Research Overview

Ohio’s path to economic prosperity begins in the classroom. Our leaders must work together to prepare today’s students for tomorrow’s jobs, rather than pursue an ill-advised assault on collective bargaining justified by the false claim that teachers’ ability to negotiate wages and benefits has contributed to Ohio’s projected budget deficit.

The opposite is true. During the depths of the Great Recession, Ohio teachers made great financial sacrifices – among the largest in the country. They also served as willing partners in reforming how educators are evaluated and compensated and their efforts in the classroom have resulted in improved student outcomes.

In short, Ohio’s teachers have worked with school districts and the state to make Ohio schools better and our education system more financially sustainable.

If our political leaders fail to recognize these realities, they risk undermining and trading long-term success for minor short-term state budget gains. In fact, research shows that eliminating or effectively crippling the state’s collective bargaining system will be as likely to add to state and local budget woes as cure them.
The Current State of Ohio’s Teachers’ Salaries

According to the U.S. Department of Labor’s Bureau of Labor Statistics (BLS), Ohio’s kindergarten, elementary, middle school and high school teachers saw their salaries, on average, drop 3.8% between 2008 and 2009, the latest year BLS’s Occupational Employment Statistics are available. The national average was a 2% increase.

Only Utah and Michigan’s teachers have seen larger pay cuts between 2008 and 2009. In terms of individual grades, Ohio’s kindergarten teachers saw a cut of 6.1% – the fourth-largest cut in the country. Its elementary school teachers saw a cut of 2.4% – again the fourth-largest in the nation. Its middle school teachers saw a cut of 5.8% – the nation’s second-highest cut behind Michigan. And its high school teachers saw a cut of 1.1%, which was the eighth-biggest in America.

Ohio was one of only six states whose teachers saw salary cuts to all four categories of teachers (kindergarten, elementary, middle and high schools) between 2008 and 2009. Equally notable is that these results occurred under Ohio’s current collective bargaining law. Teachers saw $150 million less in wages last year under the current collective bargaining system.

The Effect of Reduced Bargaining Power on Teacher Salaries

It is doubtful that reducing teachers’ rights to collectively bargain will save taxpayers money in this biennium. In fact, the BLS data reveal that the more states erode teachers’ rights to collectively bargain, the more it likely will lead, on average, to higher salary increases that are more volatile, producing much less cost certainty for districts and taxpayers than the state’s current system.

There were three sets of data analyzed for this section. According to the National Center on Teacher Quality, 34 states require teachers to collectively bargain their contracts, 11 states make collective bargaining permissible, and five ban collective bargaining for teachers. BLS data show that the more a state erodes collective bargaining rights, the faster that state’s teachers’ salaries increase.
The average increase across the four school categories (kindergarten, elementary, middle and high school) from 2008 to 2009 was 1.4% in states that require collective bargaining, 2.2% in states that made collective bargaining permissible and 3.6% in states that ban teachers from collective bargaining – representing a significantly greater salary increase in states that ban collective bargaining than states that require collective bargaining. The national average increase was 2%. States that require collective bargaining for its teachers were the only category of the three that saw a smaller salary increase than the national average.

Even though states that limit teachers’ rights to collectively bargain make up less than one-third of all the states, they make up half of the top 10 salary increases in the contiguous 48 states, with reduced teachers’ rights states taking the top three spots (Wyoming at 11.2%, Texas at 7% and Louisiana at 5.9%).

In addition, the increases and cuts in states that limit collective bargaining ranged from a high of an 11.2% increase in Wyoming – the highest in the contiguous 48 states – to a 7.4% cut in Utah – the nation’s largest cut. That represents a spread of 18.6 percentage points.

Meanwhile, collective bargaining states saw much less fluctuation, ranging between a 5.7% increase in Iowa to a 5.7% cut in Michigan, or a spread of 11.4 percentage points. That means in reduced teachers’ rights states, teacher salaries have a greater variation than in collective bargaining states. Far from bringing the claimed savings, moving Ohio to more of a so-called Right-to-Work state for teachers will mean more uncertainty for districts and taxpayers, not to mention potentially huge salary increases – the very thing limited bargaining proponents falsely claim Ohio’s collective bargaining requirement does.

Despite a recent report that showed savings achieved by moving away from collective bargaining there is a long record of employees making sacrifices under the current collective bargaining law. Teachers have seen an overall reduction in salary, while state workers agreed to cost savings days, resulting in a savings of nearly $200 million. There is little reason to expect these public servants to behave differently in the current environment.
Right-to-Work’s Effect on Student Outcomes

Today’s global economy demands high student achievement. Yet student success is rarely, if ever, mentioned by the proponents of reducing teachers’ rights to bargain collectively. Perhaps it is because they know that children in reduced teachers’ rights states perform at significantly lower levels than do those in collective bargaining states. While it is difficult to blame any single element of a system for a child’s lack of academic success, it may certainly be said that reducing collective bargaining rights does not have a significant positive impact on student success.

In Education Week’s annual K-12 Student Achievement rankings, NO reduced teachers’ rights states scored in the top 10 states. In fact, the top 13 K-12 Achievement states were all states that require collective bargaining for its teachers. Meanwhile, Ohio scored better than 75% of the reduced teachers’ rights states on the K-12 Achievement measure.

While none of the top 10 achieving states were reduced teachers’ rights states, they did make up 7 of the bottom 10 K-12 Achievement states. That means that almost half of all reduced teachers’ rights states ranked in the bottom 10 states on their students’ achievement.

Looking at the most important factor in any education system – how well students achieve in it – it appears that reducing teachers’ rights to collectively bargain will produce zero positive impact and will more likely have a negative impact on student success.

Ohio’s Teachers have Worked Collaboratively with State & Local Leaders

In endorsing House Bill 1 from the 128th General Assembly (The Ohio Education Opportunity Act, or OEOA), both the Ohio Education Association (OEA) and the Ohio Federation of Teachers (OFT) demonstrated their willingness to partner in the reformation of their profession. Among other things, House Bill 1 (HB 1):

1) more than doubles the years needed for tenure, from 3 to 7 years;
2) creates a more professional mentor and licensing program so struggling teachers can be more successful or be encouraged to leave the profession;
3) makes it easier to fire or dismiss ineffective teachers;
4) allows for reductions in force (lay-offs) when district finances demand;
5) instructed the Educator Standards Board to develop a better teacher evaluation system that includes using student achievement as part of that evaluation.
It was this last provision that received numerous accolades from outside, independent observers for improving teacher accountability, and even more important, teacher performance.

For example, in Ohio’s successful Race to the Top evaluation, the reviewers remarked on several occasions how impressed they were with the OEOA’s teacher evaluation and compensation reforms. It was best detailed by a reviewer who reported that:

“Ohio has a high-quality plan for informing decisions on teacher and principal professional development and personnel matters. The state plans to use the new teacher and principal evaluations to provide professional development. The teacher licensure process will include a four year residency program that embeds professional development along the way. Residents will have mentors and participate in a multiple year induction program. HB 1 extends the tenure period to seven years. Ohio’s teacher and principal evaluation plans include differentiated compensation, increased skills and knowledge pay, and performance pay. Tenured teachers and principals in need of assistance will receive peer assistance. According to the plans, non-performing teachers and principals in participating LEAs can be fired. Each year, the number of effective and ineffective teachers and principals will be reported publicly… The influence of House Bill 1 (HB 1) in this instance cannot be overestimated. It requires (the adoption of) credible, comprehensive evaluation models for teachers and principals that include multiple measures of effectiveness including a method for measuring student growth. As a result, the state has developed an effective means of evaluating both teachers and principals after input by both groups. This includes annual evaluations of teachers and principals of which 50% of the evaluation is based upon student performance and the other 50% consisting of demonstrated knowledge and skills…This is another strong presentation.”¹⁰ (emphases added)

What is clear is that Ohio’s teachers and administrators have learned from the experiments of other states with respect to teacher performance and evaluation. Instead of dictating to teachers how they were going to be evaluated, the groups worked collaboratively to develop an impressive system without the fiery labor strife that has typified similar reforms in other jurisdictions."¹¹
In fact, in Ohio’s Race to the Top application, the state scored better than Washington, D.C. and Florida – two jurisdictions that received big headlines about their recent teacher evaluation reforms – when it came to ensuring Great Teachers and Leaders served the state’s children. Indeed, Ohio outscored all reduced teachers’ rights states but Georgia (which topped Ohio by a mere .145%) on this criterion. In short, reform advocates need not be concerned over whether Ohio teachers are willing to tie student performance to teacher performance evaluations; they have already voluntarily agreed to do so. It can even be argued that Ohio has done it better and more comprehensively than other states, while simultaneously laying the groundwork for a much longer-term effort in this regard.

Conclusion

The facts demonstrate that far from being obdurate and unyielding, Ohio teachers have demonstrated a willingness to compromise, reform, and sacrifice financially within the current collective bargaining system. There is no evidence that ending or eviscerating collective bargaining would have a salutary effect on student success in the future, or that ending it is necessary to institute still-needed reforms. In fact, ending collective bargaining could and likely would have unintended negative effects.

Nevertheless, there is no denying the severity of Ohio’s budget crisis, the difficult financial straits of many local school districts, or the likelihood that further sacrifice will be required, not just from teachers, but from all Ohio citizens. While Innovation Ohio deeply believes that future sacrifice should be shared fairly and not limited to those at the middle and lower income levels, that is a subject that goes beyond the scope of this analysis.

What can be concluded from this analysis, however, is that past experience clearly shows that necessary sacrifices and reforms can be achieved through the collective bargaining framework that has existed in Ohio since the Reagan Administration.
Opportunities for Innovation

_Innovation Ohio_ believes that the following modest reform suggestions (which are not intended as comprehensive or complete) should be considered to help ease budgetary pressures and meet taxpayer expectations:

1) Encourage school districts to pool health care policies and premiums, perhaps on a regional or even wider basis. Typically, larger pools mean lower premiums.

2) Encourage bulk purchasing and other cross-district streamlining of services and personnel wherever possible.

3) Expand and improve the use of Education Service Centers (ESCs) for increased efficiencies in special education, insurance, maintenance, and other areas.

4) Explore regional interagency collaboration among counties, municipalities and school districts to cut costs through shared expenses for common services.

5) Expand accountability and transparency regarding how school districts spend state and local tax dollars. Under the OEOA, for example, school districts would be required to publicly report how education dollars are being spent. Attempts to eliminate or weaken this requirement should be resisted.

6) Bolster reform efforts aimed at producing significantly better student outcomes on standardized tests, high school graduation rates, and college preparedness. Nothing else is more important to our state’s future economic health, or to strengthening parental and taxpayer support for our public schools.

7) Work toward ensuring that more experienced, high quality teachers with strong knowledge of their subject areas are available to children of lower socio-economic status.
Endnotes

1 A recent assessment by Ohio’s Office of Collective Bargaining estimates that its elimination would save the state about $200 million, or about 2.5% of the projected $8 billion state shortfall, though the savings cited in the report (such as higher employee contributions to health care) could all be achieved through collective bargaining too.

2 Calculated from Bureau of Labor Statistics OES system, using analysis of OCC Codes 25-2012, 2021, 2022, 2031. Spreadsheet available on request. The average was calculated by averaging the percentage increase or decrease of the annual median salary over the four grade levels analyzed between 2008 and 2009.

3 Calculated by examining May 2009 OES employment figures, then multiplying each employment figure by the dollar amount the salary was cut in each category, then adding all the results together.

4 Analysis of same OES data as before, but looking at the 34 states that require collective bargaining, the 11 that make it permission and the 5 that outlaw it for teachers located at the National Center on Teacher Quality. http://www.nctq.org/tr3/scope/#interactiveMap.

5 Alaska and Hawaii tend to be outliers because they have cost of living issues the contiguous 48 do not have. So their wage fluctuations tend to be reflective more of geography than anything else. For the record, Alaska’s 12.4% increase would be the country’s largest. Hawaii’s 1.2% increase would place it 37th in the country.

6 Ohio Sub. House Bill 1, 128th General Assembly, Signed July 17, 2009 by Governor Ted Strickland


10 This provision comports with recent research that suggests that merit pay alone does not appear to have an impact on student achievement. “It might be more productive to reward teachers in teams or to combine incentives with coaching or professional development,” Springer, M.G., Ballou, D., Hamilton, L., Le, V., Lockwood, J.R., McCaffrey, D., Pepper, M., and Stecher, B. (2010). Teacher Pay for Performance: Experimental Evidence from the Project on Incentives in Teaching. Nashville, TN: National Center on Performance Incentives at Vanderbilt University. (Finding that a straight merit pay system based on student achievement “did not do much of anything” to impact student achievement.) SEE ALSO Odden, A., and Milanowski, T. (2006) Teacher Compensation Remains a Challenge. Madison, WI. Wisconsin Center for Education Research. (Finding that “Skill-based or knowledge-based systems reward teachers for developing core competencies related to the teacher’s subject specialty, or that match the district’s overall teaching priorities. Research indicates that, at least in concept, teachers view these programs more favorably than early attempts at merit pay or career-ladder systems, and some districts with skill-based pay experience higher rates of retention of highly qualified teachers.”)

11 Reviewer Comment from Race to the Top application located at http://www2.ed.gov/programs/racetothetop/phase2-applications/comments/ohio.pdf


13 The Center for Public Education. (2005) Teacher Quality and Student Achievement: At a Glance. Alexandria, VA. National School Boards Association. Report available at: http://www.centerforpubliceducation.org/Main-Menu/Staffingstudents/Teacher-quality-and-student-achievement-At-a-glance/default.aspx. Finding that research indicates that more experienced, better educated teachers with strong knowledge of their content have greater impact in the classroom, while students facing greater socio-economic challenges are far less likely to encounter such teachers during their educational experiences.