

'Merit' pay plans vs. the indexed teacher salary schedule



a jcea backgrounder

Merit pay (or "performance based" pay) is not a new idea. It was first tried in 1908 in Newton, Massachusetts and was the preferred salary plan in most school systems in the 1920s. By the 1960s, however—long before most teacher associations began bargaining—only 10% of the nation's school systems still used merit pay plans; by 1978, that number was down to only 5%.

Why? Because they did not work. They failed to meet the three basic goals of any public or private sector salary structure: to attract quality employees, to retain quality employees, and to motivate employees.

Instead of achieving those goals, though, merit pay plans have historically allowed school districts to be autocratic and paternalistic in dealing with teachers. Pay rewards went not to teachers who were innovative and creative, but to teachers who were compliant and did not "rock the boat." Too often merit pay went to those teachers who agreed to drive the school bus, coach or did administrative duties. In short, merit pay had nothing to do with promoting excellence. What it did do was disguise age, sex, and race discrimination. Ultimately, merit pay plans caved in under the weight of public scrutiny, professional concern, and judicial review.

In their place, school districts established the indexed salary schedule. Understand that, if money were no problem, all teachers would be paid professional fees like doctors, lawyers, or accountants. From day one teachers would receive \$150 per hour for professional services provided. Unlike teachers, most other professionals do not start out with significantly lower fees when they begin their practices. Those fees, adjusted for inflation, remain relatively stable throughout their careers.

In the public school system, however, money—or the lack of it—is the problem. School districts had to devise a way to compensate teachers knowing they could not afford to pay teachers a professional salary throughout their careers. Instead, they took the amount of money available and divided it in a "fair" way that attempted to meet the three goals of any salary system.

Its premise is that while school districts could not afford to pay teachers a professional salary on their first day, they could at least provide teachers a method by which they could plan their financial lives. Instead of establishing beginning salaries that were truly professional, teachers got a guarantee of gradual—indexed—salary increases over a specific amount of time.

Quite simply, this rewarded loyalty to the school district and maintained program continuity. The district benefited because it saved money by not having to constantly train and retrain teachers. There simply is no logic in training teachers to deliver a set curriculum and then have those same teachers carry those skills to other school districts.

Secondly, the indexed salary system recognized that continuing education, especially for educators, was a value worth rewarding in some way. They also realized that, unlike the private sector, they could not pay for continuing education. As a result, educational attainment levels were built into the index which—over the life of a career—provided some degree of compensation.

Has this met the three goals? In Jeffco it has. First, even

though Jeffco by no means has the highest beginning teacher salary in the metro area, the overall compensation package is sufficient to attract highly qualified new teachers to the district. Despite all of the on-going financial problems, Jeffco is still viewed as a good place to work. Second, Jeffco boasts the fact that we have the highest percentage of teachers with masters degrees and one of the most experienced teaching staffs in the state. That is important in that the district has a difficult and complicated curriculum that needs to be mastered. Based on the data available, the Jeffco salary schedule has achieved the first two goals.

The third goal is more difficult to measure, except anecdotally. Has the index salary schedule contributed to improved performance? Certainly the state's continuing education requirement and the subsequent reward on the salary schedule should lead to improved performance. If it does not, there is something more important than the salary schedule that needs to be fixed.

Of greater importance is what really motivates a teacher's performance. According to researchers, salary is important to teachers, but for reasons unrelated to their motivation to perform better. They report that intrinsic rewards may be even more important factors. Such things as "thank yous," sabbatical leaves, scholarships and grants, and relief from mindless clerical duties and supervisions.

One study even concluded that the best guarantee of improving the quality of teaching is to be found in developing a professional climate in which continued growth in creativity and cooperation among teachers is guaranteed—an ongoing goal of this Association.

Teaching is increasingly a team activity, requiring cooperation and the sharing of professional skills and expertise. Unfortunately, merit pay plans set up a competitive system which discourages collaborative behaviors. It is difficult to feel motivated and valued when one or more teachers have made meaningful contributions but do not receive a merit increase because there is not enough money available for all who deserve it.

JCEA supports the NEA position on merit pay. In general, the Association opposes any compensation plan based on favoritism, arbitrary standards, student achievement (which, because of the variables, is unpredictable and difficult to measure), and subjective evaluation in the absence of clearly defined professional criteria. The Association has also stated that merit pay plans must not deny compensation to all who have earned it or be viewed as a substitute for providing adequate, professional salaries for all educators. The indexed salary schedule meets this test. Merit pay plans, to date, do not.

Finally, it must be recognized that interest in merit pay plans resurfaced during the Reagan years as the conservative response to cries for "education reform." The debate on merit pay successfully diverted public attention from the declining federal support for public education and other critical issues. It has never been discussed as a way of paying teachers the professional salaries they deserve; it has instead been a convenient method for dividing up limited government resources so that a few teachers got a lot, others got some, and most got little more than the beginning base salary.