

Differentiating Teachers' Pay

Districts should take several factors into account as they shift toward differentiated pay for teachers.

By Karen J. DeAngelis, Ph.D., and Linh Dang



Much attention is being paid to alternative pay plans for teachers and administrators in public schools. That attention stems in large part from the desire of policy makers, particularly at the federal and state levels, as well as a growing number of administrators, to establish a closer link between teachers' effectiveness in the classroom and their compensation.

More than two decades of research demonstrate that the criteria used to differentiate compensation in the long-standing and near universally used single-salary

schedule—formal education level and credits and years of teaching experience—have little association with teachers' effectiveness, particularly after their first few years in the profession.

Given that teacher compensation on average accounts for 55% or more of school districts' annual budgets, this attention on alternative criteria is not unwarranted and has important implications for educational costs, teacher productivity, and districts' ability to attract, develop, and retain high-quality teachers. Although merit or performance-based pay appears to have gained the most

attention and use recently, it is not the only differentiated pay option that districts might consider.

Districts are using some alternatives as amendments or supplements to, rather than replacements of, the traditional single-salary schedule (Springer and Gardner 2010). A common goal among those approaches is to differentially compensate teachers for alternate characteristics, such as demonstrated competencies, teaching assignment, or effectiveness, as a means to motivate, develop, and reward good teaching.

Merit or Performance-Based Pay

Merit or performance-based pay can target individual teachers or groups of teachers, such as teachers within a grade level or within an entire school. Merit pay ties at least a portion of a teacher's or group's compensation to one or more measures of their demonstrated effec-

and cheating by teachers and administrators; and the effect on teacher cooperation and morale, particularly in individual-based systems (Ritter and Jensen 2010).

This alternative has gained significant momentum over the past decade as federal initiatives, including the Race to the Top competition and the Teacher Incentive Fund, have provided strong monetary incentives for states and districts to adopt performance-based pay as one approach to differentiating teacher compensation (Springer and Gardner 2010). However, support for performance-based approaches to compensation, and teacher evaluation more generally, may be tempering a bit as challenges associated with their design and implementation have emerged, and research on their efficacy has shown mixed results to date (Harris and Herrington 2015).

Moreover, with the recent passage of the Every Student Succeeds Act, the federal pressure to base teacher

for which some states and districts provide salary supplements or bonuses. Denver Public Schools' ProComp (Professional Compensation System for Teachers) is another relatively established program that bases teachers' compensation in part on their acquisition of skills (Jupp 2005).

The key to the success and challenge of this approach is first determining what teachers need to know and to be able to do to promote student achievement, and then providing professional development opportunities to enable teachers to develop and implement those skills.

Career Ladders

The notion of career ladders for teachers dates back to the mid-1980s, when a report by the influential Carnegie Forum on Education and the Economy (1986) called for redefining teaching as a career, with stages within teaching as one component of a broader effort to professionalize teaching.

Simply speaking, career ladders involve providing multiple, graduated levels or stages within teaching that teachers can achieve through demonstrated growth in their expertise, contributions, or professional responsibility and that are tied to higher compensation.

A primary goal of career ladders is to keep talented teachers working at the classroom level by providing them with opportunities to advance and distinguish themselves within teaching rather than through administration or some other profession. As Johnson and Papay (2009) explain, career ladders function to attract, develop, and retain effective teachers and to improve the instructional capacity and success of schools.

Although states for the most part already have tiered stages based on certification level, career ladders typically use different and more rigorous criteria for advancement. The Teacher Advancement Program

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tiveness—most often, student test scores or other student performance outcomes.

Proponents of merit pay contend that linking compensation to outcomes—as opposed to inputs like education and experience—can be beneficial in many ways, including providing the incentive necessary for teachers to improve their performance, attracting more skilled individuals to the profession, and encouraging effective teachers to stay and ineffective teachers to leave.

Opponents of this approach raise concerns about the validity and reliability of the student performance-based measures that are typically used to assess effectiveness; the potential unintended consequences, such as teaching to tests

evaluations at least in part on student outcomes—which was placed on states and districts that sought waivers from the No Child Left Behind Act—has been eliminated (Sawchuk 2016).

Competency-Based Pay

Competency-based pay, sometimes referred to as skill-based or knowledge-based pay, provides differentiated compensation on the basis of teachers' attainment and demonstrated classroom use of additional skills and competencies associated with effective teaching, often defined by their state or local district.

Perhaps the most developed and well-known initiative of this type is National Board for Professional Teaching Standards certification,

(TAP) model, for example, uses a career ladder as one component of a more comprehensive teacher development system. The ladder consists of three levels: (a) career teachers, who are full-time classroom teachers; (b) mentor teachers, who remain in the classroom but take on additional mentoring and professional development responsibilities; and (c) master teachers, who work full-time to help develop other teachers (Sawchuk 2009).

Johnson and Papay (2009) also envision a three-tier structure within teaching, with master teachers and school-based teacher leaders occupying the third tier and a fourth tier comprising building and district administrators.

Targeted Market-Based Incentives

Ample research shows that teachers, like workers in nonteaching occupations, consider the relative pecuniary (e.g., salary, benefits) and nonpecuniary (e.g., working conditions)

characteristics of jobs when deciding whether, where, and how long to teach (Loeb and Reininger 2004). That means that the attractiveness of teaching versus not teaching, or teaching in a particular district or school compared with some other district or school, differs among individuals based to some extent on

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their opportunities elsewhere.

Yet the single-salary schedule is designed to treat all teachers as if their opportunities outside and within education are the same, which has resulted in long-standing challenges to recruit and retain teachers in some subject areas, districts, and schools and in the equitable distribution of teachers across districts and schools (Loeb and Reininger 2004).

To address those often-local staffing challenges, more and more districts, and in some cases states, are using market-based incentives targeting select subgroups of teachers, such as those with needed subject qualifications or those who agree to work in hard-to-staff districts or schools.

Those incentives can take various forms, depending on local needs, including one-time or recurring bonuses, supplements to base pay, student loan forgiveness, or even assistance with housing costs (Kolbe and Strunk 2012).

Lessons Learned

Findings from the growing use of these approaches in a wide variety of states and districts suggest that

WHAT ENROLLMENT CHALLENGES DOES YOUR DISTRICT FACE?

- INCREASING ENROLLMENT
- DECLINING ENROLLMENT
- GRADE CONFIGURATION CHANGES
- SCHOOL CONSOLIDATION
- FEEDER SCHOOL CHANGES
- FISCAL AND STAFFING PLANNING
- NEW HOUSING DEVELOPMENT
- ATTENDANCE BOUNDARY CHANGES
- SPECIAL PROGRAM PLACEMENT
- CLASS SIZE REDUCTION
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- OPEN ENROLLMENT/ SCHOOL CHOICE
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several factors should be taken into account during the design and implementation stages for a shift toward differentiated pay to succeed.

First and foremost, participation and support of primary stakeholder groups, including administrators, teachers, and unions, are necessary from the beginning of any process aimed at altering the structure of teacher compensation. Teachers and other critical stakeholders should view the reward system as fair, transparent, and attainable. Ritter and Jensen (2010) note that some of the mixed results from merit pay programs stem from the early termination of programs on account of strong opposition from key stakeholders.

Second, no one-size-fits-all approach to compensation reform will work for all districts. Rather, districts need to consider carefully their particular needs and local context and how these approaches may work—singularly or in concert—to address those needs. The TAP model and ProComp mentioned earlier, as well as other existing programs, use multiple measures and approaches, not just one of the described approaches.

As well, teacher pay reform should be regarded as just one component of a district's comprehensive human resource strategy to attract, develop, and retain effective

teachers, with other components, such as hiring, ongoing support and development, and evaluation and tenure practices, receiving similar attention (Ritter and Jensen 2010; Springer and Gardner 2010).

Finally, like any education reform, careful design and implementation are critical to the long-term viability and success of a differentiated pay program. In addition to stakeholder support, the incentive structure created needs not only to promote teacher effectiveness but also to be fiscally feasible if the program is to be sustained (Ritter and Jensen 2010).

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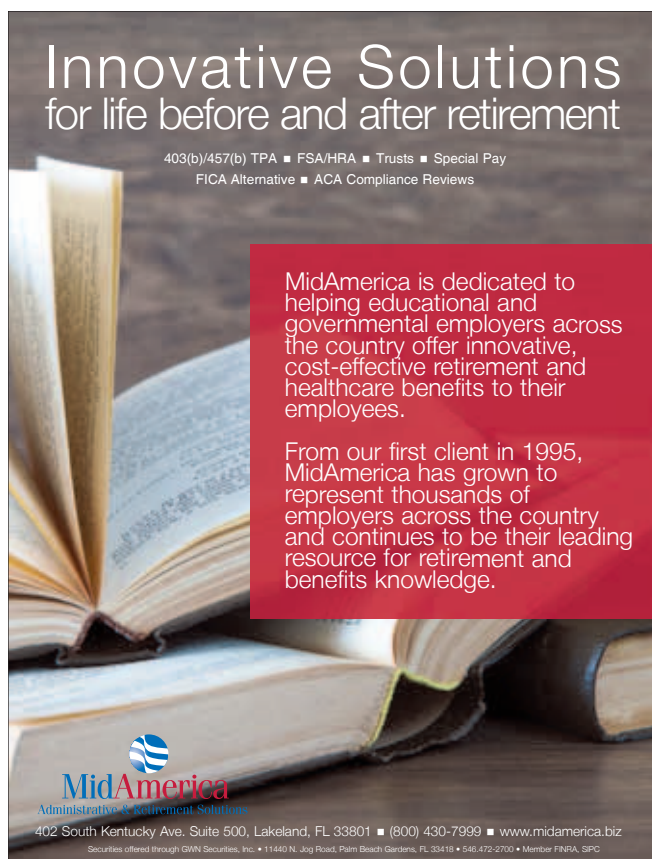
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