

"Merit Pay" / Alternative Compensation

About "Merit Pay"

"Merit pay" and other alternative compensation proposals are hotly debated across the nation among education professionals, policy makers, and reform advocates. Nationwide, educator compensation and salaries have lagged behind the rising cost of living.

Many communities agree that their educators deserve better compensation, and those conversations often lead to efforts to try to award bonuses using market-based criteria or models from service occupations. These proposals come in different forms ([excerpted from the February 2008 Today's OEA](#), login required):

- **Pay for performance (aka "merit pay")** based on student test scores or subjective measures of teacher performance
- Bonuses for **working in hard-to-staff schools**
- Bonuses for **special certifications** usually in times of scarcity for particular specialists
- Bonuses for **educational attainment, staff development, or leadership milestones**

OEA: Improve Compensation, Without "Merit Pay"

OEA is conducting research and preparing materials on the topic of "merit pay" and how it fits into our ongoing and broader efforts to improve overall educator compensation in Oregon schools. A November 2008 ballot measure by Bill Sizemore brings its own "merit pay" plan for the state. OEA's position specifically on "merit pay" is addressed in OEA Resolution IV.9:

"Salaries need to reflect the amount of time worked per day and days worked per year and the experience of the school employee, and are not to be based on performance pay schedules, such as merit pay."

NEA: Suggestions for Improving Compensation

The National Education Association (NEA) has been active on "merit pay" and other alternative compensation issues across the country. The [March 2008 issue of NEA Today has an excellent article on the "merit pay" approach](#) as it has arisen and been implemented in various locations.

NEA understands the vital need to improve compensation for educators nationwide. The NEA Resolutions outline the following minimum criteria for establishing additional compensation beyond the single salary schedule (Resolution F-10):

- The design of the system must be accomplished through the collective bargaining process or in nonbargaining jurisdictions it should be incorporated into legislation, employer policy, and/or other sources that establish the terms and conditions of employment for education employees.
- Any additional compensation beyond a single salary schedule must not be based on education employee evaluation, student performance, or attendance.
- The criteria that are used to determine whether education employees receive the additional compensation should be clearly stated and subject to objective measurement. The system also should make clear how those criteria relate to the school district's educational objectives.
- The system should not directly or indirectly limit the number of education employees who are eligible for the additional compensation. All education employees should be afforded a fair opportunity to meet the requisite standards and should receive the additional compensation if they do.
- Full funding should be available to sustain the system. The allocation of funds to provide the additional compensation should not prevent increases in the basic compensation for all education employees.
- The system should not diminish the professional status of those education employees who do not receive the additional compensation or in any way suggest that such education employees are not qualified for the positions that they hold.