Research Summary

The research on knowledge and skills-based pay in public education is composed of case studies and qualitative analysis on schools, districts and states that have initiated a knowledge and skills-based pay structure. Due to the relatively small sample size of case studies and the short duration of the knowledge and skills-based pay programs, no empirical research studies have been conducted on the effect of the programs on any variables, such as student achievement or teacher attraction and retention.

Knowledge and skills-based pay has been promoted, written and researched by the Consortium for Policy Research in Education (CPRE) at the University of Wisconsin-Madison. Several of the researchers at CPRE’s University of Wisconsin-Madison office were involved in the development of two knowledge and skills-based pay systems.¹

What is knowledge and skills-based pay?

Knowledge and skills-based pay is additional compensation for the attainment and continual development of specific skills, knowledge and competence in effective teaching practices that leads to increased student achievement. Many knowledge and skills-based pay structures are tied to well-established national standards for educator practice, like the Interstate New Teacher Assessment and Support Consortium (INTASC)ii or National Board for Professional Teaching Standards (NBPTS)iii, while others have been directly linked to school or district defined needs for professional development.

Knowledge and skills-based pay in public education is based on the concept of competency pay from the private sector. Initially called “skills-based pay”, it has been used “as a generic term to describe compensation for individuals for the skills they demonstrate, rather than for the particular job they occupy”.⁴ “Competency pay” is a more recent term used to describe pay for the development of “more abstract knowledge or for behaviors that are less easily observable than most skills in skill pay”.⁵ Competency pay in the school setting can support the development of a “a culture of concern for personal growth and development of a highly talented work force,”⁶ which is the basis for knowledge and skills-based pay structures. In public education settings, such a pay structure could be used “to provide incentives for teachers to develop their knowledge, skills and competencies in new and more effective forms of pedagogy, deeper and more conceptual subject matter knowledge needed to teach consistently with the ways children learn advanced cognitive expertise, and the leadership and management skills needed to engage in effective school-site management and decision making.”⁷

How is knowledge and skills-based pay different than a single salary schedule?

In a single salary schedule, a teacher receives additional pay increases related to the number of years of service and additional degrees or college credits acquired. In a knowledge and skills-based pay structure, teachers are provided additional pay increases through demonstration “that they have acquired and can apply classroom-relevant knowledge and skills that represent higher levels of expertise or higher levels of teaching practice.”⁸

How is the knowledge and skills-based development structured?

Knowledge and skills based pay can take several forms; as skill blocks or professional development units, or as a career ladder with developmental stages of a teacher’s career progression. There are also versions which include a hybrid design, with a developmental career progression or ladder and additional distinct skill blocks.
Skill blocks and professional development units are specific educational courses focused on the organizational needs of the school, district or state. Educators complete training and demonstrate application of the skills obtained in order to be eligible for the additional pay.

A career ladder outlines a specific sequence of development stages of an educator’s career, often including first an Entry/Provisional stage, a second Novice/Emerging stage, a third Career/Professional stage and a final Master/Accomplished stage. In a career ladder, the different stages are accompanied with specific knowledge and skill expectations, as well as assessment of these skills in order to progress to the next stage. Demonstration for skill blocks and career ladder stages can include internal or external testing, portfolios of work product or observations and evaluations of teacher practice. In addition, the career ladder stages can link to levels of licensure provided by the state, as well as most examples of the Master stage linking to the attainment of National Board of Professional Teaching Standards Certification.

Hybrid versions of knowledge and skills-based pay that incorporate skill blocks/professional development units and career progression/ladders usually incorporate a base pay amount, with additional pay for skills blocks or steps on the career ladder. These elements can occur simultaneously in a hybrid knowledge and skills-based pay structure based on individual teachers.

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vii Odden, p. 51.

viii Milanowski, p. 2


x Ibid, p. 12-13