

BACKGROUND PAPER 88-1

INCENTIVE PROGRAMS AND CHANGING
ROLES FOR ADMINISTRATORS AND
TEACHERS IN PUBLIC ELEMENTARY
AND SECONDARY SCHOOLS

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INCENTIVE PROGRAMS AND CHANGING ROLES FOR ADMINISTRATORS AND TEACHERS IN PUBLIC ELEMENTARY AND SECONDARY SCHOOLS

I

INTRODUCTION

"The problem of recruiting and retaining high-quality professionals for our schools has drawn increasing attention in the last few years." (National Governors' Association [NGA], Results In Education: 1987, page 9.)

In designing systems to reward good teachers and school administrators, much attention has been given to the relationship between motivation and the school environment. Incentives are used to motivate educational professionals and bring about positive change in the schools. Although higher wages and special monetary rewards appear to be the most common incentives, there is a growing recognition of the importance of other incentives that improve job satisfaction.

Incentives have become a basic part of the educational reform movement in the United States during the 1980's. Many states and local school systems have implemented incentive programs for their teachers and principals, and most other jurisdictions are either adopting pilot projects or are now considering such incentives to enhance school performance.

This report describes the major types of educational incentive programs that have been implemented across the country, and it discusses some of the issues and concerns relating to the programs.

See Appendix A for a list of incentive programs enacted by the various states.

II

TEACHER INCENTIVES

A. Incentive Programs

The most popular incentive programs are those that recognize outstanding teachers with monetary rewards. Some programs increase both a teacher's salary and his/her professional status. The major pay incentive programs are career ladders, merit pay and lead/master/mentor teachers.

1. Career Ladders

The traditional teaching career structure is flat and does not allow for advancement without moving out of the classroom. Conversely, a career ladder provides several steps in teaching careers with each step bringing a substantial pay increase beyond the traditional salary schedule. In addition, each increase on the career ladder is accompanied by increased professional responsibility and status. Teachers at the top of the ladder may also be given the opportunity to extend 10-month contracts by 1 or 2 months for extra pay. Career ladder promotion is based on evaluations of classroom performance by school administrators and/or peers.

A career ladder offers teachers the advantage of not needing to turn to administration, part-time employment or other professions to increase their salaries. The career ladder is designed to reward good teachers and enhance the status of the teaching profession. (Palaich and Flannelly, page 17.)

In 1984, Tennessee, Texas and Utah created and funded state-wide career ladders. Missouri created a voluntary career ladder program in 1985. By the end of 1987, several other states had either approved pilot programs for career ladders or were considering developing state programs. Some local school districts in various states have developed career ladders through local initiatives.

The 1987-1988 school year is the fourth year of implementation of the Tennessee Career Ladder Program. The program includes a three-rung ladder for teachers (plus counselors, librarians and other instructional support personnel), supervisors and principals. Teachers with less than 3 years of experience are not eligible for the ladder. Salary supplements from \$1,000 to \$7,000 are paid to those named to the ladder.

The Texas Career Ladder Program is also in its fourth year. During the first 2 years of the program, local school districts used their evaluation instruments to place teachers on career levels I and II--teachers at level II receive from \$1,500 to \$2,000 additional pay each year. A statewide instrument is now used to determine placement on career levels I, II and III--teachers at career level III receive from \$3,000 to \$4,000 additional pay each year.

Utah, also in its fourth year of career ladder implementation, provides a two-dimensional career ladder--horizontal and vertical. The horizontal dimension provides additional pay for nonteaching days beyond the regular school year, and the vertical dimension is a career ladder based on effective teaching performance. Utah's vertical program

includes performance bonuses, career ladder placement and job enlargement (extra pay for extra work). (Southern Regional Education Board, pages 22 to 24.)

2. Merit Pay

Merit pay plans usually reward teachers for superior classroom performance, but some plans provide extra pay for extra duties such as bus duty, coaching or department head responsibility. Several states and localities have implemented merit pay plans for teachers. (The Council of State Governments, pages 1 and 2.)

Some examples of merit pay programs in recent years include:

- Houston, Texas' Second Mile Plan which pays bonuses to teachers in schools where students meet or exceed predicted test scores.
- Los Angeles, California, where school administrators identify 200 outstanding teachers each year and give them each a \$500 bonus.
- New Jersey's Governor's Teacher Recognition Program which recognizes outstanding teachers in an annual award ceremony with a \$1,000 award to the teacher's district to be used for an educational purpose designated by the teacher.
- Richmond, Virginia, where school administrators give a one-time bonus of \$2,000 for teaching in high poverty areas.

The Houston Independent School District's Second Mile Plan each year awards grants ranging from \$150 to \$2,000 to teachers who further their professional development, have good attendance records, teach in high-priority locations and teach in subject areas for which there are insufficient numbers of teachers. In addition, bonuses are given to teachers whose students have test scores that meet designated goals. (Palaich, page 18.)

The Governor's Teacher Recognition Program in New Jersey allows each school district in the state to nominate one teacher from each school in the district for the annual award. Teachers selected for nomination must have made "exceptional contributions" in the areas of effective instruction; productive classroom climate and student rapport; and, development of students' self-worth and love of learning. New Jersey Governor Thomas H. Kean has proposed increasing the annual award from \$1,000 to \$3,000. Governor Kean has also proposed paying teachers in inner-city schools two \$2,000 bonuses--one after their first year of teaching

in an urban district, and the other after their third year. (New Jersey Department of Education.)

3. Lead/Master/Mentor Teachers

In May of 1986, the Carnegie Task Force on Teaching as a Profession released its report, A Nation Prepared: Teachers for the 21st Century. Among the recommendations in the report is one calling for school districts to create "Lead Teachers" in each school. These teachers would be selected from experienced educators, would possess advanced teaching certificates, and would be responsible for assisting their colleagues and recommending personnel action.

Lead teachers would not be assistant principals or administrators but would have a leadership role in school decisions regarding curriculum, instruction and evaluating teacher performance. Under the Carnegie proposal for average annual teachers' salaries, the average salary for a lead teacher would be \$56,000 based on a 1985 salary schedule. (Carnegie Forum, page 100.)

In 1983, Governor Lamar Alexander of Tennessee proposed a "Master Teacher Program." The proposal would have divided teachers into four career stages: apprentice, professional, senior and master teachers. The master teacher would have been paid 60 percent more than a professional teacher. The requirements for a master teacher were 13 years experience and significant added responsibilities. (The Council of State Governments, page 3.) Tennessee adopted its career ladder program in lieu of the "Master Teacher Program."

Toledo, Ohio, has a master teacher program. The program uses a pool of experienced educators to work with new teachers during their first year. The master teachers are relieved of their regular teaching duties and are given a \$1,000 bonus. (The Council of State Governments.)

California's "Mentor Teacher Program" was created in 1983 to encourage the retention of exemplary teachers while upgrading the skills of other teachers. Mentor teachers spend part of their time working with new and experienced teachers. State law authorizes districts to designate up to 5 percent of their certified teachers as mentors, but state funds have not been sufficient to fully support the program. Each mentor teacher receives a \$4,000 stipend and the local district receives an additional \$2,000 per mentor for support costs, such as training and release time. (Southern Regional Education Board, page 11.)

B. Issues and Concerns

1. Funding and Evaluation

Funding and evaluation are the two biggest obstacles to any teacher incentive program. Incentive programs are expensive, and a long-term commitment of money is necessary. Implementing any evaluation system which is designed to determine excellence is often perceived as unfair by a large number of teachers.

Career ladder plans require substantial funding, especially as higher levels in the ladder are phased in. Tennessee is spending nearly \$100 million in 1987-1988, and Texas has budgeted several hundred million dollars for its program. California's mentor teacher program has about \$50 million available for 1987-1988, enough money to support only 4 percent of the state's teachers. (Southern Regional Education Board, pages 3 and 11.)

The development of an evaluation system that is fair, and is perceived as fair, is difficult but necessary for the success of any incentive program. Many teachers do not accept the concept that there are only a few excellent teachers. In addition, many teachers dislike competition for awards because it leads to teachers being labeled as "incompetent," "good or fair" or "excellent." (Southern Regional Education Board.)

2. Pros and Cons

Proponents of teacher incentive programs argue that:

- Merit pay would attract brighter students into the teaching profession, creating better schools which could mean better jobs.
- With career development opportunities, good teachers can continually advance professionally and financially while remaining in the classroom.
- Master teachers could offer more practical insight into curriculum development.
- Master teachers could serve as peer counselors and advisors for less experienced teachers. New teachers could benefit from the master teacher's knowledge and experience.
- Jealousy in pay programs could be eliminated with fair evaluation procedures which are part of many of the pay incentives. Many of the programs also provide increased participation by the teachers in the evaluation process.

- Designation of exceptional teachers instills pride in the colleagues of the teacher in his or her school. This designation can give others a professional goal toward which they may work.
- Teachers are not forced to enter teacher incentive programs. The career ladder program in Tennessee, for example, is voluntary for those currently teaching in Tennessee schools. Only new teachers are required to participate.
- Merit pay and master teacher programs afford a more equitable system of evaluation based on performance.

Opponents of the teacher incentive programs argue that:

- Master teachers would be removed from the classroom where quality instruction is crucial.
- Merit pay is not equitable since only a few could benefit from pay increases.
- With budget deficits, increasing teacher salaries could be a luxury that state officials could not afford.
- Merit pay could foster unprofessional competition between teachers for the few available dollars.
- An adversarial relationship between school administrators and parents could exist as parents seek to have their children taught by those teachers deemed "best."
- A pay incentive is not a viable solution to improving the quality of teaching until there is an adequate pay system for all teachers.
- Evaluation of teachers for pay incentives could be based on personal biases and politics. Many of the teacher associations and unions argue that the evaluation process would be unfair due to local politics.
- Teachers who do good work, but who are overlooked for awards, would become discouraged. Teachers who once performed their duties well could become lazy and uncaring.

(The Council of State Governments, pages 4 and 5.)

3. Developing An Effective Incentive Program

The Education Commission of the States (page 2) and The Council of State Governments (page 5) suggest the following to ensure an effective incentive program:

- Positive orientation with payoff. For incentives to be used effectively for educational improvement, they must be positive in nature and connected to the obtainment of a goal for the individual, school or school system. Incentives are not sanctions; rather, they allow choice and have an engineered payoff for the participant, such as additional money, personal recognition, more discretionary opportunity, capital goods or improved working conditions. Before considering a merit pay plan, an expected outcome should be established. Data should be gathered to see if merit pay will really deliver the expected outcome.
- Appropriate goals. The goal of incentives needs to be clearly defined and matched to the incentive program. The incentive should help the state or local school system meet the goal it has set.
- Local ownership and equal access. Incentive programs can be designed for unique groups or targeted for a particular audience. However, all parties in the target group should have equal access to the program, be able to express their views and their unique needs and be assisted in adapting programs to local needs. The old saw, "if they don't own it, they won't fix it," is particularly applicable in educational improvement. The plan must be very well developed with teachers having had a great deal of input. A large majority of teachers must agree on the idea.
- The criteria for evaluation must be as objective as possible. Evaluators should have special training in the curriculum or program area. The ratio of evaluator to evaluatee must be small. For example, it is preferable for a principal to evaluate a teacher, a district supervisor to evaluate a principal, and so on.
- Adequate funding. State foundation programs allow all school systems to receive a "base" funding. If change and improvement are to occur, a different pot of money is needed to encourage schools to go beyond the required minimums and strive for excellence. Such funding must be adequate to guarantee that the program can be implemented as designed and that all interested parties have a chance to participate. Programs that are implemented without sufficient funding or with no commitment for continuing the funding can become "disincentive" programs at the local level.
- Responsible leadership and management. Someone must be willing to take the responsibility and be accountable for clear program guidelines, dissemination of information to interested parties, program monitoring and

evaluation. No program exists without good leadership and management, and incentive programs are no exception.

One Nevada educator has proposed that the state consider creating a pilot incentive program by making available special funds to school districts willing to implement merit pay or other incentives on a trial basis. It was suggested that the legislature appropriate \$1 million to \$2 million to begin such a program.

III

PROGRAMS FOR SCHOOL ADMINISTRATORS

During the past two decades, several studies on educational innovation and change found that the school principal was the single most important factor in implementing and maintaining educational improvement efforts. The principal's instructional leadership was credited as the major factor in increased pupil achievement levels, higher teacher morale and better overall school climate. (Cotton and Savard, page 2.)

In its 1986 report titled Time For Results (pages 57 to 60), the National Governors' Association's recommendations regarding school leadership and management include the following:

- Revise state selection and certification requirements to reflect the skills and knowledge needed by principals.
- Match the content of state-approved educational administration programs to the training needed by effective school principals.
- Develop a system to evaluate principals effectively and accurately.
- Provide inservice training to school administrators through, for example, state-sponsored training centers or higher education institutions.
- Provide incentives and technical assistance to districts to promote school site management and improvement.
- Reward principals and schools for performance and effectiveness.

According to the NGA (Results In Education: 1987, pages 14 and 15), states have numerous initiatives focused on administrators, such as revising requirements for preparation, certification, evaluation and extending opportunities for

inservice training. A few states also are looking at the incentives and organizational arrangements effective leaders need to produce better performance at the school site.

Continuing public concern about standards for both students and professional personnel is reflected in state efforts to raise standards for administrators, especially principals. Almost half of the states are moving toward new ways of assessing administrators for certification, selection, or on-the-job evaluation. Among the states reporting new certification requirements for principals or administrators, Florida, Mississippi, Missouri, New Hampshire, and North Carolina describe their requirements as competency-based. Florida and Mississippi also use performance-based evaluation and compensation for administrators.

States sponsor a wide variety of professional growth and development activities for administrators. Most offer leadership academies or assessment centers; Georgia and Tennessee have statewide career ladder programs.

The following are examples of state programs for school administrators:

- Florida's competency-based certification for school managers includes a Chief Executive Officer Leadership Development Certificate for school superintendents. Holders of the certificate are eligible for annual performance salary incentives ranging from \$3,000 to \$7,500.
- New Jersey's proposal for training and licensing principals would require candidates to hold a Master's degree in a field of management, administration, or leadership; pass a written test; receive evaluation at an assessment center; and complete a supervised internship in a public school.
- South Dakota's Professional Administrators' Practices and Standards Commission was statutorily established in 1986. The commission has developed a code of ethics and an evaluation instrument for administrators.
- Virginia's Governor's Commission on Excellence recommended that the state, by 1990, develop plans for local school divisions to compensate principals based on training and leadership skills. The commission also recommended awarding funds to exemplary schools, to be used by the principal and faculty to improve instruction.

(Results In Education: 1987, pages 15 and 16.)

IV

SCHOOL IMPROVEMENT INCENTIVES AND CHANGING ROLES FOR ADMINISTRATORS AND TEACHERS

Recent state initiatives to improve local school performance have included changing roles for both principals and teachers. Certain initiatives have promoted school site management and increased the authority of the principal. Others have encouraged principals to share decisions with teachers, parents and students. The common approach in these initiatives is to shift power from the state and school district levels to the school site. In return for increased control over their school, principals and teachers are being held more accountable for pupil achievement and school performance.

Some states have developed pilot projects to waive regulations for the purpose of encouraging autonomy at the school site. These pilot efforts are intended to identify and waive regulations that impede site management, give schools their fair share of funding, and promote new cooperative working relationships. Three states--Colorado, Minnesota and Washington--have linked deregulation to opportunities for increased local autonomy as an incentive for schools willing to assume greater accountability for performance. (Results In Education: 1987, pages 14 to 16.)

Washington's Schools for the 21st Century program exempts schools from certain state regulations in return for more accountability. The pilot project also includes accountability and performance measures of teachers and administrators in exchange for greater discretion at the building level.

In some instances, states are providing discretionary funds for schools to implement improvement programs.

Indiana's A+ Program for Educational Excellence establishes a performance-based school accreditation system. Schools will be financially rewarded for improving attendance and achievement.

Missouri has an Incentives for School Excellence grant program, up to \$50,000, that encourages exemplary and innovative programs designed to improve schools and programs.

South Carolina's Incentive Reward Program provides several million dollars to schools using criteria that include student achievement gain and teacher attendance.

Wyoming's "super schools" program provides state grants of up to \$10,000 for schools submitting plans to improve student performance and school effectiveness. (Education Commission of the States, page 3.)

V

SUMMARY

States have developed various types of programs to motivate good teachers and school administrators to remain in the public schools and achieve better results. The most common incentive programs for teachers are career ladders, merit pay and lead/master/mentor teachers. These programs are expensive and require, among other things, the development of a good and fair evaluation system.

In addition to establishing incentive programs for teachers and school administrators, certain states are providing school improvement incentives that financially reward schools and/or increase local school autonomy in return for greater accountability for school performance.

VI

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APPENDIX A

INCENTIVE PROGRAMS — 1987

	Local Initiative Only	Pilots with State Funding and/or Assistance	Full Implementation of State Program	State Program Under Development	Discussion No Legislative Action Pending	Type of Program
Alabama				X		Career Ladder
Alaska						
Arizona		X				Career Ladder
Arkansas		(Not funded)				Career Development
California			X			Mentor Teacher
Colorado	X					Teacher Incentive/ Career Ladder
Connecticut				X		Teacher Incentive
Delaware		X				Career Development
Florida			X (1)	X (2) (Not funded)		(1) School Incentive; (2) Career Ladder
Georgia				X		Career Ladder
Hawaii						
Idaho				(Not funded)		Career Compensation
Illinois		X				Teacher Incentive
Indiana		X				Career Ladder/ Teacher Incentive
Iowa			X			Teacher Incentive
Kansas	X					Teacher Incentive
Kentucky		(Completed in 1987)				Career Ladder
Louisiana		(Not funded)				Career Ladder/ School Incentive
Maine				X		Tiered Certification Incentive
Maryland	X					Career Development Incentive
Massachusetts			X			Teacher Incentive
Michigan						
Minnesota	X					Teacher Incentive
Mississippi			X			Teacher Incentive
Missouri			X			Career Ladder
Montana	X					Teacher Incentive
Nebraska				X		Career Ladder
Nevada						
New Hampshire	X					Teacher Incentive
New Jersey			X			Teacher Incentive
New Mexico					X	
New York			X			Teacher Incentive
North Carolina		X				Career Ladder
North Dakota						
Ohio	(With state assistance)					Career Development
Oklahoma	X					Teacher Incentive
Oregon		X				Career Development Mentor Teacher
Pennsylvania			X			Career Development Mentor Teacher
Rhode Island		(Under consideration)				Mentor Teacher
South Carolina		X (1) X (2)	X (3)			(1) Teacher Incentive (2) Principal Incentive (3) School Incentive
South Dakota						
Tennessee			X			Career Ladder
Texas			X			Career Ladder
Utah			X			Career Ladder
Vermont	X					Career Ladder/ Teacher Incentive
Virginia		(Completed in 1986)				Career Ladder/ Teacher Incentive
Washington			X			Mentor Teacher
West Virginia				X		Teacher Incentive
Wisconsin		X				Career Ladder/ Teacher Incentive
Wyoming						

Southern Regional Education Board