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MERIT PAY FOR ELEMENTARY AND SECONDARY SCHOOL TEACHERS:
BACKGROUND DISCUSSION AND ANALYSIS OF ISSUES

K. Forbis Jordan
Senior Specialist in Education
Office of Senior Specialists

and

Nancy B. Borkow
Research Assistant
Office of Senior Specialists

COMPLIMENTS OF
Gene Snyder

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ABSTRACT

Considerable national interest has centered on merit pay for elementary and secondary school teachers since the recent release of the educational reform reports. This merit pay paper contains a background discussion, description of alternatives, summary of current and proposed programs, and analysis of evaluation and implementation implications.

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MERIT PAY FOR ELEMENTARY AND SECONDARY SCHOOL TEACHERS:
BACKGROUND DISCUSSION AND ANALYSIS OF ISSUES

Merit pay for teachers is not a new concept to elementary and secondary education. Neither is the current debate regarding the advantages and disadvantages of the concept and related implementation issues. What is new, though, is the national attention that suddenly has been focused on the somewhat controversial topic of merit pay. 1/ Much of the renewed interest can be attributed to three recently completed major reports on the status of American education. 2/ Each of these studies directly or indirectly has supported the merit pay concept by recommending that teachers be paid for recognized performance rather than solely on the basis of years of experience and academic credentials. 3/

The significance of this issue for educators and policy makers alike, and the long history of disagreement between and among these groups regarding the viability of such programs, suggest a closer look at the issues surrounding the

1/ For information concerning current legislative proposals before the Congress, see Education in America: Report on its Condition and Recommendations for Change. CRS Issue brief 83106 [by] James B. Stedman. p. 21.

2/ Education Commission of the States (ECS). Task Force on Education for Economic Growth: Action for Excellence. Denver. ECS, 1983. 50 pp.; Twentieth Century Fund. Report of the Twentieth Century Fund Task Force on Federal Elementary and Secondary Education Policy. New York. The Fund, 1983. 21 pp.; and National Commission on Excellence in Education. A Nation at Risk: The Imperative of Educational Reform. A Report to the Nation and the Secretary of Education Department of Education. Washington, 1983. 65 pp.

3/ In the following background discussion, the term "merit pay" will be used in a generic sense to encompass the various types of financial reward plans described in this paper. When the discussion refers to a particular plan or proposal, it will be so stated.

merit pay debate. The purpose of this paper is to provide background information about representative proposals and to examine some issues that have been associated with this topic.

ATTITUDES TOWARD MERIT PAY

Recent national surveys sponsored by three organizations indicate that over 60 percent of the respondents favored basing teacher pay on performance or the consideration of performance as one of the criteria to be utilized. Responses from the 15th Annual Gallup Poll indicate that 61 percent of those interviewed in a nationally representative sample agreed that "each teacher (should) be paid on the basis of the quality of his or her work," but 31 percent favored using a "standard-scale" as the basis for teacher salary schedules. This pattern was not greatly different from the responses in 1970 when 58 percent favored basing teacher pay on the quality of work and 36 percent favored using a "standard scale." The 1983 responses from parents of school children were similar to those for the total group, but those interviewees familiar with the report from the Excellence Commission were "more strongly in favor of merit pay, voting 71 percent to 25 percent in favor of it." ^{4/}

A similar pattern of responses was received in the national survey of a randomly selected sample of approximately 7,300 teachers conducted by the National School Boards Association (NSBA). ^{5/} Responses were received from 1,261 elementary and secondary school teachers. Respondent patterns were analyzed on the

^{4/} Gallup, George. The 15th Annual Gallup Poll of the Public's Attitudes Toward the Public Schools. Phi Delta Kappan, vol. 65, no. 1. September, 1983. p. 45.

^{5/} Rist, Marilee. Our Nationwide Poll: Most Teachers Endorse the Merit Pay Concept. The American School Board Journal, vol. 170, no. 9. September, 1983. p. 23-27.

on the basis of years in teaching, tenure status, school type, community type, sex, marital status, and membership in teacher organization. On the basis of this analysis, responses from the survey were considered to be "statistically representative" of the attitudes of the Nation's teachers. Survey results indicated that NSBA found that 62.7 percent of the respondents agreed that "teachers who are more effective in the classroom should receive larger salary increases than teachers who are less effective." This study also indicated that 17.6 percent of the teacher respondents supported linking salary increases strictly to seniority and academic credentials (experience and training), but only 3.1 percent favored "classroom effectiveness" being the sole criterion for salary increases. The inclusion of "classroom effectiveness" as a factor with equal weight to training and experience in determining salary increases was favored by 41 percent of the respondents. In responding to "who should evaluate classroom performance," 39 percent of the responding teachers indicated that the evaluations should be conducted by principals, 25 percent favored evaluations by other teachers, 15 percent indicated department heads, and 12 percent favored evaluations conducted by administrators and peers.

Another section of the NSBA survey sought teacher attitudes toward the payment of bonuses to teachers in understaffed, or shortage, areas (such as science and mathematics). Less than one-third of the total respondents (31.6 percent) thought that such payments were justified; however, over 60 percent of the responding math and science teachers supported the concept of bonuses in shortage areas. 6/

6/ But U.S. Teachers Oppose Scarcity Bonuses. The American School Board Journal, vol. 170, no. 9. September, 1983. p. 25.

Similar findings on the merit pay issue were reported from a consumer opinion survey conducted by The Gallup Organization for the Chamber of Commerce of the United States. Results of face-to-face interviews with 1,558 persons in a nationally representative sample indicated that 66 percent of the interviewees thought that "teachers' pay should be determined by how well they teach" rather than "being based in large part on seniority." 7/

ORGANIZATIONAL POSITIONS

Historically, most teacher organizations have had reservations about merit pay proposals because of (1) the contention that the base salary for teachers is too low and that the greatest need is to raise the base salary for all teachers; (2) the fear that merit pay proposals represent an effort to keep school expenditures and teachers' salaries low by providing pay increases to only a minority of teachers; (3) the difficulties that had been experienced in achieving the goal of a single salary schedule rather than having different levels of pay for elementary and secondary teachers or for male and female teachers; and (4) reservations concerning the ability of local school districts to design and implement a consistent and equitable merit pay teacher evaluation program.

Within the past few months, the major teacher organizations appear to have adopted a position of being willing to participate in discussions about merit pay, but contend that decisions about teacher salary structures or procedures should be made at either the State or local level and that the affected teachers should be involved.

7/ Consumer Opinion Survey. Survey Research Center, Chamber of Commerce of the United States. Washington, August 1983. p. 2, 10.

Other educational organizations appear to be in general agreement that some action needs to be taken to attract and retain good teachers by providing them with financial and professional incentives. (See Appendix B for a summary statement of the positions of selected national education organizations.)

BACKGROUND

The pros and cons of merit pay for teachers have been a subject of interest for over 50 years. Early in the twentieth century, so-called merit pay schedules were actually the norm, rather than the exception they are today. In the 1920s, though, "in an effort to end the disparity in salaries between elementary and secondary school teachers (and males and females), school systems began to adopt 'single salary schedules' which rewarded equally all teachers with the same experience and level of training." 8/ To this day, this procedure--rewarding teachers on the basis of academic training and years in the system--is still the most commonly practiced method of salary reimbursement.

The Educational Research Service (ERS) has recently completed a national survey of 11,500 school districts in the 1977-78 academic school year. Detailed information concerning current and past practices in the use of merit pay for teachers was analyzed in the report. 9/

8/ Toch, Thomas. Merit Pay Issues Dominate School Reform Debate. Education Week, vol. II, no. 38. June 15, 1983. p. 14.

9/ Education Research Service. Merit Pay for Teachers. ERS Report, Arlington, Va. 1979.

The ERS survey found that only 4 percent of the responding districts were currently using merit payment plans for teachers. 10/ Another 4 percent were considering implementation of a merit pay program and 8 percent reported that they had, at one time, tried a merit program, but had since abandoned it. 11/

Reasons given by respondents for abandoning merit pay programs include (1) administrative problems (reported by 40 percent), (2) personnel problems such as the plan being disliked by teachers, having damaged morale, or causing staff dissension (reported by 38 percent); (3) collective bargaining (reported by 18 percent); and (4) financial problems (reported by 17 percent).

Similar findings are reflected in the ERS review of prior research on merit pay programs. Teacher evaluation procedures are cited as the major reasons why merit pay programs have not survived. The most frequently listed evaluation problems are difficulty in determining who deserves extra pay, no assurances that ratings were accurate, and subjectivity and inconsistency among evaluators. Cited administrative problems include the increased record keeping requirements, excessive burden on a limited number of administrators, and parental complaints (i.e., parents wanting their child taught by "superior" teachers). Other problems include staff dissension, artificial cutoff restrictions (i.e., reduced opportunities for younger teachers because of quotas), exclusion of teachers from program planning and development phases, and inadequate financial incentives (i.e., lack of funds, incentives too low to make plan work).

10/ The overall response rate was 24.8 percent.

11/ Robinson, Glen. Concerns in Education. Education Research Service. Arlington, Va, May 1983. p. 3.

The findings from the ERS report indicate that several criteria are considered to be crucial to the development of a successful merit pay program. 12/

1. Effective teacher evaluation procedures;
2. Training programs for management and supervisory staff to administer the plan;
3. School board and management commitment;
4. Staff involvement in program development;
5. Teacher acceptance or satisfaction with program;
6. Adequate financing;
7. Rewards for all qualified persons;
8. Performance criteria that are plausible, fair, and equitable;
9. Valid measures of results;
10. Objective and consistent application of assessment measures; and
11. Increases in student learning.

Even if these criteria can be met, additional problems may be encountered in those local school districts involved in collective bargaining with their teachers. Of the 92 school districts in the ERS study that had discontinued their merit pay programs, 43 indicated that collective bargaining had been a factor in the decision. In 22 districts, the process of collective bargaining "in general" was given as the reason for discontinuing merit pay programs. In another 19 districts, the response was that the teachers had negotiated the plan out of the contract. 13/

Experience with merit pay programs appears to suggest that efforts to have a merit pay program work best when the following conditions are present:

12/ Ibid., p. 5.

13/ Ibid., p. 42.

1. Merit pay supplements are in addition to reasonable pay increases;
2. The amount of the merit pay supplement is sufficient to make the program attractive to teachers; and
3. Evaluations are based on agreed-upon criteria that are assessed in a fair and consistent manner. 14/

HIGHER EDUCATION EXPERIENCES

In contrast to the somewhat standard use of teacher salary schedules based on training and experience in elementary and secondary schools, some form of merit pay appears to be the norm in higher education. Typically, entering salaries are individually determined and annual increments are based on institutional assessments of performance. Notable exceptions may be found in a few institutions or systems of institutions where faculties have organized for purposes of collective bargaining and have obtained a salary schedule based on faculty rank and longevity. Even in these cases, assessments of performance (not longevity) normally are used in awarding faculty rank.

Rather than relying solely on longevity and level of training, the performance measures typically used by higher education institutions include student ratings on classroom teaching, number and type of publications, incidence and quality of public service and professional activities, and intra-institutional activities. Higher education salaries also are influenced by the supply and demand in an academic area as well as the potential salary that an individual or class of academicians may earn in other sectors.

14/ Cramer, Jerome. Yes--Merit Pay Can be a Horror, But a Few School Systems Have Done It Right. The American School Board Journal, vol. 170, no. 9. September, 1983. p. 33; and Heed These Voices of Merit Pay Experience. The American School Board Journal, vol. 170, no. 9. September, 1983. p. 35.

Faculty governance and "peer review" typically are an integral part of the higher education reward system (including both faculty rank and pay), but institutional administrators and governing bodies usually retain the prerogative of making the final decision. Even though the system is commonly used among higher education institutions, certain problems have been associated with the results of its usage. ^{15/} For example, the system appears to discriminate against older faculty members because of their lower entering salaries. Other concerns are related to the amount of faculty time spent in preparing materials for the review and also in the actual review process. Issues also have been raised about the degree to which emphasis is placed on quantity rather than quality of activities. Even with these reservations, the system appears to have been retained because of the flexibility afforded to the institutions.

"MERIT PAY" ALTERNATIVES

Over the years and most recently, "merit pay" has been rather loosely used to describe a variety of financial reward programs. Part of the confusion associated with this issue comes from the fact that discussions on "merit pay" often refer to many different kinds of programs as if they were the same. Merit pay has been used to refer to patterns of incentive pay to resolve school district staffing and assignment problems, master teacher proposals that may represent changes in State certification programs and the roles and responsibilities of teachers as well as changes in teacher pay policies, and traditional merit pay programs that have involved the systematic and periodic evaluation of the classroom and school performance of teachers, and the determination of salary at

^{15/} Dennis, Lawrence J. Why Not Merit Pay. Contemporary Education, vol. 54, no. 1, Fall 1982. pp. 18-21.

the local school district level. In the following discussion, the differences among the three forms of teacher compensation are explained.

Incentive Pay

Under this program, additional salary supplements are used by school systems to reward all teachers who teach under specific, predetermined conditions. These plans, sometimes referred to as "incentive" or "differential" pay schedules, provide for bonus payments to those who teach in economically disadvantaged schools, shortage areas (i.e., mathematics and the physical sciences), or larger classes, or to those teachers who have limited absences or additional training related to their professional assignment.

Unlike "merit pay" or "master teacher" programs, "incentive pay" plans reward teachers for the conditions under which they teach, not how they teach and/or the amount of responsibility they have been given. These plans focus on effecting change in the supply, turnover, and distribution of teachers, while "merit pay" and "master teacher" programs are focused on improving the quality of teaching and, in the case of master teacher programs, are designed also to provide opportunities for professional growth. Basically, both the "merit pay" and "incentive pay" concepts have the same premise--financial incentives can be used to produce desired outcomes. Differences between the two are related to their stated objectives and goals, not their underlying themes.

Houston. The Houston, Texas "incentive pay" plan 16/ is often used as an example of an operational program. The Houston Plan offers higher salaries for

16/ The Houston Plan also provides bonus payments to teachers for superior performance. The focus of the Houston Plan is on the "what" and "where" of teaching--not the "how" and, therefore, it is generally considered an "incentive pay" program. Actual programs may reflect the requirements, as defined in this paper, of more than one specific program type.

math and science teachers, high teacher attendance, and teaching in disadvantaged areas. Under this plan, Houston teachers could add as much as \$5,700 to their annual salaries. In the 1979-1980 academic year, the bonus plan "cost the school district about \$6 million of its \$400 million-plus budget One-half to two-thirds of the district's 10,400 teachers . . . (received) extra money . . . and the average salary increase was 6 percent." 17/

Florida. In 1983, the Florida legislature enacted a statute 18/ authorizing local school districts to provide salary incentives for one or more of the following categories--outstanding attendance of the teacher, employment in a critical shortage subject area, superior evaluation results, higher than predicted student achievement gain, or other State policy objectives as determined by the legislature. The legislation did not contain provisions concerning the amount of salary incentive that could be provided to the affected teachers.

To be eligible for these payments, Florida teachers must have one year of teaching experience, be a full-time employee, hold a regular certificate in the field of assignment, have a satisfactory performance assessment, and have completed 10 semester hours of postgraduate work or its equivalent.

Comments. Incentive pay proposals appear to have been formulated under the following set of premises or assumptions:

1. Financial incentives have a positive impact on the supply, turnover, and distribution of teachers;
2. Incentive pay will have a positive effect on student performance; and

17/ Teacher Shortage Raises Issues of Pay Differentials. Education Daily, vol. 15, no. 131, July 9, 1982. p. 3.

18/ Memorandum and copies of SB 38B (1983 Regular Session of the Florida Legislature) and SB 2C (1983 Special Session) from Neal H. Berger, Legislative Analyst, Florida House of Representatives. August 4, 1983.

3. Incentive pay will have a positive effect on teacher morale and performance.

Various positions have been expressed concerning the incentive pay concept. Empirical evidence suggests that traditional "incentive pay" plans have had a positive impact on the supply, turnover, and distribution of teachers. One of the principal justifications for incentive pay proposals is that school systems need a mechanism to encourage teachers to teach under less desirable conditions such as inner city schools or in teacher shortage areas such as math and science.

Critics of incentive pay suggest that the program will lead to "elitist" attitudes on the part of teachers who are rewarded for teaching in a specific discipline. An additional point is that paying some teachers more than others on the basis of "where" and "what" they teach, violates the concept of "equal pay for equal responsibilities" as well as suggesting that public policy places greater value on some subjects (i.e., mathematics and the physical sciences) than others (i.e., history and the humanities). A further contention has been that those school systems that do not allow their teachers to choose where they teach will be denying some teachers the opportunity to receive a bonus for teaching in poor areas.

Rather than providing a solution for what some consider to be a general problem of "inadequate" compensation for teachers, incentive pay has been used to address staffing problems in particular school districts, neighborhoods, and teaching areas. Teacher organizations appear to have been generally in support of these programs, but the amount of incentive pay per teacher typically has been relatively low in terms of the total salary.

Teacher Excellence Awards

Even though the programs fail to meet many criteria normally associated with merit pay, recognition programs for "outstanding" or "excellent" teachers have been proposed as one approach that might be used to encourage persons to enter and stay in the teaching profession. In some cases, the intent has been merely to provide public recognition for "a job well done." Examples include "outstanding teacher of the year" awards made by business or community organizations in an effort to recognize individual teachers for excellence in their field. Award amounts vary and, in some instances, are somewhat token when compared to the total salary of the recipient teacher. Typically, these programs have been supported from private sources or with public funds from outside of the local school district.

Minnesota. An example of this type of teacher recognition is a program recently initiated by Minnesota businessmen. ^{19/} The Minnesota Business Foundation for Excellence in Education awards \$4,000 to each of up to 8 teachers per year. Nominations for the awards can come from anyone (i.e., parents, students, administrators, other teachers) and must be accompanied by supporting statements from at least three school-related groups. Rewards are given on the basis of seven criteria, including enthusiasm, creativeness, knowledge of subject area, and use of innovative curriculum or materials. Final selection of award recipients is made by a panel of business people and teachers.

Comments. Teacher excellence awards appear to have been formulated under the following set of assumptions:

^{19/} Krupey, Joyce. Practices: A Gift for Excellence. American Education, May 1982. pp. 10-12.

1. Public recognition of a limited number of outstanding teachers will have a positive impact on the morale and performance of schools and their teaching staffs;
2. Private participation in these programs will increase the level of public support for the schools; and
3. Objective and equitable procedures for the selection of the award recipients can be developed and implemented.

Advocates for the development of teacher recognition programs contend that the work of teachers often is "taken for granted" and goes unrecognized unless an organized effort is made to provide some expression of public recognition and appreciation for those teachers whose performance is considered to be exemplary. An additional contention is that public attention to the "outstanding" teacher actually benefits all teachers because of the attention drawn to the schools.

Critics of teacher recognition programs view such programs as public relations gimmicks that may benefit the agency or person making the reward more than the recipient or the school. An additional concern is that the selection process may be based more on popularity than effectiveness in the classroom.

Master Teacher

Proposals for "master teacher" programs have been presented for entire States and also for individual school districts. These programs provide opportunities for differentiated pay scales and also for differentiated responsibilities. Statewide proposals typically have called for modifications in teacher certification programs. Most proposals would revise the pay status categories, or salary schedules, for teachers. Proposals generally provide for limits on the number of persons in different salary categories, or in the levels of certification. If no limits are placed on the number of persons to receive the status, adjustments may be made in the salary supplements because of limited funds.

Recently, much attention has been given to the master teacher concept and the development of both statewide and local master teacher programs. Examples are the programs recently enacted by the California 20/ and Florida 21/ legislatures and the Tennessee "Better Schools Program," a proposal for the revision certification and teacher pay schedule by Governor Alexander. 22/ (See Appendix A for a side-by-side comparison of the California and Florida statutes with the Tennessee proposal.) An example of program developed at the local level is the Charlotte-Mecklenburg Teacher Career Development Program developed by the Charlotte-Mecklenburg Schools (CMS), Charlotte, North Carolina. 23/

California. Under the California statute, up to 5 percent of the teaching staff in a local school district may be designated as "mentor" teachers. Selection criteria include permanent status as a credentialed classroom teacher, substantial recent experience in the classroom, and exemplary teaching ability. Each local school district is required to appoint a local district selection committee, the majority of whose membership is to be certified teachers selected by other certified teachers, with the remainder being school administrators chosen by other school administrators. Provisions are to be made for classroom observations by staff members of the local school district.

20/ Article 4 (California Mentor Teacher Program). Chapter 498. 1983 Session of the California Legislature.

21/ Memorandum and SB 38B (1983 Regular Session of the Florida Legislature) and SB 2C (1983 Special Session) from Neal H. Berger, Legislative Analyst, Florida House of Representatives. August 4, 1983.

22/ The Tennessee Master Teacher Plan is part of a comprehensive statewide "Better Schools Program" proposed in 1983 by Governor Lamar Alexander of Tennessee.

23/ Charlotte-Mecklenburg Schools. The Charlotte-Mecklenburg Teacher Career Development Plan (Plan Outline). Charlotte, North Carolina. 1983.

Following nomination of candidates by the selection committee, final designation of mentor teachers is by action of the governing board of the local school district. The term of the designation as a mentor teacher is to be for a period of three years. A mentor teacher may request that the status be reviewed and can be renominated for additional terms. Each year, the local school district is to allot at least \$4,000 to each mentor teacher, and the funds may be used for a salary supplement, released time, or professional growth. The State is to provide the local school district with funds sufficient to reimburse the district for the costs of participating in the program including the costs of substitute teachers and the costs of administering the program.

The primary functions of mentor teachers are to provide assistance to beginning teachers and then to assist more experienced teachers, assist in staff development, and develop special curricular materials. However, "on the average," 60 percent of the time of each mentor teacher is to be spent in the direct instruction of pupils. Mentor teachers are expressly prohibited from participating in the evaluation of other teachers.

Florida. The Florida Merit Compensation Program provides for the designation of associate master teachers and master teachers, starting with the 1984-85 school year. Each local school district has the responsibility to design its program, and no limits are placed on the number of persons who may be designated as either associate master or master teachers. The State Board of Education is to adopt rules concerning the administration of the program, eligibility for awards, and award amounts.

To receive the designation as an associate master teacher, a person must have four years of teaching experience (at least two of which must have been in Florida), hold a "professional service" certificate or be on a "continuing contract," have a superior performance evaluation, have documentable outstanding

attendance, and pass a subject area test. Master teachers must have seven years teaching experience (at least five of which must have been in Florida), hold a "professional service" certificate or "continuing contract," have at least three years experience as an associate master teacher, have 15 hours of graduate work beyond that required for the associate master teacher, and continue to meet the other requirements of the associate master teacher.

Documentation of superior performance is to be made by a three-member district level evaluation team--consisting of one principal, one teacher, and a third person not employed by the school district. This latter person is required to have special knowledge of the teacher's subject area. Documentation of a teacher meeting the qualifications shall be approved by the local school board, with the Commissioner of Education having responsibility for the final review and approval or disapproval. The term of designation in either category is for a period of three years, contingent upon satisfactory performance and continued meeting of the established criteria.

Amounts of stipends and the levels of State support are to be determined for review, approval, and disapproval. The Florida legislature has appropriated \$80,000,000 for this program and an extended school day program in the 1984-85 school year.

Tennessee. The proposed Tennessee Master Teacher Program provides for a four-stage career development program for teachers. Under the Tennessee Plan, a teacher would begin as an "apprentice teacher," progress on to a "professional teacher," then to a "senior teacher," and then finally to a "master teacher." As presently designed, a person would be required to teach for a minimum of 11 years before attaining "master teacher" status.

The current version of the Tennessee plan would place a 15 percent limit on the proportion of all teachers who could achieve master teacher status and a

25 percent limit on the proportion who could achieve senior teacher status. No limit would be placed on the proportion who could receive the professional teacher status. A person must serve as an apprentice teacher for at least three years before being eligible for consideration for change to professional teacher status, serve as a professional teacher at least three years before being considered for senior teacher, and serve as a senior teacher at least five years before being considered for master teacher status.

Many details of the Tennessee program's final teacher evaluation plan have not been developed, but some points do appear to be agreed upon. For example, The classroom observations would be made by a team of three or four trained evaluators (i.e., administrators and teachers from outside the teacher's own school system) would, along with input from school administrators (i.e., school principal and/or superintendent). 24/ On the basis of these observations, the evaluation team then would make the final recommendations to the proposed appropriate regional or statewide Master Teacher Certification Commission.

Teacher certification decisions, or the selection of the teachers for the various levels, would be made by the State Board of Education on the basis of recommendations made by the Master Teacher Certification Commission. Recommendations to the first three levels would be made by regional commissions, but recommendations for master teachers would be made by the full statewide commission. The regional commissions would consist of a five-person executive board and all of the master teachers in the region. State certification at each of the four levels would be for a period of five years, and could be renewed for all but the apprentice teacher.

24/ One of the activities proposed under the "Better Schools Program" is the development of a Principal/Administrator/Teacher Academy which would train school staff in the art of classroom evaluation.

Under the present plan, the supplement for each professional teacher would be \$1,000; for each senior teacher would be \$2,000 for those on a 10-month contract, and \$4,000 for those on an 11-month contract; and for each master teacher would be \$3,000 if on a 10-month contract, \$5,000 if on an 11-month contract, and \$7,000 if on a 12-month contract. The State is to provide funds for the program, and the projected annual cost is \$116,000,000.

Exact duties of the master and senior teachers would be defined at the local district level, but they would "ordinarily" include responsibility for counseling, training, or evaluating other teachers and involvement in systemwide supervisory and curriculum activities. Master teachers are not to be out of the classroom for more than 10 days per year, and senior teachers are not to be out of the classroom for more than five days per year.

Charlotte-Mecklenburg. In contrast to the previously discussed programs that are for entire States, the planned Charlotte-Mecklenburg program is for a single local school district. At present, the plan calls for a career ladder with six distinct levels. Movement up the ladder would be based on teacher performance (on still to be determined criteria) and on the willingness of the teacher to assume greater responsibilities. It is expected that as teachers progress to higher levels, they will maintain high quality performance in the classroom and "will also contribute directly to the overall quality of education in their school system." 25/

To encourage progression from one level to another, the CMS program would provide a comprehensive teacher training plan tied to the CMS performance standards and career structure. The teacher evaluations would be based on "multiple evaluations conducted by numerous individuals using multiple criteria over a

25/ Charlotte-Mecklenburg Schools, p. 2.

sustained period of time." 26/ Tenure would be awarded at the end of the fourth, fifth, or sixth year of teaching in the CMS program and, once received, teacher participation in the career ladder would be voluntary. As presently proposed, the maximum salary for a teacher who successfully progresses through the six career stages would be approximately \$36,000, as contrasted to the current maximum salary of approximately \$24,000. However, current versions of the plan also assume that salaries for beginning teachers would probably be somewhat less than under the present salary structure. 27/

Comments. Master teacher proposals appear to be based on the following set of premises:

1. Teachers deserve additional financial and professional rewards;
2. Excellence in teaching performance can be measured; and
3. Overall student performance can be raised by a program of differentiated pay in which "master teachers" have responsibility for evaluating and assisting other teachers.

Advocates contend that financial incentives can be used to attract good teachers, but that money alone will not keep them in the schools. They suggest that, if schools are to attract and retain good teachers, efforts will have to be made to provide both financial rewards and opportunities for increased amounts of responsibility and professional development. This latter goal can be accomplished by having the master teachers spend portions of their time working with other teachers in activities to improve classroom instruction. 28/ In contrast

26/ Ibid.

27/ Ibid.

28/ Current proposals indicate that master teachers might provide leadership for in-service programs, evaluate and counsel apprentice teachers, assume responsibility for curriculum leadership activities, or serve as system-wide supervisors or curriculum specialists.

to the merit pay option, the financial and professional status of master teachers would appear to have more stability rather than being subject to the uncertainty of an annual determination of a merit allowance.

Opponents of the master teacher proposal contend that not all good teachers want additional responsibility and/or greater job diversification. The contention has been that teachers should not be penalized (denied financial rewards) if they perform exceptionally well in the classroom yet, at the same time, do not wish to take on additional responsibilities. Even those who react positively to the proposal have concerns about provisions that place quotas on the number of persons who may be designated as master teachers or receive other types of recognition, especially if the same proportional quota is applied to all school districts in a State. Critics also contend that good teachers should stay in the classroom and not be given responsibilities that take them away from their primary job--classroom teaching.

Merit Pay

Recently, merit pay has been used to refer to a variety of plans for changing current methods for paying teachers. The traditional definition of merit pay refers to a system under which a teacher receives additional funds on the basis of systematic and periodic evaluation of his or her performance in the classroom and/or school. Current discussions of the concept appear to be based on the following premises:

1. Teachers should be individually recognized for excellence in performance;
2. Techniques can be devised to measure differences in levels of performance; and
3. Financial incentives based on teacher performance can be used to improve the quality of teachers and classroom instruction.

Merit Pay Schedule. Local school districts have initiated and supported merit pay salary schedules as a supplement for the "single salary schedule" already in place in the school or as the sole schedule. This type of plan usually involves the participation of all teachers in a particular school system; however, some plans include provisions for voluntary participation.

One of the oldest local school district merit pay programs in continuous operation is in Ladue, Missouri (a high income suburb of St. Louis). With an average teacher salary of \$28,000 and a top pay of approximately \$40,000, Ladue has had a merit pay system for 30 years. The merit pay allowances are based on evaluation points assigned by principals, although a teacher committee does have a voice in the operation of the program. Teachers may receive up to 15 points annually with each point having a value of \$300. 29/

Dalton, Georgia, has had a merit pay program for 20 years. Initially, teachers are placed on the State salary schedule. The merit awards are used to supplement the State schedule. Supplements range from \$2,000 to \$3,000 per year to those teachers receiving the merit awards. Specific performance criteria have been developed locally, with teachers having a major voice in their determination. Evaluations are made by the teacher's principal and reviewed by the superintendent. Two critical aspects of the Dalton program appear to be that merit pay decisions may be appealed by the teacher and that all teachers who are performing up to expectations receive the merit awards. 30/

29/ Tursman, Cindy. Merit Pay Revisited. The School Administrator, vol. 40, no. 8. September, 1983. p. 23; and Cramer, Jerome. Yes--Merit Pay Can be a Horror, But a Few School Systems Have Done it Right. The American School Board Journal, vol. 170, no. 9. September, 1983. p. 33-34.

30/ Cramer, p. 33.

Other examples include a small rural school district in California and a suburban school district in Arizona. 31/ Each program has a different orientation. In the California school district, the local school board develops annual guidelines, and the actual program is conducted through a local merit pay committee. Each teacher creates an individualized merit pay program with points being awarded for individual and group activities. Building principals' evaluations account for only 3.5 of the possible total of 10 merit points. The amount of annual merit pay that may be received by a teacher ranges from \$140 to \$2,800.

In the Arizona school district, the approach is based on research which indicates that money alone is not an effective motivator, but that recognition for performance and opportunities for growth and advancement are effective motivators. However, procedurally, the approach is somewhat traditional in the reliance on building principals; the contention is that principals are legally responsible for and capable of evaluating instruction. Under the program, a teacher's excellence in working with students in instructional settings is the primary criterion to be considered by principals in recommending those teachers to receive the merit awards. The amount of the award varies commensurate with the individual's performance. Rather than receiving the award as a salary supplement, some teachers have chosen to have the funds used to defray cost of attendance at professional meetings or purchase instructional equipment and materials. Awards have ranged from \$80 to \$1,000 per teacher.

31/ Burke, Brian T. Merit Pay for Teachers: Round Valley May Have the Answer. Phi Delta Kappan, vol. 64, December 1982. pp. 265-266; and Frase, Larry E., Hetzel, Robert W., and Grant, Robert T. Merit Pay: A Research-Based Alternative in Tucson. Phi Delta Kappan, vol. 64, December 1982. pp. 266-269.

Merit Pay Schools. A somewhat different approach has recently been adopted by the Dallas (Texas) Public Schools. 32/ This approach differs from traditional merit pay plans in two ways. Awards are made to all teachers and support staff in a school, and individual schools are selected on the basis of the degree to which students perform "better than expected" on standardized tests. Decisions concerning the schools will be based on outputs as measured by the actual student scores on achievement tests against the "expected" scores based on the past three years of test results for each student in the school. Dallas has an unusually sophisticated data base on student test scores, and, when a student changes schools, the data move with the student. Awards will be made to the top 25 percent of the schools that outperform the computer projections of "expected performance" based on prior test results for the students in the school. Under the plan, no school may be considered for the bonuses without meeting baseline criteria for student attendance and teacher absenteeism. In the "merit schools," each teacher will receive an extra \$1,500 at the end of the year and each support staffer an additional \$750.

The Dallas approach of recognizing and rewarding good teaching is consistent with a recent statement by Lester Thurow in which he contended that "(t)here is no such thing as a good teacher. There are only good schools--teams of good teachers." Thurow contended that a steady sequence of good teachers is what contributes to better teacher performance and that a bonus should be paid to every teacher in the school that succeeds in raising the achievement levels of students. 33/

32/ Taylor, Paul. Dallas School Official Charges into Merit Pay Fray. The Washington Post, September 8, 1983. p. A2.

33/ Thurow, Lester C. Merit Pay is not the Solution. Boston Globe, June 30, 1983. p. 15.

Comments. Proponents for merit pay contend that financial recognition of competent performance has a positive impact on current staff, improves the process of education, and serves as an incentive for able persons to become teachers. One of the problems with the present pay systems (i.e., single salary schedules) is that all teachers--good, bad, or indifferent--are treated the same way. Proponents contend that this process implicitly rewards mediocrity and discourages teachers from making the extra effort required to do a better than average job. Proponents of merit pay also emphasize that financial rewards are used as effective incentives in the private sector. Advocates view the use of a merit pay system for teachers as a logical step that would help professionalize teaching.

Opponents of merit pay contend that the research suggests that the concept of merit pay is not universally accepted in the business world. Some observers contend that, rather than improving productivity, "merit pay (often) has at best a neutral impact on productivity, (and) at worst a negative impact." ^{34/} An additional contention is that pay differentials for teachers reduce morale, discourage joint efforts, and promote competition among teachers. Another concern is that all who meet the criteria might not receive the pay supplement because of the use of a quota system.

FEDERAL ROLE

Some interest has been expressed about the appropriate Federal response to merit pay proposals as a result of the public's concern about the quality of education, the recent proposals from several States and localities, and the series of reports on the status of American education. In contrast to other

^{34/} Shanker, A. Where We Stand. New York Times, April 3, 1983. p. E-7.

areas of national concern in education such as increased access for poor and minorities or the education of the disadvantaged or the handicapped, there would appear to be less agreement concerning appropriate Federal actions related to merit pay. Given the legal structure of American education and the usual concerns about infringement on State and local control over education, the possibility of Federal actions supporting or mandating a national merit pay or master teacher program likely would be viewed with considerable concern by State and local officials.

From one perspective, options for a Federal role might be perceived as being somewhat limited because of the traditional view of State and local primacy in education. For example, minimal resistance likely would be encountered if Federal activities related to merit pay were limited to research, development, evaluation, demonstration, or dissemination. Questions would be raised about the time required before research findings of general value would be available or the limited effect that these activities would have on the great majority of the Nation's classrooms.

From another perspective, the problem might be perceived as sufficiently severe that non-traditional responses would be appropriate. Even though various forces likely would resist the proposals, some interest groups might contend that the improvement of educational quality was sufficiently important to justify direct Federal funding of a merit pay program, possibly on a cost-sharing basis, or Federal requirements that States and localities implement a merit pay program as a condition of receipt of Federal funds for other programs. These options might accelerate the rate of change, but likely would be met with resistance by State and local educational interests.

ISSUES

Questions or issues related to the broad concept of merit pay do not appear to have changed substantially over the years. Major reservations appear to be related to the process that would be used in administering the program. In the following discussion, process issues relating to both merit pay and master teacher proposals have been divided into two broad categories--evaluation procedures and implementation and administrative costs in terms of time and dollars to the school district. First, the underlying premises are listed, followed by comments on these premises, and finally a list of selected pros and cons.

Evaluation Procedures

- Premises:
1. Systems for evaluating the performance of teachers can be developed, and the results can, and should, be used in determining pay for teachers.
 2. Objective and reliable systems for evaluating teachers can be developed (i.e., two evaluators should be able to use the evaluation system and arrive at relatively the same result).
 3. Teacher support and participation is considered to be Teachers should participate in the planning, development, and implementation of the evaluation plan.

Comments. The principal process questions include who would design the evaluation system, what elements would be included in the evaluation, who would do the actual evaluation, how frequently would the evaluation be conducted, who would supervise and have final authority for the evaluation, would a self-evaluation component be included, what provisions would be made for appeal or due process, and what use would be made of the findings? The positions of the major teacher organizations and the research suggest that the persons being evaluated should have some voice in design and implementation decisions. This

involvement may also lead to the inclusion of a self-evaluation component in the evaluation process.

Assuming that teacher pay will be based on performance, two major challenges are (1) to identify and weight, or rank, the teaching tasks or factors that are to be evaluated, and (2) to determine the proportion of the teacher's salary that is to be allocated on the basis of merit. Tasks or factors may be grouped into input and output variables. "Teacher input" variables might include quantity of educational training, knowledge of subject area, preparation and planning, classroom teaching techniques, attendance record, or even personal appearance. A teacher's potential for effective performance may also be affected by another set of variables that might be referred to as "environmental inputs" over which the individual teacher has little if any direct control. Examples include parental and community attitudes toward schooling, socio-economic status and initial achievement level of the students, and the learning environment that includes such elements as the range of instructional materials and equipment and the degree to which the facilities meet minimal standards.

Output variables might include changes in student behavior or attitudes, changes in student achievement, classroom appearance, and student time on task. used as indicators of teacher performance. The challenge is to design an evaluation system that will measure teacher performance after due recognition has been given to the limitations or advantages accruing through "environmental inputs."

A common reservation about this type of use of input and output variables in teacher evaluation is that the system may become a series of impersonal checklists and that the desire for equity and consistency in the merit pay evaluation process may result in heavy reliance on completion of a narrow range of tasks and and the excessive use of factors that can be quantified. When checklists are

used, standardized reporting of information becomes more critical to ensure fairness to all parties.

In the following discussion, various positions on evaluation procedures have been grouped into pros and cons:

Pros

1. Teacher pay would be based on performance in the classroom.
2. Evidence from "merit pay" in business and higher education suggests that evaluation strategies can be designed that measure teacher performance both objectively and reliably.
3. Using classroom performance as a basis for determining pay and status should help to restore some of the public confidence in education.
4. The concerns about the subjectivity of the evaluation process can be overcome by the use of consistent processes for gathering and reporting the information obtained from the observations.
5. Teachers can be given the opportunity to participate in their own evaluation by including a self-evaluation component.

Cons

1. Evaluation plans designed to recognize and reward teachers on the basis of their performance have been rejected in the past because of the perception that the plans resulted in rewards being based on "patronage and favoritism."
2. There is not general agreement concerning the factors on which merit should be based. (One of the concerns is that factors outside of the teacher's control may influence the evaluation or reduce a teacher's potential effectiveness, i.e., previous low student test scores or availability of state-of-art instructional materials and equipment.)
3. Administrators often are not trained evaluators, yet typically they are the ones designated to do the teacher evaluations.
4. The quest for consistency may result in the evaluation process becoming merely a series of checklists or quantitative reports that emphasize easily quantifiable items more than other somewhat subjective factors that may be more related to teaching effectiveness and student learning.

5. If self-evaluation is to be an integral part of the process, standardized reporting may be an impossible goal because teachers at the same performance level likely will vary in their capacity and willingness to provide the self-evaluation information.

Program Implementation and Administration

- Premises:
1. A merit pay system can be designed that is affordable.
 2. The benefits in terms of improved instruction in the classroom will outweigh the costs in terms of lost time by "peer" participation in the evaluations and possible negative effects on morale.
 3. School staff members can implement the program without interfering with the ongoing instruction program.

Comments. The implementation of a different system for compensating teachers will inevitably affect the operation of classrooms and schools. The use of peers as evaluators under either the master teacher programs or a merit pay structure will require that the best teachers be absent from the classroom while evaluating other teachers. Even though the change may have a positive impact on instructional opportunities for students, introduction of either program will have a cost in terms of planning time and administrative burden.

One of the operational problems with merit pay programs is that a fixed amount of funds for merit awards typically has been available irrespective of the number of potentially eligible recipients. If differential merit awards are made and this constraint of limited funds is retained, some teachers may receive increases below the average irrespective of their levels of performance. An additional concern is that the introduction of either a master teacher or merit pay plan will require additional funds at a time when many school districts are facing financial crises. Supporters of merit pay often qualify their support with the fact that all salaries for all teachers need to be raised in order for any "merit pay" system to produce its desired results. (Under current economic

conditions, school systems may not have the funds needed to cover the costs of implementing and funding a merit pay program.)

Another area of concern is the range of possible reactions from parents who find that their child is not placed with the "master teacher" or the teacher who received the highest level of merit recognition. School administrators may find themselves confronted with a variety of parental pressures, but the most critical factor may be the procedures that are used to assign pupils to particular teachers. The challenge will be to devise an equitable method for assigning students to classes and teachers. In secondary schools, the problem may not be as great because students normally spend only one period per day with a particular teacher; however, in elementary schools, parental interest and pressures may be high because of the common use of self-contained classrooms in which the student is with a single teacher for the major portion of the school day.

In the following discussion, various positions on implementation and administration have been grouped into pros and cons:

Pros

1. The introduction of systems for basing teacher salaries on performance may contribute to an increase in the public's willingness to provide funding for education.
2. The evaluation process may have a positive impact on performance as teachers place greater emphasis on planning and improving student performance.
3. Teacher morale should increase as a result of the financial recognition for a job well done.
4. The master teacher proposals provide the opportunity for the development of support programs in which the "better" teachers assist other teachers in efforts to improve instructional programs.
5. Policies concerning changes in salary status could be defined at the local school district level and tied to locally determined factors.

6. The future costs to the Nation (i.e., a poorly educated and a technically illiterate population) may be greater than the cost to develop and implement an effective merit pay system.

Cons

1. The number of evaluation visits necessary to assure appropriate evaluation of each teacher's performance and the amount of paper work required to maintain an ongoing system may be too much of a strain--financially and timewise--for a school system to manage effectively.
2. Prior experience suggests that in order for financial incentives to work, the monetary rewards need to be, at minimum, 10 percent above the teachers base salary. School systems may not have the resources to pay this cost to either attract or retain the best teachers.
3. Under the proposals, salaries for all teachers might not be increased even though the general consensus appears to be that the current level of pay for all teachers is inadequate.
4. Unless controls are imposed on the use of "peers" as evaluators, the administration of the merit pay system may result in the "best" teachers spending excessive time away from the classroom.
5. Teachers may be less willing to cooperate and be mutually supportive because of the importance of their performance as individuals in the merit pay evaluations.
6. A person may exert extraordinary levels of effort during the evaluation observation periods and then revert to a lower level of effort following the observations.

APPENDIX A

COMPARISON OF CALIFORNIA MENTOR TEACHER LAW, FLORIDA MERIT COMPENSATION PROGRAM LAW,
AND TENNESSEE MASTER TEACHER PROPOSAL

	California	Florida	Tennessee
CAREER LEVELS	Provisions call for the designation of up to 5 percent of teaching staff as "mentor" teachers providing that they meet the prescribed qualifications. Participation is voluntary.	Provisions call for a State-level career ladder with master teacher and associate master teacher levels added to the existing beginning teacher and regular certificate teacher levels. Participation at either level is voluntary.	Provisions call for revision of State certification provisions to provide for four levels of teachers--apprentice, professional, senior, and master. Participation beyond the professional teacher level is voluntary.
QUALIFICATIONS	Each person seeking classification as a mentor teacher shall meet the following qualifications: credentialed classroom teacher with permanent status, substantial recent experience in classroom instruction, and exemplary teaching ability.	To qualify as an associate master teacher, a person must have four years of teaching experience, at least two of which must have been in Florida; hold a "professional service" or "continuing contract;" have completed a master's degree "in field" or the equivalent; have superior performance evaluation; have documentable outstanding attendance; and pass a subject area test.	Completion of a teacher training program with a bachelor's degree and specified years of experience is required for entry into the various career levels. Other factors include acceptable student performance, participation in professional growth activities, and evaluations by local supervisors and administrators.
		To qualify as a master teacher, a person must have seven years of teaching experience, at least five of which must have been in Florida; hold a professional service or continuing contract; have at least	

	California	Florida	Tennessee
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Qualifications (cont'd.).

SELECTION PROCESS

Minimal selection procedures provide for the appointment of a local school district selection committee with majority membership being certified teachers chosen by other certified teachers. The remainder of the committee shall be school administrators chosen by other school administrators. Provisions shall be included for classroom observations by staff members of the district. Following the nomination of candidates by the selection committee, final designation shall be by action of the governing board of the school district.

three years experience as an associate master teacher; have completed fifteen semester hours of graduate work beyond that required for the associate master teacher; have a superior performance evaluation; have outstanding attendance; and pass a subject area test.

The first action is that the person seeking the designation must submit an application to the local school board.

The documentation of superior performance is to be provided by a report from a three member district level evaluation team: one principal, one teacher, and one person not employed by the school district with special knowledge of the teacher's subject area.

Documentation of having met the qualifications shall be approved by the district school board and forwarded to the Commissioner of Education for review, approval, or disapproval.

Selection is to be made by the State Master Teacher Commission based on the recommendations by on-site observations by master teachers. Movements into different levels will be based on a full review of the teacher's entire professional experiences, regular evaluation by supervisors and administrators, student performance, an additional performance assessment by Commission-designated master teachers from outside of the applicant teacher's own school district.

Based on these evaluations and the recommendations of the State Master Teacher Commission, certificates will be issued by the State Board of Education.

	California	Florida	Tennessee
LIMITS ON NUMBER	Of the number of teachers who meet the basic qualifications, the local school district may designate up to 5 percent as mentor teachers.	Each local school district has the responsibility to design its program. No limits are placed on the number of persons who may be designated as either associate master or master teachers, but the State funds are limited to the amount appropriated for the program.	A 15 percent limit would be placed on the number of State-paid master teacher positions and a 25 percent limit on the number of State-paid senior teacher positions. (No limit would be placed on the number of professional teachers who could receive a supplement.)
STIPEND FOR TEACHER	Participating local school districts shall allocate at least \$4,000 for each mentor teacher over and above the regular salary with the salary not being counted as salary or wages for retirement and other benefits. The mentor teacher may allocate all or a part of the stipend for professional growth or released time.	The State Board of Education is to adopt rules concerning administration, eligibility of awards, and award amount.	Each professional teacher would receive a \$1,000 salary supplement, each senior teacher \$2,000 if on a 10-month contract and \$4,000 if on an 11-month contract, and each master teacher \$3,000 if on a 10-month contract, \$5,000 if on an 11-month contract, and \$7,000 if on a 12-month contract.
MOUNT F STATE ID	The State is to provide the local school district with \$4,000 for each mentor teacher, who may constitute up to 5 percent of the teaching staff.	To implement the extended school day and the merit pay programs, the 1984-85 appropriation is \$80,000,000.	The State would provide stipends for professional, senior, and master teachers in the amounts indicated above under "stipend for teacher." The estimated cost of implementing the program is \$116,000,000.

	California	Florida	Tennessee
Administrative Costs	Funds shall be provided to participating school districts in amounts sufficient to reimburse the costs of participating in the program, including the costs of substitute teachers for the mentor teacher and costs of administering the program.	(No comparable provision)	(No comparable provision)
DUTIES	The primary function of the mentor teacher shall be to provide assistance and guidance to new teachers and then to more experienced teachers. Mentor teachers may also provide staff development for teachers and develop special curricular materials. Each mentor teacher shall spend on the average, not less than 60 percent of time in the direct instruction of pupils.	No change in current duties or additional specific duties are mentioned in the law.	Exact duties would be defined at the district level for the master teacher, but they will "ordinarily" include responsibility for inservice education; training, evaluation, and counseling of apprentice teachers; curriculum leadership, organization and coordination of the work of other teachers; and system-wide supervisory and curriculum activity. Master teachers are to be out of the classroom no more than 10 days per year.
			For the senior teacher, duties would include development of curriculum materials, team leadership, and supervision and counseling of less experienced teachers. Senior teachers are to be out of the classroom no more than five days per year.
			No special duties are listed for professional teachers.

	California	Florida	Tennessee
EVALUATION OF OTHER TEACHERS	The statute provides that mentor teachers are not to participate in the evaluation of other teachers.	(No comparable provision)	The master teacher is to be involved in the evaluation of apprentice teachers.
TERM OF DESIGNATION	The designation as a mentor is for a term of three years, and the person can have the status reviewed and be re-nominated.	The term of designation as either an associate master teacher or master teacher is for a period of three years, contingent upon satisfactory performance of assigned responsibilities, and may be renewed for either category upon satisfactory demonstration of meeting the established criteria.	State certification at each for the four levels of teachers is for a period of five years, and the certificates may be renewed for all but the apprentice teacher.
CHANGE IN STATUS	(No comparable provision)	The associate master teacher is required to have four years of teaching experience, at least two of which must have been in Florida. The master teacher is required to have seven years of teaching experience, at least five of which must have been in Florida.	The apprentice teacher is to serve in that status for a minimum of three and a maximum of five years. The professional teacher may have the certificate renewed, and seek senior teacher status after three years. The senior teacher must have at least five years as a senior teacher before seeking status as a master teacher.
COLLECTIVE ARGAINING	The subject of participation in the mentor teacher program is not to be included within the scope of collective bargaining between school employers and employee organizations.	(No comparable provision)	(No comparable provision)

	California	Florida	Tennessee
SALARY INCENTIVES	(No comparable provision)	Local school districts are authorized to provide salary incentives for one or more of the following categories-- outstanding attendance by the teacher, employment in a critical shortage subject area, employment in a critical school site shortage area, superior evaluation results, higher than predicted student achievement gain, or other State policy objectives as determined by the legislature.	(No comparable provision)
		To be eligible for these payments, teachers must have one year's teaching experience, be a full-time employee, hold a regular certificate, in the field of assignment, have a satisfactory performance assessment, and have completed ten semester hours of postgraduate work or its equivalent.	

APPENDIX B

ORGANIZATIONAL POSITIONS

The major national educational organizations have a variety of positions on the merit pay issue. The following information was secured either through telephone interviews with spokespersons for the organization or from official policy statements of the organizations. A listing of selected organizations accompanied by a description of their positions on merit pay (as of July 1983) follows.

American Association of School Administrators (AASA). The AASA official position is in support of merit pay for teachers. This position is qualified, though, on the basis of a set of conditions that include the following: (1) prior to implementation of a merit system, all teachers' salaries in the school district should be raised to "competitive levels"; (2) there should be agreement between teachers, the community, and school administrators regarding the development and administration of the merit system; and (3) school districts first should consider "incentive pay" rather than "master teacher" programs. The AASA position is that, once a teacher is made a "master teacher," he or she no longer will have the incentive to continue to perform at the maximum level. The AASA spokesperson indicated that the Association supports programs that provide teachers with annual financial incentives.

The AASA, in making this distinction, is not using the terms "incentive pay" and "master teacher" in the traditional sense. The distinction is not based on the traditional distinguishing features between these two programs, and this non-traditional use of terms could ultimately result in some confusion as individuals attempt to understand the AASA position.

American Federation of Teachers (AFT). The AFT is presently considering the adoption of a policy concerning the master teacher concept. In early July 1983, the AFT reviewed the master teacher plan proposed by the Governor of Tennessee. This plan is focused on attracting and retaining good teachers by providing the teachers with financial and professional incentives. Designed as a four-step certification program, the plan gives teachers the opportunity for increased amounts of responsibility and greater job diversification. One of the AFT's major objections to the Tennessee plan is the requirement that teachers must requalify for a teaching license every five years. The AFT believes this time requirement will keep potentially good teachers out of the teaching profession.

Council of Chief State School Officers (CCSSO). The CCSSO does not have an official position regarding merit pay. Furthermore, the CCSSO believes that it is not the role of the Federal Government to establish a position regarding teachers' salaries. On the other hand, a spokesperson for the organization indicated that the CCSSO would not oppose the offer of Federal dollars for use in the local implementation of such programs. It would also be willing, if encouraged by the membership, to review the various merit pay options available to the States.

National Association of Elementary School Principals (NAESP). The NAESP platform statement on merit pay states that "systems of merit pay do not work because of the many inequities and difficulties encountered in establishing, implementing, and maintaining meaningful measurable criteria." The NAESP believes that merit pay plans are "often divisive and counterproductive" . . . and that, if the overall objective is to improve teacher performance, then school systems should explore "better methods of selective recruitment, . . . probationary period(s) . . . and a reasonable salary scale and retirement system."

National Association of Secondary School Principals (NASSP). The NASSP position is that the organization believes that the concept of "merit pay" is worthy of further discussion. The NASSP is committed to examining and participating in the development of different merit pay systems.

National Association of State Boards of Education (NASBE). The NASBE does not have an official position regarding merit pay. Like the CCSSO, the spokesperson indicated that this decision should be made at the State level.

National Education Association (NEA). The NEA's position is that the organization is "open to" further discussions regarding merit pay/master teacher proposals. In The October 11, 1983, NEA news release, the NEA president Mary Hatwood Futrell stated that it is a "mistaken impression that the NEA opposes merit pay or master teacher plans across the board What the NEA has opposed for many years are merit pay or master teacher or any other so-called upgrading plans based on favoritism, the subjective evaluation of teachers or arbitrary standards."

National School Boards Association (NSBA). At its 1983 annual convention, the NSBA adopted a resolution encouraging local school boards to review the formulation of a teaching salary system which is "competitive, market sensitive and performance based." The resolution also includes a provision encouraging the review of the evaluation procedures upon which such a system would be based.