

Carl Strock: The View from Here
Nice benefits but bye-bye 34 teachers

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By Carl Strock

Article 15 of the Gloversville teachers' contract specifies that the school district can change the teachers' health insurance only if any new insurance "provides benefits equal to or better than those provided under the plan in effect on June 30, 1989," and there you have it. Locked in.

Never mind how the cost of such insurance might go up. Never mind how revenue coming into the school district might go down. Once they've got it, they've got it forever, unless they agree to surrender it, which is a hallmark of all public-employee contracts.

So what happens when revenue does go down and the school district can no longer afford the benefits provided 20 years ago?

What happens when the cost of such insurance for one teacher and family goes up to \$25,788 a year, which is twice the national average? And what happens when the teachers' union refuses to accept less generous coverage, comparable to what the rest of the working world has?

Well, you don't need a Ph.D. in economics to see that something has to give.

If the school district is looking at a \$1.2 million cut in state support, a \$1.1 million increase in payroll (because of those same contracts), and then a \$1.2 million increase in health insurance premiums, as Gloversville was, out of a \$50 million budget, it has to do something besides raise taxes through the roof, which would surely cause voters to rise in revolt.

The district asked the teachers' union and the other smaller unions of school employees to consider surrendering their \$25,000 health insurance policies in exchange for more normal policies, for a projected savings of some \$1 million, and the answer was no cigar.

So in the new budget, the jobs of 34 of the district's 286 teachers are eliminated, and so are 16 non-teaching jobs.

I asked the teachers' union president, Pat Donovan, if she considered that a good deal for her members, and she said actually the matter of health insurance is still on the table in contract negotiations, though she confirmed that the teachers and other unionized employees rejected an initial offer to switch to cheaper coverage.

"Our answer was no," she said. But, "health care is just one piece of a collective bargaining agreement. We are in the process of negotiations " it would be incorrect to say we are refusing to give up that plan. What would be correct to say is we are discussing many health insurance options with the district."

So they might still give up the \$25,000 policy?

"Correct," she said.

I couldn't get her to say whether sacrificing the jobs of 34 people in order to preserve a Rolls-Royce health plan for the remaining members was a good deal. She would just say it's still

under discussion.

She also argued, "If we did this one concession that would not have saved all those positions " I don't know if it would have saved any of those positions. We could make that concession and have all that money just go into a fund balance, for example."

She also disputed the estimated savings of \$1 million if the most expensive plan were scrapped, noting that the cost, and therefore the potential savings, is lower for a couple and for a single person than for a family.

"I'm optimistic we'll be able to come to an agreement," Superintendent Robert DeLilli said, emphasizing the need for everyone to work for "the sustainability of the organization."

But he said the sending out of pink slips to 50 employees was not just a gimmick to put pressure on the unions.

"That's not my style," he said, though he did allow that it was a way of "preparing for the worst," in terms of finances.

I will note that not all teachers have the Blue Cross Blue Shield "indemnity plan," which is the \$25,000 plan. That is just one option for them, and 88 of the 286 teachers take it, along with a few members of a couple smaller unions.

While it provides lavish benefits, it's more expensive for them too, since they pay 20 percent of the cost of the premiums, meaning about \$5,000 for family coverage.

I did not get a response from Blue Cross Blue Shield to my query about the details of those benefits, but whatever they are, I'm sure I would like them for myself, and I am considering applying for a job in Gloversville, though I guess my timing is not the best. I want to tell Pat Donovan to hang in there till I get on board.

But anyway, you see the kind of situation that school districts and local governments get themselves into. Anything they grant in a moment of weakness or irresponsibility can never be taken back, thanks to a state law known as the Triborough Amendment, which keeps public-employee contracts in effect in perpetuum.

You can never say, well, times have changed, and now we have to do things differently.

No. Once it's done, it's done forever, unless the employees' union agrees to a change, and as a general thing a union agrees to a change only if it gets something of equal value.

"If you want it back, you have to pay for it," is their position, which is one reason why public-employee salaries keep going up and up. Local governments are forever buying back, in the currency of salary, some reckless gift from years past.

We'll see what happens in Gloversville.

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