Tenure and single salary schedules have been a part of the teaching profession for decades, dating back to a turn-of-the-20th-century push for due-process protections and standardized pay for this group of public employees. There is another reform movement afoot at the beginning of the 21st century — one that could be remembered for dramatically changing how teachers are evaluated and compensated, hired and fired, and retained or laid off.

Tenure and single salary schedules have been a part of the teaching profession for decades, dating back to a turn-of-the-20th-century push for due-process protections and standardized pay for this group of public employees.

That is starting to change, not only in Michigan, but in states such as Illinois, Indiana and Ohio — where legislatures moved ahead this year with sweeping changes in education policy.

The Midwest has been at the epicenter of this shake-up in 2011.

“Teaching is a profession, but it’s not been treated as a profession,” says Michigan Rep. Tim Melton. “We’ve been using an old factory model of how we evaluate, one that uses only seniority and is not based on performance.”

That is starting to change, not only in Michigan, but in states such as Illinois, Indiana and Ohio — where legislatures moved ahead this year with sweeping changes in education policy.

Out are the “last-in, first-out” policies that based teacher layoffs and rehirings on seniority.

In are new rules on tenure, new stipulations that personnel decisions be based on performance, and new requirements that teacher evaluations be more rigorous and the ratings be tied at least in part to student academic growth.

“We’re starting to move the needle from subjective firings, hirings and decision-making to a greater use of objective data,” says Melton, a Democrat. “We’re going to get to a point [in Michigan] where 50 percent of our evaluations of teachers and principals will be based on student value-added growth. That will be the main data used in placement decisions and reductions in workforce.”

Dale Chu, Indiana’s assistant superintendent for policy, legal and communications, says his state is
undergoing a “complete sea change” in education policy. Not only will the evaluation of Indiana teachers be overhauled, the state is changing how K-12 instructors are paid.

The traditional single salary schedule, one in which teachers have been compensated based on years of experience and degrees earned or graduate hours taken, is being replaced: Those two factors will now account for one-third, or less, of pay increases.

“Research shows that those two factors have a negligible effect, at best, on student performance,” Chu says.

This leads to inefficiencies in the teacher-pay structure, he says, a nationwide concern that is one of the driving forces behind recent state-level reform efforts.

The value of effective teachers
Dan Goldhaber, director of the Center for Education Data & Research, says there are other causes as well.

First and foremost, a growing body of research is demonstrating just how important teachers are. Ten years ago, education reform efforts centered on school-based changes — new curricula and school hours, for example. Now, the focus is on ensuring that students are taught by highly effective instructors.

“The difference can be the equivalent of more than a year’s worth of achievement growth,” Goldhaber says. “So as a result, a string of highly effective teachers can really mitigate external factors, such as parental background and [school] neighborhood.”

Another force behind the recent legislative activity has been Race to the Top, a competitive federal grant program that provides states with financial incentives to adopt teacher-centered education reforms. (In Illinois, Michigan and Ohio, for example, the bills passed this year build on previous actions to compete for Race to the Top dollars.)

Less of an emphasis on seniority
While they share similar goals regarding teacher quality, the new laws in Illinois, Indiana, Michigan and Ohio have many distinct provisions.

The Illinois bill (SB 7 [3]) enjoyed broad bipartisan support and had the backing of key teachers’ unions, which hailed the measure for safeguarding collective bargaining rights and ensuring that teachers’ due-process rights are protected. (For example, an independent, highly qualified second evaluator — other than a principal — will be part of the evaluation in cases involving the possible dismissal of a teacher).

SB 7 also ensures that tenure will continue to be granted to teachers and institutes a new “fast track” to tenure for high-performing new teachers.

The legislation was overwhelmingly passed by the Illinois House and Senate.

In contrast, votes on some of the measures in other states were more divided, for a variety of reasons — such as the loss of collective bargaining rights (Michigan and Indiana now limit what can be negotiated between local school districts and their teachers), the linking of teacher evaluations and/or pay to student scores on standardized assessments, and a loss of teacher protections due to changes in tenure law.

But there are commonalities in the new state laws as well.
One is the elimination of “last-in, first-out” practices. Seniority, long the basis for teacher layoffs and rehirings, will now only be used as a “tie-breaker” after factors such as teacher performance and qualifications or student academic needs are considered.

According to Ohio Republican Sen. Peggy Lehner, the current fiscal climate, in which many school districts have had to lay off teachers, underscored the importance of eliminating “last-in, first-out.”

“We are seeing some of our finest teachers out of work,” Lehner says. “Every time folks read about a Teacher of the Year being laid off, it’s a reminder [of the problem with last-in, first-out].”

The New Teacher Project has referred to this as the “widget effect” [4]: treating all teachers as interchangeable parts, not professionals, and ignoring differences in quality and effectiveness.

Chu says the “widget effect” is seen not only in how layoff decisions are made, but also in how teachers are evaluated and compensated.

“Ninety-nine percent of teachers in Indiana are rated as effective or highly effective, or some equivalent thereof,” he notes. “How can you reconcile that number with the fact that at the end of third grade, a quarter of third-graders across the state are reading or computing at a minimal level? The two numbers do not square.”

**Tying pay to teacher effectiveness**
Under Indiana’s [new law][5], and the four-category rating system being created to assess teacher performance, an instructor rated as either “ineffective” or “improvement necessary” cannot receive a pay increase.

In addition, at least two-thirds of pay increases must be based on factors such as the academic growth of students, the results of standardized test scores, classroom evaluations, a teacher’s leadership at the school and the market-based needs of a school district (if it is having trouble filling vacancies for math or special education teachers, for example).

Exactly how the state’s school districts will measure teacher performance remains to be seen. The Indiana Department of Education is now working with six schools in the state on a model evaluation tool.

Like Indiana, the hard work on implementing reforms is just beginning in Ohio as well.

Any Ohio school receiving Race to the Top funds must replace single salary schedules with a pay system that relies in part on where teachers rate in a newly developed four-category evaluation system. Student growth must account for 50 percent of teacher evaluations.

“It is a challenge,” Lehner says. “You have tests to measure [student progress in] reading and math, but only starting in the third grade.

“It doesn’t work in high school and it doesn’t work for certain subjects, so we have to figure out how to measure student growth in some subjects where value-added data won’t be available.”

But even if there isn’t yet a clear replacement to the old system, she believes it is imperative to try something new.

“We need to be able to evaluate whether teachers are effective and outstanding, and then reward them for it,” she says. “Right now, what kind of incentive do we provide? You know you are going to get an increase, regardless of whether you put any effort into your work or not.”
Changes in evaluations, tenure law
Each of the four Midwestern states with these new laws will have some version of a four-category evaluation system, with the goal of identifying highly effective teachers as well as poor-performing teachers in need of additional assistance.

This new system, Melton notes, will rely heavily on school administrators changing their practice of evaluation.

“When you have 99 percent of the teachers all receiving the same rating, that’s not the fault of the teacher; that’s the fault of the person doing the evaluation,” he says.

Michigan’s principals will now be evaluated based on student growth as well, one of the most critical elements of the state’s new law, Melton believes.

In addition, the state is changing its tenure law to accelerate the process for removing ineffectual teachers. School districts have been hesitant to go through the process in the past, Melton says, because of the time and money required to dismiss teachers.

Michigan is also changing the standard for when teachers can be fired, increasing the probationary period for new teachers (from four to five years), and established new criteria for earning tenure.

Illinois is setting a higher bar for attaining tenure status as well: Under the new rules, an instructor must be rated at least proficient in two of the last three years of his or her probationary period. Illinois SB 7 also streamlines the process for dismissing ineffective tenured teachers.

In Indiana, all current teachers will first be considered “established”; however, two consecutive years of being evaluated as “ineffective” will put even the most senior teacher at risk of being dismissed.

“It’s not permanent job security like the past system,” Chu says. But he adds that high-performing teachers “have nothing to worry about,” and should be better rewarded for their work as a result of the changes.

According to Goldhaber, coming through on the reward component is critical for states and school districts wanting to attract and retain promising teachers.

“If you’re making teaching jobs riskier, without paying individuals a premium for taking that risk, there could be consequences,” he says.

Assessing how to use student data
In the past, performance-based pay for teachers has often been offered as an “add-on,” rather than part of the fundamental compensation structure.

That appears to be changing, due to the push to replace the single salary structure and the fact that fiscally strapped states and school districts have limited financial resources.

“We need a fundamental restructuring of our compensation system, not just add-ons, from the bottom up,” says Matthew Springer, director of the National Center on Performance Incentives. “Otherwise, it will just go away over time.”

But while there is growing consensus about the inefficiency of the current pay system, he says, much needs to be done to find an alternative that works.
“The big challenge is that we haven’t been great at connecting education policy, practice and research,” he says. “Those three need to come together, and we need a research component to show whether the new programs are working.”

One question will be how much to rely on data measuring student growth, particularly the results of standardized test scores: How high should the stakes be for teachers as states and school districts track the academic progress of individual students from year to year?

The use of this value-added data may only be available for certain subjects and grade levels. And there also are concerns about increasing pressures to “teach to the test” and about the fairness of tying an individual teacher’s pay and career to a measurement that can be affected by many other variables (students’ other instructors and the school or home environment, for example).

“A 60-minute or 90-minute period at one point in the academic year is not necessarily going to capture how well the teacher has performed throughout the 180 days of a school year,” Springer says. “The test score can’t be the single measure we rely upon. We have to look at more formative pieces as well.”

Beyond test scores, the measurement of teacher performance will depend on the criteria being developed by states and local school districts, as well as the evaluations conducted by local administrators.

“We will need teachers at the table developing the measurements,” Lehner says.

For these newly designed performance-based systems to have staying power, Springer says, there will need to be buy-in and input from all education stakeholders.

---

**Legislative changes in 2011 affecting teacher tenure, evaluations or pay**

**Illinois** ~ **SB 7** [3]

- new bar set for teachers to earn tenure through use of evaluation system with four different ratings: excellent, proficient, needs improvement and unsatisfactory; this rating system was established through legislation passed in 2010 (SB 315) and requires that student performance be a significant factor in teacher evaluations
- to attain tenure, teacher must have three consecutive excellent ratings (fast-track tenure) or be rated at least proficient in two of the last three years of four-year probationary period
- when making personnel decisions (hiring and layoffs, for example), seniority can only be used as a tie-breaker when all other factors are considered equal (practice of last-in, first-out eliminated)
- teachers will be grouped into four performance categories (based on evaluations) that will be used to help determine the sequence of teacher layoffs
- the process for dismissing tenured teachers is streamlined, the time line is shortened and school districts are given final decision-making authority; for a teacher that has gone through remediation due to poor performance, a second evaluator (other than the principal) will be used in the post-evaluation process

**Indiana** ~ **SB 1** [5] and **SB 575** [6]

- limits collective bargaining rights to wages and benefits
all teachers must be evaluated at least once a year
a new evaluation system will rate teachers as one of the following: highly effective, effective, improvement necessary or ineffective; a teacher rated “ineffective” or “improvement necessary” cannot receive a pay increase
only one-third of pay increases can be based on years of experience, degrees held or graduate hours taken
at least two-thirds of pay increases must be based on factors such as the academic needs of the school district, leadership shown by a teacher (mentoring peers or serving as a department head, for example) and teacher performance (based at least in part on in-classroom evaluations and data on student academic growth)
teacher layoffs will be based on performance rather than seniority (practice of last-in, first-out eliminated)
three teacher levels are created: established, probationary and ineffective; current teachers will be “established” but could be dropped down to the “ineffective” level — and ultimately be at risk of being dismissed — based on two consecutive years of being evaluated as “ineffective”

Michigan ~ House bills 4625-4628 [7]

increases probationary period for teachers from four to five years, but fast-track tenure is available for teachers rated as highly effective for three consecutive years; teachers must be rated as “effective” or “highly effective” in final three years of probationary period in order to earn tenure
changes standard for dismissal of tenured teachers; previous standard was “only for reasonable and just cause” and new standard allows for any dismissal that is not “arbitrary or capricious”
accelerates the process for removing poor-performing tenured teachers and limits the time a suspended teacher continues to receive a salary
decisions on teacher hirings and layoffs will be based on teacher performance and evaluations; seniority will only be a tie-breaking factor in decision-making process (practice of last-in, first-out eliminated)
establishes several new exclusions in collective bargaining agreements, including performance evaluation systems, decisions on layoffs and hirings; and performance-based teacher pay
a four-category system will be used to evaluate teachers: highly effective, effective, minimally effective and ineffective
by 2015, at least 50 percent of a teacher’s evaluation will be based on student growth and assessment data; a growth-and-assessment tool will be developed by the state for local school districts to use
parents must be notified if their children are taught by teachers rated as “ineffective” for two consecutive years

Ohio ~ HB 153 [8]
a standards-based policy for teacher evaluations will be created in every school district that includes multiple factors and that rates teachers as one of the following: accomplished, proficient, developing or ineffective
each teacher will be evaluated at least once a year, except for teachers rated as “accomplished” who opt to be evaluated once every two years
student academic growth must account for 50 percent of evaluations, with student progress on state assessment tests used to measure growth in applicable subjects and grade levels; when value-added data are not available, a list of assessments to measure student growth will be developed by the state
school districts that receive Race to the Top funds in Ohio must base teacher pay on the following: level of license, “highly qualified” status and evaluation rating; under Ohio’s SB 5, single salary
schedules in all Ohio school districts would be eliminated and replaced with a performance-based pay system (SB 5, which limits collective bargaining rights for public employees, will not take effect unless voters approve it in November).

- layoffs and rehiring decisions will be based on evaluations of performance, with seniority used to choose among teachers “with comparable evaluations” (practice of last-in, first-out eliminated)

Tags: