

# **Framing a New Sustainability Discussion**

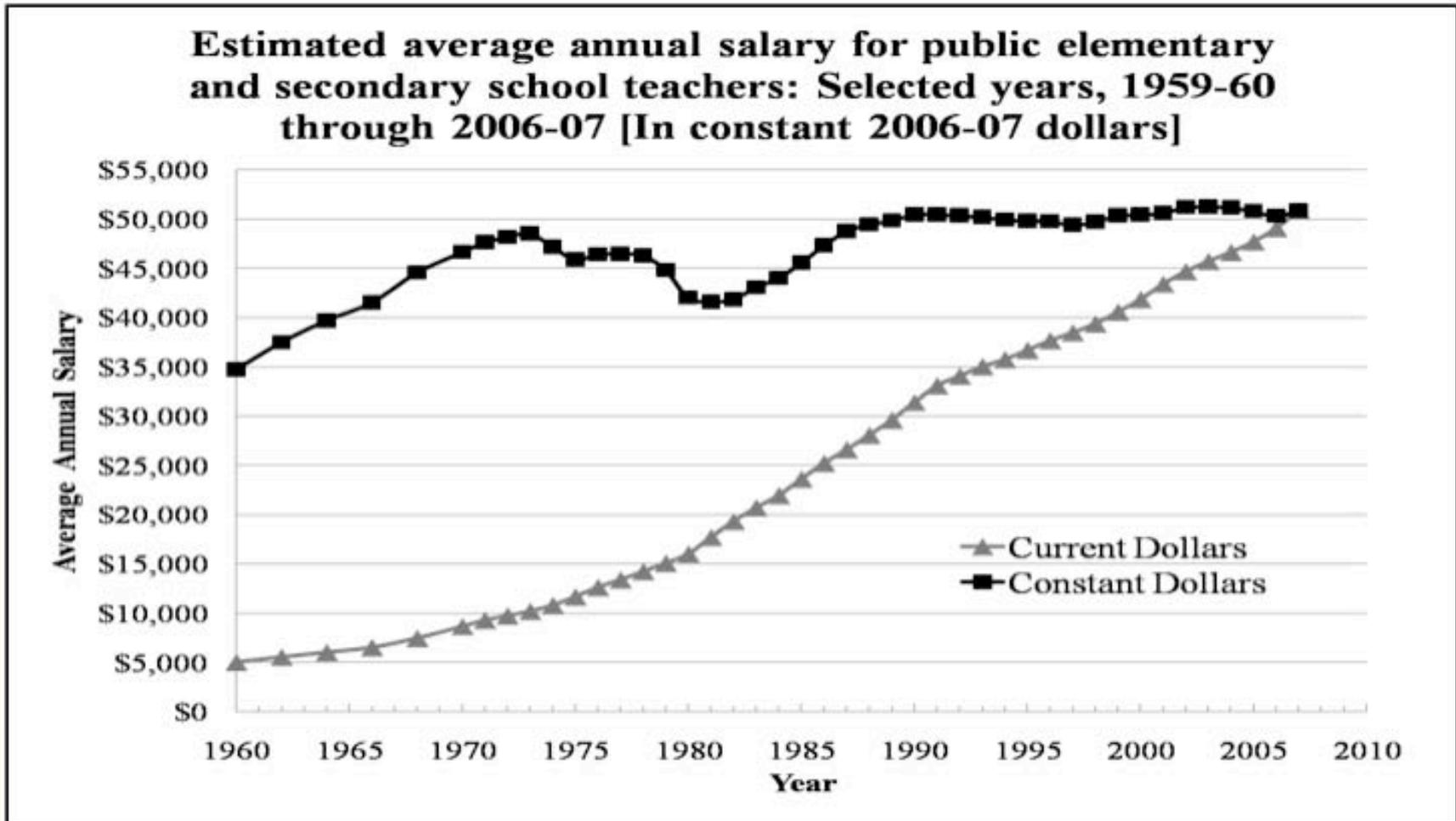
## **Background and Facts About Traditional Teacher Compensation**

James W. Guthrie

# A new mindset

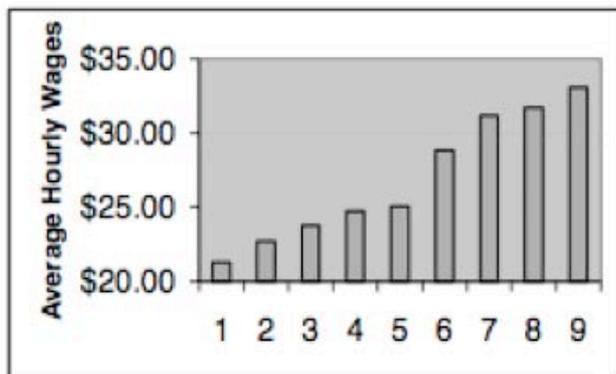
- The old mindset: seeking additional funds from federal or state sources or external agencies such as foundations to add bonuses on top of the existing salary structure
- The current reality: the economic climate has changed, and new approaches to sustaining educator compensation reform approaches are needed

# Trends in U.S. public school teachers' salaries during past 50 years

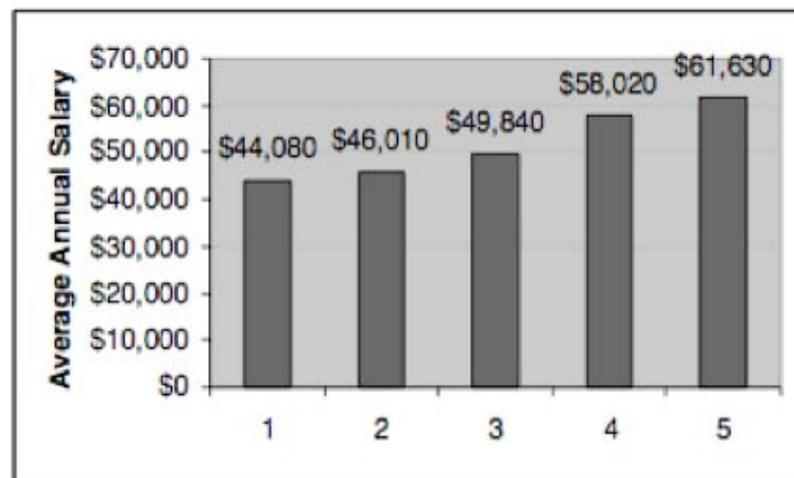


# Comparisons of teacher *hourly* and *annual* salaries with those of comparable professions

If teacher salaries were annualized, that is, if teachers were paid for 220 days instead of 180 days, the average teacher salary would approach \$60,000

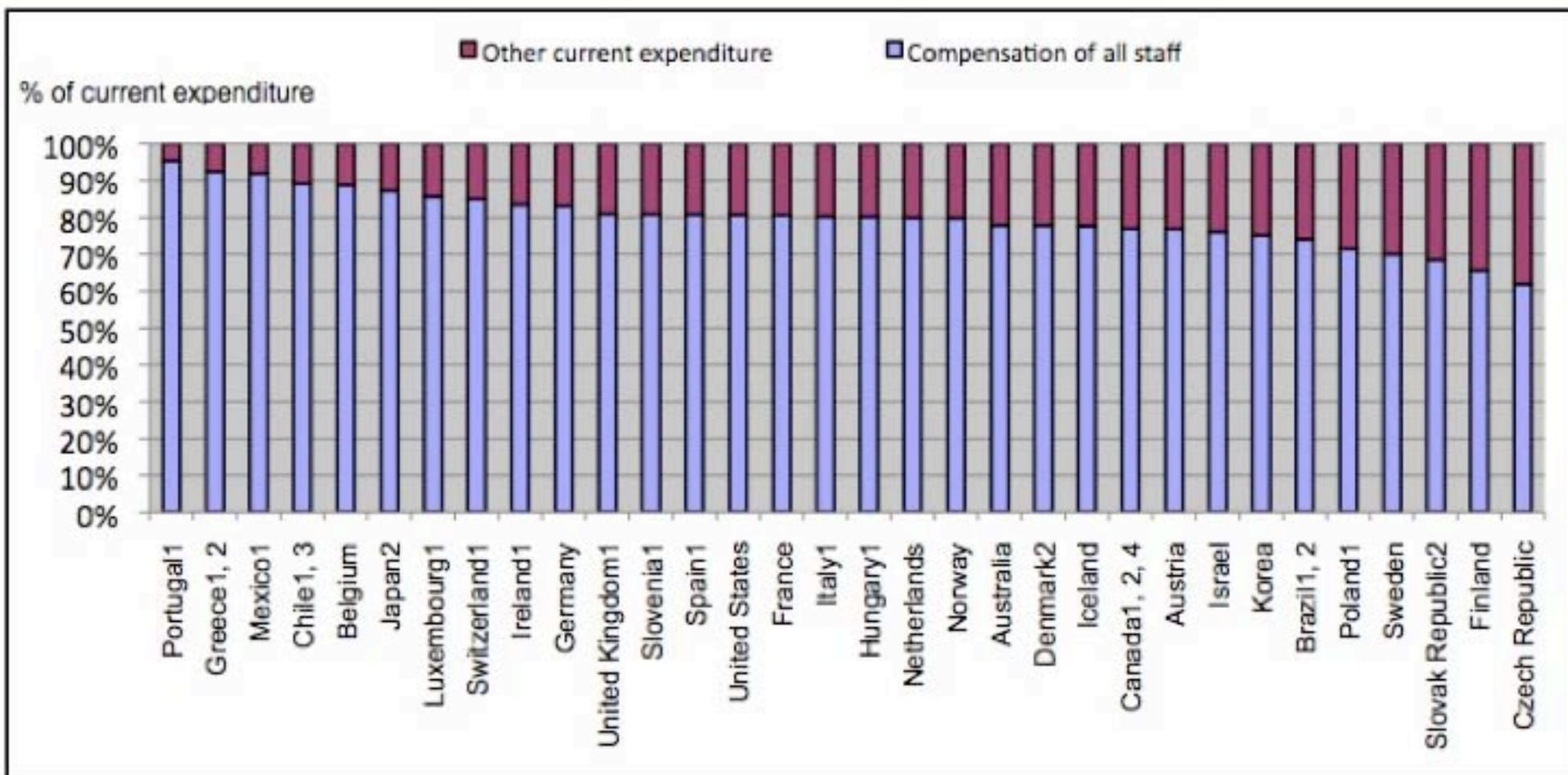


1. Accountants and auditors (state & local government)
2. Computer programmers (state & local government)
3. Accountants and auditors (private)
4. Registered nurses (state & local government)
5. Computer Programmers (private)
6. Engineers, Architects, and Surveyors (state & local government)
7. Secondary Teachers (public school)
8. Elementary Teachers (public school)
9. Engineers, Architects, and Surveyors (private)



1. Elementary School Teachers (excluding Special Education)
2. Secondary School Teachers (excluding Special Education)
3. Registered Nurse
4. Architecture and Engineering Occupations
5. Computer and Mathematical Science Occupations

# Proportion of education spending allocated to faculty and staff salaries across OECD nations



# For more on Sustainability



- View the video presentations “Developing Alternative Pay Systems” and “A Broader Look at Sustainability”
- Read the Guide to Implementation module on Sustainability

# **Framing a New Sustainability Discussion**

## **Developing Alternative Pay Systems**

**James W. Guthrie**

# Single salary schedule used in most school districts, showing salary increases with experience and post graduate credits

Step	BA	BA+6	BA+12	BA+18	BA+24	BA+30	BA+36	BA+42	BA+48	BA+54	BA+60	BA+66
1	34,130	34,574	35,018	35,462	35,906	36,350	36,794	37,238	37,682	38,126	38,570	39,014
2	35,280	35,724	36,168	36,612	37,056	37,500	37,944	38,388	38,832	39,276	39,720	40,164
3	36,430	36,874	37,318	37,762	38,206	38,650	39,094	39,538	39,982	40,426	40,870	41,314
4	37,580	38,024	38,468	38,912	39,356	39,800	40,244	40,688	41,132	41,576	42,020	42,464
5	38,730	39,174	39,618	40,062	40,506	40,950	41,394	41,838	42,282	42,726	43,170	43,614
6	39,880	40,324	40,768	41,212	41,656	42,100	42,544	42,988	43,432	43,876	44,320	44,764
7	41,030	41,474	41,918	42,362	42,806	43,250	43,694	44,138	44,582	45,026	45,470	45,914
8	42,180	42,624	43,068	43,512	43,956	44,400	44,844	45,288	45,732	46,176	46,620	47,064
9	43,330	43,774	44,218	44,662	45,106	45,550	45,994	46,438	46,882	47,326	47,770	48,214
10	44,480	44,924	45,368	45,812	46,256	46,700	47,144	47,588	48,032	48,476	48,920	49,364
11	45,630	46,074	46,518	46,962	47,406	47,850	48,294	48,738	49,182	49,626	50,070	50,514
12	46,780	47,224	47,668	48,112	48,556	49,000	49,444	49,888	50,332	50,776	51,220	51,664
13	47,930	48,374	48,818	49,262	49,706	50,150	50,594	51,038	51,482	51,926	52,370	52,814
14	49,080	49,524	49,968	50,412	50,856	51,300	51,744	52,188	52,632	53,076	53,520	53,964
15	50,230	50,674	51,118	51,562	52,006	52,450	52,894	53,338	53,782	54,226	54,670	55,114
16	51,380	51,824	52,268	52,712	53,156	53,600	54,044	54,488	54,932	55,376	55,820	56,264
17	52,530	52,974	53,418	53,862	54,306	54,750	55,194	55,638	56,082	56,526	56,970	57,414
18	53,680	54,124	54,568	55,012	55,456	55,900	56,344	56,788	57,232	57,676	58,120	58,564
19	54,830	55,274	55,718	56,162	56,606	57,050	57,494	57,938	58,382	58,826	59,270	59,714
20	55,980	56,424	56,868	57,312	57,756	58,200	58,644	59,088	59,532	59,976	60,420	60,864
21	57,130	57,574	58,018	58,462	58,906	59,350	59,794	60,238	60,682	61,126	61,570	62,014
22	58,280	58,724	59,168	59,612	60,056	60,500	60,944	61,388	61,832	62,276	62,720	63,164
23	59,430	59,874	60,318	60,762	61,206	61,650	62,094	62,538	62,982	63,426	63,870	64,314
24	60,580	61,024	61,468	61,912	62,356	62,800	63,244	63,688	64,132	64,576	65,020	65,464
25	61,730	62,174	62,618	63,062	63,506	63,950	64,394	64,838	65,282	65,726	66,170	66,614
26	62,880	63,324	63,768	64,212	64,656	65,100	65,544	65,988	66,432	66,876	67,320	67,764
27	64,030	64,474	64,918	65,362	65,806	66,250	66,694	67,138	67,582	68,026	68,470	68,914
28	65,180	65,624	66,068	66,512	66,956	67,400	67,844	68,288	68,732	69,176	69,620	70,064
29	66,330	66,774	67,218	67,662	68,106	68,550	68,994	69,438	69,882	70,326	70,770	71,214
30	67,480	67,924	68,368	68,812	69,256	69,700	70,144	70,588	71,032	71,476	71,920	72,364

# Denver ProComp Salary Schedule showing salary increase with knowledge and skills, professional growth, market incentives, and student growth

Summary Table -- Components and Elements Earning Opportunities

Components Index \$34,200	Knowledge and Skills			Professional Evaluation		Market Incentives		Student Growth		
Element	Professional Development Units	Grad Degree/ Nat. License & Certificates	Tuition Reimburse	Probationary	Non-Probationary	Hard-to-Staff Position	Hard-to-Serve School	Student Growth Objectives	CSAP Expectations	Distinguished Schools
	2% of Index Salary Increase	9% of Index Salary Increase	\$1,000 Lifetime Account	1% of Index Salary when rated Satisfactory	3% of Index Salary when rated Satisfactory	3% of Index Bonus	3% of Index Bonus	1% Index Salary if both objectives met 1% index Bonus if 1 objective met	3% of Index sustainable Increase for exceeding expectations; 3% Index sustainable decrease for falling below expectations	2% of Index Bonus
<b>Dollar Amount</b>	\$684	\$3,078	\$1,000	\$342	\$1,026	\$1,026	\$1,026	\$342	\$1,026	\$684
<b>Payment Type and Frequency</b>	Monthly Installments upon submission of proper documents	Monthly Installments upon submission of proper documents	Up to \$1,000 upon submission of proper documents	Prorated over 12 months. If unsatisfactory delayed at least 1 yr	Prorated over 12 months. If unsatisfactory delayed at least 1 yr	Monthly Installment upon completion of service each month	Monthly Installment upon completion of service each month	Paid over 12 months starting in September based on previous year	Paid over 12 months starting in September based on previous year	Paid over 12 months starting September based on previous year
<b>Builds pension and highest average salary?</b>	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Year Implemented</b>	2006-2007	2005-2006	2005-2006	2005-2006	2005-2006	2005-2006	2005-2006	2006-2007	2006-2007	2005-2006
<b>Pay-Out Begins</b>	2006-2007	2005-2006	2005-2006	2006-2007	2006-2007	2005-2006	2005-2006	2007-2008	2007-2008	2006-2007

# Other sustainable domains of pay differentiation



Award Strategy	Target	Additional Pay Range	Means for Determining Eligibility	Form of Pay
I. Student value-added reward	Individual	3% to 5 %	<ul style="list-style-type: none"> <li>• Student test scores</li> </ul>	Annual bonus Base salary addition or acceleration
II. Teacher appraisal-based reward	Individual	3% to 5%	<ul style="list-style-type: none"> <li>• Appraisals of teacher performance from multiple perspectives (peer, supervisor, self, student) and (possibly) knowledge and skills acquisition</li> <li>• Acquisition of attributes specified as helping district or school pursuit of higher student achievement</li> </ul>	Bonus Base salary addition or acceleration
III. Whole-school reward	Group	3% to 5 %	<ul style="list-style-type: none"> <li>• Student test scores</li> <li>• Teacher attendance</li> <li>• Other key target areas</li> </ul>	Annual bonus
IV. Hard-to-staff schools/ subjects	Individual	5% to 10%	<ul style="list-style-type: none"> <li>• Market factors applied to specified shortage definitions</li> </ul>	Annual bonus
V. Annualized salary	Individual	5% to 10%	<ul style="list-style-type: none"> <li>• Extra assignments over summer months</li> </ul>	Annual bonus

# Consider an Alternate, Sustainable Approach: 20 Year View

Years of Experience/ School year	Single Salary Schedule	2% cost of living increase	Highly effective teacher on <b>Performance Pay</b> Schedule (15% bonus)
1	34,130	34,130	34,130
2	35,280	34,815	40,035
3	36,430	35,510	40,835
4	37,580	36,215	41,645
5	38,730	36,945	42,485
6	39,880	37,680	43,335
7	41,030	38,435	44,200
8	42,180	39,200	45,080
9	43,330	39,985	45,985
10	44,480	40,785	46,905
11	45,630	41,595	47,835
12	46,780	42,430	48,795
13	47,930	43,285	49,780
14	49,080	44,150	50,770
15	50,230	45,035	51,790
16	51,380	45,935	52,825
17	52,530	46,855	53,885
18	53,680	47,790	54,960
19	54,830	48,745	56,055
20	55,290	49,720	57,175
20 year TOTALS	900,400	829,000	948,500
School with 100 teachers	90,040,000	75 teachers: 62,175,000	25 teachers: 23,712,500
School Total	90,040,000	85,887,500	
		Balance: 4,152,500	

## For more on Sustainability



- View the video presentations “Background and Facts About Traditional Teacher Compensation” and “A Broader Look at Sustainability”
- Read the Guide to Implementation module on Sustainability

# **Framing a New Sustainability Discussion**

## **A Broader Look at Sustainability**

Patrick J. Schuermann

# Consider an Alternate, Sustainable Approach: One Year View

Years of Experience/ School year	Single Salary Schedule	2% Cost of Living Increase	Highly effective teacher on <b>Performance Pay</b> Schedule (15% bonus)
1	341,300	341,300	0
2	134,064	97,482	80,070
3	138,434	99,428	81,670
4	142,804	101,402	41,645
5	147,174	103,446	42,485
6	151,544	105,504	43,335
7	155,914	107,618	44,200
8	160,284	109,760	45,080
9	164,654	111,958	45,985
10	169,024	114,198	46,905
11	173,394	116,466	47,835
12	177,764	118,804	48,795
13	182,134	121,198	49,780
14	186,504	123,620	50,770
15	190,874	123,620	51,790
16	195,244	128,618	52,825
17	199,614	131,194	53,885
18	203,984	133,812	54,960
19	208,354	136,486	56,055
20	1,105,800	646,360	228,700
	Year Total for 100 Teachers: 4,528,862	Year Total for 75 Teachers: 3,072,274	Year Total for 25 Teachers: 1,166,770
		75/25 Combined Yearly Total: 4,239,044	
		Balance: 289,709	

# Sustainability through alignment

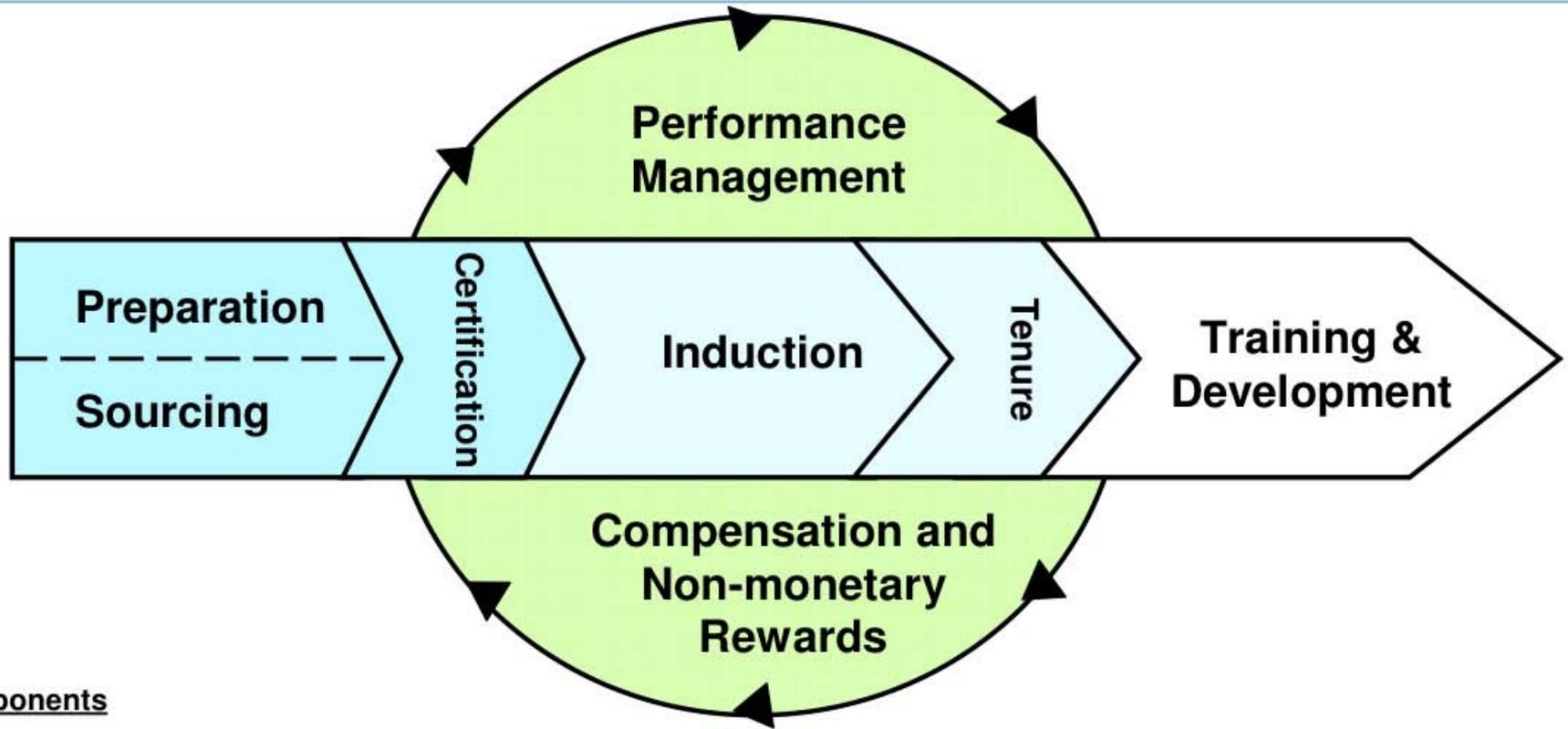


- In addition to financial sustainability, or perhaps as the most strategic way to ensure it, district and program leaders must consider the programmatic viability and sustainability of performance pay programs.
- Evidence suggests that this can be accomplished by ensuring a high degree of alignment between the performance pay program and core district and school goals for enhancing teacher effectiveness and elevating student performance.

# Performance pay within the context of a holistic human capital management strategy

- There are many moving parts to a comprehensive human capital development strategy. As such, it is helpful to have a conceptual scaffold to guide this work. Scholars at the Aspen Institute have developed a framework for human capital management in K-12 education that recognizes the importance of state and federal policy forces; labor market conditions and demographic shifts; the teacher preparation pipeline; and district, school, and classroom contexts and incorporates eight essential components:
  - Sourcing
  - Certification
  - Tenure
  - Performance Management
  - Preparation
  - Induction
  - Training and Development
  - Compensation and Non-Monetary Rewards

# Human Capital Management in K-12 Education



**Components**

- Preparation**
- Traditional higher education
  - Alternative certification
  - District-based preparation

- Sourcing**
- Marketing
  - Recruitment
  - Screening
  - Hiring
  - On-boarding
  - Deployment

- Induction**
- Orientation
  - Mentoring
  - Reduced Teaching Load
  - Differentiated professional development

- Certification**
- Process managed by state department of education to approve teacher candidates.

- Training and Development**
- Professional development
  - Identification of high-potential employees
  - Career management
  - Career pathways

- Tenure**
- Point at which a district commits permanent employment to a teacher

- Performance Management**
- Expectation setting
  - Assessment
  - Calibration
  - Feedback
  - Outcomes

- Compensation & non-monetary rewards**
- Annual salary and benefits
  - Recognition, growth opportunities, and working conditions

# Sustainability through alignment



- When performance pay is aligned to the most important aspirations of a school and district, when it is incorporated as one key element of a strategic human capital development framework, and when its operation becomes insinuated into the core of a district's operations, then the program has a much greater likelihood of financial sustainability over the long term.

# How Evaluation Data Can Inform Sustainability Efforts



- Collaboration between intra-district departments and external evaluators on areas of measurement can produce data in several important areas.
- Types of evaluation data that can inform sustainability:
  - Contextual Data (Social, Political, Economic)
  - Programmatic Data (Appropriateness and Feasibility of Program)
  - Implementation Data (Costs, Challenges, Stakeholder Perceptions)
  - Outcome Data (Effects and Impacts of Program)

# Using Evaluation Data to Inform Sustainability Efforts



- **Using Contextual Data**  
Example: Can a Performance Incentive Program fit into the contextual (social, political, economic) reality of the state, district, school?
- **Using Programmatic Data**  
Example: Are the particular programmatic components appropriate and feasible both in general and specific to program context?
- **Using Implementation Data**  
Are the costs and issues associated with implementation more than what should be expected from the program?
- **Using Outcome Data**  
Are the outcomes of the program sufficiently positive to merit the financial, political, and social costs of implementation?

# For more on Sustainability



- View the video presentations “Background and Facts About Traditional Teacher Compensation” and “Developing Alternative Pay Systems”
- Read the Guide to Implementation module on Sustainability