



YOUNG CONSERVATIVES OF TEXAS – Legislative Affairs
POLICY BRIEF:
REWARDING SUCCESS:
MERIT-BASED PAY FOR K-12 EDUCATORS

Executive Summary

Among the many issues that must be addressed with considering school finance reform is the matter of teacher pay. The current model is rife with problems, the most glaring of which is the fact that Texas teachers are paid on schedules reflecting their education level and time within the school system rather than how effective they are at their jobs. In order to improve the quality of education for students, Texas schools must have the resources and incentives to attract qualified and able teachers. Our students deserve excellent teachers, and excellent teachers will demand to be paid according to their ability and performance. The best way to make teaching a competitive industry once again is to reward excellence rather than tenure.

Our current system of pay consists largely of generic pay schedules, which take into account only tenure and the number of degrees a teacher has. This means that an excellent teacher who has worked at a particular school for 10 years receives the same salary as a poor teacher of the same tenure. This creates an atmosphere in which there is little incentive for good teachers to remain in the field, or for poor performing teachers to improve their skills. Even the American Federation of Teachers (AFT), an affiliate of AFL-CIO which represents over one million teachers in 43 states, acknowledges that this system of pay is flawed. In a May 2001 article, the president of AFT told the CATO Institute that “the traditional salary schedule does not reward additional skills and knowledge that benefit children...does not respond to market forces...nor does it provide incentives for teachers to assume differentiated roles.”

Case studies from other industries and general knowledge of economics and human behavior can explain clearly the benefits of instituting a system of merit-based pay for Texas teachers. Professionals in other fields have to prove their worth before they are given an increase in pay. This promotes competition and excellence. For instance, a worker’s compensation claims investigator who works hard, produces quality research, and performs rigorous investigations into worker’s compensation claims will be rewarded over time by substantial raises in salary and other benefits; furthermore, a claims investigator who does not have the appropriate education or work ethic or does not produce results will be given an ultimatum: improve or find another job. If we applied the same standards to this industry that are applied to teaching in Texas public schools, the hard-working claims investigator would be paid the same as his or her coworker despite the quality of that co-worker’s performance, merely because the two have worked for a similar length of time. This is not only unfair, it is anti-capitalistic. It promotes tensions among the workers and hostility in that better performance is not rewarded. Removing



the poor worker while recruiting and rewarding successful workers benefits the business greatly; the same will ring true for education.

In disputing the value of merit-based pay systems, the Oregon School Board Association insisted that merit-based pay promotes competition among teachers, undermining staff cohesion. Teachers fight to get the best students in their classes in order to look better for what are considered subjective evaluations. However, this argument fails to address what should be the priority of public school reform: the children. Rewarding good teachers is a must if Texans hope to increase the quality of our education system. The past has shown that monetary-based competition in the schools leads to results. Basing education dollars on school attendance has led to schools recruiting out-of-district students and encouraging strong attendance.

The debate in policy should not be the value of a merit-based pay, but rather the implementation of one. There are two primary ways to implement merit-based teacher pay: the *individual* approach would be to reward particular teachers for success in the class room. A *collective* method would reward every teacher at a particular school for the school's overall success. The most effective way to assess performance would include a multi-tiered system of evaluation that takes into account student, peer, and administrative evaluations as well as student performance on standardized tests, such as the Texas Assessment of Knowledge and Skills or end of course exams. This would combine subjective appraisals with objective test scores, providing a well rounded evaluation for individual teachers. One simple fact is that students, teachers, administrators and parents all know who the best teachers are and where the best schools are. At the individual level, school administrators would evaluate each teacher, whereas for a collective system, district administrators would be involved evaluating aggregated data for each school. Most importantly, however, is that these evaluations would be sufficiently operated at the local level. This would increase accountability for teachers and administration while creating no extra burden on the state government.

At present, systems of merit-based pay for teachers have been implemented in many school districts around the country, including some in Texas. In the fall of 1999, Denver Public Schools was one of the first major school district to put an individual merit system into action. Under this plan, teachers would receive bonuses for achieving certain criteria established by the district and the Denver teacher's union. According to a recent news story, since employing an individual merit system, the Vaughn Next Century Charter School of Los Angeles, CA, which was once a failing school, is now an "award-winning, blue ribbon center for learning while spending one-third less money per student than most average schools spend." In Houston, a plan was created in January of this year to reward teachers of schools that show improvement in standardized testing scores, an example of collective implementation. Texas schools need reform, not more money. Instituting a merit-based pay system will inject the principles of the free market into education, resulting in rewards for good teachers, and better teachers will result in better students and a better education system as a whole.