TEXAS PUBLIC POLICY FOUNDATION

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LEGISLATOR'S GUIDE
to the issues

TEXAS PUBLIC POLICY
FOUNDATION

Teacher Pay and Administrative Flexibility

The Issue

According to the Nation's Report Card (NAEP), Texas student reading scores are some of the lowest in the nation and declining; Texas ranks 46th in fourth-grade reading and 42nd in eighth-grade reading. Further, 2018 STAAR results indicate over 58% of Texas third-graders read below grade level.

It is well-established that individual classroom teachers matter much more to student achievement than any other aspect of schooling except for parental involvement. According to the Texas Education Agency (TEA) teacher effectiveness can be measured, and the best Texas teachers can be identified. Effective teachers increase student learning gains, close learning gaps, increase workforce and college attainment, and boost the state's economy. Conversely, ineffective teachers not only harm individual student performance, but increase taxpayer-funded student remediation costs and Texas' economic prospects.

Despite the dramatic impact effective teachers have on student achievement and the urgent need to recruit and retain them, the Texas school finance formula system does not encourage or reward school districts that adopt differentiated teacher pay for performance programs wherein the most effective teachers are identified and compensated for their success. This is in large part due to the use of teacher salary schedules in districts that are modeled on the state's salary schedule. Under these schedules, teacher compensation is based almost exclusively on years of experience and education. Little attention is given to actual achievement, i.e., the increase in student learning. Further, teacher unions have long objected to paying effective teachers more and to removing ineffective teachers from the classroom.

As a result, Texas is struggling in both urban and rural areas to recruit and retain effective teachers:
- The teacher turnover rate is 16.5%, creating large and ongoing taxpayer-funded effective teacher recruitment, training, school continuity, and related human capital expenses;
- Thirty-four percent of new Texas teachers leave within five years;
- In many rural districts, more than 20% of teachers, and more than 30% of new teachers, leave each year; and
- Nationally, 86% of teachers come from the bottom two-thirds of their graduating college class.

The primary reasons highly effective teachers leave the classroom are:
- They do not receive meaningful pay raises throughout their tenure. Teachers who are highly effective and teach in a high-poverty, rural, or difficult to staff subjects or campuses are usually paid the same as all other teachers. In fact, nearly all teachers in Texas—regardless of effectiveness or longevity—will earn between $45,000 and $61,000, with very little chance for a meaningful salary advancement.
- To advance in pay, prestige, and responsibility, effective Texas teachers must often leave the classroom to become a principal or administrator.
- Few professions offer so little opportunity for advancement in pay, prestige, or career advancement.

It is important for Texas to adopt a teacher compensation program that works. In the past, Texas has financed expensive across-the-board salary increases. Experts agree these one-time increases are not effective at retaining high-performing teachers, waste taxpayer money, and interfere with local control.

Research suggests that effective compensation programs will:
- Provide significant ongoing increases in salary to highly effective teachers, with the top 5% of master teachers earning $100,000 or more;
- Be transparent in program design and operation; and
- Be permanent and reliable parts of the formula system.

A differentiated teacher compensation program does not have to increase tax-payer costs. Texas spends more on teacher salaries than anything else in public education, and as a result, changes in existing compensation allocations and practices could have a significant impact. Many districts already give annual, ineffective across-the-board raises. These across-the-board raises could be converted into raises for effective teachers determined by those who know the teachers best—the principals who supervise the teachers. Further, existing school finance funding could be easily deployed toward differentiated compensation, especially if some existing state mandates on the use of funds were removed.

Across Texas, differentiated teacher compensation programs are already being enacted within existing district resources; programs exist in Dallas ISD, Lubbock ISD, Austin ISD, Longview ISD, Pharr-San Juan-Alamo ISD, and Era ISD. Dallas ISD's Accelerating Campus Excellence (ACE) teacher compensation program is seeing dramatic increases in student results, with double-digit, year-over-year STAAR reading gains at multiple high-poverty elementary schools.

Texas teachers often cannot advance professionally without leaving the classroom. In other high-performing countries, in-classroom teachers can advance; for example, Singapore provides that teachers can become lead teachers and master teachers. In Texas, some schools compensate teachers who earn certifications or micro-credentials in areas that will improve their practice or student results. Programs that reward lead, master, and specially certified teachers should be supported in the formula system.

The Facts

- Texas needs to vastly improve its student results and nothing matters more to student achievement than individual teacher effectiveness.

- Highly effective teachers can be successfully identified.

- Texas teacher turnover rates are increasing, especially in rural districts.

- Texas spends more money on teachers than any other aspect of public education.

- If Texas used existing resources to increase the recruitment and retention of its highly effective teachers, Texas student results would increase, while expensive, on-going remediation and human capital costs would decline.

- Similar to Singapore teachers, Texas teachers should be able to advance professionally while remaining in the classroom.

Teacher Pay and Administrative Flexibility (cont.)

Recommendations

- Eliminate the state teacher salary schedule and encourage districts to do the same.

- Allow principals to determine teacher compensation within their schools.

- Existing school finance formula funds should be repurposed, and barriers to using funds removed, to ensure school districts adopt effective teacher differentiated pay programs and that teachers are given career advancement opportunities.

- Remove legal barriers to principals removing ineffective teachers.

Resources

"HC Differentiated Compensation" by Kate Rogers, Holdsworth Center (2018).

"Equity Works: Accelerating Campus Excellence (ACE) Results," *Commit* (May 15, 2018).

"NAEP 2017 Mathematics and Reading Results," National Association of Educational Progress (NAEP) Texas (April 2018).

"School Finance and School Outcomes The Role of Incentives" by Eric Hanushek, Presentation in front of the Texas Commission on Public School Finance, Texas School Project (Feb. 22, 2018).

Schoolhouses, Courthouses, and Statehouses: Solving the Funding-Achievement Puzzle in America's Public Schools, by Eric A. Hanushek and Alfred A. Lindseth, Princeton University Press (2009).

"One-Year Attrition by District Size 2012-2015," by Michael C. Ramsay, Texas Education Agency (2016).

"Teacher Compensation Practices," Presentation by Commissioner Mike Morath prepared for the Senate Education Committee, Texas Education Agency (March 26, 2018).

Texas Commission on Public School Finance Outcomes Working Group Recommendations, Texas Commission on Public School Finance (July 2018).

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