

Report on Livable Wages in Burlington Schools:

How to Address Poverty in Our Community & Reverse Gender Wage Inequity

June 25, 2007

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Introduction: Livable Wages at Burlington Schools - Now is the time

Over the last three years, community members and support staff workers in the Burlington School District have called upon the Burlington School Board to adopt livable wages for all school workers. Currently, para-educators and food service workers have contracts with starting wages of \$9.54/hour and \$8.40/hour respectively. In the 2005-2006 school year, 40% of para-educators did not have health or dental insurance, 96% of food service workers had no health, or dental insurance and 4% of maintenance workers had no health or dental insurance.

The contracts for all three groups of workers are set to expire on June 30, 2007. The school board has an opportunity to adopt a livable wage policy as part of the new contracts. As community leaders of Burlington, we strongly urge the school board to do so.

A livable wage is the hourly wage or annual income sufficient to meet basic needs plus all applicable Federal and State taxes. Basic needs include food, housing, child care, transportation, health care, clothing, household and personal expenses, renters insurance, and 5% savings. The Vermont Joint Fiscal Office (JFO) produces a Basic Needs Study every other year which estimates the livable wage for six different family sizes.

The 2007 livable wage for an urban area for a single person with no children is \$13.94/hour¹ (assumes employer pays 82% of the premium for health insurance). The livable wage for a single person without health insurance provided by the employer is \$15.83/hour.²

Why Livable Wages in Burlington Schools?

Paying livable wages will help reduce poverty. Economic inequality erodes our communities and contributes to the race to the bottom for all workers. In order for Burlington to be a livable city for all residents, employers must pay wages sufficient to meet a person's basic needs. The School District should set an example show that Burlington is committed to making the city livable for all.

Livable wages will also help close the gender wage gap between municipal workers, who are guaranteed a livable wage by ordinance and are mostly men, and school support staff, who are predominately women and make less than a livable wage.

Support staff workers have a high turn-over rate. In Burlington, 54% of para-educators have worked for the district for less than 2 years compared to 34% in Chittenden East Supervisory Union and 40% in Milton School District. Students need consistency, especially special need students who often work one-on-one with school support staff.

Paying support staff a livable wage will 1) lower turn-over rates and reduce the costs of recruitment and staff training; 2) reduce the stress on current support staff, some of whom work second or third jobs to supplement their income; and 3) better compensate staff who are often working with the most challenging students in the school system.

¹ JFO, March 2007. Urban figure for single person with employer-assisted health insurance.

² Ibid. Urban figure for single person without employer-assisted health insurance.

- **Virtually no Para-educators make the hourly livable wage:** During the 2005-2006 school year, 115 out of 186 para-educators (62%) earned a median wage of \$9.49/hr or below. After adjusting for health and dental benefits, 160 workers (86%) made less than a livable wage.³ 83% of para-educators are women.
- **No Food Service worker makes the hourly livable wage:** 23 of 54 food service workers (43%) earned \$8.59/hr or less in the 2005-2006 school year and 52 (96%) made less than a livable wage.⁴ Only 2 workers received health or dental insurance. 94% of food service workers are women.
- **Two-thirds of Maintenance workers make a livable wage:** The median wage for the 48 maintenance workers was \$15.23/hr in the 2005-2006 school year. Of those, 16 (33%) made less than a livable wage.⁵ 6% of maintenance workers are women.

SOCIO-ECONOMIC INTEGRATION: POVERTY AND LIVABLE WAGES

The Burlington school district is one of the largest employers in Burlington. As the community grapples with proposals for socio-economic integration, it is important for the school district to acknowledge the clear connection between poverty and low wages. While integration may be a useful short-term tool, it is not a solution. To the extent possible, we must raise the wages of low-income working families in order to solve the problem.

Overall, approximately two thirds of School support staff lives in Burlington: 72% of para-educators; 77% of food service workers; and 40% of maintenance workers.

School workers live in Burlington, pay taxes, send their children to Burlington schools, and deserve to be part of a livable community. However, with current school wages, 100% of para-educators and food service workers qualify for food stamps and 100% of all support staff qualify for Dr. Dynasaur. When employers do not pay livable wages, workers have no choice but to use public assistance programs to help cover basic needs. These programs are funded with our tax dollars. **More tax dollars should go directly to wages rather than indirectly going to workers through poverty assistance programs.**

³ For para-educators without health or dental insurance the livable wage was \$13.95 / hr in 2006. For para-educators with health insurance but no dental, the livable wage was \$12.43 / hr in 2006. For para-educators with health and dental insurance the livable wage ranges from \$11.56 / hr to \$12.39 / hr based on how much dental insurance is paid by the school district.

⁴ Most food service workers do not have health or dental insurance. The 2006 livable wage used was \$13.95 / hr. Only 2 out of 54 workers have dental and health insurance. Their livable wage ranges from \$11.80 to \$12.23 / hr.

⁵ Only 2 of 48 maintenance workers have no health or dental insurance. Their livable wage is \$13.95 / hr (2006). The majority have a livable wage ranging from \$11.84 / hr to \$12.24 / hr.

Vermont Program ⁶	Qualifying Income for Family of 3	Para-educators below Qualifying Income (Q.I)	Food Service below Q.I.	Maintenance below Q.I.
Food Stamps	\$20,928	146 (78%)	52 (96%)	0 (0%)
Sec. 8 Housing Vouchers	\$31,050	186 (100%)	54 (100%)	25 (52%)
Dr. Dynasaur	\$49,556	186 (100%)	54 (100%)	48 (100%)

CLOSING THE GENDER WAGE GAP

Traditionally, more women than men tend to be employed as para-educators and food service workers. In Burlington, 73% of all 664 municipal workers are men. The City Livable Wage Ordinance increased the City’s lowest paid positions to a livable wage level in 2001 (primarily meter readers and city parking garage attendants). In the 2005-2006 school year, **83% of Burlington para-educators were women; 94% of food service workers were women; but only 6% of all school maintenance workers were women.**

In Burlington Schools, 77% of maintenance workers (predominantly men) make more than a livable wage. In contrast, only 14% of para-educators and 4% of food service workers make more than a livable wage. This illustrates a huge gender gap within the schools.

COST: THE ECONOMICS OF PAYING LIVABLE WAGES

The Peace & Justice Center’s Vermont Livable Wage Campaign and Vermont Workers’ Center estimated in the 2005-2006 school year it would take \$833,005 to increase all wages of paraeducators, food service and maintenance workers to a livable wage. The figure reflects the use of two livable wage figures—the livable wage figure for a worker with some level of health and dental insurance from the school district (\$11.56-\$12.43/hr depending on the value of insurance offered to the employee deducted from the 2006 livable wage figure) and the livable wage figure for a worker with no health or dental insurance (\$13.95/hr).

For calculation purposes, we used a round figure of \$800,000 to estimate the total approximate cost of raising all workers to a livable wage in the school district. The figure does not account for “wage compression” (increasing wages for those who currently make a livable wage). Also, all approximate costs would be subject to current contract negotiations underway between workers and the school district.

Burlington taxpayers can afford the cost of paying livable wages to school support staff.

- 88% of the total cost for paying livable wages will be paid by non-income sensitive households.

Est. amount to be paid by income sensitive HH	\$95,171
Est. amount to be paid by non-income sensitive HH	\$704,829

⁶ 2006 data for a 3-person family. Sources: U.S. Dept. of Health & Human Services, VT Agency of Human Services, and the U.S. Dept. of Housing and Urban Development.

- As the Table below shows, the majority of these households will pay \$37 - \$56 a year to help pay for livable wages.

Table 1: Estimated cost for non-income sensitive HH by Homestead value

Homestead Value	Before	With LW	Change	Additional cost per quarterly payment	Total # of Properties by Value*
\$150,000	\$1,488	\$1,525	\$37	\$9.28	499 ↓
\$175,000	\$1,736	\$1,779	\$43	\$10.83	1,205 ↓
\$200,000	\$1,984	\$2,034	\$50	\$12.38	1,057 ↓
\$225,000	\$2,232	\$2,288	\$56	\$13.92	754 ↓
\$250,000	\$2,480	\$2,542	\$62	\$15.47	393 ↓
\$275,000	\$2,728	\$2,796	\$68	\$17.02	343 ↓
\$300,000	\$2,976	\$3,050	\$74	\$18.56	236 ↓
\$325,000	\$3,224	\$3,305	\$80	\$20.11	248 ↓
\$350,000	\$3,472	\$3,559	\$87	\$21.66	195 ↓
\$375,000	\$3,720	\$3,813	\$93	\$23.20	166 ↓
\$400,000	\$3,968	\$4,067	\$99	\$24.75	280 ↓
\$500,000	\$4,960	\$5,084	\$124	\$30.94	180 ↓
\$750,000	\$7,440	\$7,626	\$186	\$46.41	46 ↓
\$1,000,000	\$9,920	\$10,168	\$248	\$61.88	22 ↓

Note: Most taxpayers with homesteads valued between \$150-200K are income sensitive.

* All properties including income sensitive HH (2006 Burlington Grand List)

- Of all income sensitive households in Burlington, 48.5% of the cost would be borne by households with incomes of \$60,000 or above. Less than 10% of the cost will be paid by households with \$29,999 or less in household income.

Table 2: Income Sensitive Households in Burlington

HH Income Class *	# of Filers*	Avg. Income*	Avg. Adj. Homestead School Tax			Est. Amount raised by Class	
			Before	With LW	Change	\$	%
\$0 - \$9,999	85	\$6,572	\$136.56	\$139.97	\$3.41	\$290	0.3%
\$10,000 - \$19,999	324	\$15,437	\$320.77	\$328.78	\$8.00	\$2,593	2.7%
\$20,000 - \$29,999	503	\$25,202	\$523.69	\$536.75	\$13.07	\$6,572	6.9%
\$30,000 - \$39,999	662	\$35,043	\$728.18	\$746.35	\$18.17	\$12,027	12.6%
\$40,000 - \$47,000	442	\$43,586	\$905.70	\$928.29	\$22.60	\$9,988	10.5%
\$47,001 - \$59,999	633	\$53,390	\$1,109.42	\$1,137.10	\$27.68	\$17,521	18.4%
\$60,000 +	1,177	\$75,680	\$1,572.60	\$1,611.83	\$39.24	\$46,180	48.5%
Totals	3,826					\$95,171	100%

* Source: VT Tax Dept. http://www.state.vt.us/tax/pdf.word.excel/statistics/2005/prebate_town.pdf

- Of all income sensitive households with \$60,000 or above in household income, the estimated change in taxes to fund livable wages would be **\$39.24**. For households of \$29,999 or less, the estimated change in taxes would be **\$13.07** or less a year.

Burlington: A Livable City with Livable Wages

The Burlington School Board has been providing our city with an extraordinary amount of energy and leadership regarding the need for socio-economic integration resulting from education inequities due to poverty. But some students whose parents are Burlington School District employees are forced to work two or even three additional jobs to make ends meet. Parents working two or three jobs often do not have adequate time to spend with their children in support of their education at home. Now is the time for the Burlington School Board to do its part in solving the underlying problem by paying livable wages to all school support staff. For Burlington to be a truly livable city, all residents must earn a livable wage. As one of the major employers in the city, the School District must follow the City's example by paying livable wages. This is a form of economic stimulus because low-income families typically spend most of their money on local goods and services, so the money stays in the community. More livable wage jobs mean a stronger local economy, healthier families, and more equitable education opportunities.