

Mayor, Chancellor, UFT Announce Plan to Reward Teachers at Schools That Raise Student Achievement

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Mayor Michael R. Bloomberg, Schools Chancellor Joel I. Klein and United Federation of Teachers (UFT) President Randi Weingarten today announced an historic agreement to award cash bonuses to teachers at high-needs schools that raise student achievement. The schoolwide bonus program, a cash incentive program, will be implemented in about 200 of the City's highest-needs schools during the current school year, and expanded to roughly 400 schools in the 2008-09 school year. Schools participating in the program whose students achieve significant measurable academic progress will receive bonus money, which they will distribute directly to teachers and other United Federation of Teachers (UFT) members. Schools that are not successful in meeting the performance benchmarks will receive no additional funds. In addition, the DOE and UFT today agreed to resolve a number of outstanding pension-related issues. The Mayor was joined at today's announcement by City Council Speaker Christine C. Quinn, City Comptroller William C. Thompson, Jr. and President and CEO of the Partnership for New York City Kathryn Wylde.

This is the largest initiative in the country to reward educators in high-needs schools on the basis of their schoolwide success in helping students achieve academically. The new initiative will be put in place above and beyond all previously agreed to salary and compensation agreements. This is the first time that New York City's public school educators will receive additional compensation based solely on their school's success in improving students academic achievement. Bonuses will be aligned with the Department of Education's (DOE) new Progress Reports, which measure students' academic performance and progress. Because only high-needs schools are eligible to participate in the program, it creates an incentive for great teachers to teach in City schools that serve high-needs, low-achieving students. It also helps the City reward its best teachers for helping students accomplish academic success by aligning incentives with student progress. This initiative is consistent with the most recent contract with the Council of School Supervisors and Administrators, which allows DOE to reward successful principals. The program will also encourage principals and teachers to collaborate in devising innovative solutions to students' individual learning needs and help schools excel – because only schools that meet academic targets on a schoolwide basis will be eligible for bonuses.

“We've reached a breakthrough agreement establishing a new program that will reward excellent performance by individuals and by entire schools,” said Mayor Bloomberg. “We are rewarding our teachers who prove that they are the most successful in helping students make academic progress. This initiative will

help us reward our great teachers and foster excellence in our public schools.”

“We should offer our educators incentives not just to take on the toughest assignments, but also to get the best possible outcomes from their students,” Chancellor Klein said. “This program will allow us to reward our most successful schools and educators. It will also help us motivate educators to work together to come up with innovative solutions to help our students and our schools excel. This supports and reinforces our Children First reforms, which drive decision-making and resources to schools, where they can have the greatest impact on student learning. Thank you to The Broad Foundation, the Robertson Foundation, the Partnership for New York City, and the UFT for helping us take this important step in recognizing and rewarding our great educators.”

“This schoolwide bonus program recognizes and builds upon the UFT’s core philosophy that students learn, achieve and benefit most when all educators in a school collaborate to provide the best possible education,” said UFT President Weingarten. “It properly refocuses the misguided debate over individual merit pay. Respecting and understanding the importance of teamwork and collaboration is precisely why the UFT enthusiastically supports this schoolwide initiative and has consistently opposed the idea of individual merit pay for teachers – especially when based solely on student test scores.”

“Today’s announcement by the Department of Education and the United Federation of Teachers marks a great victory for the students of New York City,” said Speaker Quinn. “This agreement provides our hard working teachers with a fair retirement plan that rewards their dedication, while also supporting those schools that are making changes for the better. The Council is proud to have played a part in these discussions, and I commend Mayor Bloomberg, Chancellor Klein and UFT President Randi Weingarten for their efforts on behalf of New York City’s teachers and students.”

“There is no question that if we are to attract and retain teachers in New York, that we must be able to create an environment where members of this profession have more reason to hope that they can succeed and thrive. Today we are adding one more incentive to help keep experienced, dedicated teachers in New York. I commend Mayor Bloomberg for adopting a wise approach not only to retain teaches but to improve student performance.”

The Schoolwide Performance Bonus Program

Approximately 15 percent, or roughly 200, of the highest-need schools in New

York City will be eligible to participate in the program, expanding to at least 30 percent, or roughly 400 schools, next year contingent on funding availability. While the 200 schools that serve the highest-needs populations will be invited to participate in the program, 55 percent of the UFT-represented staff at a school and the principal must vote to accept the offer in order to qualify for bonuses.

The schools participating in the program will be eligible to receive bonuses based on DOE Progress Report measures of student performance and progress. The criteria for awarding funds to schools will be determined by the DOE in consultation with the UFT and announced to schools at the start of the program. Criteria will be aligned with the two key Progress Report factors, student performance and progress. Entire schools – not just individual classrooms – must excel to be eligible for bonuses.

Each participating school will have a four member “compensation committee,” which will decide how to distribute the funds. Each school will receive enough money to give each full-time UFT educator \$3,000. While compensation committees could distribute the funds evenly to all UFT members, they could also differentiate those bonuses based on individual contributions. The compensation committee at each school will include the principal, a designee of the principal, and two UFT members chosen by the UFT members of the school. The committees’ work will reinforce the teamwork concept that is built into this program. Members of the committee must reach agreement on how to distribute the funds before any funds are sent to the school.

In its first year, participating educators will be eligible to receive about \$20 million in bonuses. These dollars are being raised privately and, so far, commitments have been made by The Eli and Edythe Broad Foundation, the Robertson Foundation, and the Partnership for New York City. The total amount distributed will be contingent on schools’ results. In future years, this program will be publicly funded.

“The agreement to recognize and reward teachers in schools who succeed in the City’s most challenging public schools is the most important breakthrough in our education system since mayoral control was instituted in 2002,” said Partnership for New York City President and CEO Kathryn Wylde. “The business community congratulates the leadership of the UFT, as well as the Mayor and Chancellor, for coming up with an innovative approach to reward excellence and encourage teamwork.”

“We know from experience across other industries and sectors that linking performance and pay is a powerful incentive,” said Broad Foundation Founder Eli Broad. “I applaud the Mayor, the Chancellor, and UFT President Randi

Weingarten for taking the bold step of applying this model to teaching as teachers are one of the most important levers in New York's overall effort to improve student achievement."

"Incentive pay for teachers and accountability of management are essential for improvement of public schools," said Robertson Foundation Founder Julian Robertson. "We are fortunate to have such a program and we support it one hundred percent."

Pension Legislation

In the 2005 contract settlement with the UFT, the City agreed to support state legislation to amend current pension provisions for current and future members of the Teachers Retirement System (TRS) and certain members of the Board of Education Retirement System (BERS) if an agreement could be reached on how employees would pay for any additional cost. The City and the UFT have now reached agreement on the issue and the City will support state legislation that would allow, for a six-month period, current members to opt into a program that would reduce the number of years of service required for retirement by five years, from 30 to 25, provided the members increase their contribution by 1.85 percent. The legislation would require a 1.85 percent increase in contributions for future members, whose years of service required for retirement would be reduced by three years, from 30 to 27. The minimum age of retirement would remain at 55 years of age for both future and current employees.

Litigation Settlement

The City and the UFT also announced settlement of a longstanding pension dispute that concerns the retirement benefits payable to approximately 40,000 retirees and active teachers. The dispute centered on whether the City, since the pension plan's creation in 1970, had properly credited the amount of interest earned on member contributions made annually into the Pension Fund.

Under the settlement announced today, the City has agreed to resolve the dispute by supplementing the retirement benefits for the affected group by a total of \$160 million over the appropriate actuarially calculated period, which is normally approximately ten years. The City risked being required by court to pay a significantly higher amount had this matter gone to judgment.