

Special Report



September 11, 2012 No. 12-6

Highlights

- The BPS budgeted \$403.9M or 48.6% of the fiscal 2012 budget for teacher salaries with \$139.2M for steps (longevity) and \$37.9M for lanes (degree credits).
- The BPS has proposed a transition from the traditional length of service and graduate credits pay structure to a new plan that relies on both experience and performance for higher pay.

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BPS-BTU Contract Reform: Compensation Incentives

Key Opportunity to Align District Priorities With Pay and Reward Effective Teachers

What compensation incentives for teachers will be most impactful in promoting effective teaching and improving student achievement? This is one of the core issues which the Boston Public Schools (BPS) and the Boston Teachers Union (BTU) are struggling with, leading to both an impasse in contract negotiations, then to mediation and finally fact-finding after 27 months. The BPS will compensate its teachers by over \$400 million in fiscal 2013, and the Superintendent and her negotiating team had proposed in negotiations a significant shift in a new set of incentives that are closely integrated with a greatly improved teacher evaluation system based on new state regulations and a more directed professional development proposal. The new plan would move from the traditional salary schedule, which compensates teachers for length of service and graduate credits, to a system that aligns teacher pay with performance, directed training, and student achievement. It would apply to teachers hired after September 1, 2012.

The contract proposal that the BPS offered the BTU on September 4 presents only a portion of the more comprehensive reform contained in its original salary proposal examined in this report. The new proposal would eliminate automatic step increases for teachers who receive an unsatisfactory performance evaluation and grant the BPS more say over courses that would be eligible for credits for lane changes. Fundamental reform, not incremental change, is critical now since the City may not have another chance at reform for four to five years. If the September 4 proposal is the best the BPS expects it can achieve through further negotiations with the BTU, it should move to fact-finding and insist on its original compensation plan.

Compared to the current salary schedule, the BPS' original proposal would lead to greater average annual raises for effective teachers and would slow the average annual salary increases for teachers who do not meet expectations. In addition:

- The proposed salary plan allows high performing teachers to reach the maximum grade on the pay scale more quickly (five years) than the current schedule does (nine years), and it also sets the pay scale for first year Boston teachers higher by \$3,246 or 6.9% over the current schedule.
- The greater use of evaluations in the new compensation plan makes it necessary for the BPS to ensure that evaluations are thorough and objective. A high priority and adequate resources should be devoted to evaluator training and support so that evaluations for all eligible teachers are completed annually and proper data and measurement systems reflect material for which individual teachers are actually responsible.

Why Salary Schedule Reform?

Changing the incentives for teacher compensation is important to overall school reform efforts because almost half of the BPS's operating budget is invested in teacher salaries which are currently not linked to performance, professional development or student outcomes but rather to teacher longevity and graduate degree credits. The salary schedule also should be closely linked to teacher evaluation reform. The BPS and BTU are currently negotiating the specifics of a state evaluation framework passed in June 2011 that embraces a robust set of performance measures including work portfolio and student achievement data. The new system is a more teacher-directed process with trained evaluators meant to be integrated more closely with professional development and it expands the ratings from two to four categories: (1) Unsatisfactory, (2) Needs Improvement, (3) Proficient and (4) Exemplary.

The BPS budget for teacher salaries in fiscal 2012 totaled \$403.9 million or 48.6% of the BPS's operating budget without factoring in other forms of compensation such as differentials, career awards, stipends, summer teaching or benefit costs. The average BPS teacher salary for fiscal 2012 was \$81,633, with 60% of teachers earning more than \$80,000 as of December 2011. The teacher salary increases attributed to steps and lanes are in addition to the annual salary increases negotiated in collective bargaining contracts.

Boston teachers receive annual step increases through the ninth step automatically regardless of how well they perform in the classroom. These step increases average 5.3%, not including the second step which generally represents an increase of 12.8%. (See [Appendix A](#)) In fiscal 2012, the total budgeted amount of teacher salaries attributable to step increases was \$132.9 million.

Teachers can increase their salary by moving to higher salary lanes based on the attainment of graduate credits. The current salary schedule consists of nine lanes which represent compensation for every 15 academic credits earned beyond a Bachelor's degree. Each lane change averages a 2.7% raise, and the total amount of BPS teacher salaries attributed to lane changes was \$37.9 million in fiscal 2012. In the current contract, courses credited are not necessarily tied to a teacher's certified area of instruction or aligned with skills that evaluations indicate should be strengthened. Furthermore, extensive research indicates that a teacher's level of education does not correlate well with student outcomes. The National Council on Teacher Quality examined 17 independent studies on the relationship between teachers' advanced degrees and student outcomes and found that the correlation between the two was not high.

BPS Salary Proposal

In order to align teacher pay with performance, the BPS has proposed a transition from a steps and lanes schedule to a level and tier salary structure that relies on both experience and performance evaluation for higher pay. If adopted, this new system would apply to BPS teachers hired after September 1, 2012. Current BPS teachers could continue to be paid under the existing structure or would be able to opt into the new plan.

The BPS's proposed salary structure is composed of three levels: (1) Novice, (2) Advanced, (3) Master and within each level are three salary tiers.

In order for a **Novice** teacher to advance tiers, he must have the principal's recommendation, his performance evaluations must be "Proficient", and he must submit evidence of moving toward a Master's degree.

An **Advanced** teacher would have a Master's degree or have completed the proposed Advanced Teacher Program in the proposed BPS Center for Teacher Support. The Center for Teacher Support would

Table 1
Proposed Teacher Salary Structure

Level	Tier	Salary
Novice	1	\$50,000
	2	52,500
	3	55,125
Advanced	1	60,638
	2	63,669
	3	66,853
Master	1	73,538
	2	77,215
	3	81,076
Special Assignment		\$81,076 + \$20,000

Source: Boston Public Schools

coordinate targeted professional development opportunities for BPS teachers based on feedback and data collected from the electronic teacher performance evaluation database developed in conjunction with the BPS's revised teacher evaluation system. In addition, he would have a letter of reasonable assurance from his principal and a recommendation from the School Site Council's Personnel Subcommittee. Also required is a portfolio submission including parent and student survey results, student growth data where applicable, and "Proficient" or "Exemplary" performance evaluations. For an Advanced teacher to proceed to higher tiers within that level, he must receive "Exemplary" performance ratings.

Master teachers must have a similar portfolio submission as for Advanced status and in addition must have held Advanced status for two years, have certification in Special Education and/or English as a Second Language (ESL), and receive performance evaluations of "proficient" or above. Master teachers must also have an additional 30 credits beyond a Master's degree or complete the BPS's proposed Master Teacher Program. Tier advancement occurs by having "Exemplary" ratings,

assuming school leadership positions, and by demonstrating work to attain National Board Certification.

The Superintendent would have the sole discretion to grant Advanced teacher status. A Joint Labor Management Committee, made up of four appointees each by the BPS and the BTU, would recommend whether a teacher should be promoted to Master teaching status or Special Assignment based on portfolio submissions. Five votes from the committee would be needed to approve promotion to Master or Special Assignment status. If five votes cannot be reached for a Master or Special Assignment teacher status vote, the Superintendent would make the determination for promotion.

The proposed salary structure also includes a **Special Assignment** level that is open to Master Level 3 teachers for a period of three years and includes a \$20,000 stipend. The Superintendent would assign these teachers to high needs schools in which the Special Assignment teacher could work with struggling teachers and/or students. After three years, a teacher on Special Assignment would return to Master level 3 teacher status and must wait two years to re-apply for Special Assignment.

This approach is similar to other pay for performance plans negotiated by school districts in Baltimore, Denver, and Harrison County, CO in that it includes pay increases that correspond with advancement along a career ladder and opportunities for promotion based on willingness to work in hard-to-staff schools and classrooms. However, the three-year time cap on the Special Assignment stipend is unique; other programs mentioned do not place strict time limits on additional pay. These other districts only reduce teacher pay for top of the scale positions like Special Assignment if a teacher does not continue a record of exemplary performance.

Connection with Professional Development

The Superintendent's salary proposal is an effort to align the district's monetary resources with the

teacher professional development needed to carry out reform efforts. Graduate degree credits that count toward salary advancement will be aligned with certification requirements, performance evaluation recommendations and professional advancement goals. Also, the BPS would establish a Center for Teacher Support and develop in-house curricula for Advanced and Master Teacher programs in addition to eligible graduate courses. Certification in ESL and Special Education, areas where the BPS needs teachers, is rewarded in Master Teacher status alongside work toward National Board Certification.

Comparing the Salary Structures

The advantage of the Superintendent's proposal is that new teachers would start at a higher salary level than they would under the current structure by \$3,246 or 6.9%, and those teachers who perform well would be able to increase their salary level in fewer years than under the existing contract. Teachers who achieve unsatisfactory performance ratings and/or do not acquire the proper training would not be paid at the same rate as they are currently. The BPS is able to fund this plan by removing step raises and by making salary awards for graduate credits only when teachers take courses that are aligned with the District's reform strategy. A high performing teacher can feasibly rise from the lowest salary level (Novice 1) to the highest (Special Assignment) within five years compared to the minimum of nine years that it currently takes to reach maximum pay.

The differences between the current teacher salary schedule and the BPS proposal is highlighted by the analysis of two teachers, one who earns high performance ratings and the District's recommended teaching certifications while the other takes longer to attain certifications and receives a mediocre performance evaluation.

Case One -- Effective teachers receive raises faster on an average annual basis than the current salary schedule allows. For example, a teacher who earns his Master's degree or certification from the BPS's

Table 2

Proposed and Current Salary Structure Comparison

Case One

Master's Degree, No Advancement, Meets Standards

Contract Year	Current Structure			BPS Proposed Structure		
	Lane	Step	Salary	Level	Tier	Salary
Current	Master's	3	\$59,458	Novice	3	\$55,125
Year 1	Master's	4	62,628	Advanced	1	60,638
Year 2	Master's	5	66,266	Advanced	2	63,669
Year 3	Master's	6	69,970	Advanced	3	66,853
Year 4	Master's	7	74,197	Master	1	73,538
Total Increase			\$14,739	Total Increase		\$18,413
% Increase			24.8%	% Increase		33.4%
Avg. Annual % Increase			6.2%	Avg. Annual % Increase		8.4%

Case Two

Master's Degree Year 2, Does Not Meet Standards Year 3

Contract Year	Current Structure			BPS Proposed Structure		
	Lane	Step	Salary	Level	Tier	Salary
Current	B+15	3	\$57,564	Novice	3	\$55,125
Year 1	B+15	4	60,738	Novice	3	55,125
Year 2	Master's	5	64,139	Advanced	1	60,638
Year 3	Master's	6	67,834	Advanced	2	63,669
Year 4	Master's	7	72,059	Advanced	2	63,669
Total Increase			\$14,495	Total Increase		\$8,544
% Increase			25.2%	% Increase		15.5%
Avg. Annual % Increase			6.3%	Avg. Annual % Increase		3.9%

proposed Advanced Teacher Program this year and no further academic credentials over the next four years but has excellent performance ratings over the course of the four year contract can increase his salary at a greater annual average rate (8.4%) than with the same credentials under the current structure (6.2%).

Case Two -- A teacher who does not acquire the

necessary training or achieves poor performance ratings receives lower average annual salary increases than he otherwise would under the current structure. For example, a teacher who does not receive a Master's degree or training from the proposed Advanced teacher program this year and also achieves a poor performance evaluation in the third year of the contract would receive a 3.9% average annual salary increase compared to a 6.3% average annual increase over that time under the current schedule.

While current BPS teachers are not likely to choose this salary schedule proposal unless they are confident they will receive high performance ratings, there are advantages in this more rigorous proposal for new teachers. Aside from the aforementioned characteristics such as higher salary scale and the opportunity to reach maximum pay faster, it should be noted that at least 5% of the teaching force would be accepted as Special Assignment teachers annually. Also, the salary levels in the proposed schedule would be adjusted in each collective bargaining cycle in order to maintain BPS's competitiveness with other districts.

Conclusion and Recommendations

A proposal to alter BPS teacher compensation incentives from years of service and graduate credits toward work portfolio, student outcomes and evaluations has been on the table in BPS/BTU contract negotiations. A less robust compromise was almost reached in early April that would have eliminated automatic step increases for teachers with unsatisfactory performance evaluations and granted the BPS greater control over which courses would count toward lane changes. However, the full extent of reform outlined in this report is crucial because the allocation of over \$400 million or almost 50% of the BPS operating budget should be made a strong force for integrating teacher performance evaluations, professional development and evaluator training to achieve improved teacher effectiveness and increased student achievement.

It is necessary for the BPS to carefully execute a

thorough and objective evaluation system in order to counter criticism that the plan is too subjective as a means of deciding teacher salaries. Based on past critical assessments of the BPS' evaluation system, a high priority and adequate resources should be devoted to evaluator training and support in order to ensure that the new teacher evaluation system reaches its full potential. Most teachers want an effective evaluation system in which they are actively involved and that helps them improve their craft and their ability to connect more effectively with their students. They also want experienced evaluators, properly trained, who can objectively assess their work, recommend improvements, and serve as mentors.

The proposal places substantial promotion authority with the Superintendent, and the BPS should be careful to not allow personnel cost considerations to have a bearing on promotion decisions. This comprehensive system involving a change in salary incentives, evaluation and professional development should be continually evaluated to ensure that it effectively utilizes resources to best serve the teachers and students of the BPS.

The BPS should also reconsider how Special Assignment teachers would be compensated. As the BPS prepares the contract details it will present in fact finding, it should change the proposal by replacing the temporary three-year stipend with a permanent salary level. High performing teachers should continue to be paid more for accepting challenging assignments so long as they continue a record of exemplary performance and assume school leadership roles.

Incremental change is not acceptable in the teachers' contract being negotiated. If the September 4 proposal is the best the BPS expects it can achieve through further negotiations with the BTU, it should move to fact-finding and insist on its original compensation plan.

Appendix A

Boston Public Schools

Teacher Salary Schedule as of August 30, 2010

	Bachelor	B+15	Masters	M+15	M+30	M+45	M+60	M+75	Doctorate
1	46,754	48,367	49,972	51,587	53,198	54,808	56,650	58,248	59,159
2	52,502	54,395	56,295	58,196	60,094	61,981	64,114	65,759	66,697
3	55,665	57,564	59,458	61,362	63,248	65,153	67,286	68,935	69,872
4	58,838	60,738	62,628	64,529	66,422	68,312	70,458	72,103	73,039
5	62,000	64,139	66,266	68,402	70,541	72,673	75,041	76,689	77,627
6	65,706	67,834	69,970	72,101	74,236	76,363	78,886	80,531	81,469
7	69,929	72,059	74,197	76,329	78,465	80,600	82,975	84,621	85,558
8	74,203	76,330	78,468	80,600	82,736	84,876	87,247	88,894	89,832
9	77,913	80,043	82,178	84,312	86,446	88,588	90,959	92,607	93,543

Salary Increase Due to Lane Changes

	Bachelor to B+15	B+15 to Masters	Masters to M+15	M+15 to M+30	M+30 to M+45	M+45 to M+60	M+60 to M+75	M+75 to Doctorate
%	3%	3%	3%	3%	3%	3%	3%	2%
\$	\$1,613	\$1,605	\$1,615	\$1,611	\$1,610	\$1,842	\$1,598	\$911
%	4%	3%	3%	3%	3%	3%	3%	1%
\$	\$1,893	\$1,900	\$1,901	\$1,898	\$1,887	\$2,133	\$1,645	\$938
%	3%	3%	3%	3%	3%	3%	2%	1%
\$	\$1,899	\$1,894	\$1,904	\$1,886	\$1,905	\$2,133	\$1,649	\$937
%	3%	3%	3%	3%	3%	3%	2%	1%
\$	\$1,900	\$1,890	\$1,901	\$1,893	\$1,890	\$2,146	\$1,645	\$936
%	3%	3%	3%	3%	3%	3%	2%	1%
\$	\$2,139	\$2,127	\$2,136	\$2,139	\$2,132	\$2,368	\$1,648	\$938
%	3%	3%	3%	3%	3%	3%	2%	1%
\$	\$2,128	\$2,136	\$2,131	\$2,135	\$2,127	\$2,523	\$1,645	\$938
%	3%	3%	3%	3%	3%	3%	2%	1%
\$	2,130	2,138	2,132	2,136	2,135	2,375	1,646	937
%	3%	3%	3%	3%	3%	3%	2%	1%
\$	\$2,127	\$2,138	\$2,132	\$2,136	\$2,140	\$2,371	\$1,647	\$938
%	3%	3%	3%	3%	2%	3%	2%	1%
\$	\$2,130	\$2,135	\$2,134	\$2,134	\$2,142	\$2,371	\$1,648	\$936

Average Lane Change Increase	2.7%
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Appendix A (continued)

Salary Increase Due to Steps

Year		Bachelor	B+15	Masters	M+15	M+30	M+45	M+60	M+75	Doctorate
1 to 2	%	12.3%	12.5%	12.7%	12.8%	13.0%	13.1%	13.2%	12.9%	12.7%
	\$	\$5,748	\$6,028	\$6,323	\$6,609	\$6,896	\$7,173	\$7,464	\$7,511	\$7,538
2 to 3	%	6.0%	5.8%	5.6%	5.4%	5.2%	5.1%	4.9%	4.8%	4.8%
	\$	\$3,163	\$3,169	\$3,163	\$3,166	\$3,154	\$3,172	\$3,172	\$3,176	\$3,175
3 to 4	%	5.7%	5.5%	5.3%	5.2%	5.0%	4.8%	4.7%	4.6%	4.5%
	\$	\$3,173	\$3,174	\$3,170	\$3,167	\$3,174	\$3,159	\$3,172	\$3,168	\$3,167
4 to 5	%	5.4%	5.6%	5.8%	6.0%	6.2%	6.4%	6.5%	6.4%	6.3%
	\$	\$3,162	\$3,401	\$3,638	\$3,873	\$4,119	\$4,361	\$4,583	\$4,586	\$4,588
5 to 6	%	6.0%	5.8%	5.6%	5.4%	5.2%	5.1%	5.1%	5.0%	4.9%
	\$	\$3,706	\$3,695	\$3,704	\$3,699	\$3,695	\$3,690	\$3,845	\$3,842	\$3,842
6 to 7	%	6.4%	6.2%	6.0%	5.9%	5.7%	5.5%	5.2%	5.1%	5.0%
	\$	\$4,223	\$4,225	\$4,227	\$4,228	\$4,229	\$4,237	\$4,089	\$4,090	\$4,089
7 to 8	%	6.1%	5.9%	5.8%	5.6%	5.4%	5.3%	5.1%	5.0%	5.0%
	\$	\$4,274	\$4,271	\$4,271	\$4,271	\$4,271	\$4,276	\$4,272	\$4,273	\$4,274
8 to 9	%	5.0%	4.9%	4.7%	4.6%	4.5%	4.4%	4.3%	4.2%	4.1%
	\$	\$3,710	\$3,713	\$3,710	\$3,712	\$3,710	\$3,712	\$3,712	\$3,713	\$3,711

Average Step Increase	
beyond year 2 to 3	5.3%
year 1 to 2	12.8%

Source: 2006-2010 Boston Public Schools, Boston Teachers Union Collective Bargaining Agreement