

BETTER PAY FOR BETTER TEACHING
PPI Forum on Making Teacher Compensation Pay Off in the Age of Accountability

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Panelists:

Bryan Hassel, Public Impact (Author)
Dan Katzir, The Broad Foundation
Jane Hannaway, The Urban Institute
Adam Urbanski, Teacher Union Reform Network
Brad Jupp, Denver Public Schools and Denver Teachers Association

Moderator:

Andrew Rotherham, Director, 21st Century Schools Project, Progressive Policy Institute

ANDREW ROTHERHAM: Good Morning and welcome. I'm Andrew Rotherham, Director of the Twenty-first Century Schools Project at the Progressive Policy Institute. It's a pleasure to have you here with us today. I think most of you are familiar with PPI's work. For those of you who aren't, we are a think tank here in Washington. We do a variety of work on social policy, trade, healthcare, national security, economics, microeconomics, the environment and other issues. We encourage you to visit our website, www.ppionline.org, where you can find out more about our work and sign up for a variety of electronic publications to keep you updated.

I want to thank our panelists very much for being here today: Brad Jupp, Adam Urbanski, Jane Hannaway, as well as Dan Katzir, and obviously Bryan Hassel, the author of today's paper. I also want to take a minute to thank Kathleen Porter who is here in the front row, who has done a fellowship at PPI this semester on education and served as a research assistant on this paper and did terrific work there. I also very much want to thank the Broad Foundation for their generous support of this project, not only today's event, but the paper itself and the ongoing education work at PPI. We are extremely grateful for their support.

The Broad Foundation is represented here by Dan Katzir. I just want to say a few words about their work. I think if you look around the country there is sort of a new wave of business involvement in education; it's much more constructive than some of the things we have seen in the past. It's more interested in building capability, capacity partnerships and drawing on the best in the world of education and the world of business. The Broad Foundation really typifies this philanthropic approach in the work that they are doing. I really encourage you to take a few moments to find out more about their work. There is information here and on their website as well.

It's pretty obvious there is no silver bullet reform in education that is going to work, but rather a whole set of issues that must be addressed in concert to improve schooling for those students who do not receive a good education right now.

We believe that increasing teacher pay and reforming how we pay teachers is an important component to this effect. We know that teachers have a tremendous impact on student achievement and so it makes sense that we should focus some of our attention there to ensure that all students, particularly those most disadvantaged, have high quality, excellent teachers. One step towards accomplishing that is, quite frankly, to raise teachers' salaries. I

think that is something that there tends to be a fairly general agreement on. Quite frankly, teachers' salaries are too low. It's not the only reason but it's part of the reason we lose so many talented teachers to other professions, either before they enter teaching or after they teach for a few years and go elsewhere. It's why new teachers who leave the profession tend to be among the best and the brightest. That is a situation salary can help address. We are also missing an opportunity to look at how we pay teachers, not just how much, but how we do it. Overall, teachers today are not rewarded for taking on challenging assignments, having special skills and knowledge or exhibiting outstanding performance. Changing that is not sufficient to address all the challenges we face, but in our view is extremely necessary. That is why we wanted Bryan Hassel to examine this issue for us.

Bryan is well known to most of you, I'm sure. His work on charter schools and other education issues, particularly his book *The Charter School Challenge*, are staples in the education policy community. Bryan's thoughtful work in special education earned him an appointment to President Bush's commission, his bi-partisan commission to examine special education. Bryan is going to talk about the paper, but I'll suffice to say it's a thoughtful, thorough paper and I think it's going to augment the policy debate on this issue. Bryan is co-director of Public Impact, a North Carolina based education consulting firm. He earned his masters degree in politics at Oxford where he was a Rhodes Scholar and he earned his doctorate in public policy from Harvard, so he understands both the political and policy sides of these issues.

Reviewing Bryan's paper today we have three distinguished reviewers: Brad Jupp, Adam Urbanski and Jane Hannaway. Brad is a teacher in the Denver, Colorado Public Schools where he has worked since 1987, most recently teaching at the alternative middle school in Denver Public Schools working with at risk sixth, seventh and eighth graders. I've worked with that same age group so I can assure you that nothing you can throw at him in this policy debate will be nearly as challenging as what he faces on a daily basis.

Adam Urbanski is president of the Rochester Teachers Association in Rochester, New York and he is vice president of the American Federation of Teachers, which is the nation's second largest teachers union. Adam has worked in a variety of capacities in addition to his teaching career. He is director of the Teacher Union Reform Network, which is commonly known as TURN. It's an organization aimed at creating a new vision of teachers unions that supports new changes in education. He has served on more task forces and committees than I can either count or have time to relay to you today, but they include federal, state and local initiatives. He is also a well-published author and earned his doctorate in American social history from the University of Rochester.

Jane Hannaway is an organizational sociologist at the Urban Institute here in Washington D.C. Her work focuses on studying education organizations and her recent research includes analysis comparing urban and suburban schools, analyzing shifts in staffing and resource allocation as a result of Standards Based Reform. She is also a senior researcher with the Consortium for Policy Research in Education, who have done tremendous work on this issue that we are here to discuss today. She is also vice president of the American Educational Research Association and the immediate past editor of its primary policy journal. Jane has served on the faculty of Columbia, Stanford and Princeton and the latter's where she received her doctorate.

And before we jump into Bryan's presentation and reviews I also want to introduce Dan Katzir from the Broad Foundation. Dan is the managing director at Broad and he is the former executive director of UCLA's school of education's very innovative school management program, which is a fascinating joint initiative between the school of business and the education school. Prior to that he was also the chief operating officer at Teach for America. He comes to this issue from a variety of different perspectives. He is a graduate of Dartmouth and a Harvard MBA and he is going to say a few words about the Broad Foundation for those who aren't

familiar with their work and also discuss their interest in this issue. Then we are going to get into Bryan's presentation. So again thank you and I hope you enjoy the forum.

DAN KATZIR: Thank you Andy for that kind introduction. We at the Broad Foundation are strong supporters of PPI and the tremendous work they are doing in education. When we were thinking about who could help us explore some of the issues in education policy, PPI and Andy Rotherham were a natural choice. The Broad Foundation was founded by Eli Broad and his family in 1999. Our mission is to dramatically improve urban K-12 education through better governance, management and labor relations. We believe that these are essential but often overlooked issues in the American education system that can lead to higher academic performance for all students as well as greater economic opportunities for the next generation. At the same time we believe public schooling is a long established institution that is often reluctant to take risks that bring about real change. The paper you are going to hear today on teacher pay by Bryan Hassel takes some risks in an effort to focus on real change and real reform. As Andy mentioned you are going to hear from Adam Urbanski. We are fortunate at the Foundation to already be working with Adam and the TURN to help make improvements to student achievement a centerpiece in the collective bargaining process. We think that it is vitally important and one of the keys to education reform.

We are also working with Brad Jupp and the Denver Public Schools on the nationally recognized experiment with pay for performance. We are excited about that project because this is a case where the teachers union is supporting a pay for performance initiative directly in partnership with that district's management and school board. We are enthusiastic about our involvement with TURN and with Denver because we believe that to achieve real reform teachers and their unions must be a part of the dialog and part of the solution.

Undoubtedly, Jane, Brad and Adam are not going to agree with everything in Bryan's paper today and we think that is good. In fact that is the first step in finding a solution and moving to action. We are thrilled to support PPI's work, hope you'll enjoy leaning more about Bryan's insightful paper on teacher pay and after the presentation if anyone has any questions on the Foundation's investment in labor-management relations, or the Foundation in general, I would be happy to answer them. Thank you.

BRYAN HASSEL: When we talk about education policy we fight a lot, we argue a lot, and we are probably going to argue today about teacher pay. I want to start by talking about a few things that I think we might not argue about that much, that is the importance of improving teacher quality and some specific goals I think most people agree are important, such as enticing more high potential teachers to enter the classrooms in the first place. It doesn't do anything special to encourage those teachers to stay, it doesn't have any special incentives for teachers to take tough jobs, it doesn't encourage them to enhance their capacity except by getting higher education degrees which may or may not lead to the sort of teaching skills and knowledge that they really need to meet the challenges of their particular classroom. It doesn't do anything to increase their routine use of those practices on a daily basis and it doesn't encourage chronically ineffective teachers to leave the classroom—in fact it encourages such teachers to stay because they see a rising pay schedule over time—so matched up against the goals I think we have for teaching quality, the status quo doesn't do much to address the goal and in some ways undermines them. Therefore I think it's time to think of new approaches.

Now this paper doesn't lay out a particular new approach, it doesn't say every school system should move from the way we do things now to some other way of doing things. Instead what it calls for is experimentation to become a rule rather than an exception in public education. We need to have every state, every district, every school literally thinking of new ways to pay, new ways to pay that help them meet those teaching quality goals that I put up at the very beginning.

Another principle this paper establishes is flexibility at the school level. It's not enough to change pay at the state level. Every school faces different teaching quality issues and only

by getting flexibility at the school level can schools use teaching pay policy to meet these goals. It also calls for states to not reduce pay in an effort to change it. Teachers are like all of us; they have mortgages, they have obligations. We shouldn't imagine a system where teachers' pay actually goes down. It may be pay traditionally will change based on a new system. But we should guarantee teachers they are not going to see a loss of pay as a result of change.

We should focus whatever we do on results. Results in terms of reaching those quality goals that I put up at the beginning. Also in terms of improving student achievement. We should focus on alignment. Teacher pay is one aspect of policy that we need to change. We shouldn't do it in isolation. Changing pay should be done in the context of changing overall teaching policy and overall school improvement strategies.

And finally we should rigorously document and evaluate how these new systems work. We have been using a system eighty years that has really no evidence to support it. We shouldn't find ourselves down the road eighty years from now in the same position. We should have much more evidence about what works and what doesn't work in the next few years.

The paper talks about two key aspects of policy that you need to consider and these are important to break out. One is, what are the factors that drive pay? Currently, it's experience and higher degrees. What should it change to? That is one of the questions. The other question though is, who sets pay? Currently it is primarily state legislators or school districts perhaps in conjunction with teachers unions. How should that change if at all?

There are a lot of proposals for change. A lot of ideas of how this can be done differently. One is to pay for knowledge and skills rather than assuming that education and degrees are good proxies for knowledge and skills. Actually measure that teachers have and pay according to that. Another idea is pay more for certain high demand specialties. If there is a shortage in math and science for example, to pay more for those. Another is to pay more for hard to staff schools. We are having trouble attracting teachers to low performing schools with high poverty populations. We should pay more to attract teachers to those schools. And then finally, the most controversial idea is to pay for performance. To tie teachers' pay some way to the learning gained their students achieve or to some other measure of their performance.

How should we evaluate these proposals? I think we need to think about a couple of things. One is how are they going to change the composition of the teaching force? How are they going to affect who comes into the classroom in the first place and who leaves and who stays. And second, we need to judge their effect on the behavior of teachers. How do they affect the way teachers develop their skills over time. The way they routinely teach on a day-to-day basis. What consequences do they have on those two dimensions? I think we have a standard that is relative to the status quo. A given experiment, it's probably not going to be perfect. It probably won't, for example, perfectly measure the knowledge and skills of teachers there is probably no such system you could even imagine. That shouldn't be the standard – the standard should be better than the system we are doing now. I think that is the basis for wide scale experimentation.

I'm not going to talk in detail about these different proposals; there are examples of them around the country. We can talk about that in the question and answer period. I want to go on and talk about some of the design issues and options because I think that the devil is in the details on these proposals. If someone tells you I'm for pay for performance or I'm against pay for performance that is suspect because it all depends on a lot of things. What are you talking about, what are you meaning when you say pay for performance? How do you want to reward? How are you going to measure that? How are you going to align that with other strategies that you use for school improvement? Is this supplementing the current pay schedule as a way to earn more, or is it replacing it, or is it something in-between? How much pay are you attaching to these different new measurements? How are you going to fund pay in a new way? Where is the money going to come from? If it's an increase over the current pay system, what kind of transition do you envision between the current system and the system that you would like to

move to? These design issues and options are essential because without thinking them through you are likely to end up with a system that doesn't improve much on the status quo. The paper has an extensive appendix, which goes into these design issues with each of those different ideas and talks about consideration, talks about ways to think about them.

In addition to changing the factors that drive pay, this paper also calls on states and districts and schools to change who sets pay. The status quo as I mentioned is primarily state and district pay scales that are the way pay is set. The challenge I think of those kinds of systems, the draw back of them, is the problem of achieving alignment. The idea, as I mentioned earlier, is that teaching pay needs to be aligned with other kinds of teaching policies. There needs to be alignment with schools, ideas about how are they going to achieve the goals they have for improving teaching. For example, if a state passes a law which changes pay, for example, that rewards math and science teachers more than other teachers, that may really help schools that are having trouble attracting math and science teachers. But it might be irrelevant to many other schools that may not have that primary challenge. They have other needs and other teaching quality goals that are not met by that particular reform. And so the solution is to push a least some of the pay setting to the school level so that school leaders can tailor pay to their own school improvement goals and by school leaders I'm not talking about principals only. I think we think of that first and that raises a lot of fear among teachers. That the principal is going to be setting pay and what kind of system is that going to be? I think there are lots of other models though. There are schools in Minnesota run by teacher cooperatives in which teachers essentially own the instructional program and they make decisions about pay themselves so when I say school leaders I don't necessarily mean principals, although that would be the most common case.

There are lots of design issues related to how to set pay at the school level that I discuss in the paper. Again the devil's in the details on that, too, and we can address that in the question and answer section. But to summarize the key points in this paper: One is to call for a wide scale experimentation of all kinds that should be the norm rather than the exception. Another is to move flexibility to the school levels that we can achieve alignment between pay and other school improvement policies. What we are ultimately talking about is a bargain; better pay for teachers but also better pay systems that are more likely to achieve the quality goals that I think we all agree on. Look forward to your questions and the comments of the commentators.

ANDREW ROTHERMAN: Thank you Bryan. Jane Hannaway is going to start us out.

JANE HANNAWAY: Okay, I have a number of comments. I want to say, Bryan, this is very well done. He covers all the bases of what we expect changes in the pay system to affect because he spoke about compositional effects on the teaching labor force as well as behavior effects. He talks about who should make decisions and the consequences of each party making the decisions.

At a very basic level and very upfront at the end of his comments he is calling for more research in areas where we really don't know much. By calling for more research I think Bryan's paper comes across as a very mild statement. In fact, I think some might think this is a wolf thinly disguised in sheep's clothing. Most importantly one of the principles that he researched that should guide any thinking in a change of pay structure is an intense, and "intense" I quote from the paper, an intense focus on results. Where results mean student achievement. Well I don't care what else is in the paper. When I see that pay should be tied to performance, these are fighting words in some communities.

One could argue, as Bryan suggests in the paper, that focus on results is not just pay for performance but could be pay on a basis of skills and knowledge, like the skills and knowledge in the PRAXIS tests and the skills and knowledge that are a part of the National Board for Professional Teacher Standards. But the last time I checked—and this is in an area on which we at the Institute are doing some research, and, in spite of the fact that Allen Odden and Jim

Kelly, who are architects of these systems and good personal friends who I respect tremendously—last time I checked we really don't know if those skills and knowledge have any real relationship, strong relationship in terms of student achievement. In fact they have a certain amount of face validity. But we don't know if they actually affect student achievement. Let me bring up a couple of their points—and this is really an argument for why this is so important and why we really should be doing some research in this area. I think that some of the changes on the pay system are in fact inevitable – I think they are right around the corner. This is for two reasons. First of all for the first time we have performance information available on student performance like we have never had it before. We have it increasing at the student level and we have it increasing over time. A number of states including Florida, Texas and California are very quickly developing systems, longitudinal info on individual students so that we can measure value added. Well, once we have information on value added, the term value added is an important term that we can actually measure contribution of someone. So we have information on someone that you can actually measure contribution on individual teachers and the contribution of schools. How can it be ignored? It's not going to be ignored.

Secondly, in addition to information on value added, which I think will be an addition in its own right, we have performance incentives that are being injected into the system, at the system level, not so much at the individual teacher level in a formal way, but through state accountability systems and the recent federal legislation. There are incentives being put into the systems. Performance incentives. If you are the principal of a school and you are being held accountable for the performance of your school or if you are a superintendent of a district and you are being held accountable for the performance in your district, which you are with these new accountability systems, you are going to pay attention to which teachers are producing which results. It's going to effect hiring at the school level; it's going to just happen.

A second point—it's difficult, this is not easy. When you talk about it in a superficial way, of course, you have the information, you put in the incentives, you have better results. It's not quite that easy. Getting it right is going to be very difficult. Pay changes will increase incentives. Some of these incentives could in fact be perverse incentives, and again you don't know yet. Let me give you an example on some research we are doing in Florida where we are watching very carefully and closely the changes in the accountability system there. I was in some schools in Florida where they were A schools, top rated schools, expecting them to be operating beneath the radar screen of the accountability system. In fact, when I went in the teachers and principal in that school told me that they suspended all project work within the school, that they stopped all field trips in the school until after the spring testing system. Now these are kids that are performing at the ninetieth percentile on these tests. You give them a test on a different day they might be at ninety-five, another day they might get eighty-eight. You know they know the material they are being tested on. But the teachers and the principal know this information is made public, they want maintain their A status, so what they have done is unfortunately, they have really narrowed the curriculum to focus on those areas that are tested even though their kids are already performing pretty well at that test. All the more intellectual, problem-solving work is being put off until after April testing. So there can be some very perverse effects depending on what measures we use and how we use them. And these have to be sorted out, and again we need more research in order to get a good handle on this.

Another perversity you can imagine is a first grade teacher who in any particular year has a different mix of kids. I was a teacher once, I'm sure a lot of us were teachers once. You have some particularly difficult kids, this can throw off the whole student norm structure of the classroom. No matter what you do you may not be able to get the results you have gotten in previous years. That teacher gets feedback, that teacher who could have been performing excellently, changes his or her behavior on the basis of that information. Again that's sort of a perverse effect because there are many factors into teaching success, and these factors

change every year. So again we have to be very careful about the technical details of this system and Bryan does talk about some of this in his paper.

Thirdly, I think there are some internal tensions in some of his analysis. He talks about how changes in the pay structure also have compositional effects on teaching and who is teaching where and getting people into positions that are hard to fill, as well as behavioral effects. There could be some tension between these two. For example if we pay teachers more to teach in difficult to teach situations and we tell them at the same time we are going to pay you on the basis of performance gains, then the teacher is going to have to sit back and say, well, I get a bonus for going into the city, but boy it's going to be really tough to get those gains. There is a tension here I think needs to be sorted out, should be sorted out, it has to be sorted out.

One other issue that Bryan brings up is that you can't talk about pay in isolation; you have to talk about other structural factors in the system. Again I want to underscore this and talk about compositional consequences of pay. There could be other ways to achieve these same compositional effects. One may be reducing barriers to entering the profession. You look at the application rate for Teach for America this year and they are off the scale. There are lots of young people that want to go into teaching. True, you can't just drop them in a classroom and expect them to be first rate teachers, but there maybe ways to change the very structure of the teaching profession in a more differentiated way so they have master teachers, apprentice teachers, with different turnover rates, different responsibilities. There is no reason that we have to have a completely flat hierarchy in teaching.

ADAM URBANSKI: Good morning, I, Adam Urbanski, am president of the Rochester Teachers Association. Like my colleague Brad Jupp I don't get to just talk about changes in teacher compensation, I have to eat what I cook. Teacher compensation must be used as an incentive for doing right by kids and a disincentive for doing wrong by kids. Ineffective teachers should not be paid less—they should not be paid. Paying teachers more is OK for disciplines in shortage areas, for teaching in low performing schools, for having outstanding, incredible additional credentials, such a National Board Certification, and for a host of other commonsense reasons. In other words, frankly, what would make sense in the real world ought to make sense in schools as well. Including some aspects of market dynamics and supply and demand. If you really want to think outside the box and fix teacher compensation, then pay people in proximity to the children. In other words, to make teacher pay not only good and valued, but attractive and fair, is to pay educators less as they distance themselves from direct teaching rather than more. The not so subliminal message to us is if you distance yourself from the primary dynamic you are valued more. So real changes in teacher compensation ought not to evade that unavoidable and not so subliminal message.

The traditional salary schedule will not and should not survive. I believe that differentiated pay is good but best when tied to differentiated staffing and roles and best when tied to career opportunities for teachers and when tied to teacher evaluations and to other dynamics, particularly school-based. I think it is important to continue to explore and to implement aspects of pay for knowledge, skills and service. I think teacher compensation should be much more flexible than it is now.

I believe that learning outcomes, that is student learning assessments, should not be ignored when it comes to teacher compensation; however, we should avoid the mistake of jumping into any scheme that is not yet compelling in demonstrating the relationship between teaching and individual students learning. Now I know that there is some promising research now, particularly by Bill Sanders and some others. He would be the first to caution against building systems that would depend on that. As a matter of fact, until we come to that stage, learning outcomes should be viewed as important information but never in and of themselves as automatic verdicts in either teaching or learning or schools.

I believe we should apply common sense to a system that is largely contrived and unnatural. It should be one that includes natural consequences. And it should not be one that ignores the culture of teaching. This is where merit pay schemes fall short. There is absolutely no evidence that merit pay in teaching, or in education, has led to either improved student learning or better dynamics in any school system where it has been attempted. And it's been attempted in many school systems. Merit pay misses the very nature of the culture of teaching and the motivation of teachers. In other words, anyone who argues that giving promising teachers a little more will make them teach better must assume that they already know how to do it, they're just holding back because there isn't enough in it for them. That is laughable to teachers and why, largely, teachers dismiss policymakers who build systems on assumptions like that. I believe that any changes in teacher compensation should be best negotiated so they are not idiosyncratic to the union president or the superintendent or the school board, but that they are in fact a commitment.

Now basically, why is teacher compensation an important lever and I do agree with the author, it is an enormously important lever? First and foremost because without competitive teachers' salaries, we will not attract and retain quality people into teaching, and we've seen evidence of it right now and have been for decades. Secondly, the current and the prevailing system of teacher compensation does very little to either enhance teacher quality or to inspire confidence that we are doing the right thing in schools. As matter of fact, I would argue, it does harm. So we should change it. And I'll tell you why teachers' unions have traditionally opposed these changes, because teachers' unions began at a time when they knew things could not be fair because decisions were made unilaterally by management, so if things can't be fair, we at least want them to be even. If you can't have fair, at least try to have things even. This culture of evenness came back to haunt us and now it even prevails when suggestions are made to make things more fair. I represent, I think, the majority of teacher unions who would gladly trade even for fair, but will cling to even if the solution, the cure that's being proposed, is worse than the disease, as merit pay, for example, would be.

So, in Rochester, we have negotiated a career ladder for teachers, where you begin as an intern, then become a resident, then a professional teacher, then a lead teacher. At each level you have different roles, at each level you have different responsibilities, at each level you have different pay, different time required for service and so forth. In that framework, negotiated framework, teacher compensation changes are best imbedded. Bryan Hassel's proposal, better pay for better pay systems, is a deal that I would settle for. Thank you.

BRAD JUPP: Good morning, Brad Jupp, Denver Classroom Teachers' Association and Denver Public Schools. I've spent the first fifteen years of my career trying to catch up and learn to agree with Adam. It's pretty hard. I'm sure I'm here because I am a union appointee; in fact I'm probably the only person who's not a former teacher, who is on the ground floor in an experiment like the ones that Bryan Hassel has tried to describe in his policy brief. And I want to commend him up front, but then what I'd like to do is to lift what I think are three or four important themes that rest quietly inside Mr. Hassel's policy brief up to your attention based on my experience in Denver.

In Denver, we're working with 18 schools, 633 teachers, nearly 12,000 students, in a project where teachers are paid when they meet measurable student learning objectives. It is a pay system where teachers are paid, in part, based on the academic achievement of the children that they teach. It's a difficult, troublesome system. It doesn't work perfectly. It's an experiment and it's there that I really want to begin talking about Mr. Hassel's paper because I think that one of the most laudable aspects of his paper is the fact that he calls for widespread experimentation with teacher compensation systems. But as you think about these experiments, I think there are two or three things in Denver that I would add to his recommendation that we experiment. The first is to remind everybody that promiscuous experimentation produces very little, and what we need to do instead of experiment promiscuously, is to experiment rigorously

and to commit ourselves, like he quietly recommends, to rigorous evaluation. It's there where the Broad Foundation has helped us out in Denver. One of the things that they've committed their outside funds to do is to help us make sure that we're getting outside, third-party evaluation of our project. That makes sure that the results we get are honest and honestly reported, not only to the teachers and the administrators in Denver, but also to the public who is very interested in seeing that there are productive changes, not promiscuous changes, in the ways teachers are paid. But more important, I also think that those changes, those experiments, need to be anchored in a labor agreement. Now Adam made that point really clearly. I think the labor agreement has kept DPS and DCTA together in this pilot through three or four years where it would have been very easy to walk away from it. We are on our fifth superintendent during the life of the pilot. We are on our second union president, and by the time the pilot is over, every board member will have been term-limited out of their positions. How can you keep the experiment alive if you don't have a commitment that holds people to it?

Now the second theme that I'd like to lift out of his paper is the theme about alignment. The bottom line is alignment in the policy world is a code word for nothing and I think that Mr. Hassel needs to talk to you more bluntly, more frankly, about what alignment is. I think actually his paper does a really good job of it and the appendices are the parts of the paper that I want to take back to my school district have the people that are working on the salary system that we're going to recommend at the end of the pilot to all teachers to use to guide their thinking a little bit. But the bottom line is if you were to go talk, especially to school administrators right now, they'd tell you that their work is aligned. It's aligned to get the results they're getting right now, but it is aligned. To demand alignment is not the same thing as to demand new focus and I think this is something that Jane Hannaway said much more clearly than the initial presentation. I'd suggest that alignment alone is not good enough.

Now the third thing that I'd like to call to your attention is something that Mr. Hassel does an excellent job of. His emphasis that new compensation systems require new decisions is really, really important. It's a profound irony in education, a field where the professionals often make thousands of critical decisions in a day, that we have a compensation system that is decision-free. But it is important to remember that that compensation system that's decision-free has been in place for probably somewhere around six to eight generations of teaching professionals and school leaders. The fact that there have been that many teachers and that many principals who've never made compensation decision means that Mr. Hassel's point about building the capacity to make compensation decisions is absolutely important.

And this leads, I think, to the fourth point that needs to be lifted out of this paper; one I think that is easy for me to talk about. Mr. Hassel talks about a new bargain. At one point, he and his colleague Andy call it a grand bargain. I can tell you from the ground floor that the bargain may be new, but it is not grand. The day in, day out experience is not a grandiose experience. It's walking door to door, classroom to classroom, talking to teachers and talking to principals, making sure they have the capacity to make decisions, making sure that they know what alignment is, making sure that they understand the experiment isn't going to harm them.

Within the framework of this new bargain I think it's important to remember that you cannot live with the same amount of money. One of the things that Mr. Hassel tosses around in his paper are some national statistics about the number of teachers and the amount of money that goes to paying them on a national basis. I did a little math on the plane and if you look at the \$110 billion and 2.9 million teachers and do the math, just divide, you get a \$34,000 a year average salary on a national level. There is no way that you can induce enough teachers to leave the profession to find enough money when you're done to pay teachers more than \$34,000. The system won't work that way. Until you're willing to talk about a new bargain that includes new money, then you're really not talking about changing the way teachers are paid, you're talking about rearranging the way teachers are paid, and I'd argue loudly that will make no difference at all.

Now I leave you with these four thoughts and I want to thank Mr. Hassel because I think that the document that he's presented is going to provide a useful tool for us in Denver, but I think that you actually have to get into and read the whole paper and I think you have to play some of the themes that are in the paper out a little bit more loudly than perhaps the paper quietly enunciates and I'd urge you to do that when you go back home. Thank you very much.

ANDREW ROTHERHAM: All right. I don't fear any shrinking violets out there, so I don't think we have to start with a leading question for the panel, so we'll jump right in.

Q: How much should teachers be paid?

ADAM URBANSKI: I think that compensation for teachers, both at the starting level and average and top level, should be for starters the average of the compensation for, let's say, the top 5 professions that require comparable educational preparation and require comparable responsibilities, in other words, comparable importance of work. So if you were to take the compensation of positions in engineers and accountants and attorneys and, I'll leave one blank so you can add your favorite, and divide it by 5, I think that that would be a good starting point. Now how much would this cost? I'm not sure exactly how much—Brad seems more nimble with numbers on this and maybe Bryan can answer that—but I'll tell you that if you also calculated the cost for not having done so already, we're probably overpaying.

JANE HANNAWAY: I think you want to distinguish between at what salary can you attract very good people and at what salary can you retain very good people. I think you can attract very good people, young people, at relatively low salaries. Whether you can keep them in the profession for a long time, I think is a separate question.

ADAM URBANSKI: First of all I disagree with Jane strongly that you can attract people at fairly low prices. That's not my experience and I don't know that attraction in New York is all together that different, but we are having strong difficulties attracting them even though we are in the upper level of what teachers' salary rates are. I think for the same reason that you need professional competitive salaries to retain teachers, you need to attract teachers as well. I mean, they're not that much dumber or messianic at the start of their careers than they would be in the middle of their careers, so where we lose most teachers really is in the first few years, first three, five years. So I think we need high starting salaries and then competitive salaries to keep them. I would say if teachers' salaries started at \$45 or \$50,000, minimum, minimum, which in some places they already are, then, and then, they should not have a cap because the average salaries for teachers are around \$100,000 in parts of Westchester and some other parts of the country. So the huge range in differences in salaries is one problem, but I don't think \$45 or \$50,000 as a starting salary is not unreasonable, and as a matter of fact I don't think it's tenable for much longer, would have to go higher than that.

BRAD JUPP: Really, really fast. I want to turn the thought problem into some data if I may. Currently in Denver, we beat the market in Colorado by about \$1750. In other words, we are \$1750 better than any competing entry-level pay in Colorado. Now we still have a teacher shortage of 600 to 800 teachers a year. What's more interesting to me is to begin to solve the problem that Adam and Jane talked about, which is the teacher retention problem. We've surveyed teachers who have resigned in the first five years of their career in Denver, and we learned some interesting things. One of the things they tell us is the threshold amount of money to get them to stay in their job is somewhere around \$7000 to \$10000, but they don't think that's what really matters. What they would really like is good instructional leadership, strong support about what to do when they show up at work, good direction about how to teach well in their first three or four years. Really, as much as I'd like to say that pay is the controlling variable, I can say that it's only one and that if you pay people well, but the job stinks, they're going to quit anyway. And what teachers tell us when they quit from public school jobs in Denver is that they're quitting because the job isn't good.

BRYAN HASSEL: I think that this is a great example of a question that can't really be answered in an expert framework. It's a question that can only be answered in a marketplace

where a lot of schools and school systems offer different packages of pay, pay systems and other kinds of working conditions, and then see what happens. That's the way markets work. You put something out there, you see who comes. If it's not enough to get who you want, then you have to make changes, or it's not structured the way you need to get who you want you have to change things. And I think one of the most powerful arguments for flexibility and experimentation is that we can't answer a question like how much should we pay teachers in an expert framework. We can only answer it by putting different options on the table and seeing how the kind of people we're interested in having teach respond.

Q: I think that any pay system which you can come up with would be irresponsible if it does not consider the special needs of special educators and related service providers who are working with students with special needs. Student performance is an obvious problem here and I'm sure that there are other elements of your system we can look at that are a positive step with what teachers who are working with special needs kids are facing. How could you incorporate them into a pay system?

BRYAN HASSEL: Special ed is a great example of the kind of thing that a district or a school could decide to reward more because of the difficulty of the job or the difficulty of the bureaucratic requirements that come with the job or the difficulty simply of retaining and attracting good people into special ed. If that was a challenge for a district or a school it would be the perfect kind of thing to adjust the pay system to accommodate. Again I wouldn't recommend a blanket policy like that for a whole state or certainly for the whole country because that's a different issue in different places, but I think that's a perfect example of something that could be incorporated into a differential plan.

ADAM URBANSKI: Well, the argument embedded in your question is a perfect example. It's one of several that could be cited of why a simple, as in simplistic, approach, or a single lever, does not work here. In other words, Einstein was right when he said make things as simple as possible, but not simpler. Those who say that teacher pay should be tied only to student performance would be inviting much greater harm rather than improving the situation because teachers would then scramble to only be with students who can show the evidence that would yield more money. In other words, it would take extraordinary effort not to do it and no system can thrive if the only way to succeed or to stick to your conscience in the system is to swim against the current. In other words, systems should help people do right by kids, not force them into creative insubordination as the only way to do right by kids. This is a very good example of how complex teaching is so that we should not bank on any one way, tempting as it may be to business leaders to fix this problem of teacher compensation.

Q: I think Brad made a good point when he said that for any system or reform to work it would need to require new money. But given the current crisis that so many state budgets are in, where do you see that money coming from?

BRYAN HASSEL: Does the Denver plan have new money?

BRAD JUPP: The Denver plan committed about a percent of salary for the life of the pilot to fund teacher bonuses during its experimental phase. The Denver plan has four elements that we're considering as part of the final solution for making it affordable on a district-wide basis when we implement it, but I want you to understand first and foremost that we're not looking at a bonus system when we get out of this. We're looking at a more sophisticated compensation system than just giving people bonuses above their base and cost of living adjustment and education increments, which is what they get now during the pilot. The four components include: District growth. We're fortunate to have about 1000 new students a year and have for 10 years and project at least another 15 years in Denver. That helps us as a school district count on being able to afford some things, but it's only one part. We also look at the robust economy in Colorado which is buttressed by the fact that we have a Constitutional amendment that provides 1% above cost of living and a fixed maintenance of effort for education for the next 8 years and for the last 2. The fact that there is fixed funding in the Constitution of Colorado helps us plan.

Finally, we understand that if we reorganize salary there may be some salary savings, but above all, we know we're going to have to go to our voters and in Denver we're anticipating something between and \$18 million and \$25 million property tax override that would be dedicated to the teacher compensation system and the capacity that's necessary to support it. So you just have to be strategic about where you get your money and it's going to come locally.

ADAM URBANSKI: I may be in the minority of folks in the education system who argue this, but while I agree that some new money is inevitably needed, I don't think that it's gettable until we leverage it by better use of existing money. Right now in education, teachers' salaries make up approximately 38-45% of the expenditure. Contrary to popular belief, if we rearranged the money that we now spend more wisely, including the suggestion that I made about paying people commensurate to their proximity to teaching, and maybe spending less on administrative overhead—I'm told that there are more non-teaching school administrators in New York State than in all of western Europe—maybe what we could do then is persuade the public that we are now using the money we are getting more wisely and closer to where the action is, and that would leverage additional money. All the polls and opinion surveys I have seen seem to have in common this final, this one conclusion, that the public would be willing to spend more on education if they were persuaded that this would actually make a difference, that it's not good money thrown after bad.

DAN KATZIR: I would just add a couple things to what Adam said about existing money. One of the things we're starting to look at at the Foundation is how to help. In every district there's probably two or maybe three "sides of the house"; there's the academic side of the house, which is the core focus on teaching and learning, and then there's the business side of the house, transportation, information technology, HR, and then, depending on the district, you've got facilities which sometimes is in that and sometimes set up to run by a separate entity. We're trying to look at helping large urban districts be more efficient and effective on the business side of the house so that they can begin to free up more money for the academic core side of the house, whether that be for additional professional development or for new money for teacher pay or other issues in that academic side or student intervention programs. The second lever inside the current system is every district, every two or whatever number of years, does go through a collective bargaining process and many of them just have a kind of increase in pay that happens on a regular basis in the regular system or for more progressive or innovative systems like what Adam talked about, they use that collective bargaining opportunity to bargain for a different type of system, like a career ladder or like a pay-for-performance experiment. So those are a couple of other ways in addition to outside new tax or local levies that you might consider.

JANE HANNAWAY: One of the studies that we've been involved in for the last couple years is looking at how resources are used in school districts across the United States over the decade of the '90's, which was a time of reforms, and what we've found is across all types of school districts, expenditures on district administration have gone down significantly. So there is pressure to reduce central administration. Another thing we found, which I think is very important with the issue of new money, is that even in the face of reform and performance pressure, you don't get a big shift in resources toward instruction unless there's also new money in the system. When you have new money coming into the system, as there was in Texas, we have new money, plus reform, you get a disproportionate increase in expenditure on instruction. If you have new money without the pressure for reform, or if you have pressure for reform without new money, you don't get that same sort of big shift in allocation, partly because these allocation patterns are a consequence of political compromises, difficult to move.

Q: [unintelligible]

ANDREW ROTHERHAM: The question was about the initiatives in North Carolina and New York in particular to experiment with paying teachers more for working in high poverty schools.

BRYAN HASSEL: I'm not sure how good the research is overall. The Southeast Center for Teaching Quality in Chapel Hill came out with a study recently about hard-to-staff schools and they didn't quite argue this directly, but what I read from that report was that the pay that people were offering to hard-to-staff schools was not sufficient to overcome the other disadvantages of working in those schools, the challenges the teachers face, and so they suggested that wasn't enough and they suggested other reforms in that report. There's also some research by Eric Hanusek, an economist looking at why teachers leave and move around schools in Texas where there's lots of data about student performance and teacher mobility, and what he argues is that the premiums you'd have to pay to induce teachers to stay in hard-to-staff schools are pretty large, perhaps on the order of 30-50%, which is a pretty significant premium. And so I think the research I've seen suggests that what we've seen so far with experimentation just simply isn't significant enough to get more people to work in the truly hardest-to-staff schools at least.

ADAM URBANSKI: I would agree with Bryan, and I would add also that not only is it not significant enough, it's not sophisticated enough. It has built in contradictions that doom this initiative from the start. By the way, the shorthand language for that is Combat Pay, among teachers, and the word gets out quickly that if you distinguish yourself, you'll be punished by being transferred into one of those schools. And by the way, as Brad just pointed out to me, at least at many of the New York schools, once the school is no longer low performing, you lose your additional incentive. So you want to keep it low performing or else you lose money. So this is a very good example in how changes in compensation disconnected from the nature of the work could actually be worse than the current situation. Here's what we have done in Rochester. In Rochester, where we have four tiers, intern, resident, professional and lead teacher, lead teacher, the fourth top level, which is both a voluntary and a competitive position, will get more money and more responsibilities and higher status. You waive your seniority rights for the purpose of assignment because the biggest problem with low performing schools—by the way it's very difficult to distinguish whether they're low performing because of their staff or they have the staff that they have because they're low performing—but the fact is that they have by and large the youngest, most vulnerable, least experienced and least credentialed teachers. So, if they weren't low performing, they would become low performing logically. Lead teachers waive their seniority rights in order to be assigned anywhere, to what we euphemistically call the most challenging assignments. They're sort of like Clint Eastwoods of teaching. Their attitude is, give me any school, any assignment, if I can't do it, it can't be done. Now in urban districts that could be virtually any school, so now we're targeting the schools that are in danger of losing their registration. So when you think about paying teacher incentives to teach in such schools, think also about seniority provisions and how they must change and think about the nature of the incentive and the length of the incentive because that has to change. And the one final thing I will say about it is that sometimes, with good intentions, we offend teachers with the approaches and strategies that we offer because what we are essentially saying to them is you're for hire. In other words, we, you wouldn't normally want to teach these kids, but if we pay you a little more... In other words, what is your price, mister? That's the message that comes to teachers and that's offensive to the types of people who go into teaching..

Q: Yes, I'd just like to make a comment on the new money issue. I don't know if you were aware, but the air marshals since September 11th have a starting salary now [unintelligible], offered to people with a high school education. We somehow managed to find that new money because it's a national emergency, right? I think we're talking about differentiating salary, but on the other hand, what about the whole perception of a crisis?

ADAM URBANSKI: I'll revisit anything. Let me just add to what I have already said because I've suggested that the best way to peg teachers salaries would be to peg them to other professions with comparable education requirements and responsibilities. This is what I had tried to do in the last negotiations in Rochester when we negotiated what's called a living

contract. I tried to eliminate the need, the future need, for haggling about salaries by getting the school district to agree and the Board of Education to agree, that we no longer will have to argue salaries in negotiations, we simply will have to do some research and peg teachers' salaries in our city to the average of the 5 highest professions, averaged into the 5 highest school districts in our county. I lost on the former and I prevailed on the latter, so now our teachers' salaries are no longer a question mark. Each time the contract is to be renewed, we do research, we see what the 5 highest paying school districts in our county pay their teachers, we divide that and average it and that's where we peg the salaries for teachers in Rochester. What I still hope to accomplish is the original part of that equation; that is to combine that with the average of the 5 highest paying professions in this country and that would actually have the effect that you're suggesting in your question.

Q: [unintelligible] (The question related to the potential for pay-for-performance programs to increase grade inflation and/or cheating on the part of the teachers.)

BRAD JUPP: The Denver pilot is peculiar because the measured student achievement objectives that the teachers set are set in collaboration with their principal who is supposed to act as, politely put, a professional watchdog, to make sure that cheating like that doesn't occur and at the same time, they're anchored very closely to the kids that they teach. In a way it addresses your special ed question, the way you address the teacher of autistic children is you make her objective based on the children that she teaches. The interesting thing that I can talk about in relation to your question is that we have about 25 documented cases of cheating in the course of three years in the pilot and of the 25 documented cases, two go down to teachers who tried to fudge their data and 23 go down to principals who didn't want to tell their colleagues no, you didn't meet your objective, that in fact what happened in 23 of the cases is that the principals cheated in favor of the teachers. Now what that really speaks to in my mind is a deeper question than the one that you asked, which is do people really have the capacity to make tough decisions about compensation, ones that can see through cases where the data is not really authentic or can see through cases where teachers may have rounded up grades when they shouldn't have, and I think that capacity is one that needs to be explored deeply. It's not just a question of know how, it's a question of time. What the principals in the pilot schools in Denver tell us over and over again is that we've radically redefined their job in a way that they like. One of my favorite lines is I no longer pay attention to overflowing toilets or false fire alarms, I pay attention to what people expect their children to learn in my school. That's a good thing, but it takes a lot of time and I think that that's a really important issue for us to explore before you go on too much further on your question.

Q: [unintelligible]

BRYAN HASSEL: Yes. The question was about a notion that I mentioned briefly which is the idea of teacher cooperatives and the question was about where are some of these teacher cooperatives and how do they, as a practical matter, set pay. The first question, where are they, the most well-known one is Minnesota New Country School, which is in Henderson, Minnesota and it's a charter school, as are all the other schools I know of that have this model, but there are others in Minnesota and Wisconsin. And there's an organization called Ed Visions, which with some funding from the Gates Foundation is seeking to spread this idea to other schools. And so they are public schools, they tend to be charter schools which have the freedom to do this kind of alternate governance arrangement, but the basic idea is that teachers form an organization called a cooperative which they own and they then manage the school and make all the fundamental decisions about what goes on in the school including budget decisions, including pay decisions. And I wish I knew the answer to your second question, which is how exactly do these teacher cooperatives pay, what kind of methods do they use. I don't know the answer, but the point I was making with this is simply that you could imagine a school-level pay system where it's teachers that are actually making their own compensation decisions and this may be the kind of arrangement where you could have reallocation of funds into

teacher pay. If the teachers themselves were making the decisions they could achieve the results they needed to achieve to keep their charters under these charter school arrangements. They raise pay for their staff by reallocating from other things within the school in a way that still allows them to achieve results for kids.

Q: [unintelligible] What would you think of a federal tax cut, particularly in the form a tax credit, worth, say, \$4,000 a year, for teachers who teach in hard-to-staff schools, such as Title I schools?

ADAM URBANSKI: I used to support that. I am strongly opposed to it. I believe I was wrong when I supported it. I think that the long-term effect would be harmful for a number of reasons. First of all, I think any teacher, like any other citizen, wants to know that he or she is paying taxes like everybody else. Secondly, this has kind of a subsidy, food stamp tone to it, and thirdly, it really delays the real solution. It is not the solution. It is a way to plug up the situation because we have given up on the solution. The real way to pay teachers competitive wages is the way we pay physicians and attorneys and accountants and engineers and others; it is not by giving them either special exemptions or special privileges. I think that a genuine hallmark of the profession is that society says we value you sufficiently to fund you with hard money, not soft money. And it would be too dependent on which administration or which leadership, political leadership, would want to continue or discontinue it. I think overall it's a very bad idea.

JANE HANNAWAY: I don't think it's necessarily a bad idea and there certainly is some history of something very similar with federal loans, where federal loans were forgiven at different rates depending on where you taught. I think the political flack that such proposals ran into, however, questions especially after 9/11 whether teachers are more valuable than firemen, if teachers get it, should firemen get it, should policemen get it and which public servants should get it and not get it. But I think, you know, tax credits in and of themselves, apart from their contribution to making the whole tax system less transparent, which is the negative side. On the positive side, they are equivalent to an income increase.

BRYAN HASSEL: I think there are two ideas embedded in your suggestion. One is federal funding to supplement teacher pay and the other is the specific mechanism that you propose, a tax credit. I think they're different issues, but I would suggest if you're going to have a federal contribution to increase teacher pay, it would be more effective to allocate that money to schools and let them use it to design pay systems, pay, different pay systems that are aligned with what they need as schools to improve along the lines with my overall proposal for school-level pay setting, rather than having one federally decided priority that every school is either going to benefit from or not.

Q: [unintelligible]

ANDREW ROTHERHAM: Okay, the question for those of you who couldn't hear was about retirement systems and is there a coercive effect of keeping people in the profession who might seek or should go elsewhere because they got locked into retirement schemes. Anybody want to?

ADAM URBANSKI: Yes. [laughing]

JANE HANNAWAY: I think that's very important and Bryan, you might want to tag some of that onto the end of the paper because it certainly is another form of compensation, only it's deferred compensation that does have compositional effects. I'm not sure it has behavioral effects.

ADAM URBANSKI: I agree, and I would add to that not only the retirement, current regulations and constraints with retirement qualifications and getting vested, but also with benefits, also with credentials, also with experience, counting the experience in teaching, I think that we should have more portability, whether these are state to state agreements, mutual agreements, or where it's national portability, but making these things more portable and transferable would actually keep more people in teaching and encourage fewer people to leave

teaching. I don't think it's the most significant reason for leaving teaching, but I think it is an important reason why many people leave teaching. If we made all these things portable or more portable, then I think we would improve the situation somewhat.

Q: [unintelligible] (the question related to the prevalence and types of experiments with innovation in teacher pay)

ADAM URBANSKI: Some are much more prevalent than others; for example, lots of school districts now pay differential to teachers for having National Boards for Professional Teaching Standard certification. I believe that within a decade, schools and school districts will be advertising what proportion of their teaching staff is National Board certified and I think that it will be the norm, not the exception, to give them higher rates of pay. School districts now more and more pay for dual-certification, especially if the second certification is in special education or bilingual or in reading and literacy. Third, school districts are paying now more for shortage disciplines; for example physics teachers pretty much command their own price right now. I'm told there are fewer fully certificated physics teachers in our high schools than there are school districts. Many physics teachers are shared by rural school districts and smaller school districts. So more and more school districts are sort of altering the existing salary schedule, but not replacing it, so that we're currently in the beginning stages of the transition phase from the old to the new and there will be a hybrid for a number of years in the interim.

Q: [unintelligible]

ADAM URBANSKI: I agree with the National Commission on Teaching America's Future and [unintelligible] in her reports "What Matters Most" and "Doing What Matters Most" that the single factor that impacts student learning most, that is within the direct control of educators in schools—because there's a whole other category that is not directly within the control of schools, although it ought to be a concern of the schools and that has to do with the condition of the students and other factors—but the single factor that is within the control of the educators, nothing matters more than the knowledge, skills and I would say, attitudes of the teacher. So if, and I think the current administration, Bush administration has embraced that point, the conclusion of those reports and that is that if we were to isolate the one thing that we could do that would most help all children learn better, especially children who otherwise would not learn as effectively, would be to give every child access to a knowledgeable, skilled and caring teacher. That, by far, the knowledge of the teacher and the skills of the teacher and the attitudes of the teacher matter more than some other factors, such as for example teacher experience. Teacher experience does matter. I know that there are some teachers who are 30-year veterans and have repeated their first year of teaching 30 times. I know there are such exceptions, but the overwhelming majority of teachers learn from their experience. What also matters is teacher pay and what also matters is the ratio of children to adults. But of all the investments, the investment in teacher knowledge and skills pays off the greatest.

JANE HANNAWAY: The problem with that is I sort of agree halfway with Adam. I think the research clearly shows, and Bryan begins his paper this way, that the most important in-school factor affecting student learning is the teacher. The problem is when you go in and you try to figure out what it is about the more successful teachers that makes them successful. We can't identify yet what it is, so while, yes, of course it is skills and knowledge, we don't know which skills or which knowledge, which is the reason a lot of people say we should be paying more on the basis of actual performance than trying to pay on the basis of some pre-specified skills and knowledge.

ADAM URBANSKI: Well, a very, very brief rebuttal. We do know some of the skills and knowledge. For example, we know for a fact that it matters that a math teacher should know math, and that some math teachers that don't know math are not as effective as teachers who know math.

JANE HANNAWAY: That's true.

ADAM URBANSKI: So we know that you have to know your subject matter. We know that you have to understand how the brain works. We know that you have to know about human development. We do know some things, it's just that we don't have enough people in teaching who are prepared well enough and motivated well enough to continue learning, accessing your knowledge and to stay in teaching.

JANE HANNAWAY: The research that showed that math teachers who know math are more effective actually came out of my center, so I do agree with that one, Adam. [laughing]

BYRAN HASSEL: Here's something else we don't know which is very important to know, and that is, I mentioned in my talk, composition effects versus behavior effects, the need to have different kinds of people teaching, but also the need to improve the teaching of whoever is in the classroom. And I think we don't know how much an investment in one of those two things pays off versus the other one. We don't know if we get more bang for the buck by changing who teaches versus by trying to improve the skills and practice of existing teachers and that's a very important question because it really drives not just pay policy, but also all other kinds of policies. We need to be thinking a lot more about that and learning a lot more about that.

Q: [unintelligible] (The question asked the panelists to predict the response of teacher unions to the proposals in the paper, and the impact of this response on realization of the paper's proposals.)

ADAM URBANSKI: Well, I don't have to speculate how the teacher unions will react to it; at least how my teachers' union will react to it, both local and national, and that is that we support virtually everything that is in this paper. As a matter of fact, a lot of what's in the paper has been in practice in Rochester for 16 years. So sometimes even news is not new. There is an increasing number of teacher unions who are taking a very open mind and a very active role in promoting these kinds of changes and I have found that there seems to be a comparable number of school boards and superintendents who do likewise. The ideal would be to have them in the same locality, that is both a teachers' union and the board of education/superintendent both having that attitude. That's called labor-management collaboration and that is the principle vehicle that we're promoting with the Broad Foundation's help through the teachers' union from that work, but also through the American Federation of Teachers and through the National Education Association.

BYRAN HASSEL: Interesting story recently in Cincinnati. The union heavily involved in crafting a pay for knowledge and skills and performance system, but then ultimately voted it down; the teachers voted it down a couple of weeks ago, and so now it's going to be interesting to watch there. Will the union come forward with a counter proposal or will the union sit down with the schools and the school district and work out an alternate approach? Because it seemed like a promising start, much like in Denver, where a collaboration between the union and the district devised a new plan and yet ultimately failed. So we'll have to watch that one and that will be maybe a bellweather for what goes on in other places.

Q: [unintelligible] (The question related to the interplay between teacher certification the teacher pay innovations proposed and the relation between reforms of certification and the assessment of teacher knowledge and skills, and the role of such assessments in determining teacher pay)

ADAM URBANSKI: Yes, I would agree with you and what's implicit in your question that the best way to enhance, well, one important to enhance the validity and credibility of any assessment whether these are student assessments or teacher assessments, tied to compensation or not, is to have multiple sources of information and different sources of information. So I agree that an authentic way to assess teachers and to develop assessments for compensating teachers would be one that includes some credentials, especially certification, rigorous and authentic certification, plus national board certification. Other credentials that are credible, may be credible, whether these are master's degrees or other advanced degrees or

multiple certifications, so forth and then combine that with performance-based assessments, including outcomes of their work. So multiple sources of information and different kinds of information that would include national board certification, I did not mean to use that as an example of something that should substitute credentials, but rather enhance credentials.

JANE HANNAWAY: Yes. Within the next few years, now the baby boomers are going to be retiring, there's going to be a huge turnover in the teaching profession—two million new teachers coming in. There, the mechanics that are going to be used for filtering teachers into the profession are going to have a huge effect on the quality of education for the next at least generation, and I think right now we do not know and have no evidence to show that certification systems actually select in the best teachers and select out the worst teachers. And I think, again it's an area that Bryan has cited in his paper where we really do need good hard-nosed research on how these filter systems are sorting people out.

ADAM URBANSKI: I want to add to what Jane said. I want to agree with it and add that one strategy that is promising in terms of sorting out effectiveness of teachers beyond credentials are the emerging mentor programs, internship programs with mentor teachers, in other words with peer review. In Rochester for example, where we've had this for 17 years, about 8 to 12% of first-year teachers do not survive to the second year, whereas in the past, fewer than 1/2 of 1% did not survive the first year. In other words if you had an active pulse, you made it through. Now with teachers involved in evaluating the performance of their colleagues, about 8 to 12% are selected out and then the retention rate is a 90 percentile after that. In other words, the sorting out is done at the threshold where it ought to be, rather than through teacher exams after 20 or 30 years of teaching.

ANDREW ROTHERHAM: I will take the prerogative as chair for a brief advertisement. We recently published a paper by a UVA education professor, Dr. Frederick Hess, that walks through some of these issues about certification and so forth and that's available outside and also at www.pponline.org and rather than belabor that point here, I'd encourage you to take a look at Dr. Hess' paper.

Q: [unintelligible] teachers' work schedule [unintelligible] (The question related to the importance of a 10 month work-year for most teachers versus a 12-month work year for most other professionals in determining teacher pay.)

BYRAN HASSEL: Well, I think the question should be more put in terms of what will it take to attract the kind of teachers that we want and so the comparison shouldn't really be between the 10 month and the 12 month work year and dividing out by 10 or dividing out by 12 because the key is can you get the kind of people to come teach that you want at the pay you're offering. And if divided by 10 that comes out to a little more than something else divided by 12, if that's what it takes, that's what we need to pay teachers. So I think the argument needs to be put that way rather than a strict arithmetic kind of argument, which I think it often is put. I think that is a barrier, and yet the fact is that teachers may not be able to work that extra two months in a job that pays as much as their teaching job does, so you can't simply do that arithmetic, and that's why you need to ask the question what do we need to offer teachers during that 10 months to get them to take the job.

Q: The question is for Mr. Hassel. [unintelligible]

BYRAN HASSEL: Well that would argue more for a pay system that rewards good performance and good knowledge and skills at the moment, rather than holding out the promise of some high end of your career salary. I think that would put more of the onus on pay for performance, pay for knowledge and skills, rather than these longer-term promises. That's a good point. But that may be, that's the reality in many other professions, most people don't take a job and keep it for the rest of their life, maybe that's the kind of model we ought to expect or at least accommodate in teaching and work towards making that work.

Q: [unintelligible] (The question addressed the impact of the No Child Left Behind legislation, and its requirement for and definition of highly qualified teachers, on proposed innovations in teacher pay)

JANE HANNAWAY: Andy may be able to get into some because it has to do with the legislation. I think there was a lot of discussion on the Hill about exactly what the adjective was that would be used in attaching to teachers. And qualified as I understand it is something that is not yet defined and if it stays undefined, it probably will have little effect on what's going on. But do you know any other discussions on that?

ANDREW ROTHERHAM: It's defined in terms of either demonstrated competency on some sort of measure, also demonstrated through degrees, is how qualified. It's interesting; there's sort of a disconnect; it sort of has a new definition for what certified would mean than what the current definition of certified is in a number of states. Even without getting into the specifics though, it's obviously going to be a driver; particularly I think this is a question in terms of pay for high poverty, more challenging schools because there's obviously a market effect here and they're the ones that are going to have the hardest time attracting teachers who meet these qualifications.

Q: [unintelligible] (The question related to the teacher pay-for-performance system recently created in England.)

ADAM URBANSKI: No, what is it? [laughing]

ANDREW ROTHERHAM: We actually are fortunate of to do some work with Tony Blair's very forward-thinking government on this. They implemented a plan a few years ago to add performance incentives and it was an interesting plan, and the teachers could go ahead and opt-in. It wasn't like the Denver plan where it was, for example, school based. Individual teachers could opt-in to this new salary system and there was a lot of the same things here that this is not something that would go over well, teachers wouldn't like it, but it was a blind opt-in and they got 80% in the first year, which was about 200,000 out of 250,000 teachers who were eligible. So it showed when given the choice, a lot of professionals opted to move into this new system. It's still in its early years so it's difficult to draw any conclusion about what the impact has been.

ADAM URBANSKI: However I do want to say that is often a sin of omission that when considering changes in education here in this country, we simply omit learning from either other countries or other professions and while no other country offers a model that we should adopt lock, stock and barrel, and no other profession does, there are components that could be part of what we could tailor for changes in education.

ANDREW ROTHERHAM: And Bryan, as a Rhodes scholar, you're the closest thing we have to an Englishman up here, do you want to add anything? [laughing]

BYRAN HASSEL: I wasn't paid for performance when I was there, so I can't speak.

Q: I would not underestimate the opposition of the [unintelligible (the speaker referred to the role of teachers unions and the resolution passed at the 2000 National Education Association convention opposing pay-for-performance reforms in teacher pay)] to any proposal that would offer additional compensation [unintelligible]

ADAM URBANSKI: Well, first of all, my colleague to the right, Brad Jupp, who is from an NEA local, is living proof that sometimes formal positions adopted at conventions don't strictly govern the behavior of all individuals and all affiliates because, after all, this is America, and we sometimes go with what our members think is prudent, while we're also guided by what our colleagues and national unions think is prudent. I know that what has been proposed in this paper, the suggestions being made here, are very much compatible with the American Federation of Teachers' position that alternative pay plans ought not to be a substitute for professional-level competitive pay for all teachers. And that teachers who are not competent and cannot become competent, not only should be paid less, they shouldn't be paid. They shouldn't be employed. And that differential pay is a substantially different matter and much

more acceptable than variations on merit pay, which are ineffective and incompatible with our culture. I think what we need to do is to promote the kind of open-minded and commonsensical solutions on a trial basis without attaching huge stakes right from get-go to them and take the approach that Denver is taking that is let's see if this works and let's see what we can learn in the process. And I also think that we should not be gun-shy about offering negotiations, proposals that already have proven to enhance both the ability of qualified and knowledgeable teachers and would offer the prospects for improving teacher quality, such as paying more for additional credentials, additional knowledge, board certification, differentiated pay for differentiated roles and such.

BRAD JUPP: Adam's already anticipated about 75% of my answer, so I can be brief. I think that Mr. Hassel's paper actually begins to lay a groundwork that's very different than other policy briefs, that makes things more palatable, perhaps not only to local leaders in the NEA. The emphasis as Adam said on experimentation, the emphasis on holding people's salary harmless, perhaps not their career earnings trajectory, but their salary harmless, the willingness to explore with rigorous evaluation different options, makes it far different than the sort of moralistic policy recommendations that motivates the NEA leadership's worst fears in its decision making. And frankly, I think Adam could probably find a catalog of AFT locals that have been just as motivated by their worst fears and have resisted tooth and nail these things in much the same pattern as our national convention did. I think that what we have to do is help teachers understand that this isn't a grab at their wallet in order to make accountability easier on them. Those are two bad situations for teachers to want to live with. It's not a good career when people want to take money away in order to make you work harder.

BYRAN HASSEL: I think the most challenging part of the paper, from the point of view of teachers unions, is the idea of school level pay setting. I think some of the other ideas about changing the pay scale in one way or another are easier to accommodate with the context of collective bargaining because a new agreement can be struck which include a different pay scale essentially with different factors that drive pay. The school level aspect is more of a shift from the traditional district level or even state level pay setting and creates a question of what is the union role in a case where a lot of pay, or some of pay, is being set at a school level. That seems like a more challenging aspect and it's interesting to hear in the Denver case that there is a quite a bit of school level action and yet the union is supporting that, so that's an interesting sign.

BRAD JUPP: I want to tell Bryan something he doesn't know about in Denver. The Colorado State Legislature also passed a law last year that provides for market-based incentives for four scarce job types in low and unsatisfactory schools in the state, and in Denver we decided to allow the amount of those incentives to be set at the school level by the principal in collaboration with the management team. This was not a job they savored. We had 97 of our schools qualify as low and unsatisfactory, and there were probably in the area of 20 that simply offered to give the money back rather than to try and set the differential incentives themselves. I see this again as a knowledge and skills problem. When giving teachers and principals the opportunity to determine whether a bilingual teacher gets a \$3000 bonus or a \$5000 bonus or no bonus to stay in their school, some people would prefer not to make that decision because it feels bad that they're not giving an equal amount to the first grade teacher who they feel may have an equal impact on literacy learning in the school. I think that what we have to do is help teachers and principals learn that there are values in making tough decision about money and that they don't harm the functioning of their school

JANE HANNAWAY: I just want to thank Bryan for, I think, writing a very thoughtful analytic piece on an important area that's I think going to be breaking open wide very soon.

ANDREW ROTHERHAM: All right. I want to thank all of you for coming and joining us today. I want to thank the National Press Club for hosting us, thank our panelists, Dan, Bryan, Jane, Adam and Brad, and finally, very much the Broad Foundation for their support for this

project and other ongoing initiatives at PPI and we will see you all again soon. Thanks again for coming. [applause]