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Toward a More Comprehensive Model of Teacher Pay

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Toward a More Comprehensive Model of Teacher Pay

JULIA KOPPICH

TOWARD A MORE COMPREHENSIVE MODEL OF TEACHER PAY

When the Denver Public Schools announced in 1999 that it had reached agreement with the Denver Classroom Teachers Association on a new pay plan that would tie teachers' salary increases to student achievement, the accord was hailed by the *Denver Post* as, "the nation's most ambitious teacher pay plan" (Illescas, 1999). Over the next five years, Denver's compensation pilot project, which required teachers to set measurable student performance objectives, would take shape as the more comprehensive ProComp.

ProComp offered a new vision of teacher compensation. Under ProComp, Denver teachers would earn salary increases on the basis of demonstrated knowledge and skills linked to improving student achievement, additional pay for working in hard-to-staff schools and hard-to-staff subjects, incentive dollars for good performance evaluations, and pay for increased student achievement on standardized tests.

Denver's work would trigger a flood of nationwide policy activity around teacher compensation. Since that initial Denver announcement, dozens of states and school districts have begun work to reconfigure teacher pay. The federal government has invested $99 million in the competitive Teacher Incentive Fund, providing dollars to 35 districts and 15 states to rethink their teacher compensation structures.

Many new teacher pay plans are rooted in individual teachers' ability to raise their students' scores on standardized achievement tests. Some salary structure reform advocates believe student test scores should be the sole measure of teachers' effectiveness. Others are leery of the power of test scores, or at least the power of current tests (often, they say, narrowly drawn and focused on a small number of subjects), fully to appraise teachers' impact on student learning (Goldhaber, 2006). Even the current and increasing emphasis on value-added scores (which aim to measure student growth or progress), as opposed to straight attainment scores, has failed to quell the controversy. The academic community is not of a single mind regarding the validity of various value added methodologies or the extent to which they can distinguish gradations of teacher quality (McCaffrey, 2005), thus increasing practitioners' skepticism.

A few school districts, including Denver, Toledo, Minneapolis, and New York City, have taken a somewhat different tack to rethinking teacher pay. They have chosen to employ multiple kinds of measures, including but not limited to test scores, to gauge the extent to which teachers are contributing to improved student learning and, therefore, earn eligibility for incentive pay dollars. This paper briefly reviews these four programs in an effort to paint a picture of the range of approaches being taken to reconfigure teacher compensation.

The Structure of Teacher Pay

The National Center for Education Statistics pegs the average annual teacher salary in the United States in 2006 was $47,750. Salaries compose the largest component of school districts' budgets.[1]

Teachers' salaries in nearly all of this nation's 15,000 school districts are constructed on the standard single salary schedule. Salary advancements accrue on the basis of years of experience ("steps") and college units earned ("lanes" indicated by increasing numbers of units).

Some school districts in the last decade have attached a modest number of pay differentials to the salary schedule, such as bonuses for teachers who earn advanced certification through the National Board for Professional Teaching Standards or for those who assume additional professional responsibilities by serving, for example, as mentors or peer evaluators.

[1] The National Center on Education Statistics (NCES) does not break out administrators' from teachers' salaries, but does put the cost of certificated (teachers and administrators) salaries at 67 percent of elementary and secondary education expenditures.

These modest changes notwithstanding, the basic architecture of the standard single salary schedule has remained relatively inviolate.

The single salary schedule was first introduced in the Denver and Des Moines school districts in 1921 (Odden & Kelley, 1997). In the early part of the century, this compensation structure was viewed as a way of tamping down the graft, corruption, and political favoritism that often plagued school district decision-making, especially in the areas of hiring and salary setting.

Popularized following World War II when the school population burgeoned and teachers were in short supply, the single salary schedule became widespread as a way of equalizing pay across gender, race, and position. At the time, female teachers (most of whom taught at the elementary level) were paid less than male teachers (most of whom taught at the secondary level); and black teachers were paid less than white teachers. Standardizing teacher salaries was a means to attract the necessary complement of individuals to the profession.

By the 1960s, 97 percent of school districts had adopted the standard single salary schedule as their method of paying teachers (Sharpes, 1987). It remained the primary means of paying teachers through the 20th century.

With the advent of collective bargaining in the 1960s and 1970s[2], the unions representing teachers—affiliates of the National Education Association (NEA) and the American Federation of Teachers (AFT)—came to view the standard single salary schedule as the only pay arrangement that offered all teachers a system of equitable salary distribution (Kerchner, Koppich, & Weeres, 1997).

Thus, the single salary schedule was favored largely because of its objectivity and predictability. Teachers were confident in the number of years they had served in the system and

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[2] Thirty-seven states have statutes authorizing collective bargaining. Large school districts in a number of states without statutorily authorized bargaining nevertheless engage in salary discussions with their local teacher unions.

the number of college credits they had earned. Moreover, they could plan with reasonable assurance what their salary levels would be from one year to the next.

In addition, the single salary schedule was a good fit with a teaching culture that favored egalitarianism. Under the system, teachers were not required to compete for pay (Lipsky and Bacharach, 1983). All teachers earned increases with an additional year on the job and the completion of additional college credits.

Finally, in an education system that measured productivity on the basis of inputs and valued professional training (credentials and courses) as a proxy for expertise, the standard single salary schedule served as a kind of pay-for-performance (Kerchner, Koppich, & Weeres, 1997).

Why the Current Policy Focus on Teacher Compensation?

Reforming teacher compensation is currently high on local, state, and national policy agendas. The issue goes far beyond well-trod arguments about whether teachers are underpaid (or overpaid).

Policy discussions, and efforts at change, center on the actual construct of teacher salaries. Whether these emerging forms of pay travel under the name pay-for performance, alternative compensation, professional pay, or, (unfortunately, given its historical antecedents), merit pay, they all are geared toward revamping or replacing the nearly ubiquitous standard single salary schedule.

Advocates for changing the way teachers are paid make the case that new salary constructs can further efforts to professionalize teaching by bringing teacher compensation structures, and perhaps levels, in line with other professions requiring similar preparation and training. Moreover, proponents of salary reform argue, how salaries are paid—the architecture of the salary system—should measure what matters most for improving student achievement.

Experience and advanced degrees, they assert, the primary components of the single salary schedule, account for but a tiny percentage of the explainable contributions teachers make toward improving student learning (Hanushek, 1994; Goldhaber, 2001).

Paying teachers solely on the basis of years and units, say those who advocate teacher pay reform, produces neither professionally competitive nor market sensitive salaries. In addition, this salary structure both offers few incentives for professional improvement and ties teachers to what is typically a very slow salary climb.[3]

Those who advocate maintaining the standard single salary schedule, on the other hand, cite issues of fairness in their critiques of proposed changes. Once salary calculations move away from objective measures such as years and units, they say, teacher compensation is on the slippery slope of salary setting by means that are more open to interpretation, human judgment (especially, for example, when principals' ratings are used as part of salary calculation) and, therefore, human error.

Moreover, they fear that what they see as an over-reliance on student standardized test scores is likely to produce negative consequences. These include constraining the definition of good teaching and narrowing the curriculum. These critics point to these as some of the unintended consequences of the testing strictures and requirements of, for example, the No Child Left Behind Act.

Some pay reform critics are more blunt. They say they fear efforts to change the salary structure are really no more than thinly veiled attempts to keep teacher salaries artificially depressed. Still others assert that the egalitarianism that has characterized teaching culture is

[3] It can take as long as 20 years for teachers to reach the top of the salary schedule.

important to maintaining a profession that relies on cooperation rather than competition among colleagues.

Four Intersecting Circumstances

What has prompted the current policy interest in changing teachers' salary configuration? The answer can be linked to at least four intersecting contemporary circumstances.

First, standards-based education has shifted policy emphasis from inputs to the education system to student outcomes. Numbers of dollars, personnel, and material resources are no longer the measures of a successful (or unsuccessful) education system. Rather, student achievement, typically measured by scores on standardized tests, has become the gold standard for appraising educational accomplishment.[4]

Standards-based education changes teachers' jobs and thus the expectations for their work. Attempting to help all students reach high academic standards is a far different proposition from simply ensuring a course of material is covered. In a standards-based system, teachers can no longer use the explanation, "I taught them but they didn't learn" when students' achievement lags. A salary structure that offers monetary rewards based only on inputs, as does the single salary schedule by tying increases to years and units, seems increasingly to be at odds with a system structured around educational outcomes (Kerchner, Koppich, & Weeres, 1997).

Second, a growing body of research has raised questions about the value of the current teacher compensation system. Does the standard single salary schedule measure what matters most? Does it provide appropriate incentives for continuous improvement of professional practice? Does it encompass a career that could include beyond-the-classroom responsibilities?

[4] Arguments abound that using test scores alone, especially attainment rather than growth scores, does not provide an adequately broad view of student performance. Nevertheless, student scores on standardized tests (though increasingly growth rather than attainment) remain for many the sine qua non of educational performance. In part, the reliance on test scores is driven by the inadequate state of most teacher evaluation systems. For a more complete treatment of teacher evaluation, see http://www.educationsector.org/usr_/RushtoJudgment_ES_Jan08.pdf

Does it reward good professional performance over poor professional performance? (Hanushek, 1994; Goldhaber, 2006; Snowden, 2007). While definitive answers to these questions are still evolving, that so many questions that cut to the heart of this compensation structure are being raised by numerous researchers and policy makers gives at least tacit credence to calls to consider change.

Third, subject specific teacher shortages—the continuing difficulty, especially in urban areas, of staffing with qualified teachers positions in science, mathematics, special education and classes for English language learners—has prompted the policy focus on developing new mechanisms, including offering monetary incentives, to attract people to these positions. In other words, in order to meet the needs of the education system, the salary system is under pressure to be more sensitive to the market.

Fourth, staffing positions in challenging schools, particularly those in high poverty, high minority areas, has become increasingly difficult. Teachers are often reluctant to accept assignments in these schools, or if they accept them, fail to stay in them long enough to make a difference in student achievement. While there is ample evidence to suggest that salary, by itself, is not an adequate incentive to encourage teachers to accept positions in hard-to-staff schools,[5] it is reasonably assumed to be an important component of a package designed to attract teachers to these assignments.

The Position of the Teacher Unions

More than 80 percent of public school teachers in the United States belong to one of the two major teacher unions, the NEA or the AFT. The unions are widely acknowledged by both

[5] See, for example, Koppich, Humphrey, and Hough (2006), "What Matters Most: Policy, Practice, and National Board Certification." This study found that when teachers are deciding whether or not to accept positions in low-performing schools, salary is just one, and not the most important, factor. The most critical factor in their decision is the effectiveness of the principal, followed by salary, working conditions, and the presence of like-minded colleagues.

policy makers and researchers to be powerful and the implications of their actions—whether participating in federal, state, or local election contests, lobbying on behalf of a wide range of education-related policies and initiatives, or negotiating contracts through collective bargaining—are significant (Koppich and Callahan, in press).

The two national teacher unions remain among the most ardent defenders of the standard single salary schedule and often are blamed for inventing this pay calculus. They did not, but continue staunchly to support it.

The official policy of the NEA favors salary schedules based on, "academic degrees, preparation, professional growth, and length of service"; in other words, the single salary schedule. According to the organization's website, "The standard single salary schedule is the best understood and most widely used approach to teacher compensation in large part because it rewards the things that make a difference in teacher quality: knowledge and experience."

The NEA opposes both incentive pay to attract and retain teachers in hard-to-recruit-for positions and "pay-for-performance" (Goldhaber, 2006) which, in NEA parlance, refers to pay based on student test scores. Rather than altering the standard single salary schedule, the NEA favors maintaining the current salary structure, but increasing pay across-the-board for all teachers in what the organization refers to as a "campaign for professional pay."

The AFT maintains a more open policy position. A 2002 AFT policy resolution states, "Increased compensation is necessary to attract teachers to difficult assignments and shortage areas if we are to have qualified teachers in every classroom. …Given the need for highly skilled teachers who can deliver standards-based instruction resulting in improved student achievement, the AFT believes we must enhance the traditional salary schedule using approaches that contribute to more effective teaching and learning."

The AFT's policy position supports added pay for knowledge and skill, for teachers who earn National Board Certification, agree to accept assignments in low-performing and hard-to-staff schools and difficult-to-staff subjects, for mentoring, and for assuming additional professional responsibilities that lead to school-wide improvement. Like the NEA, the AFT opposes paying teachers based on student test scores.

Both organizations want fervently to avoid the mistakes of past "merit pay" plans.

Avoiding a Repeat of the Failed Case of "Merit Pay"

The latest flurry of policy attention surrounding the construct of teacher salaries is not the first. The United States had a short-lived policy flirtation with so-called "merit pay" plans in the 1980s. These programs, in which the determination of teachers' eligibility for salary bonuses typically was based on principals' ratings of teachers' effectiveness, foundered primarily on the shoals of poor planning, insufficient training, and inadequate funding.

Principals' reviews in these system tended to be highly subjective, based not on identified standards of good practice but more commonly on individual views reflected in the, "I know good teaching when I see it" approach. Judgments of so-called merit offered no gradations; one either was deserving of merit pay or was not (Snowden, 2007).

Moreover, merit pay reinforced a culture of isolation in teaching. Teachers competed with one another for merit dollars that were in short supply, thus diminishing prospects for professional collaboration. Merit pay programs also set artificial quotas. As systems were inadequately financed, fewer teachers than all those who qualified for merit pay received the dollars (Murnane and Cohen, 1986). Some teachers were forced to take their merit earnings in the form of "psychic rewards."

Finally, funding for these programs was erratic. Teachers could not be sure if systems would be funded from one year to the next. Thus, their willingness to develop an attachment to new pay systems—even if those systems were carefully developed and implemented—was thus tempered by their concern that, "This, too, shall pass."

No Simple Answers

For more than two decades of education reform ebb and flow, national policy reports have recommended both increasing teacher salaries and altering the way salaries are paid. In 1983, *A Nation at Risk*, the report of the National Commission on Excellence in Education that launched the contemporary education reform movement, recommended teacher salaries be restructured to be "professionally competitive, market-sensitive, and performance-based" (National Commission on Excellence in Education, 1983). Three years later, in 1986, the report of the Carnegie Forum on Education and the Economy, *A Nation Prepared*, called for "mak[ing] teachers' salaries and career opportunities competitive with those in other professions" (Carnegie, 1986).[6]

More than two decades after the Carnegie report, the call to alter teachers' salaries was still being heard. The Teaching Commission, chaired by former IBM chairman Louis Gerstner, recommended that an additional $30 billion per year be invested in teacher compensation, providing every teacher with a 10 percent raise and offering a 30 percent increase to the "top half" of the profession (*Teaching at Risk*, 2004).

These recommendations to alter pay have been given added weight with the increasingly powerful research that shows that teachers are the most important element in improving student achievement. According to one study, for example, half the variation in scores between white and

[6] This is the report that recommended the development of the National Board for Professional Teaching Standards.

African American students was attributable to differences in teacher quality (Ferguson, 1991). Widely cited research in Tennessee found that teachers have a cumulative effect on student achievement. After three years of ineffective teachers, students score at levels less than half those of their peers with more effective teachers (Sanders and Rivers, 1996).

In sum, research continues to affirm that students who have high quality teachers post significant and lasting achievement gains. Those with less effective teachers play a constant game of academic catch-up. The quality of teaching has been shown to relate directly to students' ability to succeed in school, the workplace, and in life. Whatever else in the educational structure is changed—more challenging standards, different tests, and new governance procedures—efforts to lift student achievement likely will fail without high quality teachers (Koppich, 2001).

Policy debates on teacher compensation continue to be complicated by disagreement about optimum levels of pay and the structure of the compensation arrangement. What constitutes "reasonable" teacher base pay? Do current pay levels reflect this "adequate" base pay or do they fall short? Is current teacher base pay, for example, (which varies from state to state and district to district) adequate to attract and retain able people in teaching? Should the focus of compensation discussions be on constructing a new schedule with new requirements and expectations, or should it be on ensuring more competitive base pay for all teachers?

If premium pay is to the offered, should incentive dollars be available as one-time bonuses or should they be structured as recurring bonuses? Instead of bonuses, should incentive dollars be permanently attached to the salary schedule?[7] Should participation in a new pay plan be voluntary or mandatory for teachers? What should be the role of measured student achievement, including test scores? If test scores are used as part of the pay calculus, should

[7] If attached to the schedule, additions to salary "count" toward retirement benefits, making them more expensive for states or districts, but also more enticing to teachers.

incentive dollars be awarded on the basis of individual teachers' students' test scores or on the basis of achievement gains realized by groups of teachers? And, finally, how much money is enough? What level of additional pay will make a difference?

The Design of Emerging Pay Plans

A great deal of recent activity in the education policy world has swirled around designing new approaches to teacher pay. These alternative compensation programs attempt, to greater and lesser degrees, to accommodate one or more of the four previously described circumstances that are propelling this policy issue as well as to avoid the pitfalls of previous merit pay programs.

Many current efforts to restructure teacher pay, including many of those funded by the federal Teacher Incentive Fund, focus on incentives to individual teachers for improved student scores on standardized tests. Some teacher alternative compensation programs, however, have elected to take a somewhat broader perspective, offering pay incentives for a range of professional circumstances and accomplishments that are likely to be reasonably related to improving teaching practice and, thereby, improving student achievement. These include added pay for acquired knowledge and skill, market incentives to attract teachers to hard-to-staff schools and subjects, growth in levels of student learning (often measured by test scores but increasingly using a "value added" rather than an attainment calculus), and added pay for assuming additional professional responsibilities.

This section briefly examines some of these programs—the widely known ProComp in Denver; the TRACS program in Toledo; Minneapolis' alternative compensation system; and New York City's new teacher pay plan.

Denver's ProComp

A cooperative effort between the Denver Public Schools and Denver Classroom Teachers Association, ProComp was born in 1999 of labor-management strife. The school district, as part of contract negotiations, proposed changing the compensation structure to eliminate salary steps and lanes, the backbone of the standard single salary schedule. The union was willing to consider schedule changes (indeed, the organization knew the salary structure needed to be modified), but wanted to be part of the process of determining the shape of that change (Gonring, Teske, and Jupp, 2007).

The center of the new agreement was the Denver compensation pilot project. Teachers in 16 participating schools would set measurable student performance objectives (approved by the school's principal) and be eligible to earn incentive dollars if those objectives were met.

As work on the pilot project proceeded for the next four years, both the district and the union began to seek a more comprehensive approach to teacher compensation. They were emboldened by the success of the pilot project.

The Boston-based Community Training and Assistance Center, which provided technical assistance for the program and evaluated its results, found that teachers in the pilot schools established and met increasingly rigorous student performance objectives and these results were reflected in higher student scores on Colorado's standardized student achievement test (CTAC report, 2004). Both the union and the district began to assess the prospects for an approach to teacher compensation that would serve the purpose of attracting and retaining teachers in Denver Public Schools and, in particular, in the district's hard-to-staff schools.

The result was Procomp, a six-year collective bargaining agreement. Launched in 2004, ProComp, like its pilot program predecessor, is a cooperative effort of the Denver school district and the local teachers' union. In the Denver program, pay for experience and units is replaced with a system in which teachers earn added compensation for: 1) acquiring increased knowledge and skill linked to improving student performance; 2) market incentives; in other words, added pay for teaching in hard-to-staff schools and subjects; 3) good professional evaluations[8]; and, 4) increased student test scores.

Denver's ProComp eliminates traditional salary steps and lanes. Teachers can select from the above pay increase options those they want to pursue, focusing in a given year on one of them, a few of them, or all of them. Those who choose teaching in hard-to-staff schools or hard-to-fill subjects earn a three percent bonus. Teachers who meet one annual student growth objective earn a one percent bonus; those who meet two student growth objectives earn one percent above base salary.

Participation in the pay system is voluntary for teachers hired prior to January 2006. In fact, teachers have seven years from the initiation of ProComp to decide whether to opt in or remain on the traditional salary schedule. The district and union have developed a web-based salary calculator that predicts teachers' earnings out several years so they can determine which system is financially more advantageous for them. About half of Denver's teachers (2100 out of 4400) have opted into ProComp. Participation is mandatory for anyone hired after January 2006.

A formal evaluation of ProComp by an outside evaluator yet to be selected will be conducted between spring 2008 and spring 2009. Preliminary data collected by the district suggest that the system has contributed to increasing Denver's supply of teachers willing to work

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[8] Administrators evaluate teachers against five standards—instruction, assessment, curriculum and planning, learning environment, and professional responsibility. Teachers must also submit practice-based evidence that includes student work.

in hard-to-staff and hard-to-serve schools.[9] For example, according to district data, in 2005-06, hard-to-staff schools had more than twice the number of applicants as openings. In 2006-07, that number was more than six times the number of openings, and in 2007-08, was eight times greater. In hard-to-serve schools, the number of applicants exceeded postings in 2005-06 by nine times, in 2006-07 by more than 13 times, and in 2007-08 by more than 19 times.

Those who were involved in designing ProComp, and now are responsible for administering it, say the system is the result of "persistence, tenacity, inventiveness, and a capacity for improvisation" (Gonring, Teske, & Jupp, 2007). Funded by a long-term tax override approved by Denver voters, ProComp dollars are set aside in a trust jointly administered by the union and the district. The trust is designed to ensure that the system will not run out of money, will not leave some Denver teachers with the infamous merit pay "psychic rewards."

TRACS in Toledo

Toledo, Ohio pioneered Peer Assistance and Review in 1981. In an agreement between the Toledo Federation of Teachers and the Toledo Public Schools, the union agreed to police veteran teachers in exchange for the right to review new teachers. Twenty years later, Toledo is pioneering a new system of teacher pay.

TRACS, the Toledo Review and Alternative Compensation System, was launched in 2002. The pay plan developed from a joint district and union recognition that the traditional system of recognizing and compensating teachers (the single salary schedule) would not lead to desired levels of student academic growth. TRACS was designed to align enhanced compensation with

[9] Denver uses the term, "hard-to-staff" based on school demographic profiles, not student achievement. These are schools that the district's supply and demand data suggest are difficult to convince teachers to select. "Hard-to-serve" is a term the district uses to describe schools in which a majority of students qualify for free and reduced-price lunch, the conventional education proxy for poverty.

more effective teaching and improved student learning as well as to increase teacher retention by opening new career paths for teachers.

Administered by a joint union-management Professional Assignment and Compensation Committee composed of three teachers and two administrators, TRACS is a three-tiered teacher pay system. Each tier encompasses different duties and responsibilities.

TRACS A focuses on individual teacher professional development and is designed for groups of teachers identified as needing remedial assistance. Under TRACS A, the district and union agree to materials and methods designed to address mutually identified performance deficits (Kaboolian, 2005). Success or failure is determined by the district's Staff Development and Control Board. Teachers who reach their TRACS A goals can earn five percent above base pay.

TRACS B centers on group efforts, or school performance, to improve measurable levels of student achievement. It is designed financially to reward teachers in schools that meet or exceed pre-established achievement goals (Kaboolian, 2005). Teachers in schools that participate in TRACS B and succeed in reaching their performance goals, as measured by scores on Ohio's standardized test, can earn 10 percent above base pay.

TRACS C is focused on individual teacher performance. Teachers who participate must have a minimum of five years successful teaching experience, at least three of them in Toledo schools. TRACS C includes a kind of embedded career ladder with three levels—Career, Accomplished, and Distinguished.

Teachers at all three TRACS C levels remain in the classroom. Career status teachers must select an area of student achievement to focus on and continually assess their students' progress toward it. Accomplished teachers, in addition to their classroom teaching duties, serve as peer reviewers and curriculum developers. Distinguished level teachers must agree to be assigned to high-needs schools for periods of not less than three years (Kaboolian, 2005). TRACS C teachers are eligible to earn 15 percent above base pay.

TRACS A and B are funded from the district's general fund revenues. TRACS C is funded from a federal Teacher Incentive Fund grant.

Results of implementing TRACS are not yet known. The five-year evaluation is scheduled to be conducted between February and May 2008. Evaluators will use district data to compare scores of students taught by TRACS teachers with students from similar socioeconomic backgrounds with non-TRACS teachers.

Alternative Pay in Minneapolis

Minneapolis' alternative pay system is part of Minnesota's state Quality Compensation for Teachers (Q Comp) program. Proposed by Governor Tim Pawlenty and enacted by the legislature in 2005, Q Comp is a voluntary program that allows Minnesota school districts to design new pay plans. Plans must include a career ladder (or teacher advancement option), job-embedded professional development, improved professional evaluation, and performance pay and a new salary schedule.

Minneapolis' version of Q Comp, the Alternative Teacher Professional Pay System (ATPP) is part of this state policy strategy to change the structure of teacher pay. A cooperative effort of the Minneapolis Public Schools and Minneapolis Federation of Teachers, alternative compensation is a logical extension of the long-term reform strategy of that district-union partnership that over the last decade has embraced a number of education reform challenges, including becoming the only school district in the nation fundamentally to rethink the process by which teachers earn tenure.[10]

Begun initially in Minneapolis 2002 as ProPay and expanded, with state funding support in 2006, ATPP is overseen by an Alternative Compensation Labor Management Committee. The program focuses heavily on improving teacher practice through professional development, offering teachers multiple ways to advance on the salary schedule. Maintaining the basic salary architecture, ATTP's salary steps (now called "career increments") are achieved by a combination of experience, implementing professional development plans linked to student achievement goals, and maintaining a professional portfolio. Lanes (called "professional growth credit lanes") are signified by achievement of National Board Certification, earning subject specific masters degrees, and acquiring teaching specialization in areas of designated district need.

Beyond the basic salary schedule, teachers can earn added pay under ATTP by completing district- and teacher-developed professional development courses. At the conclusion of each of these, pqarticipants must conduct an action research project and write a paper detailing how they applied what they learned in their classrooms and what results they achieved. In addition, Minneapolis teachers can earn incentives dollars for assuming teacher leadership responsibilities such as serving as mentors, peer or cognitive coaches, professional development providers, and members of site leadership teams and district-wide committees.

Another component of the Minneapolis compensation plan is Quality Performance Awards, a system that uses 33 indicators of school effectiveness, including value-added student test scores, student attendance, and parent and student satisfaction. Each school receives a score

[10] In most school districts, earning tenure is little more than a pro forma affair. In Minneapolis, in order to earn tenure, teachers must, over the course or three years, develop professional portfolios, participate in group and individual professional development directly linked to improving student achievement, and be evaluated by administrators and peers. At the conclusion of the probationary period, teachers must appear before a panel of teachers and administrators to "make their case" for being awarded tenure.

from one to five based on these indicators. Teachers earn professional growth credits, which translate into salary advancement, according to their school's Quality Performance score.[11]

As part of Minneapolis' venture into alternative pay, 13 schools are participating in the Teacher Advancement Program (TAP). Now part of the National Institute for Excellence in Teaching, TAP was launched by the Milken Foundation in 1999. The program is organized around four elements: 1) multiple career paths (career, mentor, master) with increasing responsibilities and pay; 2) ongoing professional growth—a restructured school day provides teachers with time during the regular work day to collaborate with one another; 3) instructionally-focused accountability through peer and administrator evaluation; and, 4) performance-based compensation, based both on individual and group performance.

Participation in ATTP is voluntary for Minneapolis teachers. About half of the district's teaching staff has thus far elected to participate. The district will undertake an internal evaluation beginning this year (2008), comparing data on teachers who participated in ATTP and their students with those who did not. Minneapolis' alternative compensation program continues to be funded by a line item in state budget.

New York City

New York City, the largest school district in the United States, announced agreement on a new teacher pay plan in October 2007. As part of a compact between the City of New York, the New York City Public Schools, and the United Federation of Teachers (the local affiliate of the AFT), teachers in 200 low-performing New York City schools will become eligible for bonus payments based primarily on their students' performance on standardized tests.

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[11] 15 professional growth credits merit a teacher approximately $500.

Incentive dollars will be awarded on the basis of whole school achievement. By targeting group performance and making all teachers at participating schools eligible for bonuses (rather than just those teachers in tested subjects), the plan is designed to encourage teachers to work together (Koppich, 2007). The program will expand to 200 more schools in the second year.

Schools that reach designated student performance targets will receive a pot of money equal to approximately $3,000 per teacher. Incentive dollars awarded to schools will be entrusted to school committees composed of two teachers selected by teachers at the school, the principal, and a fourth person designated by the principal. This committee will have the authority to decide how to apportion the dollars with the proviso that seniority may not be used as the principal criterion for determining eligibility for bonuses. If the committee cannot determine how to distribute the money, the school forfeits it.

The pay program is funded in the first year by a New York City-based business coalition. In subsequent years, the city will assume responsibility for program funding.

Toward a More Comprehensive Pay System

The four programs described above—Denver, Toledo, Minneapolis, and New York City—offer a snapshot of the changing landscape of teacher compensation. The results they will produce in terms of improving teacher quality or measurable student achievement still are largely unknown. Yet a brief review of these emerging programs suggests a number of factors and conditions that contribute to developing and implementing these new forms of teacher pay.

These programs:

1. Are designed to meet multiple challenges;
2. Typically include multiple options for teachers to advance in pay;
3. Represent joint union-management undertakings;

4. Include some form of opt-in;
5. Are not punitive;
6. Do not include quotas;
7. Retain at least echoes of the standard salary schedule;
8. Reflect careful planning and transparency;
9. Are about capacity building; and,
10. Do not adopt a one-size-fits all approach.

Multiple Challenges

None of these plans is designed with a single focus in mind (e.g., raising test scores). Rather, each is constructed to try to meet multiple goals. These include encouraging high quality teachers to take on challenging assignments, enhancing the capacity of teachers to improve their practice (and use teaching strategies research suggests are likely to improve student achievement), developing means for teachers to use leadership skills without having to leave teaching, *and* improving levels of student learning.

Multiple Options

Most of the programs described in this paper (New York is the exception) include some combination of pay for knowledge and skills; pay for market incentives; responsibility pay; and pay for student growth, using individual and/or group-based calculations. They do not select a single means by which teachers advance in pay, but structure a pay program that forwards school system goals through pay incentives.

Joint Union-Management Undertakings

The local teachers' union worked as a partner with the school district to design and implement each of these new teacher compensation programs. New pay structures became part of the negotiated collective bargaining agreement.

Union involvement in designing and implementing is a legal requirement in collective bargaining states. Beyond that, developing a union-district partnership around teacher alternative compensation helps to secure teacher "buy-in" for the plan. If emerging results from the Teacher Incentive Fund districts are any evidence, teacher buy-in is a necessary condition to successful implementation of new pay programs.

Opt-in Format

Each of these four programs has at least a partial opt-in quality. Teachers are not forced into the new pay arrangement. Denver, Toledo, Minneapolis, and New York all require some form of teacher choice, at least initially. This, too, helps to secure teacher buy-in.

Not Punitive

The agreements that surround all four programs include a "hold harmless" clause. No teacher can lose pay as a result of participating in one of these new salary arrangements.

No Quotas

All of these systems are structured so that all eligible teachers who qualify for incentive dollars will receive them. Teachers are not pitted against one another, competing over scarce dollars.

Familiar Salary Structure

Of the four teacher pay plans examined for this paper, all but Denver retain much of the structure of the single salary schedule. Minneapolis continues "steps" and "lanes," but redefines them in the ATTP context. Toledo and New York City do not abandon the traditional salary construct, but target incentive dollars to particular areas of district need. Denver essentially abolishes the single salary schedule though ProComp contains much that is familiar to teachers comfortable with the old way of being paid.

On the one hand, advocates of new forms of teacher pay would like to see total abandonment of the single salary schedule, though they often are hard-pressed to come up with a new structure beyond simply advocating paying teachers based on student test scores. On the other hand, too sharp and quick a turn away from the traditional pay structure is nearly guaranteed to jar teachers sufficiently that they will reject the new plans, however reasonable they might seem to be.

Planning and Transparency

Each of these programs took seriously the need for long-term, careful planning on the part of the both the district and the union. Moreover, once the plans were jointly designed, the district and union took great pains to ensure that teachers and administrators understood the elements of the programs, how they would be implemented, and what the ramifications were for individual teachers. Transparency was a watchword. Frequent and multiple communications (electronic, in writing, face-to-face) were an essential component of program implementation.

Capacity Building

These pay plans include an explicit expectation that one of their goals is increasing the capacity of teachers to improve their practice and, thereby, improve student achievement. They include support for teachers in the form of new kinds of professional development targeted to enhancing teaching in ways that are designed to increase levels of student learning.

No One-Size-Fits-All-Approach

The compensation programs in Denver, Toledo, Minneapolis, and New York all are adapted to organizational needs and circumstances. Each recognizes that context matters, that no single model of teacher pay is appropriate to all settings or circumstances.

Challenges for Performance Pay

What are the prospects that new form of teacher compensation will grow and expand? The answer is, "It's too soon to tell."

At least three challenges emerge from the evidence of the four programs examined for this paper: 1) broadening support among the influential teacher unions; 2) building the capacity of districts to provide the necessary human resources supports and statistical data; and, 3) sustaining the programs now in operation and persuading teachers that any newer programs that come on line are likely to have reasonably long shelf lives.

Building Support

Questions about unions' position on alternative pay looms large. The four union locals profiled in this paper, in partnership with their school districts, developed new pay plans despite their national unions' skepticism. Recent research suggests continuing wariness among many local NEA and AFT presidents about moving away from the single salary schedule.

Harvard University's Susan Moore Johnson and her colleagues in 2007 completed a series of interviews with 30 local union presidents, all of whom have been in office eight years or fewer. Many of these leaders support a number of elements of alternative compensation, including school-based awards; stipends for extra time, roles, and teaching in hard-to-staff schools and subjects; and, added pay for teachers who earn National Board Certification. But they continue to express great skepticism that judging individual teachers on the basis of student test scores (even using a value added approach) can be implemented fairly or effectively. While these local presidents acknowledge that a change in the salary structure is inevitable, they report that continuing to increase teachers' base salaries, not change the current salary formula or expectations, remains their primary focus (Johnson, S.M., Munger, M., et.al., 2007).

Two circumstances point toward potential change in union attitude and policy. First, both national unions will have new presidents in summer 2008. The new organizational leaders may choose to pursue a more open approach to alternative teacher compensation. While neither national president has the authority to order policy changes on the part of their state and local affiliates, the messages they send regarding their preferred disposition on teacher pay plans carries a great deal of weight.

Second, views among teachers may be shifting. A survey conducted by Public Agenda Foundation reveals that 70 percent of teachers support paying more to colleagues who work in particularly challenging schools. More than two-thirds (67%) support paying more to "teachers who consistently work harder, putting in more time and effort than other teachers." More than 60 percent favor financial incentives for teachers who "consistently receive outstanding evaluations by their principals" (Farkas, et. al., 2003).

While this same research revealed that only a little more than a third of teachers (38 %) support basing financial incentives on student test scores, teachers' openness to other forms of pay differentials reflects a willingness to consider options that stray from the strict single salary schedule. These attitudes may influence their leaders' actions.

Moreover, this same survey showed that teachers with five or fewer years of experience strongly support differential pay. They are far less worried than their older colleagues about new forms of pay breeding unhealthy jealousy and competition among teachers, or finding that favoritism is influencing salary levels (Farkas, et. al., 2003). Thus, the teachers who are the future of the unions may begin demanding these organizations consider new forms of pay.

Building Capacity

Capacity building in the context of teacher compensation has two district, yet equally essential, elements. One involves increasing the capacity of school districts to provide the support structures requisite to assisting teachers to engage in the continuous professional improvement that underlies new compensation structures. Improving practice in the service of improving student achievement requires that teachers have ready access to well structured, content-rich, targeted professional development. District systems must be designed to offer, or make available to teachers, such professional development as well as assessment mechanisms to gauge the extent to which it is having the desired effect.

The second aspect of capacity building relates to districts' ability to manage and implement all of the necessary data needs that come with new forms of compensation. Can a district accurately pinpoint where and what a teacher teaches? Is the system able to track teachers and their students (and their students' achievement results) over time? Can the system match students to teachers? Can the central payroll system handle new forms of pay and the kind of teacher-to-teacher variability in pay that is likely to come with new compensation systems?

Again, perhaps the best evidence of what is likely to come with the introduction of more wide-scale alternative teacher compensation is displayed in the challenges of the Teacher Incentive Fund districts. Many of these districts, however well intentioned, have struggled with compensation data needs that they neither anticipated nor fully understood.

Sustainability

Money is likely to be a continuing problem for alternative compensation programs. These plans require new investments on the part of states and school districts. Implementing them is not simply a matter of rearranging existing dollars on the salary schedule.

If teachers believe pay plans will vanish as soon as dollars become tight (or if they do disappear almost as quickly as they came as a result of inadequate funds), teachers' willingness to consider any forms of performance pay now or in the future will be placed in jeopardy. New compensation structures will be just another flash in the policy pan, relegated to the large cache of educational policies that have been labeled "fads" because they are abandoned nearly as quickly as they are implemented.

If new forms of compensation are shown to have value (either for improving student achievement or attracting teachers to stay in teaching or choose hard-to-staff schools or subjects), careful thought must be given means to sustain these programs for the long-term.

Conclusion—Pay is Not a "Silver Bullet"

As this paper has indicated, there is a great deal of contemporary policy fervor around new forms of teacher pay. The four programs described here just scratch the surface of the myriad programs now being developed or implemented across the country. But a caution is in order.

However useful it may prove to be to alter the structure of teacher compensation (and the jury is still out on this issue), pay is not a "silver bullet." By itself, a new teacher pay structure, even with higher pay, will not cure all of the ills endemic to public education. Pay alone will not solve the dilemma of improving teacher quality. Money alone will not attract the most outstanding teachers to the most challenging schools nor be the magic tonic to "cure" teachers who have burned out on the job. Salaries alone, no matter how high or how competitive, are not likely to encourage teachers to remain at schools where the working conditions are poor or the administrative support weak (Koppich, 2005).

Pay is important—decent levels as well as a structure that incentivizes teachers to work smarter. But pay is just one link in a necessary chain of comprehensive policies to improve the quality of teaching and, by extension, the levels of student learning. Salary, however structured, must be viewed as just one element of an interconnected program to prepare, recruit, develop, support, evaluate, and professionally pay teachers.

The single salary schedule has about reached the end of its useful life. It fails to recognize that some teaching jobs are more difficult than others or that some teachers are more—or less—skilled than others. But what to replace it with? The programs described in this paper begin to try to forge at least a beginning answer to this question.

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