975 yet prior to January 1, 1984
5%	appointed prior to January 1, 1975

Source: M.G.L. Chapter 32 and Chapter 114 of the Acts of 2000

For example, a teacher who retired at age 60 with 32 years of service and an average salary of \$85,000 could receive a normal superannuation retirement allowance of \$54,400, equal to 64 percent of his or her average salary. If the teacher met the service requirements for Retirement Plus, the allowance would increase to \$68,000 or 80 percent of the teacher’s salary average, adding \$13,600 or 25 percent to the teacher’s annual retirement benefit. The Retirement Plus legislation also allowed for retired teachers to be exempted from work restrictions after retirement when a district is deemed to have a “critical shortage” of certified teachers.

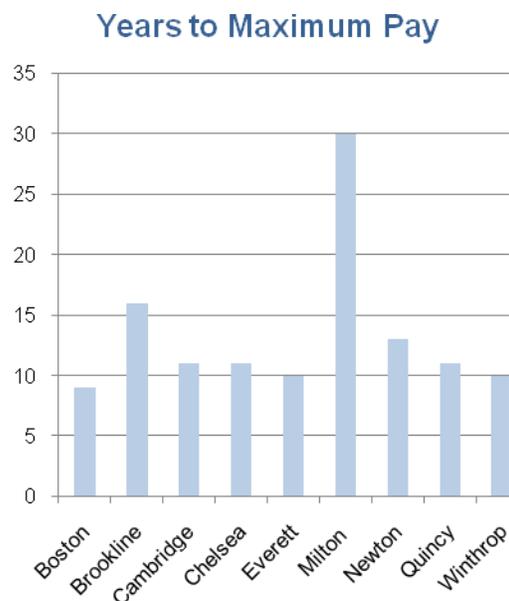
Comparison with Other Communities

As of September 2010, Boston has the highest base salaries for teachers with bachelor’s and master's degrees of eight surrounding cities and

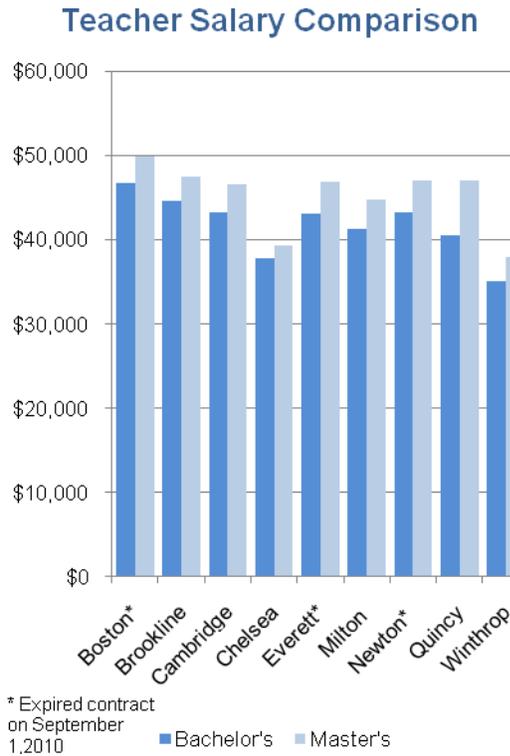
towns. **See Figure 1.** This is according to a review of salary schedules for these communities. Boston teachers also have the highest maximum pay levels and may more quickly reach their maximum pay than teachers in any of the surrounding municipalities. Starting salaries for Boston teachers are roughly \$2,300 greater than for Newton teachers who have the second-highest base pay in the area. Conversely, Somerville teachers earn nearly \$7,500 less in base pay for a bachelor’s degree than their Boston counterparts.

According to the Massachusetts Department of Education, in 2008 (most recent data available statewide) Boston's average teacher salary (\$79,415) was higher than the statewide average (\$67,577). However, average teacher salaries in bordering towns of Brookline (\$86,046) and Cambridge (\$85,454) were higher despite longer timetables for reaching maximum pay than in Boston.

Figure 1



(Figure 1 continued)



Teacher Compensation Tally

There are many items throughout the contract that can increase a teacher's salary. This list can be quite extensive and not every teacher receives all items of compensation. As an example of direct teacher compensation, the step on the salary schedule with the most teachers was used. The 634 teachers at the Master+75 credit, step 9 level receive a base salary of \$92,607 for a total line item expense of \$58 million. When the costs of health insurance and health & welfare benefits are added to the base salary, teacher compensation rises to \$109,720, \$17,113 or 18.5% more than the base pay for this category. **(Table 8)**

Table 8

Teacher Compensation Master + 75, Step 9 = 634 Teachers

Base Salary	\$92,607
Family HMO	\$15,690
Health & Welfare	\$1,423
Grand Total	\$109,720

Source: BPS & BTU Contract 9/1/06 - 8/31/10 and Salary Schedule. BPS Finance Office and City of Boston Budget Office.

This pay level is calculated before items such as annual career awards of anywhere from \$1,250 to \$5,050, board certification compensation up to 4 percent of salary, overtime, sick leave buy-back, coaches and other differentials are added into the mix. These add-ons can greatly increase the total compensation package. Appendix B highlights four teaching scenarios and how those salaries can grow under the current contract. This analysis applies salary steps where the largest number of teachers fall. The results indicate that a teacher's salary can grow by 29 percent to 40.6 percent over the current base salary schedule, by including components such as health insurance, health & welfare, board certification and new teacher development pay and career awards. A teacher with a bachelor's degree starts with a current base salary of \$46,754 in the first year of employment. Adding on benefits and differentials, this salary would grow to \$65,737 or 40.6 percent more than the base for this year.

Additionally, teacher salaries can grow if class sizes are exceeded, if planning periods are missed, and if more professional development is needed. Also, salaries will grow if teachers assume positions of coaches, a teacher in charge or any number of extra curricular positions. **(Appendix C)**

Conclusion

Teacher compensation in the Boston Public Schools is very competitive with all other school districts in the region. The combination of annual salary increases, a minimum of nine steps to reach maximum salary and added compensation based on educational attainment can create salary increases as much as 48 percent over the period of four years in the most recent contract. However, compensation is structured in a way that may not best align

resources with support for student achievement.

The current BPS pay structure, which is tied to length of employment and educational attainment, should be realigned so that a greater amount of resources are applied to improving student achievement and rewarding teachers more for their performance than their longevity in the system. The BPS' adopted Redesign and Reinvest plan does envision changes in the new collective bargaining contract now being negotiated. Any compensation changes that are agreed upon in the next contract can be evaluated based on the current allocation of Boston teacher compensation and benefits as described in this report.

Appendix A - **Boston Teachers Salary Schedule**
for current teachers 11/21/10 Year 4 of contract

Table A1 - Summary of Teacher Educational Level and Compensation

Degree	# of Teachers	% of Total	Total Salary	% of Total
Bachelors	532	10.4%	\$35,226,000	8.8%
B+15	454	8.9%	33,172,297	8.3%
Masters	1,016	19.9%	70,977,822	17.8%
M+15	738	14.5%	56,819,834	14.2%
M+30	714	14.0%	57,498,140	14.4%
M+45	468	9.2%	39,538,622	9.9%
M+60	376	7.4%	33,114,141	8.3%
M+75	703	13.8%	64,250,312	16.1%
Doctorate	96	1.9%	8,554,040	2.1%
Total	5,095	100.0%	\$399,151,207	100.0%

Table A2 - Detail Teacher Educational Level, Longevity and Compensation

STEP	Bachelors	% Variance	# of Teachers	Total Salary
1	46,754		60	\$2,800,565
2	52,502	12%	40	2,105,330
3	55,665	6%	39	2,193,201
4	58,838	6%	51	3,018,389
5	62,000	5%	51	3,186,800
6	65,706	6%	32	2,122,304
7	69,929	6%	25	1,720,253
8	74,203	6%	18	1,335,654
9	77,913	5%	215	16,743,504
TOTAL			532	\$35,226,000

STEP	Masters	% Variance	# of Teachers	Total Salary
1	49,972		107	\$5,327,015
2	56,295	13%	97	5,454,986
3	59,458	6%	77	4,566,374
4	62,628	5%	98	6,125,018
5	66,266	6%	84	5,553,091
6	69,970	6%	73	5,079,822
7	74,197	6%	68	5,023,137
8	78,468	6%	45	3,491,826
9	82,178	5%	369	30,356,553
TOTAL			1,016	\$70,977,822

STEP	B+15	% Variance	# of Teachers	Total Salary
1	48,367		12	\$580,404
2	54,395	12%	20	1,087,900
3	57,564	6%	25	1,439,100
4	60,738	6%	33	1,973,985
5	64,139	6%	27	1,712,511
6	67,834	6%	25	1,709,417
7	72,059	6%	33	2,377,947
8	76,330	6%	18	1,335,775
9	80,043	5%	262	20,955,257
TOTAL			454	\$33,172,297

STEP	M+15	% Variance	# of Teachers	Total Salary
1	51,588		9	\$464,292
2	58,196	13%	20	1,134,822
3	61,362	5%	37	2,258,122
4	64,529	5%	63	4,078,233
5	68,402	6%	69	4,719,738
6	72,101	5%	70	5,011,020
7	76,329	6%	49	3,701,957
8	80,600	6%	41	3,328,780
9	84,312	5%	381	32,122,872
TOTAL			738	\$56,819,834

Appendix A - Boston Teachers Salary Schedule

Table A2 - Detail Teacher Educational Level, Longevity and Compensation

(continued)

STEP	M+30	% Variance	# of Teachers	Total Salary
1	53,198		14	\$723,493
2	60,094	13%	14	841,316
3	63,248	5%	21	1,296,584
4	66,422	5%	36	2,391,192
5	70,541	6%	51	3,604,645
6	74,236	5%	65	4,788,222
7	78,465	6%	53	4,158,645
8	82,736	5%	45	3,706,573
9	86,446	4%	416	35,987,470
TOTAL			714	\$57,498,140

STEP	M+60	% Variance	# of Teachers	Total Salary
1	56,650		4	\$226,600
2	64,114	13%	2	128,228
3	67,286	5%	5	336,430
4	70,458	5%	8	563,664
5	75,041	7%	18	1,350,738
6	78,886	5%	12	946,632
7	82,975	5%	13	1,078,675
8	87,247	5%	21	1,832,187
9	90,959	4%	293	26,650,987
TOTAL			376	\$33,114,141

STEP	M+45	% Variance	# of Teachers	Total Salary
1	54,808		8	\$438,464
2	61,981	13%	2	123,962
3	65,153	5%	6	390,918
4	68,312	5%	24	1,639,488
5	72,673	6%	21	1,526,133
6	76,363	5%	26	1,985,438
7	80,600	6%	24	1,894,100
8	84,876	5%	26	2,164,338
9	88,588	4%	332	29,375,781
TOTAL			468	\$39,538,622

STEP	M+75	% Variance	# of Teachers	Total Salary
1	58,248		3	\$174,744
2	65,759	13%	1	65,759
3	68,935	5%	1	68,935
4	72,103	5%	9	634,506
5	76,689	6%	7	536,823
6	80,531	5%	14	1,127,434
7	84,621	5%	20	1,675,496
8	88,894	5%	14	1,244,516
9	92,607	4%	634	58,722,099
TOTAL			703	\$64,250,312

STEP	Doctorate	% Variance	# of Teachers	Total Salary
1	59,159		4	\$236,636
2	66,697	13%	0	0
3	69,871	5%	0	0
4	73,039	5%	6	423,626
5	77,627	6%	3	232,881
6	81,469	5%	1	81,469
7	85,558	5%	7	556,127
8	89,832	5%	3	269,496
9	93,543	4%	72	6,753,805
TOTAL			96	\$8,554,040

Source: Boston Public Schools

Appendix B - Teacher Compensation Scenarios

BPS Teacher Compensation Scenario

Data as of November 2010

	Teacher with Bachelors S1	Teacher with a Bachelors S9	Teacher with a Masters S9	Masters +75 S9
Salary base *	\$46,754	\$77,913	\$82,178	\$92,607
Harvard Pilgrim HMO Family Plan	\$15,690	\$15,690	\$15,690	\$15,690
Health & Welfare	\$1,423	\$1,423	\$1,423	\$1,423
Career Award Average	0	\$1,623	\$1,623	\$1,623
Board Certification +4%	\$1,870	\$3,117	\$3,287	\$3,704
New Teacher Developer NTD +5%	0	\$3,896	\$4,109	\$4,630
Total Possible Compensation	\$65,737	\$103,661	\$108,310	\$119,677
* Salary base is from step 9 of the educational category as that is where the majority of teachers fall.				
Total Compensation Over Base	40.6%	33.0%	31.8%	29.2%

Other Possible Differentials Depending on Position

A BPS teacher salary may also grow by adding differentials or extra pay for extended work time for programs such as the McKinley and Project Promise. Extra compensation occurs also if a planning period is missed by a teacher at the request of the principal to cover another teacher absence for a course or subject. Extra pay is also granted for new teacher development that provides mentor teachers who are compensated for extra work. Board certification is also a differential that adds pay to the base salary. Below is a list of those optional differentials.

- Overtime
- McKinley Differential
- Project Promise
- SPED
- Differential
- Pilot School Extended Time
- Extended Learning
- Class Coverage
- Missed Planning and Development Periods
- Missed SPED Admin Periods
- 10% Over Base Salary NTD
- 15% Over Base Salary NTD

Source: BPS & BTU Contract 9/1/06 - 8/31/10 and Salary Schedule. BPS Finance Office and City of Boston Budget Office.

Appendix C: **Teacher Compensation for extracurricular positions**

Coaches:	Amount
Football, Head Coach	\$10,834
Football, Asst Coach	6,395
Baseball, Head Coach	6,710
Baseball, Asst Coach	5,415
Basketball, Head Coach	7,117
Basketball, Asst Coach	5,676
Indoor Track, Coach	5,776
Hockey, Coach	7,117
Swimming, Coach	5,776
Cross Country, Coach	3,857
Outdoor Track, Coach	4,806
Soccer, Coach	5,147
Boating, Coach and Wrestling, Coach	2,889
Intramural Coaches:	
Middle School	65.63
Golf, Coach	2,889
Softball, Head Coach	6,710
Softball, Asst Coach	5,415
Badminton, Coach	2,889
Bowling, Coach	2,889
Cheerleading, Coach	2,889
Tennis, Coach	2,889
Volleyball, Coach	5,147
Teacher in Charge of:	
Yearbook, High School	1,390
Teacher in Charge of Yearbook, Middle School	1,390
Teacher in Charge of:	
Drama Club	1,390
Teacher in Charge of clubs that meet in interscholastic competition	
	1,390
Elementary teacher in charge of audio-visual equip.	
	1,390
JROTC Drill Instructors	1,390
Academic Debate Coach	1,390