Teacher Compensation Approaches

Education Policy Research Unit (EPRU) at ASU
Education and the Public Interest Center (EPIC) at CU-Boulder

****NEWS RELEASE--FOR IMMEDIATE RELEASE****

MERIT PAY SYSTEMS INVOLVE TOUGH CHOICES

Policy Brief warns policy makers against simplistic solutions.

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TEMPE, Ariz and BOULDER, Colo. April 11, 2007) -- Merit-pay systems for teachers, although currently popular with policy makers, are no panacea, a new policy brief from the Education Policy Research Unit (EPRU) and the Education and the Public Interest Center (EPIC) concludes.

The brief, “The Promises and Pitfalls of Alternative Teacher Compensation Approaches,” is by Debbi C. Harris, Ph.D., who will join the Wisconsin Center for Education Research at the University of Wisconsin-Madison in August 2007.

In her brief, Harris explores the three main types of teacher compensation systems used in the United States. They are the uniform salary schedule used in most districts, as well as the two types of merit-pay systems: performance-based and outcome-based. She notes that there are advantages to each approach but that there are adverse, often unintended, consequences to each system as well.

Harris recommends that before states or local districts adopt new pay systems for teachers, they invest time and resources to ensure that the pay system is appropriately aligned with their particular goals and intentions.

Recently, several states have instituted statewide merit pay plans, and the federal government is offering grants to implement such plans. Various districts, including the Denver Public Schools, also have noteworthy merit pay plans. Harris, however, describes a troubled history for merit pay plans, which have surfaced repeatedly over the
last century, only to fade away over time. Such plans require thoughtful design, adequate resources, and a long-term commitment, she explains.

In contrast to conventional pay programs that reward years of experience and additional education for teachers, merit pay programs are typically structured to reward teacher behaviors and activities that are believed to be associated with higher achievement, or to reward outcomes, usually measured by students’ test scores. Harris’ policy brief does not endorse any particular approaches, and it carefully explains each approach’s strengths and weaknesses.

Harris recommends that policy makers wishing to restructure teacher pay systems

- identify and prioritize the goals of the education system;
- examine carefully whether and how financial incentives might help meet those goals, as well as the feasibility of motivating teachers to pursue them; and
- align their compensation plan with their intentions.

Particularly important, says Harris, is that policy makers must fully account for the inevitable complexity, costs and tradeoffs of any particular compensation system.


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