

Alternative compensation plans

The issue of how public school teachers are paid is one that is being talked about a great deal, especially by politicians. Terms such as “merit pay” and “performance pay” are frequently used with little or no understanding of what they mean. Common definitions and some understanding of the complexity of implementation are necessary so that meaningful dialogue can occur.

Definitions:

- Merit Pay is an award made to an individual for superior service. It is usually based on subjective, relatively intangible criteria and is paid as a single annual bonus rather than a sustained salary increase. In most merit pay schemes, individual employees are competing for a limited sum of money. In order for some teachers to be paid more, others must be paid less.
- Incentive pay provides bonuses to teachers who choose to work under certain predetermined conditions, such as in economically disadvantaged schools or in subject areas where there is a shortage. Incentive pay can also be given to teachers willing to teach larger than normal classes or who acquire additional training related to their assignment. The current practice of paying for further education by advancing the person an education step on the salary schedule is, in reality, a form of incentive pay. Teachers have a financial incentive to attain an advanced degree or successfully complete a specified number of credit hours.
- Differentiated pay provides career options for teachers by paying more to employees who take on additional responsibilities. In such a system, pay is commensurate with the skills required and the responsibilities assumed. A form of differentiated pay is what is commonly known as “extra performance pay” in most teacher contracts. Coaches, club sponsors, and others are usually paid in this way. In more complex differentiated systems, skills and functions such as curriculum development, program coordination, mentoring, and supervisory responsibilities are rewarded monetarily.
- Performance-based pay is system, usually open to all teachers, that rewards individuals or groups of teachers for achieving certain specifically defined goals or criteria. Master teacher plans—in which individual teachers work to attain a level of clearly defined skill and responsibility —is an example of performance-based pay. Pay is linked to the attainment of a certain level or category such as beginning, professional, and master teacher. Performance-based pay for teams of teachers or all employees working in a particular grade or building is usually linked to a group’s achievement of certain specific goals that have been established before hand and are clearly understood.

Colorado Law

The “Alternative Salary Policies for Teachers Act”



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(CRS 22-66) enacted in 1984 allows local school districts to adopt “pay plans which take into account quality of performance using criteria which may include but need not be limited to demonstrated skill and knowledge, additional duties and responsibilities, and additional time requirements. Such pay plans may include but need not be limited to career ladders and mentor or master teachers programs.” This language is permissive and enabling; it does not mandate any form of alternative salary policies at either the state or local level.

CEA Positions

The Colorado Education Association supported the legislation resulting in the above law. CEA believes that school districts, working with the appropriate employee organizations, should be able to develop alternative salary policies if they so desire. When a collective bargaining agreement exists between the district and employee organization, such policies should be developed within the context of the negotiated agreement.

CEA has adopted the following continuing resolutions concerning salary schedules:

“Salary schedules should provide to all interested teachers optional additional compensation and career enhancement opportunities that are mutually developed through the negotiations process; are based on specific and measurable criteria; and are reflective of expanding duties and responsibilities, additional time requirements, and increase skills and knowledge. ”

Though CEA supports local associations and school districts developing various alternative compensation plans to meet the needs of the employees, districts, and districts’ clientele, it is strongly opposed to merit pay plans which pit teachers against teacher for a limited amount of money that is distributed based upon subjective criteria.

Such plans have been tried in various school districts around the country and have proved to be divisive, detrimental to the collegial atmosphere required to advance student achievement, and a disincentive to retaining good teachers in the classroom.

After extensive trial periods, all such plans have been abandoned as failures. For these and many other reasons, CEA opposes any quota-based merit pay plan.

In conclusion...

Research in alternative compensation shows that, though such proposals are easy to talk about, implementation is extremely complex. The establishment of objective, measurable criteria supported by credible evaluation procedures is difficult. Further, the expense of instituting such a pay plan has proved daunting to many school districts struggling with shrinking budgets and increasing demands.

The single salary schedule continues to exist in most school districts because it is objective, fair, and simple to administer.