Hmm... it’s a touchy subject,” said one second-grade teacher when asked to share her thoughts on merit pay. “I know it’s worked in some places, but I shudder at the idea of teachers being in competition with each other.”

Other teachers we talked to have a different take on the increasingly talked-about alternative pay systems. “For the additional hours most of us put into projects, meetings, planning, and parent workshops, the pay is a positive reinforcement,” one veteran teacher said. Whatever your viewpoint, merit pay is an issue to watch. More and more districts are considering it and it could mean new raises and new worries for you and your colleagues.

Just two months ago, in Denver, Colorado, voters overwhelmingly approved an overhaul of the way their district’s teachers will be paid even though it meant a $25 million property tax increase. Supported by 59 percent of Denver’s teachers, the new pay system will stop basing salary on years of service and start recognizing a host of skills and achievements on the job. With more than 4,000 teachers on staff, Denver is the largest school district in the country to embrace such a complex system. Many educators see it as a sign that the moment for merit pay has arrived.

**Coming to a District Near You**

Alternative pay systems are already in place in five states—Arizona, Florida, Iowa, New Mexico, and North Carolina. In Massachusetts, a merit-pay proposal by Governor Mitt Romney is currently in development. Plus, pilot programs are underway in many smaller communities, typically funded by grants. Each program works differently, but they all share the basic concept of measuring classroom performance to determine at least part of a teacher’s salary. Many also include incentives for teaching in hard-to-staff schools and in subjects like math, science, and special education.
On the national level, the American Board for Certification of Teacher Excellence is working with the Department of Education to develop a national merit pay plan that would identify “master teachers” and give them bonuses or raises. While some teachers laud the plan, others are skeptical, wondering how and by whom great teaching will be defined.

The Shape of the Debate

For the most part, teachers’ unions have resisted efforts to institute merit pay systems. One teacher explained it this way, “It’s emotional for teachers. Our competence, our job requirements, and our salaries—which we depend on to raise our families—are the subject of public debate. And the debate is constantly shifting. It isn’t like this in other professions.” Teachers’ unions see the new programs as an unraveling of job protection. They remain committed to protecting hard-won salary schedules that reward years of experience and teaching commitment. They see alternative pay plans as unproven and incapable of fairly judging which teachers should earn raises.

Supporters of merit pay plans believe that the old pay structures are outdated and don’t give teachers incentive to achieve or reward good performance. “Some of our first- and second-year teachers who are at the bottom of the pay scale do brilliant work that often goes unrecognized,” one younger teacher told us. “Conversely, there are teachers at the top of the pay scale who have not changed teaching methods in twenty-five years to meet the needs of the kids they work with now.” This sentiment is echoed by many supporters of merit pay who believe the way teachers are paid and how much they are paid must change if districts are to attract a new generation of teachers.

Collaboration Pays Off

What’s so striking about the pay plans recently approved in Denver and other communities is that they have emerged from close collaboration between teacher representatives and district leaders, says Daniel Moulthrop, co-author of the book, Teachers Have It Easy: The Big Sacrifices and Small Salaries of America’s Teachers (The New Press, 2005). “Success is not easy to come by,” he says. “It takes a lot of work and a deep willingness to communicate and to work together creatively.”

When the Denver Public Schools first proposed a form of ProComp in 1999, “a lot of us were skeptical,” says Brad Jupp, at the time a member of the teachers’ union negotiating team, but now a senior academic policy advisor to the district. “But the union said to teachers, ‘You know, there’s more money on the table than we’re used to getting. Why don’t we study the system and see whether or not it could work?’”

The Deal For Denver Teachers

The system Denver settled on includes annual raises and incentives of about $1,000 for teachers working in classrooms with high percentages of English-language learners, handicapped children, or students from the city’s poorest families, a move teachers widely support. “Schools that serve disadvantaged populations should be able to pay more,” one inner-city teacher told us. “It is really an incredible challenge.”
In what is perhaps the most hotly-debated part of the plan, teachers can also earn additional money for their students’ achievement. Several times a year, a teacher will meet with his or her principal to set learning goals for each child. If those goals are met as determined by the administrator, the teacher will receive a bonus.

**Achievement Tough to Define**

“What if my principal happens to like me, and happens to dislike you?” asks Kathy Boudreau, president of the Massachusetts Teachers Association. She says her union will oppose merit-pay plans relying on individual student test scores and the potentially subjective teacher evaluations. (Massachusetts is currently considering a merit-pay system proposed by Governor Mitt Romney, with increases based on factors including students’ standardized-test scores and evaluations by teacher supervisors.)

“Education is all about collaborative effort, but if teachers believe other teachers are getting consideration for pay based on non-objective criteria, it can create a breakdown on the team,” says Boudreau. “If I’m a great teacher with great practices, I might think, ‘Why would I want to share?’”

Jupp also sees flaws in Romney’s proposal. “Pay systems proposed by governors tend to lean too heavily on standardized tests,” he says. “When reading is tested but not chemistry, then how is the chemistry teacher evaluated, or for that matter the teacher who works with autistic children?”

**Paying for Your Own Raise**

Another objection to alternative pay systems is required and costly professional development. Many communities give teachers bonuses for taking graduate-level classes on their own. This arrangement frustrates teachers who feel they’re paying for their own raises by spending thousands of dollars on outside courses to gain bonuses that barely surpass what they spent. At the same time, administrators have been troubled that many outside courses are not relevant to the classroom. In Denver, teachers are rewarded only for taking courses that are relevant to the classroom, but these courses are paid for by the district. “If you learn a new skill you can apply in the classroom, that is valuable to the school district, and you can get a pay increase regardless of whether you learned it from a degree-granting institution,” Jupp says. “But if you just take any graduate credit, you’re not going to get an increase.”

**Teachers Need Better Pay**

No matter the final form of a district’s alternative-pay system, Moulthrop says, it always begins with the idea that ultimately, teachers deserve bigger paychecks. But because any plan still needs to be paid for, it requires the support of the larger community. “Districts having success in school reform are getting the whole community behind a new way to pay teachers,” Moulthrop says. In Denver, that meant the $25 million tax increase. In Helena, Montana, it meant difficult but creative budget decisions that boosted teacher salaries even in the face of tough district-wide cuts.

Merit-pay supporters claim that the systems help districts attract and retain talented young teachers, and anecdotal evidence, at least, shows that might be true. Helena administrators recently received 900 applications from across the nation for 50 classroom openings. The applicants have said they are attracted by the district’s new pay system, which features the possibility of earning bonuses up to $4,000, and a 9.5 percent raise over two years. “Now a school district of last resort is a district of first choice,” Moulthrop says.

Even when a district and its teachers cannot agree on a new pay system, as has been the case in Cincinnati, among other places, Moulthrop says the conversations are still valuable. “The cool thing is that it gets people talking about what good teachers look like, and what it takes to be a good teacher,” he says. “You start getting communities putting money on the table and saying, ‘We’d like to start paying more for good teaching.’”