COMMON SENSE CONTRACT
An Initiative of The Parents' Transparency Project

REWARDS FOR GREAT TEACHERS

Compensation for a job well done should be adequate and fair, and increase over time. Award raises based on performance, instead of on seniority or education credits.

This standard for compensation applies to anyone, in any profession. But since New York City's teacher salary schedule provides for increases for any teacher who stays another year, effective or not, this type of reward cannot be used as a tool to convince a district's best teachers to stay. In contrast, incorporating performance into compensation—whether through base salary increases or bonuses—can attract a strong profile of candidates and can help retain teachers who demonstrate effectiveness in the classroom.

Current Policy: Teachers can increase their salary only through seniority and attainment of education degrees and credits.

Policy Revision: Teachers move up the salary scale based on performance; pay for degrees and credits are eliminated for new teachers. Offer incentives for effective teachers in high-need subjects like math, science and special education.

POLICY DETAILS

The current agreement between NYC Department of Education and the United Federation of Teachers includes a salary schedule that dictates specific salary increases through "steps" (how many years a teacher has been teaching) and "lanes" (how much education the teacher has). This system does nothing whatsoever to reward great teachers, as teachers earn salary increases in only one of two ways: keep teaching another year, and/or earn more education (e.g., Master's degree, continuing education credits).

Instead, New York City must transition away from this traditional salary schedule, eliminate pay for degrees and credits earned, and instead, make sure that movement up the salary schedule is based on a teacher's performance in the classroom. New York City must make it clear that only teachers who demonstrate effective performance in the classroom in a given year are eligible for salary increases of any kind.

Additionally, the city should offer financial incentives to attract teachers to work in high-need subjects like math, science and special education, and pay out those incentives once teachers prove they are effective. These subjects are notoriously difficult to staff with any teacher. The district must do more so that open positions attract a stronger profile of teacher who performs at high levels.

THE IMPACT

The district's *effective* teachers will receive salary increases annually in the form of a step on the salary schedule. Additional rewards and incentives in the form of bonuses for teaching high-need subjects like math, science and special education will be available for effective teachers.

If teachers receive an ineffective rating, they will not move up a step that year. Teachers will no longer be paid for the completion of degrees and credits that research has shown have little, if any, correlation with classroom performance or student learning.

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"If teachers are to be treated and compensated as the true professionals they are, the profession will need to shift away from an industrial-era blue-collar model of compensation to rewarding effectiveness and performance."
– Arne Duncan, U.S. Secretary of Education

EXEMPLARS

DC Public Schools (DCPS) has arguably made the greatest strides in shifting the focus of teaching to student performance, with its evaluation system, IMPACT, and its compensation system, IMPACTplus, which were developed in partnership with the Washington Teachers Union. IMPACTplus offers considerable bonuses and salary increases to the district's highest-performing teachers.

When teachers in DCPS earn a "highly effective" rating, they receive a bonus of up to $25,000. Teachers who earn consecutive "effective" or "highly effective" ratings receive base salary increases of up to $27,000. With annual bonuses and base salary increases, some educators have seen their compensation more than double. And the research now shows that those are the same teachers who stay in DCPS at much higher rates than less effective teachers.[1]

Newark Public Schools recently adopted a "universal salary scale" that replicates a traditional step and lane system, but eliminates the lanes tied to academic degrees. Instead, teacher compensation will be based on one salary scale, with a step increase for each annual evaluation rating of "effective" or "highly effective." Teachers earning "ineffective" or "partially effective" ratings will not move to the next step at the end of the school year and will receive no salary increase. This agreement was collectively bargained with Newark's teachers union, and the agreement with similar provisions in Washington, D.C. was personally signed by Randi Weingarten, president of the American Federation of Teachers.

This fairly simply approach to base salaries makes a big difference for a district trying to meet objectives around the self-selection of poor performers. In addition, it also rewards top-performers with a $5,000 bonus, and rewards effective teachers working in low-performing schools and hard-to-staff subject areas. A teacher who advances one step per year has the potential to earn approximately $100,000 more in total compensation by the end of the seventh year, compared with the current system.

RESEARCH

There are two key problems with the traditional step and lane approach to salary schedules:

1. **Neither experience nor additional degrees are shown to influence student learning.**
   Considerable research has found that teachers become effective relatively early in their careers.[2] The most growth in teachers' effectiveness occurs in their first three years in the classroom, and then levels off—not the linear growth trajectory we might expect. And many studies have found that advanced degrees have either no effect or have a negative effect on student achievement.

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[1] Dee, T., & Wyckoff, J. (2013). "Incentives, Selection, and Teacher Performance: Evidence from IMPACT" (Working Paper No. 19529).
[2] Gordon, R., Kane, T.J., and D. O. Staiger. 2006. "Identifying Effective Teachers Using Performance on the Job," Washington, D.C.: The Brookings Institution.

2. **New York City's salary schedule does very little to help keep irreplaceable teachers in the classroom; it can even push them out.** The salary schedule is "back loaded"; the majority of salary increases go to veteran teachers with the most years of experience. This runs counter to not only what we know about the non-linear growth trajectory of teacher effectiveness, but also what New York City has seen in teacher retention, where the majority of attrition takes place when teachers have two to five years in the classroom. In fact, the NYCDOE is losing a large number of its top-performing teachers early in their careers when compensation is low. By realigning the compensation structure we can reach the goal of "six figure salaries in six years" and fairly compensate highly effective teachers.[3]

Additionally, research suggests that teachers, especially high-performing teachers, value earning pay increases in recognition of excellent performance at fairly high rates.[4]

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[3] TNTP, The Irreplaceables, 2012.
[4] Springer, M., Ballou, D., Hamilton, L., Le, V., Lockwood, J.R., McCaffrey, D.F., Pepper, M.M., Stecher, B.M., September 2010. "Teacher pay for performance: Experimental evidence from the Project on Incentives in Teaching."