

Teacher Unions and New Forms of Teacher Compensation

Engaging teacher unions in the substantive work of redesigning teacher pay is an essential precondition to making progress.

By Julia E. Koppich



In 2004, the announcement of Denver's path-breaking ProComp ignited a fervor around new forms of teacher pay. A cooperative effort of the Denver Public Schools and the Denver Classroom Teachers Association, ProComp broke from tradition. Rather than paying teachers on the basis of years of experience and college credits, Denver would now pay teachers for added knowledge and skills, teaching in hard-to-staff schools and subjects, good performance reviews, and improved student scores on Colorado's annual achievement tests.

ProComp opened the compensation floodgates. In 2006, the federal government launched the \$99 million annual Teacher Incentive Fund (TIF), which allowed states and school districts to compete for funds to design and implement new forms of teacher pay. The TIF appropriation quadrupled in 2010.

Individual states — Minnesota, Texas, and Florida among them — also climbed on the bandwagon, investing millions of dollars in rethinking teacher compensation. Dozens of local school districts followed suit. New ways of paying teachers were hailed as significant strategies for improving education because proponents claimed they would enhance teacher practice, attract and retain teachers in low-performing schools and in shortage subject areas, and raise student achievement.

Experience with new forms of teacher pay suggests that we still have much to learn about the efficacy of this strategy. Can dollars alone produce changes in teachers' practice that lead to improved student achievement? Will money encourage well-qualified teachers to choose assignments in

challenging schools and high-need subjects? How much money is necessary to seed and sustain change? Answers to these questions likely will come with time and experience.

JULIA E. KOPPICH is president of J. Koppich & Associates, a San Francisco-based education consulting firm, and a senior researcher with the National Center on Performance Incentives.

However, there is an answer to one central question about using teacher compensation as an education improvement strategy: New pay plans can't be summarily imposed on teachers. Districts and states that have tried this tactic met with massive resistance, and their pay plans foundered. Experience with Denver, TIF grantees, and other compensation programs has taught us that teachers need to be part of the process of development, and they need to own the pay plan that emerges.

Teacher unions play a critical role here. They can shape teachers' views about new forms of compensation. Casting a critical eye on the myriad proposals swirling about them, unions can serve as crucial partners in designing and implementing new pay programs, or they can apply the brakes and stop plans from moving from paper to practice.

The role of unions in reforming teacher pay is changing. Why are they now feeling the heat to reconsider the longstanding way of paying teachers? What are the positions of the two national teacher unions with regard to new forms of pay? How have local school districts and their teacher unions responded to calls to alter salary structures? And what have we learned about what it takes to engage unions in designing new, more robust compensation programs?

THE SINGLE SALARY SCHEDULE

Most U.S. teachers are paid on what is called the single salary schedule. An artifact of the civil service system, the single salary schedule awards increases on the basis of years of experience and earned college credits.

First introduced in Denver and Des Moines in 1921, the single salary schedule became widespread following World War II, when teachers were in short supply. The unfair and discriminatory pay practices prevalent in most school districts hampered recruiting new teachers. Elementary teachers, most of whom were women, were paid less than their high school counterparts, most of whom were men. Black teachers were paid less than white teachers. Nepotism often played an open role in determining salaries.

The single salary system equalized pay. It removed politics, race, and gender from the process and made teacher pay both more equitable and more predictable. Basing pay on years and units meant both that teachers with equal education and experience would be paid the same and that teachers could gauge with reasonable assurance what their salaries would be from one year to the next. By the 1960s, 97% of school districts in the United States had adopted the single salary schedule.

With the advent of collective bargaining in the

late 1960s and into the 1970s, both major teacher unions — the National Education Association (NEA) and the American Federation of Teachers (AFT) — came to be the single salary schedule's most vocal proponents. The unions viewed this construct as the fairest way to pay teachers. Fortuitously, the single salary schedule also was a good fit with a teaching culture that emphasized egalitarianism and eschewed competition.

PRESSURE TO CHANGE

The single salary schedule remained the dominant teacher pay structure into the 21st century. But pressure to change continues to mount.

In an education system that valued inputs, such as dollars invested, a salary schedule also based on inputs, in the form of years and units, made sense. As our education system moved toward a focus on outcomes and results, particularly levels of student achievement, the single salary schedule began to look more like an artifact of a bygone era. It treats all teachers as if they're the same, offering few rewards for stellar accomplishment and few consequences for underperformance. It makes little provision for areas of need or shortage, and it provides little incentive for teachers to improve their practice. In short, the single salary schedule produces neither professionally competitive nor market-sensitive salaries.

Unions haven't been immune to increasingly loud calls from policy makers and others to reconsider longstanding teacher pay arrangements. But changing the way teachers are paid is no simple proposition.

If the single salary schedule is outmoded — a view that itself remains controversial among teachers and their unions — should it be scrapped entirely or simply modified? If modified, in what way? What might be new, or additional, criteria on which teachers' pay could be based? What part, if any, should student test scores play in a new teacher pay equation? These are just some of the questions confronting unions as they seek to respond to pressures to change the teacher pay calculus.

NEA AND AFT ON TEACHER PAY

The NEA and AFT together represent more than 80% of public school teachers in the United States. Through local affiliates, the NEA and AFT negotiate contracts or, in many jurisdictions without collective bargaining, develop less formal agreements on a wide range of issues that fall generally under the umbrella of "wages, hours, and terms and conditions of employment." The unions are powerful and influential.

Both the NEA and the AFT have national orga-

nizational policies on teacher pay. While these policies don't control what state and local affiliates do — affiliates are largely autonomous — they do communicate significant messages that deeply influence state and local policy. The national organizations' positions often have the effect of either giving state and local affiliates permission to move in a new direction or cautioning them to avoid particular policy territory.

What are the unions' positions on altering teacher pay? The NEA *favors* compensation for increased teacher knowledge and skill, for teaching in hard-to-staff schools, and for assuming added professional responsibilities, such as mentoring. The organization *opposes* pay for teaching in hard-to-staff subjects and for using student test scores in any form to set teacher pay.

TABLE 1.
NEA and AFT on Performance Pay

Extra compensation for . . .	NEA	AFT
Increased teacher knowledge and skill	Yes	Yes
Teaching in hard-to-staff schools	Yes	Yes
Teaching hard-to-staff subjects	No	Yes
Assuming added professional responsibilities, such as mentoring	Yes	Yes
Linking teacher pay to student test scores	No	No, for individual teachers. Yes, for group pay based on schoolwide improvement as measured by student test scores.

The AFT *supports* teacher pay based on increased knowledge and skills, for teaching in hard-to-staff schools, and for added professional responsibilities. Unlike the NEA, the AFT also *supports* pay for teaching in hard-to-staff subjects, as well as group pay for schoolwide improvement, including improvement as measured by student test scores. The AFT *opposes* calculating individual teacher pay on the basis of student test scores.

The NEA more narrowly defines what it considers acceptable pay alternatives than does the AFT. Neither organization, however, fully embraces current pay for performance efforts that translate into

paying individual teachers based on their students' scores on standardized tests.

Both national unions ground their objection to pay for performance programs in three assertions. First, they say, current standardized tests are narrowly designed and capture only a small portion of teachers' contributions to student learning. Second, using test scores as the sole measure of teacher effectiveness leaves out the more than 65% of teachers who are in untested grades and subjects. Third, pay based on individual teachers' students' test scores could have the unintended consequence of constraining cooperation in a profession that requires it.

The burgeoning use of value-added calculations of test scores has not quelled union objections. Value-added, the organizations contend, is a method still under development. It has too many unknowns to use as the sole determinant in such a high-stakes decision as pay, and it could place salary setting once again on the slippery slope of subjectivity and favoritism.

The national unions' positions can significantly influence state and local pay reform developments. However, experiences from the field suggest that more localized efforts to shape the architecture of teacher pay may be influenced as much, or more, by the confluence of circumstance and the power of partnership as they are by national union policy.

PAY REFORM IN PRACTICE

A growing number of school districts and their local teacher unions have joined together to create various new forms of teacher pay. Some of these programs include both financial incentives and support for teachers to improve their practice. Some offer dollars for teachers to select difficult assignments or take on added professional responsibilities. Some focus on student achievement results. Many pay programs use a "mix and match" approach, employing multiple options for teachers to increase their pay.

A small sample of these programs is described briefly below. In each of these, as with Denver's Pro-Comp, the local teachers' union was a key partner in shaping the program, ensuring teacher engagement, and taking advantage of political will and available dollars.

New York City's School-Wide Bonus Program. The School-Wide Bonus Program is a cooperative effort of New York City's Department of Education (DOE) and the United Federation of Teachers (UFT). Teachers in 200 of New York's lowest performing schools are eligible for bonus dollars based on student scores on the state's standardized test.

The New York City program is an example of

group performance awards. Schools that meet system-determined student achievement targets receive the equivalent of \$3,000 per teacher annually. Money is allocated by a four-person school-based Compensation Committee. The UFT has been a full partner in designing and implementing the pay program, now in its third year.

Both the district and the union favored piloting a new pay system that might contribute to improved student achievement. The DOE sought a system based on individual teachers' scores as a way to motivate changes in practice. The union saw in-school cooperation as key to lifting student achievement.

The School-Wide Bonus Program reflects a compromise between these two points of view. The program is based on student test scores, but it calculates them on a school basis, thus incentivizing cooperation. The chief architect of the program on the union side was Randi Weingarten, then president of the UFT, now president of the AFT.

Nashville's POINT. The Project on Incentives in Teaching, or POINT, is a recently concluded three-year experiment in pay for performance. Conducted principally by the National Center on Performance Incentives (NCPI), a federally funded national research center, POINT sought to test the proposition that significant bonus dollars can serve as the incentive for teachers to modify their practice in ways that lead to improved student achievement.

POINT was implemented among volunteer middle school mathematics teachers in the Metropolitan Nashville Public Schools. Participating teachers were eligible to earn up to \$15,000 per year based on their students' progress on the state's standardized test.

Official NEA policy forbids teacher pay based on student achievement scores. Nevertheless, both the state and local NEA affiliates, the Tennessee Education Association (TEA) and the local Metropolitan Nashville Education Association (MNEA), were early and ongoing partners with the school district and NCPI on the POINT experiment.

TEA and MNEA officials openly acknowledge that, while they've been skeptical of pay for performance plans, the dearth of credible research to substantiate or refute the effect of performance pay rendered their skepticism insufficiently evidence-based. Cooperation with the POINT experiment offered an opportunity to gain some much-needed data to help shape their organizations' future policy positions.

Austin's REACH. Austin's strategic compensation program, called REACH (a program name, not an acronym), is a pilot pay for performance plan developed by the Austin Independent School District (AISD) and Education Austin (EA), a merged affiliate of the AFT and the NEA.

Efforts to shape the architecture of teacher pay may be influenced as much, or more, by the confluence of circumstance and the power of partnership as they are by national union policy.

Texas is a nonbargaining state in which teachers and the school district do not negotiate legally binding contracts. Education Austin, however, is that district's "exclusive consultation agent" under Texas law. The organization and the school district develop written agreements, signed by the school board, on a range of issues, including teacher salaries.

REACH was designed on the heels of a two-year agreement between AISD and EA under which teachers received an across-the-board salary increase and the district set aside an additional \$4 million for an AISD-EA-developed pay for performance pro-

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gram. At the request of the superintendent, the EA president co-chaired the committee that designed REACH.

The program provides three ways for teachers to earn incentive dollars. *Recruitment and retention bonuses* are designed to encourage both beginning and experienced teachers to choose assignments in high-needs schools. The amount of the bonus in-

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creases with the length of service at the school. *Individual performance bonuses* provide financial incentives for teachers to set and achieve measurable student learning goals linked to improving student achievement. *School performance bonuses* offer group incentives for schools in which student achievement growth, as measured by the Texas state test, exceeds growth in comparable schools.

In addition to teacher financial bonuses, REACH established a new mentoring program for beginning teachers. The union successfully made the case to the district that teachers need to have the professional tools before their progress can be measured successfully.

LESSONS LEARNED

What have we learned about union engagement in new teacher pay programs? What does it take to maximize the likelihood that the organization that represents and influences teachers will be on board with new forms of compensation? Four lessons flow from examples from the field.

1. *Partnership.* The district and the union must be partners in developing new compensation programs. The union needs to be involved up front and have a significant decision-making role. The design of the program needs to be viewed by both parties as a mutual responsibility whose success (or failure) rests on the actions of both.
2. *Clear Purpose.* The district and the union must agree on the purpose of the pay for performance program. Is it to attract and retain teachers in challenging schools? To raise student scores on standardized tests? Will the program provide targeted opportunities for teachers to improve their practice or provide a pathway for differentiated career responsibilities? Is it a

combination of these or something different? Jointly determining the purposes of the pay program is key to union engagement.

3. *Credible Measures.* The pay program needs to be based on consensually agreed, credible measures that determine how dollars will be awarded. If pay and evaluation are to be linked, the district and union need to take the time to examine the existing teacher evaluation process and decide if it's appropriate for pay purposes or, as in the case of Denver's ProComp, if it needs to be modified. If the district and union agree that test scores or some other quantitative measure of teacher performance is to be part of the calculus, the union needs to feel confident in the district's capacity to analyze and apply the data fairly and consistently. Whatever measures are included in the pay program, both union and district must agree that they're suited to the purpose for which they're being used.

4. *Adequate Funding.* Pay for performance programs aren't about rearranging current dollars on the existing salary schedule. New pay programs require new dollars. They also require sufficient dollars to meet their obligations. Nothing will kill a pay program faster than running out of money before all teachers who earned the money are paid.

Framers of the Denver, New York, Nashville, and Austin programs recognized this at the outset and took steps to ensure that adequate funding was available. Denver secured funding for ProComp from the voters. New York raised money from the philanthropic community for the first year of its program; the city agreed to pick up the tab for subsequent years. POINT was funded with philanthropic dollars. Austin's school board appropriated dollars for REACH. Each program had a large enough pool of money to fund its requirements.

THE FUTURE

The landscape of teacher pay is slowly changing. Emerging programs are not one-size-fits-all. Many are designed to meet multiple challenges and include a variety of teacher pay options.

We have no crystal ball to divine the future of pay for performance. The growing body of experience and research will help chart the course and shape policy. Early evidence, however, makes it clear that teacher unions play a critical role in this arena. Engaging them in the substantive work of redesigning teacher pay is an essential precondition to making progress.

