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## Highlights

- Improving teacher quality is the single most important strategy to increasing student achievement
- With 97% of teachers receiving ratings in the top two of four categories, the current teacher evaluation system is significantly less useful in differentiating performance than intended
- Teacher compensation is currently based exclusively on years of service and academic credits and fails to reward teacher effectiveness

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333 Washington Street, Suite 854  
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## Next Teachers' Contract Must Be About Reform

*Change should focus on supporting effective teachers*

The City of Boston is now engaged in negotiations with 40 of its 43 employee bargaining units for new contracts in 2016. No contract will be more important to Boston than the one now being negotiated between the Boston School Committee and the Boston Teachers Union (BTU). Public education in Boston is at a crossroads and the outcome of this contract will go a long way in determining the future of the Boston Public Schools (BPS). At stake for both the BPS and BTU is the ability of the BPS to be more competitive with charter schools in improving student achievement. This contract can be the vehicle to put the BPS on a more level playing field by increasing teacher quality and extending learning time.

Recent BPS initiatives that are showing promise in improving teacher quality and diversity need to be supported with change in contract language. New reforms should reward effective teachers and improve the teacher evaluation system. The City has protected the School Department from the growth of charter school students and the related increase of the charter tuition assessment by continuing to dedicate 35% of total city budget expenses to the BPS. However, continued growth of charter school students, which could be accelerated by passage of the charter cap ballot question, requires that the BPS adopt meaningful reform in order to be a high quality option for Boston residents.

Supporting and improving teacher quality and adding more time for learning in the BPS should be the mutual objectives of the City and BTU in these negotiations. To that end, the final three-year contract should include the following provisions:

- **Teacher Compensation** - Adopt a new fiscally responsible teacher compensation system that rewards teachers for performance and additional responsibilities rather than for academic credits and longevity.
- **Mutual consent** - Reinforce early hiring and mutual consent for teachers and extend mutual consent as the process for hiring paraprofessionals.
- **SPC Teachers** – Improve procedures for the assignment and evaluation of teachers in suitable professional capacity (SPC) positions in order to improve teacher quality and reduce the number of SPC teachers not hired after a year or who do not apply for positions.
- **Teacher Evaluation** - Improve the teacher evaluation process based on the BPS' experience over the last three years.
- **Excessing Procedures** – Include language for excessing teachers that is consistent with retaining top quality teachers irrespective of seniority.
- **Extended Time** - Provide more time on learning for students in traditional Boston schools in a fiscally responsible and sustainable manner.

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## Importance of Teacher Effectiveness

The educational value of improved teacher quality has been well documented by research. Several studies evaluating what factors shape a child's success in school have generally found that nothing matters as much as the quality of teaching. That is the conclusion in a June 2016 article in the *Economist*. The article referred to a study updated last year by John Hattie of the University of Melbourne who "crunched the results" of more than 65,000 research papers on effects of hundreds of interventions on student learning. He found that "all of the 20 most powerful ways to improve school-time learning identified by the study depended on what a teacher did in the classroom." Additionally, the research of Eric Hanushek, an economist at Stanford University, estimated that during an academic year pupils taught by teachers at the 90<sup>th</sup> percentile for effectiveness learn 1.5 years' worth of material. Those students taught by teachers at the 10<sup>th</sup> percentile learn half a year's worth. Furthermore, work by Thomas Kane of Harvard University indicates that if African American children were taught by the top 25% of teachers, the gap between blacks and whites would close within eight years. The findings of these and other studies clearly demonstrate why contract changes to ensure effective teachers in each BPS classroom are of paramount importance in the current negotiations.

## Current Contract

The current teachers' contract was approved by the parties in September 2012 and covers the six years from September 1, 2010 to August 31, 2016. The contract (two three-year contracts) was estimated to cost \$156.3 million, of which \$136.5 million or 87.3% was for salary increases. Some positive reform was achieved in this contract regarding school hiring flexibility and teacher evaluation, but the BPS dropped its proposal for extended time and deferred on its plan for an alternative teacher salary structure.

The 2010 Achievement Gap education reform legislation required each school district to adopt a new teacher evaluation system and both parties agreed to adopt the state model. The new system

was implemented for all teachers in SY2012-2013. The adopted model allowed the BPS to conduct progressive evaluations as opposed to the past system which was viewed as less constructive. This change was an improvement because this system focuses on both improving good teachers and exiting ineffective teachers. It also allows for teachers to differentiate themselves through four different Summative ratings instead of the prior two ratings.

This contract also established an improved process for permanent teachers to secure a position if they are involuntarily excessed for a variety of reasons or voluntarily excess themselves from their current positions. The Post-Transfer Placement Process (PTPP) is initiated after the normal transfer process is completed in March or April. PTPP expanded the number of qualified teachers able to bid on vacant positions and most staff decisions are made through "mutual consent" of the school and teacher. As such, seniority is not a factor in this phase of staffing decisions.

In the last round of negotiations, the BPS pushed for a new salary structure that would have tied teacher salaries to performance and added responsibilities rather than years of service and graduate credits. The proposed system would have allowed effective teachers to earn salary increases faster and underperforming teachers would have earned raises more slowly relative to the current salary schedule. In the end, the parties agreed to form a joint committee to discuss an alternative compensation model, but no action was taken.

No agreement was reached on extended time which kept in place elementary students receiving five hours and 10 minutes of instructional time daily, amounting to approximately 930 hours of annual instruction time, the statewide minimum. In January of 2015, Mayor Walsh and the BTU agreed to bring [extended days](#) to 20 schools a year for three years starting in SY2015-2016. Extended time was provide for 18 schools in the first year, but has been put on hold for this year. Extended time for more schools will be planned for SY2017-2018.

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## Human Capital Initiative

In 2014 the BPS implemented a new teacher hiring [process](#) designed to start earlier in the year and to increase each traditional school's autonomy to hire high quality teachers that fit the specific needs of that school. Increasing teacher diversity in schools was also a key objective of the initiative. The thrust behind this initiative was the belief that improving teacher quality is the single most important strategy to increasing student achievement.

The Human Capital Initiative (HCI) took advantage of existing contract language that allowed schools to "open-post" positions by providing a \$1,250 stipend for each open position, which did not require further negotiations with the BTU. Under this system, schools have the freedom to pick the best candidates for a position, whether they are current employees or external candidates, and are not bound by seniority in hiring decisions. This initiative allowed the BPS to shift the hiring process months earlier, when the most effective and diverse candidates would still be available. Additionally, this change enabled the BPS to expand "mutual consent hiring" to all schools, instead of just a select few that had hiring autonomy.

The commitment to teacher effectiveness and workforce diversity does come with a cost as some tenured teachers have not secured permanent teaching positions over the past two years, but remain employed by the BPS in positions of "suitable professional capacity" due to state tenure law. The salary and benefit costs of the SPC teachers and the cost of stipends totaled \$10.5 million in fiscal 2015, and are budgeted at \$13.3 million in fiscal 2016 and \$10.6 million in fiscal 2017.

## School Finances

The importance of further reform in the teachers' contract to improve teacher quality and instruction is tied to the finances of the Boston School Department and the Commonwealth's funding of Commonwealth charter schools. The BPS is a revenue dependent district, meaning that its entire General Fund operating budget is supported by an annual appropriation from the City. The BPS

operating budget in fiscal 2017 is \$1,031.7 billion for a projected enrolment of 57,314. External funds from state and federal sources also add \$131.7 million which represents 11.3% of the combined budget.

In the upcoming school year the number of Boston resident students attending Commonwealth charter schools is projected at 10,082 or 15% of all Boston resident students attending a public school. Chapter 70 school aid follows the student so the funding for these students is achieved through a charter school tuition assessment deducted from state aid flowing to Boston. Over the past five years from fiscal 2012 to the fiscal 2017 budget, the charter assessment has grown by \$82.7 million or 111.7%, compared to the BPS budget growth of \$200.3 million or 24.1%. Nevertheless, the charter tuition growth has not had a direct impact on the BPS as the City has kept the School Department's annual spending at approximately 35% of total city operating expenditures for several years.

However, continued growth of charter school students, which could be accelerated by passage of the charter cap ballot question in November, requires the BPS to adopt meaningful contract reform and expenditure control in order to be a high quality and attractive option for Boston residents. The Research Bureau's April 2016 [Special Report](#) provides a more detailed explanation of the funding of charter schools and its impact on the City and BPS.

## Teacher Contract Costs

BPS teachers are well compensated compared to their peers in Massachusetts which is important to retain and recruit quality teachers. For the fiscal 2017 budgeting process, the BPS calculated that the average teacher salary was \$90,891 for a regular education teacher, an 18% increase since fiscal 2009. In 2015, the last year with complete statewide data, the average BPS teacher salary of \$87,306 was well above the state average of \$74,737. However, this pay is not tied to performance, and therefore fails to ensure that the most effective teachers are properly rewarded for their success. Additionally, the above average pay

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for a school day that only meets the state minimum for instructional hours should be taken into account when the BPS and BTU negotiate on issues such as teacher compensation and extended learning time.

Teacher salaries are based exclusively on length of employment and academic credits, neither of which has been shown to correlate to improved student outcomes. Teachers not at the maximum step of the [salary schedule](#) receive a step increase each year on the anniversary of their employment. These salary increases are automatic and not contingent upon any performance evaluations. In the current salary schedule the average annual step increase is 12.8% after the first year and 5.3% after subsequent years.

Teacher salaries also grow by the level of educational attainment, placing each teacher in one of nine salary lanes which reward teachers for earning higher degrees and additional graduate credits. Under this system, a novice teacher, who earns a masters over the first three years of teaching would receive a salary increase of 27.2%, even if their students consistently underperform. At the same time, their peer who greatly improves student achievement, but does not earn a masters degree, would receive an increase of only 19.1%. This salary structure in no way relates to the District's academic goals and also fails to reward the highest performing teachers.

### **Contract Recommendations**

Supporting, improving, and protecting teacher quality in the BPS should be the mutual objectives of the BPS and BTU in these negotiations. The recommendations below are intended to provide the BPS with reform measures that will contribute to improving student achievement. Charter schools already benefit from many of these measures, which puts the BPS at a competitive disadvantage in attracting students and improving performance. To that end, the final three-year contract should include the following provisions:

**Teacher Compensation** – Adopt a new teacher compensation system that rewards teachers for performance and additional responsibilities rather than academic credits (salary grid) and longevity.

Across the country experience and academic credits are key features in most teacher pay contracts, but there is currently a push to incorporate performance into teacher salary structures. The Center for American Progress' 2015 [report](#) analyzed teacher salary redesign efforts across the country. This report found that shifting pay away from experience and advanced-degree attainment was a best practice of the districts analyzed. Furthermore, performance-based pay had been adopted on some level in six of the ten districts analyzed including Baltimore, Pittsburg, and Washington D.C.

Performance-based teacher pay would not be new in Massachusetts. Teachers in the Lawrence Public Schools, under state receivership due to underperformance, negotiated a performance-based pay system. Additionally, performance-based pay has been implemented at two BPS schools, the Dever Elementary School and the UP Academy Holland Schools. Both schools have been assigned a state receiver to run a turnaround effort, allowing changes to the BTU contract and salary structure. The BPS Principals and Headmasters negotiated a performance compensation system in 2015. The BPS should build on this experience and expand performance-based pay for all BTU teachers.

**Time on Learning** – Extend the school day in order to make traditional BPS schools more competitive with alternative options including charter schools.

Time on learning under the current contract meets only the state minimum in traditional BPS schools. While extended days have been implemented in some autonomous BPS schools and 18 traditional schools, this practice should be expanded to all schools by including a longer school day in the contract. Charter schools in Boston have much longer school days and school years, which gives them a distinct advantage in attracting students and improving student achievement. A longer school day not only provides to additional time spent on learning, it also gives students more structured activities than the traditional school schedule and more closely aligns with the schedules of working parents. The high compensation already paid to Boston teachers and a school day that only meets

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minimum state requirements are reasons why the cost of extended learning time for all traditional schools should be reasonable and sustainable.

**Early Hiring and Mutual Consent – Reinforce early hiring, open posting and mutual consent for teachers in the contract and extend mutual consent for hiring paraprofessionals.** In the first year of the BPS’ Human Capital Initiative in SY14-15, hiring was moved forward significantly, with 63.3% of new teachers hired before July 1st, compared to 8.7% in the previous school year. In SY15-16, 57.0% of teachers were hired before July. Hiring in August and September has fallen from 64.7% of total hires in SY13-14 to 25.0% of hiring in SY15-16. Due to this shift, more teachers were hired before the end of June, which meant traditional Boston schools could compete with charter schools and suburban districts for the best teachers available. The BPS reports that candidates hired before July are nearly twice as likely to receive “Exemplary” evaluations as candidates hired later in the hiring cycle. This process now should be extended to hiring paraprofessionals in order to give school leaders more autonomy in hiring the full instructional team that best fits the educational needs of the school.

An important component of early hiring was the contract provision of “open posting” that enabled schools to hire teacher early from inside and outside the District as long as the position provided a stipend of \$1,250. Open posting has given schools the freedom to pick the best candidates for a position, whether they are current employees or external candidates and are not bound by seniority in hiring decisions.

With this change, school leaders are better able to create the workforce that fulfills the needs and mission of their school. Mutual consent also eliminated the “bumping” of promising provisional teachers from their positions to place permanent teachers with seniority in their certification and eliminated administrative placement of teachers not selected for a position. To better manage the costs of this program, the \$1,250 stipend for each open posted position should be eliminated.

**SPC Teachers – Improve procedures for the assignment and evaluation of SPC teachers in order to improve teacher quality and reduce the number of SPC teachers not hired after a year or who do not apply for positions.** The commitment to teacher effectiveness and workforce diversity has come with a cost as some tenured teachers have not secured permanent teaching positions and remain employed by the BPS in positions of “suitable professional capacity” due to state tenure law. The cost of the Human Capital Initiative in fiscal 2015 was \$10.5 million and is budgeted at \$13.3 million in fiscal 2016 and \$10.6 million in fiscal 2017. Ongoing use of an improved [teacher evaluation](#) process and a more targeted professional development program as well as reform of the state tenure law are necessary to reduce this cost and dismiss underperforming teachers, and teachers who are not hired by schools after a year or teachers who do not engage in seeking a permanent teaching position.

**Teacher Evaluation – Improve teacher evaluation language based on the BPS’ experience over the last three years.** After three years experience with the current teacher evaluation system, the state model, the parties should agree to refinements that will improve the evaluation system to help teachers become more effective in the classroom and also identify teachers who should be dismissed. School officials who evaluate teachers should receive extensive training to fully utilize the evaluation process to improve teacher quality. The current evaluation system was designed with four ratings categories (“Unsatisfactory,” “Needs Improvement,” “Proficient,” and “Exemplary”). These categories ostensibly allow for meaningful differentiation of performance that could inform hiring, professional development, and retention decisions across the district. However, current implementation of the evaluation system has resulted in 97% of teachers receiving ratings in the top two categories, rendering the evaluation significantly less useful than its design intended.

The District should be especially diligent in evaluating teachers in a SPC position in order to provide needed support and training to strengthen

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their teaching skills, but also to identify teachers who do not meet standards and should be terminated. While termination through evaluation can be a lengthy process, it is an important tool in increasing the quality of the BPS workforce and controlling costs.

**Excessing Procedures – Include language for excessing teachers that is consistent with retaining top quality teachers irrespective of seniority.**

While seniority no longer plays a role in the hiring process, it still controls the excessing process. When a school must reduce its number of teaching positions, for enrollment or budgetary reasons, school leaders must first excess provisional teachers, followed by permanent teachers with the least seniority. This process undermines the goal of improving teacher quality, as successful young educators may be separated from their positions before underperforming but more senior educators are dismissed. As a result, while school-based hiring teams have flexibility in staffing decisions when positions are expanding, they lack similar flexibility in staffing decisions in schools that are facing reductions in staff. The parties should agree to an excessing procedure that protects the benefits of early hiring and mutual consent by eliminating seniority in such decisions.

**Post-Transfer Placement Process – Restrict PTPP to teachers with positive evaluations.** As jobs that are assigned to the Post-Transfer Placement Process are not open to outside candidates, only teachers with evaluation rating of “Proficient” or “Exemplary” should be allowed to participate in the process to ensure that teachers who participate are qualified to be in a classroom. Teachers with evaluation rating of “Needs Improvement” or “Unsatisfactory” should only be allowed to compete for jobs through the open posting process.

## Conclusion

The outcome of the contract negotiations between the School Committee and Boston Teachers Union will influence the future of the Boston Public Schools. A reform contract focused on attracting and retaining quality teachers and extending

learning time will determine the BPS’s ability to compete successfully with charter schools. The City’s ability to properly fund the School Department’s growing budget is also at issue with the ballot question in the November election that would further expand charter seats in Boston. In this environment, both the BPS and the BTU have a mutual self-interest to come to agreement about the reform recommendations made in this report.

The stakes are high and this contract must be a bold reform contract that is also fiscally responsible and sustainable. It cannot follow the past with some incremental changes but no significant improvements. BPS students totaling 57,314 deserve effective teachers in all classrooms with extended time for learning and cannot wait for gradual change. This contract should not be longer than three years so that both parties will be able to revisit the contract and implement reforms to match the educational needs that will exist in fiscal 2020.

This contract should be settled by September, 2016 and not repeat the delay of the last teachers’ contract. The degree of meaningful reform in the new contract must be fully understood sooner than later because it could be a factor in the voting in Boston on the charter cap ballot question on November 8th.