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City Club Research Study: Oregon State Ballot Measure 95

City Club of Portland (Portland, Or.)

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City Club Research Study

Oregon State Ballot Measure 95: Teacher Pay Determined by Student Performance

Committee Recommends "NO" on 95

Your Committee Found:

Measure 95 would dramatically change the teacher compensation system in Oregon. Currently, teacher pay is based on seniority and education level. Nationally, some school districts and states have begun to experiment with other approaches, but only recently and to a very limited extent. None tie individual teacher pay directly and solely to student performance.

Measure 95 would require the development of an extensive and costly testing system. Tests would have to be developed for and administered to every class of students in every subject area from kindergarten through graduate school. While the new system would cost millions to develop and operate, it is not clear that it would improve student performance.

Some committee members think the general concept of rewarding teachers for their effectiveness in the classroom is worth exploring. However, to be successful any reforms must be the product of a collaborative process that includes teachers, administrators, and school boards; must include an effective and credible assessment system; and must receive adequate and reliable funding.

Finally, the Oregon Constitution, our state's fundamental governing document, is no place for detailed instructions on how teachers should be paid.

Your committee unanimously recommends a "NO" vote on Measure 95.

The City Club membership will vote on this report on Friday, October 27, 2000. Until the membership vote, the City Club of Portland does not have an official position on this report. The vote outcome will be reported in the *Bulletin* dated Nov. 10, 2000.

I. INTRODUCTION

Ballot Measure 95 will appear on the ballot as follows:

Caption:	AMENDS CONSTITUTION: STUDENT LEARNING DETERMINES TEACHER PAY; QUALIFICATIONS, NOT SENIORITY, DETERMINE RETENTION
Result of "Yes" Vote:	"Yes" vote requires student learning, not seniority, determines teacher pay; qualifications, student learning determine retention.
Result of "No" Vote:	"No" vote retains current laws for paying, retaining teachers by qualifications, including performance, education, seniority.
Summary:	Amends Constitution. Currently, seniority and postgraduate study may determine public school teacher pay, job security. Measure requires public school teacher's pay, job security to be based on increase in students' appropriate knowledge while under teacher's instruction. Allows performance-based pay increases, certain across-the-board cost-of-living increases, retention of most qualified teacher of subject when layoffs occur. Prohibits automatic pay increases, job retention based on seniority. Applies to new or extended collective bargaining agreements signed on/after November 7, 2000.

(The language of the caption, question, and summary was prepared by the Oregon Attorney General and amended by the Oregon Supreme Court.)

The City Club created our committee to review Measure 95 and to recommend a position on the measure to the City Club general membership. City Club screened committee members for conflicts of interest to ensure that no member had an economic interest in the outcome of the study or was publicly identified with an existing position on the study topic.

Committee members met twice weekly during late September and early October. Committee members interviewed Measure 95 proponents and opponents, teachers, and school administrators. Committee members also reviewed an extensive collection of relevant articles, reports, and other materials.

What Would Measure 95 Do?

Measure 95 is a citizen initiative that would amend the Oregon Constitution.

Measure 95 would prohibit the current system of paying teachers based on their number of years of service and level of education. Instead, Measure 95 would require that teacher pay be based only on "the degree to which the appropriate knowledge of the teacher's students increased while under his or her instruction."

Measure 95 would prohibit automatic teacher pay increases based on seniority or additional college courses or degrees. The measure would allow school districts to give teachers across the board cost-of-living pay increases, as long as the increase does not exceed the increase in the consumer price index and the teachers' base pay is based on performance not seniority.

Schools and school districts sometimes need to lay off teachers. Under the current system, teachers with the fewest years of service usually are the first to be laid off. Measure 95 would prohibit school districts from considering years of service when deciding which teachers to lay off.

Measure 95 would take effect in each school district when a new collective bargaining agreement is negotiated or when an existing agreement is extended after November 7, 2000.

The Measure 95 Explanatory Statement states that, for the purposes of the measure, "'public schools' include public elementary schools, public secondary schools, community colleges, state colleges and state universities, and all state and local institutions that provide education for patients or inmates."

II. BACKGROUND

Public schools systems have been struggling to transform themselves for over a decade. Changes in our economy and society have led to demands for higher academic standards, better student performance, and greater accountability of schools and teachers. In response, Oregon, and many other states, have adopted and are trying to implement significant education reforms.

Some education reformers, politicians, and citizens advocate applying a similar results-based approach to teacher compensation. The thinking is that teachers who are more effective at teaching should be rewarded and paid more. Proponents of compensation reforms believe that financial bonuses will push teachers to develop and apply their skills more effectively and thereby raise student achievement.

This section of our report provides some basic background information to help Club members better understand Measure 95's likely impacts. This section discusses broader trends that affect the demand for and quality of teachers, the evolution of the current system of teacher compensation, current experiments around the county in alternative pay-for-performance models, and the existing teacher compensation system in Oregon.

The Broader Context

One of the major challenges facing school districts in Oregon and across the country is how to attract, maintain and develop high-quality and effective teachers. Recent education reforms and higher standards require teachers to have deeper subject knowledge and better teaching skills. At the same time, schools and teachers are being asked to handle a wider variety of more complex student problems including violence, emotional and health problems, drug use, and poverty.

Educators and the public have recently become more aware of the importance of teacher quality. Recent studies have shown that one year with a poor quality teacher can hinder a student's academic performance for years afterwards.

Schools across the nation need a lot more teachers. The population of students is growing as a result of a baby "boomlet." As the number of students grows, many states also are attempting to reduce class sizes. Some school districts and states around the country are already trying to hire away good teachers from other communities. At the same time schools are under pressure to raise salaries, policy makers are often unwilling to allocate more funding without greater accountability for good quality performance by teachers.

Attracting good quality new teachers may be difficult. Teachers at the top of their profession earn \$15,000 to \$20,000 less than college graduates in other fields with similar responsibilities. The Oregonian reports that in Portland teacher pay ranges from \$27,888 (bachelor's degree with no teaching experience) to \$40,644 (Master's degree and six years' experience), and tops out at \$59,673 (doctoral degree and 13 years of experience).

Critics say that schools of education currently do not adequately prepare teachers to be effective in the classroom. In many other industrialized countries, new teachers receive mentoring and other support during first years of teaching. In the U.S. system, new teachers receive little support and a large number leave the profession within the first three to five years.

The challenge is clear. How can schools attract, motivate, and retain enough good teachers to staff the classrooms, meet society's evolving goals for education, and ensure that teachers continue to teach effectively throughout their careers.

Evolution of Teacher Compensation in the U.S.

Teacher compensation has gone through a number of different phases over the past century. Into the late 1800s, teachers were hired by a local community and worked primarily for room and board. In the early 1900s, the nation's growing industries developed bureaucratic organizational structures and position-based salary systems. Schools followed suit. Teachers were required to have higher levels of education. Elementary school teachers were paid less than secondary school teachers, and women and minority teachers were paid less than non-minority males.

The single-salary schedule, still in place today, emerged in the early 20th century. Overt discrimination in pay and a strong demand for greater teaching skills led to a system that paid the same salary to teachers with the same qualifications. A teacher's pay, then and now, depended on objective measures of years of experience, educational degrees, and additional college course work. The system was intended to be objective, measurable, and not subject to whims of school administrators or politicians.

During the 1970s and 1980s, many school districts experimented with "merit pay" programs that provided additional pay to individual high performing teachers. These programs suffered from a lack of objective standards and assessment methods. The decision about which teacher would receive merit pay was generally based on subjective performance reviews by school administrators. Teachers ended up competing for a limited pot of merit pay funding, creating a divisive and competitive environment in schools. Funding was often inadequate, and teacher compensation was not well linked to overall school strategies or goals.

In 1960, 10 percent of school districts in the country reported the use of some type of merit pay system. A 1978 survey showed that number had dropped to 4 percent, with half of those gone within five years. By the mid-1980s only 1 percent of teachers worked under a merit pay system. Merit pay proposals continue to be viewed negatively by many educators.

The single-salary system is still the dominant method used to compensate teachers in Oregon and across the nation. Advantages of this system are that it is very predictable and objective, it is simple to understand, and allows school districts to easily project and budget labor costs. Critics of the system say teacher quality and effectiveness does not necessarily increase with years of service. Teachers can receive additional pay for college courses not related to the needs of their school or students. Critics say the single-salary system does not reward teachers who are particularly effective or provide incentives for teachers whose performance is only adequate, or sanctions for those whose performance is poor.

A New Approach—Pay for Performance

In recent years, interest has grown in compensation systems that would reward teachers for their actual knowledge and teaching skills rather than years of service and education. A number of school districts and state governments are exploring different models of performance-based compensation systems.

A major national source of research and information on performance based compensation for teachers is the Teacher Compensation Project at the Consortium for Policy Research in Education at the University of Wisconsin-Madison. This federally-financed program draws on the education research programs at five major U.S. universities. The Project has prepared detailed case studies of a number of pay-for-performance models around the country. (www.wcer.wisc.edu/cpre/teachercomp/). These models generally fall into two major categories: skills and knowledge based systems, and student performance based systems.

Skills and Knowledge Based Compensation: This model is based on evidence that effective teaching requires teachers to be proficient in a certain range of skills and knowledgeable in the subject area that they teach. Teachers are assessed and receive bonuses for each area of proficiency. In some programs teachers can receive up to \$15,000 in bonus pay in addition to their regular salaries. (The Vaughn Next Century Learning Center in Los Angeles is a charter school that has developed one of the most interesting examples of this type of program. See article by Jeff Archer, "Changing the Rules of the Game," *Education Week*, June 14, 2000).

Some schools have based their teacher evaluation and compensation programs on the research of Charlotte Danielson, author of an influential 1996 book, *Enhancing Professional Practice: A Framework for Teaching*.

Danielson's research identified 22 skill areas that promote improved student learning. These are grouped into four areas: Planning and Preparation, The Classroom Environment; Instruction; and Professional Responsibilities. (<http://www.ascd.org/readingroom/books/danielson96book.html>)

Another measure of teacher skill is a teacher certification program administered by the National Board of Professional Teaching Standards (NBPTS). Many states and school districts around the country provide substantial bonuses to teachers who achieve NBPTS certification. The NBPTS grants national certification to outstanding teachers who complete a rigorous application and review process. An *Education Week* article from October 1999 reported that 23 states and about 85 school districts offer bonuses to teachers who receive NBPTS certification.

(NBPTS is an independent, nonprofit, nonpartisan organization governed by a 63-member board of directors. Most board members are classroom teachers, others are school administrators, school board leaders, governors and state legislators, higher education officials, teacher union leaders, and business and community leaders. Visit <http://www.nbpts.org/nbpts/> for more information).

Student Performance Based Compensation: Some districts offer bonuses based on student performance. Almost all of these are "school-based" programs that measure the overall performance of all the students in a school—they do not measure performance by the students of a single teacher. If the overall academic performance of a school's students improves more than a set amount, the school receives a bonus. In some cases the bonus is given to and spent by the school as a whole. In others, it is divided up among all individual faculty and staff members.

Proponents of school-based awards say they recognize and reward the team effort required to improve student performance. Critics say individual teacher bonuses can be divisive, can divert teaching time to efforts to improving test scores, and can lead to falsification of test results.

Our committee founds only two school districts that link bonuses for individual teachers to improvements in the performance of that teacher's students over a school year.

Denver School District: In September 1999, the Denver School Board approved a two-year pilot program which rewards teacher's based on improvements in the performance of his or her students. School participation in the program is voluntary and requires support from 85 percent of the faculty. Twelve elementary schools and three middle schools volunteered to participate. The schools were divided into three groups. A different approach is used to evaluate student performance with each group of schools. Student performance is judged on:

· the Iowa Test of basic skills, or

- tests and classroom work given by the teacher, or
- improvements in classrooms where teachers take professional development courses to improve their skills.

Teachers in the pilot schools receive \$500 for participating in the program and an additional \$1,000 if the majority of the teacher's students show improvement by the end of the year.

Colonial School District (Pennsylvania): In August 1999, the Colonial School District implemented a system of individual teacher and group achievement awards. Individual teachers are ranked according to how their students' test scores compare to those of a similar teacher's students. When comparison scores are not available, teachers are ranked relative to the rest of their comparison group on the basis of a portfolio of measures. The measures are determined by school district administrators and reviewed by an independent educational consultant.

Teachers can earn bonuses if their entire department is rated as "outstanding." Teachers can also earn bonuses if they, as individuals, are ranked as outstanding. Outstanding teachers are selected by a panel that includes an independent educational consultant, the school superintendent, and a teachers' association representative. Of the total number of teachers, 10 percent (but no more than 20 percent), must be ranked as outstanding. Individual awards are calculated by dividing the total amount of money available for bonuses by the number of outstanding teachers. The bonuses range from \$1300 to \$2800 per year.

Our committee found no examples of states or school districts that determine an individual teacher's base compensation on the performance of his or her students—the system proposed by Measure 95.

Measuring Individual Teacher Impact on Student Performance

Measure 95's sponsors said they based the measure on the availability of a sophisticated assessment system used in Tennessee and the use of a more basic assessment program in North Carolina.

Tennessee: The Tennessee Value-Added Assessment System (TVAAS) was developed by Dr. William Sanders in the early 1990s as part of a broad education reform in Tennessee. The reform included a significant increase in state education funding. The assessment system responded to the legislature's demand for both strong accountability and evidence that funding was being spent in a way that actually improved student performance.

The TVAAS tracks a student's test scores over a few years and establishes a projection of academic improvement. The system compares actual performance to the projection. The system aggregates student

performance results across many students and uses a very sophisticated and complex methodology to isolate out the impact of a particular school or teacher on a student's performance. The system is designed to compensate for a variety of real world complexities and factors.

In the early years of the program, all students in grades 2 through 8 were tested each year in five subjects-math, reading, language arts, science and social studies. Math tests were later added for high school students. Other subject area tests are planned.

Our committee talked about the program with Benjamin Brown, the director of evaluation and assessment for the Tennessee Department of Education. He said the TVAAS is an excellent assessment tool and has been found to be very accurate. Its greatest strength is its ability to measure the impact of individual teachers on student performance. He warned that the system, requires an equally high quality testing system to generate the data used in the analysis.

Mr. Brown said TVAAS is a strong tool for diagnosis. The results can correlate performance problems with an individual school or teacher. The results can even show how effective teachers are at teaching different subjects or at teaching to different groups of students in their classes.

The TVAAS results are kept confidential. Only the teacher and the principal see the results. (Another copy is kept on file with the school district.) Teachers use the results to improve their own performance. Principals use the results to work with individual teachers or to reassign teachers to tasks that better draw on their strengths.

Tennessee school districts do not use the TVAAS to determine teacher compensation. Teachers are paid primarily on the traditional single-salary system based on seniority and education.

North Carolina: The North Carolina General Assembly adopted a statewide student assessment program in 1996. The program tracks changes in performance for individual students and measures the "amount of student learning during the year that is attributable to the school." The system tests elementary students on reading and math skills, and uses multiple choice tests and an essay test to evaluate student learning in eleven subject areas. In a few years, the system will begin to calculate expected average improvement in student performance and compare it to actual improvement by individual students.

The North Carolina program ranks schools in five levels from "exemplary schools" to "low performing schools" and those that "violated testing requirements." The program does not tie student performance to individual teacher pay or bonuses. Our committee was not able to determine whether the program has led to improved student performance.

Principles for Teacher Compensation Reform

The CPRE Teacher Compensation Project has identified ten key process principles that are important to the successful development, design, and implementation of a new compensation system. These principles are:

1. **Involvement of all key parties**, and especially those whose compensation is being affected. This is the preeminent principle for successfully changing compensation policies. Teacher unions, administrators, school boards and the public all should be centrally involved in the process of development, design and implementation.
2. **Broad agreement on the most valued educational results** is also crucial. All parties-teachers, administrators, board members, parents and the public-need to agree on the results that are most valued.
3. **Sound comprehensive evaluation systems** need to be in place to assess teacher knowledge and skill development in a skill-based pay system, and to evaluate organizational products and processes to be rewarded through group based performance awards. Assessment mechanisms might include measures of student achievement, parent satisfaction, and teacher and administrator skills, knowledge, and performance.
4. **Adequate funding** that is integrated within the school finance structure is less likely to be vulnerable to cuts than a separate funding pool. Lack of funding and a lack of a long-term funding commitment have been key aspects of the downfall of many efforts to reform compensation in education. Transition funds often are needed to move from the old to the new structure and performance bonuses need a stable funding pool.
5. **Investments in ongoing professional development** are key to knowledge- and skill-based pay structures. Such investments should be in the range of 2-3 percent of the operating budget.
6. **Quotas should be avoided.** All schools meeting performance improvement targets should be rewarded, not just a fixed percentage of schools. Organizational excellence is dependent on consistent rewards for improvements in performance.
7. **General conditions of work must be addressed.** The better the conditions of work in a school (teacher involvement in decision-making, sound facilities, availability of materials, safety, etc.), the more likely a new form of compensation can be implemented successfully. A corollary to this principle is that the compensation system should be designed with the general conditions of work in

mind. For example, skills assessment in a high-involvement school should incorporate teachers fully in the assessment process.

8. **Management maturity is also important.** Administrators and the school board should have good working relationships, and the administration should develop a history of working cooperatively with teachers and their unions to further system goals and objectives. Restructuring of the salary schedule should occur in an environment characterized by interest-based bargaining, in which each party recognizes the interests and concerns of the other parties.
9. **Labor maturity** goes hand-in-hand with the behavior of the administration. Teacher associations, and their members, need to have positive commitment to the academic goals of the school, good working relationships among themselves, and a tradition of working with management toward education system key goals.
10. **Persistence** until the plan is "perfected" is the key to long-term success. Most plans have initial "bugs" and are viewed with skepticism by some employees. Thus, persistence is needed to continue implementation, to revise the plan when problems are identified, and to encourage full participation to see how the plan works when fully implemented.

(<http://www.wcer.wisc.edu/cpre/teachercomp/tchrcomp/tcprocess.htm>)

Current Teacher Compensation System in Oregon

Teacher compensation in Oregon is left entirely up to local school districts. Local districts establish their compensation systems through collective bargaining. All the teacher compensation systems in Oregon are based on the single-salary model—years of service and educational level. Teachers receive automatic pay increases within that structure.

Some Oregon districts, including Portland Public Schools, experimented with merit pay during the mid-1970s and early 1980s. By the mid-1980s, the programs were abandoned for the same reasons that merit pay programs failed across the country.

Teacher Tenure: From 1973 to 1997, Oregon teachers achieved tenure after completing a three-year probation period. Teachers could only be fired for a handful of specific reasons. School administrators were required to document these reasons and give teachers a chance to correct the problems by participating in an "assistance plan." Teachers dismissed after completing an assistance plan could appeal their dismissal to the Fair Dismissal Appeals Board. In 1997, the *Oregonian* reported that while "most cases [were] settled before reaching the Board, administrators [had] complained for years that the process [could] take years and cost tens of thousands of dollars."

1997 SB 880: In 1997, the Oregon Legislature passed Senate Bill 880, which eliminated teacher tenure and put teachers on a two-year renewable contract. The bill streamlined the process for dismissing teachers who do not meet standards and required districts to consider a teacher's ability to teach a course, not just seniority, in making layoffs. Under SB880, the contracts of teachers who are doing well are renewed automatically. Teachers who are having problems are notified by their district and given the opportunity to correct the problem through participation in an assistance plan. If the problems are not corrected the teacher is dismissed.

A representative of the Oregon School Boards Association reported that the number of teacher dismissals has not increased since the passage of SB880. He said the number of teachers participating in, and successfully completing, assistance plans has increased. A representative of the Oregon Education Association estimated that 30 teachers were dismissed last year, out of approximately 30,000 public schools teachers in Oregon.

SB 880 did not affect teacher pay. While this legislation has affected the way districts evaluate teacher performance for the purpose of contract renewal, teacher compensation in almost every school district in Oregon continues to be based solely on years of service and education level.

Some Oregon school districts have developed sophisticated performance evaluation systems that evaluate teacher proficiency in set of skills, similar to those identified by Charlotte Danielson. These performance evaluations do not affect a teacher's pay.

Oregon Experiments with Pay for Performance

Only a few Oregon school districts are experimenting with some limited forms of pay for performance. Three districts provide bonuses to teachers who receive NBPTS certification (Sweet Home, Gresham-Barlow, and Eagle Point). These bonuses vary from a one-time \$10,000 bonus to a permanent \$5,000 increase to a teachers base salary.

The Central Linn School District is the only Oregon district that has incorporated skill- and knowledge-based criteria into its pay structure. To receive step or merit pay increases, individual teachers must meet certain professional development goals. Teachers can advance through four levels (basic, standard, advanced and master)—each level has three pay steps. To advance to the next level, teachers must meet goals that include: a bachelor degree and then a master's degree, earning a license in a second subject area, completing progressively advanced proficiency requirements, and mentoring and leading other teachers. Teachers that do not meet the requirements to advance to the next level receive only cost-of-living increases.

III. ARGUMENTS PRO AND CON

A. Arguments Advanced in Favor of the Measure

Proponents offered the following arguments in favor of Measure 95:

- Research shows that teacher quality has a very powerful impact on student achievement. But with today's method of teacher compensation, we often lose our best teachers and retain those who are least effective.
- Basing teacher pay on student performance will attract better teachers, recognize teachers doing good work, and result in more learning.
- In Oregon, teachers are rewarded for postgraduate work and length of time teaching, rather than for getting results in the classroom. The result is that better teachers tend to move on to other professions. Studies have shown that those who score highest on measures of academic ability are most likely to leave teaching early, and that those who score lowest are most likely to remain.
- The studies seem to show that good teachers are as important as parental involvement in boosting student achievement. It isn't right that a teacher who is deadwood gets paid as much as a teacher who is talented and really connected with the students.
- For nearly three decades, researchers have known that rewarding teachers in proportion to experience and graduate education does not contribute to gains in student achievement.
- Student test scores are higher in states that have taken steps to improve teacher quality. North Carolina, which offers financial rewards for improved performance, has had the largest student achievement gains in math and reading of any state over the past decade.
- Currently, when teacher layoffs occur, retention of teachers is based on length of employment, rather than on competence of the teacher.
- This initiative requires a teacher's compensation and job security to be based on the increase in students' appropriate knowledge while under that teacher's instruction.
- Recognizing that disruptive students can hamper the learning ability of an entire class, Measure 95 also authorizes teachers to permanently remove disruptive students from their classrooms.

B. Arguments Advanced Against the Measure

Opponents offered the following arguments against Measure 95:

- Measure 95 is vague, unworkable, unfair, and expensive. It does not define student progress or how the progress would be measured, or give any description of how to implement such a measurement system.
- The Oregon Constitution, our state's fundamental governing document, is no place for detailed instructions on how to pay teachers.
- Measure 95 is an experiment with unknown results. As a constitutional amendment, it can't be tested, changed and improved. It makes our children guinea pigs for unproven ideas.
- No other state in the nation has chosen to tie individual teacher pay to the performance of that teacher's students.
- Measure 95 does nothing to address the real problems in our schools such as a lack of parental involvement, lack of adequate funding, inadequate and outdated materials, overcrowded classes, and violence on school campuses.
- Measure 95 is a risky scheme that takes millions of dollars away from our schools real need—adequate funding. It doesn't put back lost programs. It doesn't decrease class sizes. It doesn't even improve student learning.
- Teaching is a group effort. Tying student performance to individual educators is the wrong way to go. It creates competition, rather than cooperation, and that's destructive in a school setting.
- Basing teachers' pay on the performance of their students on standardized tests is just not fair! Student achievement and academic performance are part of a larger equation that includes student motivation, parental involvement and quality teachers. Measure 95 has nothing to do with any of these things.
- Measure 95 does not promote critical thinking or a well-rounded curriculum that prepares students for the new century. It sets up a system where standardized test scores are the only way to measure the performance of a student. It gives no indication how progress will be measured in special education, physical education or other electives.
- Measure 95 does nothing to help schools get rid of inadequate teachers. The Oregon Legislature has ended teacher tenure and our schools have the tools to get rid of bad teachers.

- Measure 95 could easily discourage a teacher who wants to work in difficult and challenging situations, such as working with students with severe special needs.
- No two students are alike. Measure 95 says student progress must be identical for a teacher to be successful. That is unfair and unrealistic. Measure 95 will leave our at-risk and special needs students behind.
- Measure 95 will impose a new, elaborate, and costly testing system for every classroom in Oregon from kindergarten through graduate school. It will cost taxpayers \$47 million dollars to implement and \$22 million dollars a year to administer. Think of how many teachers our schools could hire or how many new books or computers we could buy with that money.
- Measure 95 creates more bureaucracy instead of letting local school districts work with principals, teachers, parents and school boards to find their own answers.
- Under Measure 95, teachers will have to spend hours of their time filling out needless paperwork that has nothing to do with learning.

IV. DISCUSSION

What is the Problem?

Teacher quality is clearly one of the most important factors in student performance. At the same time, teachers do not control many of the outside factors that influence an individual student's readiness, willingness, and ability to learn. Large class sizes, inadequate materials and facilities, and other external pressures can also impede the learning process. However, questions remain: Are teachers being as effective as they can be in the areas over which they do have control? And what role can a compensation system play in rewarding effective teaching and simulating teacher development?

A 1999 study by the Education Trust (*Good Teaching Matters: How Well-Qualified Teachers Can Close the Gap*) synthesized research that shows that teachers are the single most significant factor in student achievement. The author, Kati Haycock, argues that the best investment states and districts can make, especially for poor and minority students, is assuring a well-qualified teacher for every child.

Critics of the current education system say teacher quality is hindered by: inappropriate training in schools of education, lack of adequate support and guidance for new teachers, lack of meaningful and effective professional development opportunities, and low pay compared to other comparable college graduates. They say teacher salaries are not linked to organizational needs. They call for a system that "recognizes deep technical expertise,

which is increasingly needed, and provides salary increases when teachers learn the content knowledge and pedagogical strategies needed to teach a more rigorous curriculum well to all students." (CPRE, "Why Change Teacher Compensation?")

Witnesses told our committee that there are excellent teachers who feel a deep passion for their work. Many other teachers generally have good skills and are reasonably effective. Other teachers do not have adequate knowledge in the subject area they teach. Some do not have skills that are well suited to helping students achieve higher academic standards. Some have simply lost their enthusiasm or interest in teaching.

We saw some evidence that school districts in Oregon and elsewhere in the nation are developing more sophisticated evaluation systems to give teachers useful feedback on their performance. We were not able to determine the extent to which these programs improve teacher or student performance

There is some evidence of a public perception that school districts do not do enough to ensure that teachers have adequate skills throughout their careers. Some people feel that teachers earn more pay for simply staying with the job and for getting more education credits, even if those credits are not related to the needs of their students or their school. Some studies we saw found that increased teacher seniority and education level do not have a strong correlation with more effective teaching after the first five years of a teacher's career.

We heard that the current teacher compensation system in Oregon does not encourage or support meaningful performance evaluation or reward teachers who are already effective or who improve their effectiveness.

Is Pay for Performance a Desirable Alternative?

The current single-schedule compensation system has some significant benefits. The system evolved over many decades and has survived many attempts at reform. It is seen by many teachers and administrators as fair, equitable, predictable, and easy to understand. The current system makes it easy for school districts to budget labor costs. An OEA representative said the current system works well for most teachers and administrators. He said groups inside the education system are not asking for a major change to the compensation system.

Some education reformers argue that a new compensation structure is needed that would pay teachers for the skills needed to produce high education performance. In such a system the best-paid teachers would be those with the deepest and broadest array of professional expertise. They say that education reform programs around the country are emphasizing new standards-based, results-oriented norms and values. They say teacher

compensation systems need to be aligned with the same principles and values.

Past experiments with merit pay systems have failed primarily because, rewards were based on subjective decisions, teachers were not given clear goals, no good objective mechanisms existed to measure a teacher's impact on student performance, the programs were inadequately funded, and, systems caused teachers to compete for a limited pool of bonus money.

Current experiments with performance pay could provide interesting insights into the effectiveness of the new approaches at improving student performance. States and school districts outside Oregon appear to be proceeding cautiously. Some are gathering more information through pilot projects. Others have left the traditional compensation system in place but give teachers the opportunity to earn bonuses based on their skills and knowledge or student performance.

Allan Odden, director of the CPRE Teacher Compensation project, told the *Oregonian* that he "doesn't advocate that teacher pay be based solely on student achievement." He agrees "with most educators that teaching is a group effort, and tying student performance to individual educators is the wrong way to go. It creates competition, rather than cooperation, and that's destructive in a school setting...."

Is Oregon's System likely to change without Measure 95

Without the passage of Measure 95, Oregon's current teacher compensation system will likely remain in place. Change will happen when proponents of changing the pay system can convince school boards and administrators that a performance pay system is sound policy and that it can be implemented fairly and economically. Teacher unions are generally opposed to pay for performance reforms. An OEA representative said the union is willing to consider certain school-based award programs (where all teachers and staff share a bonus when overall school performance improves) and non-monetary awards for excellence.

Our committee found no evidence that any effort is underway to explore opportunities for broad reform of the teacher compensation system. The legislature apparently is not pursuing the issue. Nor is the Oregon Department of Education. School district administrators feel they are being squeezed so tightly financially that they cannot risk adopting a pay system that adds uncertainty into their budgets. The Oregon School Board Association provides technical support to any districts that want to learn about pay for performance compensation options.

While education is at the forefront of public debate, other aspects of that debate seem to dominate. Adequate funding, class-size, "accountability," etc. all have a place on the agenda and supporters within the educational establishment. Our committee found no organized support for Measure 95 beyond the chief petitioners. Measure 95 has drawn public attention to the teacher compensation system, but support has yet to follow. 21

Evaluation of Measure 95 Against CPRE Principles

The CPRE provided some useful guidelines for the successful reform of a teacher compensation system. We applied these guidelines to evaluate Measure 95 below:

1. **Involvement of all key parties.** Measure 95 was developed without consultation with or input from any of the affected parties. If Measure 95 passes, school districts, administrators, and teachers will have the opportunity to work together to develop new compensation programs that comply with Measure 95.
2. **Broad agreement on the most valued educational results.** Teachers, administrators, board members, parents and the public were not involved in establishing the results on which compensation would be based under Measure 95. Measure 95 requires that the basis for compensation be the increase in students "appropriate knowledge." It appears that compensation could not be patterned after the most promising models from other states—teacher knowledge and skills, or school-wide performance. Under Measure 95 each district could work with other affected parties to define what would constitute "appropriate knowledge." This could lead to disparities from one community to the next in how teacher pay is determined.
3. **Sound comprehensive evaluation systems.** No district in Oregon or elsewhere in the nation currently has a system that would provide the evaluation data needed to implement Measure 95. Measure 95 opponents argue that standardized tests would need to be developed and administered to all students in all classes from K-12 through graduate school. Measure 95 proponents say standardized tests are not necessary. They envision students being tested at the beginning of the school year on topics to be covered, then re-tested at the end of the year to see how much they've learned. Proponents claim that districts could generate this information with mechanisms similar to the TVAAS or the student performance evaluation used in North Carolina. Neither of these systems are currently used to determine individual teacher compensation.
4. **Adequate funding.** Measure 95 does not propose an add-on bonus program. It proposes that all funding of teacher salaries be distributed based on improvements in student "appropriate knowledge." Additional funds would be needed to help districts develop and transition to a new compensation system, and to develop and maintain the extensive new evaluation programs.
5. **Investments in ongoing professional development are key to knowledge.** Measure 95 would not allow the development of

skill-based pay structures. The measure would not prohibit a parallel system of teacher skill evaluation and targeted professional development. The cost of developing and maintaining both systems would be high.

6. **Quotas should be avoided.** Measure 95 would not appear to allow quotas (e.g. bonuses for the top 10 percent of teachers or schools). Every teacher's pay would have to be based on the performance of his or her students.
7. **General conditions of work.** Measure 95 does not address work conditions (e.g. teacher involvement in decision-making, sound facilities, availability of materials, safety, etc.). School districts could consider these conditions as they develop their new compensation systems.
8. **Management maturity.** Measure 95 does not address this issue. It does not prevent administrators and the school board from developing good working relationships or from working cooperatively with teachers and their unions to further system goals and objectives.
9. **Labor maturity.** Measure 95 does not address this issue. It does not prevent teacher associations, and their members, from developing a positive commitment to the academic goals of the school, good working relationships among themselves, and a tradition of working with management toward the key goals of the education system.
10. **Persistence.** Because Measure 95 proposes a constitutional amendment, it is much less subject to change than a statutory measure. While it allows some flexibility on how districts define and measure student performance, it would not allow a district to adopt other more promising skill and knowledge based compensation reforms.

Issues Over How Measure 95 Would Work

The language of Measure 95 makes it difficult to assess how it would work. Clearly, Measure 95 ties teacher job performance to student performance. What the measure does not attempt to address is how to measure student performance. Proponents have argued that student achievement should be assessed in a manner similar to those states where performance pay has been adopted, such as Tennessee (where the TVAAS has achieved a fair measure of success). Some opponents have countered that teacher pay will necessarily be tied to a currently undetermined (and unfair) "standardized" method of student testing. In fact, the measure does not require either method, nor does it preclude any particular means of measuring student performance.

Likely, if Measure 95 passes, teacher pay will be based on some measure of standardized test, as the opponents argue. For grades K-12, Oregon already tests students under statewide assessments to measure for certificate of initial mastery and benchmarks. These tests are administered in the 3rd, 5th, 8th, and 10th grades—not every year. In addition, Portland Public Schools has implemented Portland Achievement Levels Tests to measure student skills for various purposes. In conjunction with statewide assessments, teachers maintain portfolios of student performance in various areas. Although these measures fall far short of providing a comprehensive gauge of K-12 student performance, and they do nothing for testing on a post-high school level. It is possible that school districts may adopt a standardized testing and portfolio model not unlike the current statewide assessment system for the purpose of measuring student performance as it relates to teacher pay.

Mr. Brown, from Tennessee, cautioned that developing and administering a testing system that would cover every subject and every class from kindergarten to graduate school would be logistically challenging and very expensive. Some areas of instruction, such as special education, may require more sophisticated testing. Tests will have to be developed, even for subjects or levels of classes that may only apply to a couple hundred students statewide. Different testing approaches are likely to be needed in elementary schools compared to high schools or universities.

Mr. Brown advised that tests should be revised every year. Otherwise copies of the questions could get out, or teachers narrow their teaching to questions on past tests. Security of test questions could be a problem if all schools across the state do not take the tests on the same day. Students or teachers could easily distribute questions over the Internet. This is also costly.

Schools will also have to block out time in the school schedule to administer the tests. Mr. Brown questioned whether students would feel they had any stake in the results, if they know the tests are to determine teacher pay, not their own grade.

It is important to remember that Measure 95 does not mandate any particular means of measuring a student's appropriate knowledge. Therefore, while some argue that local district control—already eroded under 1990 Measure 5 and 1997 Measure 50—may be further jeopardized by a state-wide teacher compensation method, local control may in fact be enhanced. Measure 95 does not mandate that student performance for the purposes of teacher pay be determined on a statewide basis. In fact, teacher performance could be determined district by district, without state supervision or university by university for post-high school institutions.

What apparently is not in dispute, however, is that the measure will cost substantial sums to implement. Although the proponents base their support of the measure in part on the TVAAS system, it is important to note that TVAAS

was implemented as part of a broad-based education reform package in Tennessee that included increased funding for that state's public education system. Measure 95 does not allocate any new spending for implementation; and no matter what means is used to measure student knowledge, the cost will further stretch the limited resources currently available for public education.

Finally, merit pay systems have failed in the past for lack of proper planning and unified support from all stakeholders, including school boards, administrators and (especially) teachers. The committee could find no support for this "performance" pay measure from any interested educational association. In light of that fact, the question of how this measure will work might best be answered by the historical record. Viewed from that perspective, the question really is not: What benefits are lost by this measure's failure? But rather, "What risks to student achievement are posed by its passage?"

City Club Initiative Criteria

Measure 95 amends the Oregon Constitution. The City Club has a position that ordinary statutory matter should not be placed into the Oregon Constitution (*The Initiative and Referendum in Oregon*, City Club of Portland, 1996). Appropriate matters for constitutional amendments are those that are related to structure, organization and powers of government, and the rights of the people with respect to their government. Teacher pay and assessment matters can and should be addressed through statutory changes.

V. CONCLUSIONS

The committee believes that Measure 95 falls short of adopting the processes necessary to implement a successful performance-based pay structure. Studies in other states where performance pay has been adopted reveal that it succeeds only if coupled with systematic changes to the entire educational system. The process of implementing such reforms normally includes consensus among all stakeholders regarding educational improvements and outcomes, and sound evaluation and assessment systems for both teacher and student performance. In addition, the experience of other states shows that performance pay reform must recognize and fund the additional significant cost of the changing from the old system to the new system.

While the members of the committee differ on whether tying teacher pay to performance is a good idea, they unanimously agree, based on the historical record, that the measure is likely doomed to failure since it lacks two of the three critical elements necessary for effective reform: agreed upon measurement standards and adequate funding.

As a substantive matter, the committee faults the measure's reliance on student performance as the sole measure for teacher pay. Other states' reform programs measure a variety of teacher performance factors, and not just student achievement. No other state has chosen to base teacher pay solely on student performance.

The committee is mindful of public perception that there is a current crisis in public education and that new teacher skills are required for students to succeed. It acknowledges recent national trends which emphasize accountability and behavior-based compensation systems in employment. The committee shares the proponent's intrigue with elements of performance based pay concepts. We recognize the validity of reforms in other states that incorporate those ideas in teacher pay structures.

The committee believes, for example, that the general (perhaps vague) language of the measure (while susceptible to debate and perhaps litigation) may provide enough flexibility for districts and universities to craft pay criteria suitable to address local concerns. However, the committee feels that any potential benefits presented by the measure are outweighed by the risk of disrupting Oregon's already overburdened and underfunded educational system, especially in light of the fact no educational association interviewed supported the measure.

However, the committee strongly believes that Oregon should take note of performance pay reform efforts in other states. The legislature or the Governor's office should delegate a study group to review elements of such reform programs. In addition, the committee believes that the City Club should create a study committee to explore teacher pay-for-performance issues and models.

Some members of this committee embrace the concept that that the best teachers (if they can be fairly identified) should receive the best pay. Others reject the underlying premise because they feel that teachers are not motivated to excel through salary incentives.

If, and only if, a pay system different from the current matrix is to work, it must first be the product of a collaborative process that includes those most affected —teachers—and it must be supported by strong leadership at all levels, including the school board, administration, and the teachers. We are all united in our opposition to Ballot Measure 95 because it will not work.

VI. RECOMMENDATIONS

Your Committee unanimously recommends a NO vote on Measure 95.

Respectfully submitted,

Shirley Deale
Jennifer Peet
Chuck Stuckey
Candace Thornley
David Simon, chair

Paul Millius, research advisor
Paul Leistner, research director

VII. APPENDICES

A. WITNESS LIST

- Morgan Allen, No on 95 Campaign
- Boyd Applegarth, retired, former Beaverton School District Superintendent
- Benjamin Brown, executive director for evaluation and assessment, Tennessee Department of Education
- Richard Garrett, president, Portland Teachers Association
- Becky Miller, Oregon Taxpayers United
- Russell Panter, high school english teacher, Sherwood School District
- James Sager, president, Oregon Education Association
- Ron Wilson, director, Human Resource Development, Oregon School Board Association

B. RESOURCE MATERIALS

- Archer, Jeff. "Changing the Rules of the Game," Education Week, June 14, 2000. (www.edweek.org)
- Consortium for Policy Research in Education at the University of Wisconsin-Madison. "About Teacher Compensation," (<http://www.wcer.wisc.edu/cpre/teachercomp/tchrcomp/teachercomp.htm>).
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- Danielson, Charlotte. *Enhancing Professional Practice: A Framework for Teaching*, Preface, 1996 (<http://www.ascd.org/readingroom/books/danielson96book.html>)
- Haycock, Kati. *Good Teaching Matters: How Well-Qualified Teachers Can Close the Gap* (The Education Trust TK9802), Summer 1998.
- Olson, Lynn. "Pay-Performance Link in Salaries Gains Momentum," *Education Week*, October 13, 1999.
- Oregon School Board Association. "Negotiators Notebook, Performance Pay: Part 2," *Bargaining Tips*, December 1999/March 2000.
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The Oregonian:

- Carter Steve and Kinsey Hill, Gail. "Lawmakers Eliminate Teacher Tenure," July 1, 1997.
 - Carter, Steven. "Measure could revolutionize teacher pay," July 19, 2000.
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- Peterson, Bob. "Merit: To Pay or Not to Pay," *Rethinking Schools*, Vol. 14, No. 3, Spring 2000. (www.rethinkingschools.org)
- Sanders, William L. "Value Added Assessment," *School Administrator*, December 1998, Number 11, Volume 55. American Association of School Administrators. (<http://www.aasa.org/SA/dec9801.htm>)
- Sanders, William L. and Horn, Sandra. "An Overview of the Tennessee Value-Added Assessment System (TVAAS)." (http://www.mdk12.org/practices/ensure/tva/tva_1.html)