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Testimony to the Senate Select Committee on Education Reform and **Public School Finance**

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Much of the discussion among the leadership lately has been about raising overall salaries in addition to incentive pay. The problem is, one has to come before the other, and it's got to be significant, and that is raising overall salaries. Why? First of all because every expert on the issue, even supporters of performance pay, agree that base pay must be viewed as adequate before moving to incentive pay. For example, Allen Odden, a national expert and proponent of incentive pay was quoted recently as saying: "The Texas pay system and particularly the benefits are way below the national average. Incentive pay elements don't work as well when the pay is below average." (San Antonio Express News, Feb. 11, 2005).

Some try to argue that Texas teacher pay is adequate, but the evidence shows otherwise. According to the latest national teacher salary survey, conducted by the American Federation of Teachers, Texas teachers earned \$6121 less than the national average of \$46,597, a wider gap than the previous year when they earned \$5606 less than the national average and the latest National Education Survey ranks Texas as 33rd in the nation for teacher pay. No matter how you slice it, whether you include the cost of living (which, by the way is not typically used because it's not a reliable factor because it varies widely within states), or benefits along with salaries (at least one study ranked Texas dead last in the nation when looking at benefits), or weekly wages, so as to account for not working in the summer, Texas teacher wages are slipping further behind the national average teacher salary and salaries of comparable workers.

Additionally, our current salary schedule in no way constrains school districts from using differentiated pay for teachers, and many do, in the form of stipends for shortage subject areas, mentoring etc.

The other big reason we need to focus on raising overall salaries is to address teacher retention. We have a huge shortage of certified teachers willing to teach in this state. Repeated surveys of teachers tell us why: low salaries and poor working conditions. Not only that, but teacher turnover costs this state between \$329 million and \$2.1 billion per year, depending on the model used. http://www.sbec.state.tx.us/SBECOnline/txbess/turnoverrpt.pdf

Research shows that higher salaries result in increased teacher retention. The RAND Corporation, in May 2004, published a report providing a summary and critical evaluation of the research on the topic of teacher recruitment and retention. The report found that 22 studies offered evidence suggesting that higher salaries resulted in greater teacher retention, and 8 reliable studies surveying teachers which found that low salaries had an effect on teachers' decisions to leave the profession. It cited no studies finding that increased salaries do not improve teacher retention. Cassandra Guarino, "A Review of the Research Literature on Teacher Recruitment and Retention," RAND Corporation, Santa Monica, CA, TR-164-EDU, 2004, x., May 2004

http://www.rand.org/pubs/technical_reports/2005/RAND_TR164.sum.pdf

Proponents of performance pay say raising overall salaries will keep bad teachers in profession and that we need to essentially keep salaries artificially low to encourage bad teachers to leave and clear the way for good teachers to come in. That was Dr. Hanushek's testimony at last month's Senate Select committee hearing.

But his own evidence showed otherwise. He produced a chart showing the quality of teachers leaving the profession. What his chart showed was that the teachers leaving are actually neither the "bad" teachers nor the "good" teachers, but rather, those in the middle. (see

http://www.senate.state.tx.us/75r/Senate/Commit/c525/handouts06/02272006.c525.hanushek.pdf (pg. 8)

It seems ludicrous in the face of our 45,000 teacher shortage that we would want to encourage more teacher turnover, especially if it's not the bad teachers who are leaving and when it costs the state between \$329 million and \$2.1 billion per year.

Additionally, we are aware of no comprehensive research to support assertion that all these good teachers will rush in to fill these vacancies because of performance pay. In fact, the research we've seen says college students are discouraged from going into the profession because they feel that teachers in general are seriously underpaid. "Most 20-somethings are looking forward to a future where their salaries will progress on pace with their experience." They clearly want to know that a good wage is a definite, rather than a possibility. ("A Sense of Calling" published by the Fordham Foundation and Public Agenda in late 2000).

(http://www.publicagenda.org/specials/teachers/teachers.htm)

(Full article available for a fee)

Finally, this focus on "bad" teachers is fairly offensive, and also a red herring, serving as a diversion from focusing on policy that is designed with the majority of teachers in mind. When you have less than 1% of the teachers in the Denver ProComp program having their salaries frozen for receiving unsatisfactory evaluations, for example, you wonder why anyone would be focusing on writing policy for such a small group.

Even if we get to the point of being able to talk about performance pay, we already know we don't have the tools to do it.

Our current testing system is apparently inadequate for this purpose. In fact, according to Dr. Hanushek's testimony last month, it's not even that good for the purpose that it was designed: to measure the performance of students. He testified that it wasn't good at measuring across entire spectrum of students and hinted that it may not cover the curriculum it needs to cover. His remedy to make up for these problems? Pay at the campus level rather than at the individual level.

In fact, the state's answer to this lack of a statewide tool upon which to base performance pay seems to be to push it down to the local level and let school districts figure it out. But if our current testing system isn't even very good at accomplishing its intended purpose, it sure raises questions about using it for a purpose that's much more attenuated, that is, teacher performance.

It also raises doubts about any kind of test that's designed for one purpose – measuring student performance, but is used for another – measuring teacher performance. Plus, teachers and students already feel overloaded with standardized testing. Requiring teachers to teach our state curriculum, administer tests on our state curriculum, and administer additional tests so that teacher performance can be measured is totally unreasonable.

We also apparently don't have the tool to accurately isolate teacher effects on student performance. Although some try to champion "value-added" as the silver bullet to accomplish this, not enough is known about it.

That's because its inventor has kept it proprietary and no one else has been using value-added models long enough to know if they work. That's why the RAND corporation concluded that the research base is currently insufficient to support the use of value-added models for high-stakes decisions. http://www.rand.org/publications/MG/MG158/

Even so, what limited information we have about value-added raises questions about its ability to ensure fairness. For example, even Dr. Hanushek admitted last month that outside factors still have more impact than school factors on student performance and that in his research, they were not able to control for intervening factors that happen during the school year that might impact student performance.

No one's saying teachers don't have an impact on student performance. That's really not the issue.

The issue is the ability to define exactly how much it matters, which is important in ensuring a fair system of accurately judging teacher

impact. The ability to accurately isolate teacher effects remains an issue, and until that issue can be resolved, we have serious doubts that any incentive plan would work.

Finally, there's the issue of effectiveness. The whole goal of teacher performance pay is to supposedly increase student performance. But no one really knows if it does. As Dr. Hanushek testified last month, we don't have a lot of data about the effectiveness of incentives b/c there aren't that many performance pay programs, and the ones that exist haven't been around long enough to know. He stated that accordingly, we need to treat this as a process and not suddenly proclaim that incentives are the answer. Not only that, but we have a big problem in this state — teacher retention. Without teachers, not much chance of student performance increasing. Does performance pay increase teacher retention? We don't know. If the state is going to practice what it preaches to educators, that is, to make data-driven decisions, then the state should see what happens with the pilot programs we now have in place before jumping to base teacher pay on performance.