

# analysis

## **The \$200,000-a-year classroom teacher**

*A new paradigm to rescue  
Nevada public education*

**by James W. Guthrie**

### **Executive Summary**

**B**ig ideas can change the course of history. For Nevada public education, the time has come for a big idea: the \$200,000-a-year classroom teacher.

Teaching talent commensurate with pay of this magnitude, with eligibility based upon instructional prowess, could propel badly needed academic achievement gains.

It's an idea that could simultaneously please both political liberals and fiscal conservatives. A cadre of \$200K classroom teachers would have an overall price tag for taxpayers far lower than the

incremental school improvement ideas currently being contemplated, such as lowering class size or new add-on programs to ensure students can read by the third grade.

Nevada teachers are already among the nation's highest paid.<sup>1</sup> However, neither current top-level teacher salaries nor overall salary distributions are likely to elevate academic achievement. The \$200,000-a-year classroom teacher strategy can remedy this condition.

Given the alarming overall condition of public education in Nevada, a bold plan such as this is becoming imperative.

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## **Nevada education needs a new, bold and politically possible path**

Public education in Nevada is in a downward spiral. The system is effectively on hold and has become too inwardly focused and encrusted in custom to benefit from timid and tiny ideas. Public schooling – an idealistic system that has served Nevada well for more than a century – is at risk of losing public support. Something dramatic is needed to jar the system loose, to dissipate despair and break schools free from the status quo.

*Paying excellent teachers more, enormously more, is a lever that could change everything else about schooling in Nevada. Paying teachers \$200,000 a year is a silver bullet.*

Almost everyone desires that Nevada's public schools improve. While pockets of promise exist in selected charter schools throughout the state and in the state's smaller districts, virtually every macro measure of Nevada school performance is headed in the wrong direction. When compared to other states and nations, Nevada's academic achievement is unacceptably low, dropout numbers are staggeringly high, going to college is dismayingly unattractive to most Nevada high school graduates and postsecondary remedial course-taking is scandalously high.

Despite such dismal public schooling outcomes, those who want change cannot agree on priorities, preferred practices or promising political paths. Indecision regarding what will work best – incremental changes to the existing system or a household choice and competition strategy – motivates elected officials to play it politically safe and seek a little of both. The cautious route is to try a small additional program here and a little more competition there. Nevada is creating a two-hump camel when it needs a powerful stallion.

Lack of agreement on a clear route to improved schooling contributes to petty partisan gamesmanship, a cautious and lowest-common-denominator education reform mentality and cliché-driven incrementalism. Such a timid and lackluster approach is not serving Nevada students well.

Education advocates want more money for schools, smaller classes, more professional development for teachers and add-on programs for improving reading, English language proficiency and dropout prevention.

Those more skeptical regarding the capacity of the present public-school model to improve advocate instead for choice and competition, charter school

expansion, opportunity scholarships, use of more instructional technology, early college admission and more acceptance of home schooling.

Regardless of their political predisposition, however, proponents of wholesale reform repeatedly suffer setbacks. The reason is that powerful protectors of the status quo can quickly mobilize political allies sufficient to quash almost any disruptively innovative idea. Moreover, the collective influence of reform advocates is frequently squandered through a splintered pursuit of an overly broad spectrum of reform ideas.

Goldilocks-style support for porridge of the “just right” temperature will not save Nevada public schools. What are needed are a clear strategy and a bold approach to change. When conditions are as troubling as is evident in many Nevada schools, it is time to do something dramatically different. Nevada needs an overarching idea that provides promise of accruing widespread political support while simultaneously leveraging significant school improvement.

### **From where can a bold idea come?**

The education-reform agenda required to improve Nevada public schools must meet four interlocking conditions. Collectively or even sequentially implemented, these conditions would yield Nevada a dramatically more effective public school system. The conditions, as previously documented by NPRI and others,<sup>2</sup> are:

- 1) higher academic expectations for students,
- 2) added school competition and household choice,
- 3) information systems enabling schools continuously to improve and
- 4) constructing a critical nucleus of effective and appropriately incentivized teachers and principals.

Of all of these notions, it is the last-mentioned investment in human capital that arguably holds the most potential for a high return. It represents the natural place for change to begin. It is also the most challenging condition to create.

In the absence of a critical mass of effective educators, Nevada’s public schools will never achieve the levels of student performance that permit students to acquire the skill level necessary to launch a new era of successful entrepreneurship. As NPRI has documented, skilled, successful

entrepreneurship is the linchpin to economic growth and allows citizens to lead materially comfortable and personally fulfilling lives.<sup>3</sup>

Even in this modern era of technological marvels, there is no in-school substitute for an effective teacher. Smaller classes, electronic books, classroom computers, modern facilities, auxiliary personnel (e.g., psychologists, teacher aides and counselors), armed security guards, fancy libraries, expansive playgrounds, parent engagement, dazzling athletic teams, field trips, new governance arrangements, dropout prevention programs and universal kindergarten may all contribute, in varying degrees, to student development. However, because public education – like all other aspects of life – will always be constrained by limited resources, policymakers can exercise the greatest positive impact by concentrating resources into the areas that have the most potential for cost-effective gains in student achievement. On this point the evidence is clear: No other in-school factor can equal an effective teacher when it comes to propelling student learning.<sup>4</sup>

### **Effective teachers translate into successful schools**

Research by Eric Hanushek and Steve Rivkin demonstrates effective teachers are associated with as much as 1.5 years of student academic achievement for each school year.<sup>5</sup> Raj Chetty's path-breaking research<sup>6</sup> reveals that students benefitting from effective elementary school teachers are highly associated with significantly improved college-going rates and elevated lifetime incomes. Chetty has shown that replacing a teacher performing in the bottom 5 percent with a teacher who performs only at the average for a single year would boost the present value of a classroom's combined lifetime income by \$250,000.

An elementary student sufficiently fortunate to have an effective teacher three years in a row would complete the third grade knowing what an average fifth grader knows today, and have a foundation in mathematics and literacy enabling him or her to begin middle and high school well prepared to succeed. Results of this magnitude could virtually eliminate today's gnawing achievement gap between middle-class and lower-income students.

These effects are far larger than can be generated by lowering class size. Rivkin, Hanushek and Kain, for instance, have shown that even a costly 10-student reduction in class size would not have as large a benefit on student achievement as improving teacher quality by one standard deviation. They also show that advanced degrees earned by teachers and additional experience beyond the first few years add little to a teacher's effectiveness. Instead, teacher effectiveness is a

random variable dependent upon the teacher's individual talent level, motivation and other characteristics.<sup>7</sup>

Regrettably, the obverse is also a reality. An ineffective classroom instructor actively imperils student achievement. To suffer an ineffective teacher for each early elementary year may well inflict upon a student an academic deficit that is virtually impossible to eliminate later in school.

Hanushek estimates that identifying the least effective 5 percent of teachers and replacing them with instructors of only average effectiveness – not even necessarily extraordinary teachers – would elevate U.S. academic achievement to a rank equal to Canada, a nation that consistently outscores the United States on international achievement tests.<sup>8</sup> Hanushek has further shown that replacing the bottom 5 to 8 percent of teachers with teachers of average quality would improve students' skill sets to the point of resulting in additional future economic output approximating \$100 *trillion* in present-value terms!<sup>9</sup>

This should be no striking revelation to informed readers. Jim Collins conducted research on unusually successful organizations and reported the results in his book, *Good to Great*.<sup>10</sup> Emphasizing the utility of recruiting able individuals – his phrase is “getting the right workers on the bus” – is, says Collins, the most important thing an organization can do. In some ways, getting the right talent on the bus is even more important than determining the bus route itself. Inventive and talented workers may well determine a better, faster or more efficient bus route.

General Electric's legendary CEO, Jack Welch, offered similar counsel. However, he worked from the bottom up, insisting that the lowest performing 10 percent of GE managers annually be released. In this manner, the organization was constantly improving, evaluating employees and identifying those who were the highest performing. The latter were rewarded with added responsibility and increased compensation. This model was enormously productive for GE. During Welch's two decades at the helm, GE became a global leader, manufacturing highly sought-after consumer goods and services, and created tens of thousands of millionaires among employees and shareholders.

It is all common sense: Organizations possessed of more human talent are more likely to flourish. Thus, the nation's most aggressive law firms compete for top law-school graduates. Health care agencies compete for the most talented physicians. Research universities compete for the most renowned professors. Coaches compete to recruit the most promising players. Financial firms strive to attract the most talented MBA graduates.

There is no mystery here. Organizational success is linked to the attraction, retention and incentivizing of able human capital.

### **How can Nevada attract larger numbers of highly effective teachers?**

Nevada faces significant resource constraints. It ranks with Mississippi, Alabama and New Mexico in terms of the limited taxable wealth of its citizens and businesses.<sup>11</sup> To attract and retain significant numbers of additionally effective teachers, Nevada must have a bold plan. It is insufficient to market the outdoor beauty of Lake Tahoe and the Sierras, inexpensive housing, a warm climate and robust elk populations.

Something more is needed.

But what do talented individuals seek when deciding on careers and locations? Opportunity for material success and personal fulfillment rank high as inducements. Pay is certainly a consideration, but, by itself, often insufficient. Starting off at a relatively low-paying position may be acceptable if there is a clear path to higher levels of responsibility, recognition and reward.

Such a clear route to career success is sorely lacking among Nevada educators. Starting salaries for classroom teachers are generally competitive with starting salaries in other professional sectors with comparable training requirements – ranging from \$30,000 to \$40,000. When annualized to a more conventional 44-week work year, these starting salaries translate to private-sector salaries of \$36,000 to \$48,000. Pension and health-care benefits typically add 20 to 25 percent in dollar value to these figures.

### **It's the 'selection effect'**

Economists speak of “selection effects” – the determinants of individuals' occupational and locational choices: Who chooses what careers and why.

The issue in public education is not so much on the initial-hiring end as it is with where one can progress thereafter. A typical school-district salary schedule specifies a doubling of beginning teacher pay after about 20 years of employment. Thus, a second grade teacher who persists in the same district in the same state for two decades can expect peak pay of approximately \$60,000 to \$80,000. Annualized to a 44-week year, this is the equivalent of \$72,000 to \$96,000

in salary. Teachers also receive a handsome defined-benefit pension exceeding the retirement benefit earned by most private-sector employees.

This level of compensation may sound attractive. Yet, the potential upside is highly limited compared to other professions that attract many of the most ambitious and talented workers. While classroom-teacher Ms. Jones is earning \$96,000 after 20 years, some of her cohort counterparts – attorneys, CPAs, engineers, architects, programmers, health-care professionals and investment bankers – are earning \$200,000 and up. Moreover, her private-sector counterparts begin to receive such accelerated benefits within approximately 10 years of employment. They do not have to wait two decades to be appropriately recognized and rewarded.

A private-sector employee on a fast track accepts rigorous performance evaluations in exchange for the prospect of far higher rewards for excellence. Ms. Jones, on the other hand, by becoming a teacher, is assured automatic annual salary increments (be they ever so small), a shorter work year and employment security. However, she is sorely deprived of any significant opportunity to advance and must operate in a vacuous organizational setting that usually fails to recognize or reward effectiveness. She has become a cog in a judgment-averse, status-deprived, purposely adrift, value-sanitized mechanical system that seldom acknowledges outstanding accomplishment. She is treated as a widget, not as a professional.

This limited upside potential appears to be a key reason why college students with the highest academic aptitude generally elect to bypass education in favor of studying other fields. The College Board reports that students taking the SAT who intend to major in education earned a combined math and verbal score 0.31 standard deviations below average. Similarly, prospective graduate students planning to study education-related fields scored 0.35 standard deviations below average on the Graduate Record Examination (GRE).<sup>12</sup>

If Nevada is to attract those with the greatest ability into its classrooms, policymakers must find a way to overcome this culture where indifference to professional capability has become institutionalized.

Historically, policymakers have overlooked the underlying market incentives that influence individuals' decision about whether to select classroom teaching as a career. Instead, they have tried to legislate better teachers by creating new certification requirements and incentives for teachers to attain additional degrees. However, as Hanushek and Rivkin have found:



“...the failure of quantifiable characteristics [such as certifications or degrees] to explain much of the variation in teacher effectiveness suggests that efforts to raise the quality of instruction through more stringent requirements for entering the teaching profession may be seriously misguided, particularly as they may discourage many from entering the profession by raising the cost of becoming a teacher.”<sup>13</sup>

Thus, improving teacher quality – and, consequently, student achievement – requires addressing the “selection effects” and not short-sighted attempts to create effective teachers by legislative decree.

### **Present failings of Nevada’s human-capital system**

Several dysfunctional consequences flow out of Nevada’s system for teacher remuneration. First, it offers teachers little incentive to excel. A marginally effective, or even ineffective, teacher is paid the same as an excellent teacher. To labor in earnest alongside a known slacker is discouraging. Why strive for a higher level of performance if there is no corresponding recognition or recompense?

Second, many of the most able teachers rapidly recognize they are entrapped in a dysfunctional incentive system that encourages mediocrity. So, they leave for other endeavors where their talents are more likely to be recognized and rewarded.

Third, public education’s present-day uniform-pay procedures contribute to a dysfunctional personnel incentive system – whereby ambitious individuals receive greater rewards by *leaving* classroom teaching for auxiliary positions as counselors, reading specialists and central-office administrators. These positions have their own utility and dignity, and are not to be disparaged. The trouble is that they are not as significant for elevating academic achievement as is classroom teaching – yet they often mean higher salaries and more prestige.

Most dysfunctional of all, however, is the chilling effect that uniform and low salaries have upon the attractiveness of teaching as a career. Starting at a low salary is sometimes tolerable. However, never having the prospect of a high salary, added recognition or responsible promotion is intolerable for many professionals. Consequently, many talented individuals who might otherwise be attracted to teaching as a career enter other fields.

The absence of high-paying and high-recognition professional teaching positions in education discourages the talented. Historically, this was not always true.

Until the 1960s, public-school teaching drew primarily from a pool of remarkably talented women whose career opportunities, at the time, were severely restricted by labor-market inequities. As alternative career paths became increasingly available to women over the past 50 years, education lost its privileged access to this talent.

Today, women increasingly find rewarding careers as attorneys, physicians, engineers, executives, etc. This evolution has been good for many women and a boon to the overall economy. It has not necessarily been good for school children. In the absence of a pool of able individuals with otherwise restricted career opportunities, public schools have increasingly had to draw their teacher force from the lower ranks of the overall pool of available talent.

A \$200,000 annual teacher salary is a bold means for breaking this barrier to a talented teaching profession.

### **A blockbuster path forward**

Lawyers, physicians, engineers, accountants, executives, consultants, etc., all have the chance to earn high annual incomes. Why not the same for classroom teachers and principals? Who can say that teaching is less important than any of these other careers? If the labor market could send a clear signal that educator talent was needed in Nevada and would be rewarded, many of those now avoiding teaching would reconsider.

An obvious potential objection to such a plan would center on financing. Clearly, the costs of across-the-board, 100-to-150-percent salary increases would be astronomical and, almost certainly, politically unacceptable. If all of Nevada's 20,000-plus educators were to be paid \$200,000, the additional annual cost to taxpayers would approximate \$2 billion. This is the size of the total Clark County annual operating budget for schools, and would elevate total Nevada public school spending by 40 percent.

However attractive such spending figures may be to professional educators and their backers, the tax effort needed to raise this amount would yank Nevada's fragile economy back into the dark days of the recent recession. Equally bad, the public would not be assured of any commensurate return on such a huge additional public-school investment. There is no evidence that across-the-board pay increases for existing personnel will lead to gains in student achievement; rather, a \$200,000 compensation package should be used to reward and retain the *best* teachers and as an incentive for the most talented professionals to enter Nevada's public education system.

Paying all of Nevada's teachers \$200,000 annually is currently out of the question. However, the desired selection effect – attracting able individuals into the education labor pool – *can* be accomplished by making it clear that effective teachers can earn a good living. After all, not all attorneys, health workers, executives, accountants, etc., are exceptionally well paid. It is the *opportunity* to be well compensated that is so attractive. Few expect that all in their field will automatically receive the highest compensation.

The good news is that the anticipated benefits of paying selected teachers \$200,000 annually can be achieved without incurring a huge new bill. The solution is to so compensate *effective* teachers and principals – those who elevate students' academic achievement more than a standard deviation beyond what would otherwise be expected.

### **How Nevada can afford it**

Nevada can afford the \$200,000 classroom teacher. Already employed and proven teachers initially would be the most eligible. They are already being paid, including fringe benefits, close to \$100,000 each year. Their incremental annual costs would approximate \$100,000. Multiplied by 2,000 teachers, the statewide annual costs are \$200 million. In Nevada this is perceived as a large amount for government. However, some comparisons are in order.

Governor Brian Sandoval's proposed 2014 education budget calls for \$200 million in each of the upcoming biennial years for so-called "roll ups." This is funding proposed to meet the added costs of increased enrollments (mostly in Clark County) and teacher-salary increases for which local districts have contracted. The governor is also proposing approximately \$160 million a year in funds for smaller elementary school classes.

*However attractive politically, or theoretically necessary legally, both the currently used annual step increases for all teachers and the governor's proposed class-size reduction funding will have almost no bearing on student achievement in Nevada.*

Conversely, if these potentially wasted categorical and line-item funds were diverted to identifying and paying the state's most outstanding teachers, and the message were widely amplified that teaching talent is rewarded in Nevada, in a short period of time Nevada would have its pick of teaching talent from across the nation, test scores would soar and dropouts would decline.

Over time, the \$200,000-a-year salary plan can be revenue-neutral. The plan would pay high entry-level salaries to talented individuals, likely to be successful, while establishing a career ladder of apprentice, journeyman and Master Teachers. Annual pay would then become a function of responsibility and performance – rather than the current wasteful approach of numbers of college credits and years of employment.

How many teachers have to reach well-paid status to impress upon employment prospects that education offers a competitive chance to match what one can make at Goldman Sachs, in medicine, in law, etc.?

The answer to this question is not thoroughly known. However, it may be that it is not the precise *percentage* of workers who receive high pay that determines the career-shaping perceptual tipping point. Simply knowing there was a clear, achievable and equitable route by which one *could* reach the top-paying ranks may attract the more-able prospective educators to teaching.

### **Identifying the most effective**

Nevada is close to being able to offer such a clear path to recognized teaching excellence. In the 2013-14 school year, the state is scheduled to adopt new academic tests consistent with a more rigorous core curriculum. This system offers a means for appraising the performance of teachers and school administrators based, at least in part, upon the academic achievement of students in their classes and in their schools.

The addition of a Value Added Modeling system (at an annual cost of \$3.75 per tested student) would allow Nevada to identify unusually effective teachers and schools – that is: schools adding more to the achievement of students than would otherwise be predicted based upon past experience.

This system can be statistically calibrated to take into account the social and economic circumstances of a teacher's or a principal's students. Thus, a Master Teacher's pay would not be a function of having in his or her class already highly motivated and well-prepared students.

Tennessee's Value-Added Assessment System, one of the first in the nation, adjusts for all of these exogenous variables. Still, the system's data has shown that "race, socioeconomic level, class size, and classroom heterogeneity are poor predictors of student academic growth," according to research by William Sanders and Sandra Horn.<sup>14</sup> "Rather," conclude these authors, "the effectiveness of the teacher is the major determinant of student academic progress." Other

researchers have found the same – see [Goldhaber and Hansen \(2010\)](#) and [Harris and Sass \(2009\)](#).

A similar assessment system for Nevada, when validated, could be used to identify the 2,000 Nevada public teachers who were the most outstanding in their capacity to add value to their students' learning. These individuals should be offered contracts as "Master Teachers" and receive commensurate compensation of \$200,000 annually.

Certainly, conditions should be attached. For example, Master teachers must agree to remain as classroom instructors. They hold Master Teacher contracts only for a year or two at a time, but such status is renewable. Their students' value-added test scores must annually justify the individual as among the highest performing 10 percent of Nevada's teachers. The annual contract should specify a work year of 44 weeks. They must agree to instruct at schools determined to be most in need of their services.

### **Don't go wobbly on the idea**

For this plan to be effective, it is essential that Master Teachers earn the full \$200,000 annually. For less, don't bother: It won't do the job. Existing performance-pay schemes offered in some states reward high-performing teachers with piddling annual bonuses in the range of \$1,000 to \$8,000. While nice, they fail to render teaching competitive with the fields from which the exceptionally able and talented must be seduced to become teachers.

A pay level of \$200,000, on the other hand, is dramatic. It will capture attention.

It will draw able individuals into teaching. Engineers, accountants and lawyers will consider taking up teaching. It will keep our best teachers in the classroom. It will help students. The full and dramatic amount should not be nibbled into insignificance. The silver bullet is not more pay: It is *dramatically* more pay. It is a pay level accorded other successful professionals. It is a pay level that enables an effective teacher to hold her head high with pride. It is a pay level that will command respect for teachers among members of the general public. It is a pay level good educators deserve. The majesty of the idea is in its magnitude.

### **The impact of pay plans on occupational choice**

The theory of action embedded in the \$200,000 proposal is that unusually high annual pay will be attractive to those who might otherwise consider employment

in high-reward, talent-rich endeavors such as law, business, research, health, etc. The promise is not that all teachers will be paid \$200,000, but that unusually effective instructors will have an opportunity to prove themselves, be recognized and be fairly rewarded. This will alter perceptions of education as a career.

This proposal is aimed at attracting teaching talent from across the nation, rewarding Nevada's most effective teachers and retaining those who believe themselves eventually capable of being unusually effective instructors.

The weight of empirical evidence, from both private-sector experience and reliable education research, is that pay plans can influence occupational choice, employment-location decisions and teachers' instructional performance — all of which can have a positive relationship to student achievement. The \$200,000 annual salary proposal is principally a talent recruitment and retention strategy and only secondarily a performance plan. It is consistent with a performance-pay plan, or could easily be integrated into such. However, its goal is different.

Skeptics wonder whether or not teaching can ever compete for the nation's most talented individuals. It once did. Conditions are different now. Talented women have a wider set of career choices today. However, there is a way by which teaching can be returned to a high place as a career for able individuals, both male and female.

Teach for America (TFA) is the prototype and the proof for the proposition that teaching can again be made attractive. TFA accepts approximately 8,000 new corps members annually — from among 50,000 applicants. Graduates of highly selective colleges make TFA their second-highest choice for what to do following their senior college year. (Attending graduate school is the highest choice.)

TFA admission standards are unusually rigorous. Applicants' academic prowess and instructional potential are carefully appraised. Only 16 percent of applicants are actually selected.

Overall, TFA members are miniscule in number relative to the nation's 4 million teachers. However, the fact that the cream of America's selective college graduates apply for and submit themselves to agonizing scrutiny to gain entry-level teacher positions in some of the nation's most demanding instructional settings demonstrates the possibility for attracting remarkable talent into teaching.

TFA volunteers are obligated to serve two years as classroom teachers. Many stay on thereafter and assume leadership positions in school districts where they begin their careers. The majority, however, go on to graduate school or accept

positions at the nation's most reputable consulting firms, financial corporations, etc.

Imagine if Nevada had a formal path by which TFA volunteers, and other beginning teachers of comparable ability, could remain as classroom instructors and have an opportunity to earn professional recognition for their excellence and be paid \$200,000. Nevada would soon be a magnet nationally for the top teaching talent.

### **How such a plan might become operational**

There are many routes through which the \$200,000 classroom teacher-pay plan could be implemented. It could be initiated from either the federal, state or local level. However, assuming the state as the prime Nevada actor, here are illustrative operational steps.

To maintain revenue neutrality, the Legislature would redirect hundreds of millions of dollars currently wasted on ineffective programs such as class-size reduction. As even the liberal Center for American Progress notes in [\*The False Promise of Class-Size Reduction\*](#), while "smaller classes can, in some circumstances, improve student achievement if implemented in a focused way," states waste billions of dollars "by pursuing across-the-board reductions in class size" that "are also extremely expensive and represent wasted opportunities to make smarter educational investments."

To create a pool of eligible classroom teachers, the Nevada Department of Education would apply value-added modeling to state-administered standardized test results. The minimum threshold for eligibility would be ranking within the top 10 percent of all Nevada teachers in terms of adding value to their students' individualized, standardized test scores.

No eligibility restrictions would be imposed for race, gender, age, subject-matter specialization, credential status, length of teaching, district or professional standing or training. Any teacher convicted of a felony would be ineligible.

Finalists would be formally notified of their eligibility and could decide to apply for Master Teacher status. The State Board of Education, through consultative procedures involving outstanding Nevada teachers and principals, would identify finalists. Ultimate approval would reside with the State Board.

Finalists would continue to draw their present salary and fringe benefits from their employing district. The state would provide supplemental funding to each

district sufficient to ensure that the annual salary and fringe-benefit package for each finalist totaled \$200,000. Local districts would maintain their share of the remunerative package.

Master Teachers could be required to agree to instruct at schools dominated by low-income students. They would further agree to eschew any administrative duties, work a 44-month year, serve only as classroom teachers, forego outside-employment income and maintain regular instructional responsibilities, for the life of their contract as a Master Teacher.

Master Teacher contracts in this regard would be for two years, renewable upon evidence that the individual teacher continued to be among the top 10 percent of Nevada classroom teachers in terms of adding value to their students' test scores.

Summer duties could include activities such as new teacher induction, teacher training, curriculum improvement and State Board-approved special projects.

The biennial appropriation for this program would include appropriate funding for a sustained third-party evaluation of the program's capacity to significantly improve the State of Nevada's education results.

### **Why not?**

If Nevada led the nation in adopting a \$200,000-a-year classroom teacher pay plan, there could be many winners and no losers.

The biggest winners would be public-school students who would benefit from a larger number of dramatically effective teachers. Students would likely be more highly motivated, learn more, score higher on standardized tests, stay in school longer, be better prepared for and more attracted to college— and ultimately lead more fulfilling adult lives.

Teachers would be better paid and, finally, recognized as professionals.

Nevada would be perceived as a state that leads rather than lags in innovative education policy.

The state would become much more attractive to entrepreneurs of high-tech firms and other modern businesses that depend upon a well-educated workforce.

Taxpayers would be receiving greater value for their school investment.



Teacher-union leaders could be perceived as not only obtaining more benefits for their members, but finally accomplishing something for which all teachers have long yearned: the transformation of teaching into a genuine profession.

The political left and right could stop feuding and begin to see eye to eye, possibly paving the way for further agreement on other important issues.

As a model for the nation, the plan could also have major, long-term economic benefits for most Americans. Were the U.S. to close [just half](#) of its performance gap with Finland – one of the top international performers in terms of student achievement and notable for the professional status of its teachers – this factor alone could add more than \$50 trillion to U.S. GDP by 2090 – approximately \$6.25 trillion a decade. For a sense of what that would mean, consider that the drop in U.S. economic output during the last recession has been estimated at less than \$3 trillion.<sup>15</sup>

## Conclusion

The \$200,000-a-year classroom teacher is a bold idea that could change the nature of teaching and schooling in America. It might enable the once-proud notion of public schooling to adapt to evolving circumstances and survive competition from the voucher movement and the rise of Internet schooling.

It is an idea vastly worth trying.

Schooling matters, and right now schools are broken. The time has come for Nevada to think big.

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## End Notes

- <sup>1</sup> While the National Education Association has reported that average teacher pay in Nevada is 22<sup>nd</sup> highest among the states, when this figure is adjusted for pension contributions, average years of experience and cost of living, Nevada teacher pay ranks 17<sup>th</sup> among the states. See Terry Stoops, “Annual Report on Teacher Pay,” John Locke Foundation, Spotlight No. 367, February 2009, [http://www.johnlocke.org/acrobat/spotlights/spotlight-367\\_teacherpay2009.pdf](http://www.johnlocke.org/acrobat/spotlights/spotlight-367_teacherpay2009.pdf).
- <sup>2</sup> Geoffrey Lawrence, “Better Budgeting for Better Results,” Nevada Policy Research Institute policy study, January 2011, pp. 12-13, [http://www.npri.org/docLib/20110119\\_Better\\_Budgeting\\_2011-2013.pdf](http://www.npri.org/docLib/20110119_Better_Budgeting_2011-2013.pdf); Matthew Ladner and Dave Myslinski, “Report Card on American Education: Ranking State K-12 Performance,

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- Progress, and Reform, 18<sup>th</sup> Edition,” American Legislative Exchange Council, <http://www.alec.org/publications/report-card-on-american-education/>.
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  - 4 See, e.g., Steve Rivkin, Eric Hanushek and John Kain, “Teachers, Schools, and Academic Achievement,” *Econometrica*, March 2005, Vol. 73, No. 2, pp. 417-458.
  - 5 Eric Hanushek and Steve Rivkin, “Teacher Quality,” In *Handbook of the Economics of Education* (Eds) Eric Hanushek and Finis Welch, 2007, Vol. 2, Chapter 18, pp. 267-271.
  - 6 Raj Chetty et al., “The Long-Term Impacts of Teachers: Teacher Value-Added and Student Outcomes in Adulthood,” National Bureau of Economic Research Working Paper 17699, December 2011, <http://www.nber.org/papers/w17699>.
  - 7 *Op cit.*, Rivkin et al., note 4.
  - 8 Eric Hanushek, “Teacher Deselection,” In *Creating a New Teaching Profession* (Eds.) Dan Goldhaber and Jane Hannaway, 2009, Chapter 8, pp. 165-180.
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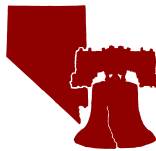
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