

CITIZENS BUDGET COMMISSION

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CBC STATEMENT ON THE PRELIMINARY UFT CONTRACT

The preliminary contract with the United Federation of Teachers contains some notable reforms that will improve the ability of the Chancellor and principals to manage the schools. However, the key feature of the contract is that it follows a pattern of “time for money” established in the last contract—adding time to the school day in exchange for higher salaries. The difference this time around is that the City and the union have a clear plan for using the extra time in a way that has potential to be educationally effective.

While we don’t know the eventual educational outcomes, we do know the fiscal consequences. This policy is very expensive. The added time bought in this contract has an extra annual cost of about \$230 million. Together with the previous contract the added time will cost \$650 million annually. The same sum could have added more than 10,000 teachers to reduce class size significantly.

In addition, the fourth year of the contract sets an expensive precedent for other municipal unions. It grants a 3.25% raise with virtually no productivity to fund it. This represents an important reversal of the Mayor’s prior position that increases beyond half the rate of inflation be funded with productivity improvements.

“With a fiscal year 2007 budget gap already at \$4.5 billion, it is not clear how the Mayor who takes office on January 1st will pay for the significant added cost of this contract,” said Diana Fortuna, President of the Citizens Budget Commission.

Founded in 1932, the Citizens Budget Commission is a nonpartisan, nonprofit civic organization devoted to influencing constructive change in the finances and services of New York State and New York City governments.