



# RAISING TEACHER SALARIES IS IMPORTANT. IT MAY ALSO REQUIRE TRADEOFFS.

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## CENTRAL QUESTION

**How can school districts raise teacher salaries amid budgetary constraints and additional policy goals?**

In line with recent calls from policymakers and practitioners to pay teachers more,<sup>1</sup> Maryland is one of multiple states seeking to raise teacher salaries. For example, a recent analysis found that, in 2024, 59 bills across 22 states focused on raising teacher compensation.<sup>2</sup> Doing so is likely to be a big undertaking, given that employee salaries and benefits accounted for approximately 80% of public school expenditures between 2010-11 and 2020-21.<sup>3</sup>

Research generally supports the policy push to raise teachers' salaries. Several studies have found that higher salaries attract and retain higher-quality teachers and improve teacher quality by increasing teachers' effort.<sup>4</sup> Others have found that merit pay for high-performing teachers can improve teacher performance, teacher retention, and student outcomes.<sup>5</sup> For example, a recent meta-analysis found that merit pay has had positive effects on student test scores in U.S. contexts.<sup>6</sup>

Maryland is implementing multiple teacher salary increases through [The Blueprint for Maryland's Future](#). These increases are part of a broader set of policy initiatives intended to "attract and retain" teachers and "turn teaching into a high-status profession that top-performing Maryland high school graduates want to pursue."<sup>7</sup> Through the Blueprint, districts are required to increase compensation for teachers in two primary ways:

- **Universal increases.** Districts were required to implement a 10% increase above 2019 salaries for all teachers by July 2024.<sup>8</sup> They must also implement a minimum starting salary of \$60,000 by July 2026.<sup>9</sup>

- **Merit increases.** Districts implemented merit salary increases in July 2022 for teachers who earn National Board Certification (NBC)—an intensive, costly process that assesses their content knowledge and requires them to develop portfolios that demonstrate effectiveness.<sup>10</sup> The theory underlying this policy is twofold: first, NBC is meant to signal that a teacher is high-performing; second, going through the NBC process could help teachers become more effective. However, the evidence on whether NBC indicates or improves teacher quality is mixed.<sup>11</sup> Across districts, National Board certified teachers (NBCTs) receive a \$10,000 salary increase and an additional \$7,000 if they work at a school identified as low-performing by the state or district.<sup>12</sup> These changes are part of a career ladder that districts are in the process of developing.<sup>13</sup>

In this brief, we draw on an analysis of Maryland districts' Blueprint implementation plans and other public documents to explore whether and how they are meeting requirements to raise teacher compensation, and the challenges they are experiencing with doing so. We offer policy implications for state and local education leaders to consider.

## KEY FINDINGS

**Most districts say they are on target to achieve universal salary increases by Blueprint deadlines.**

It appears that all Maryland districts have met the requirements to raise all teachers' salaries by 10%. In their March 2023 implementation plans, districts were asked to detail annual increases in salaries for all teachers between 2019-20 and 2023-24—one year prior to the July 2024 deadline. All districts said they were on track to meet or exceed the 10% salary increase by 2023-24 if not earlier (Figure 1). Most did not discuss the 10% salary increase in

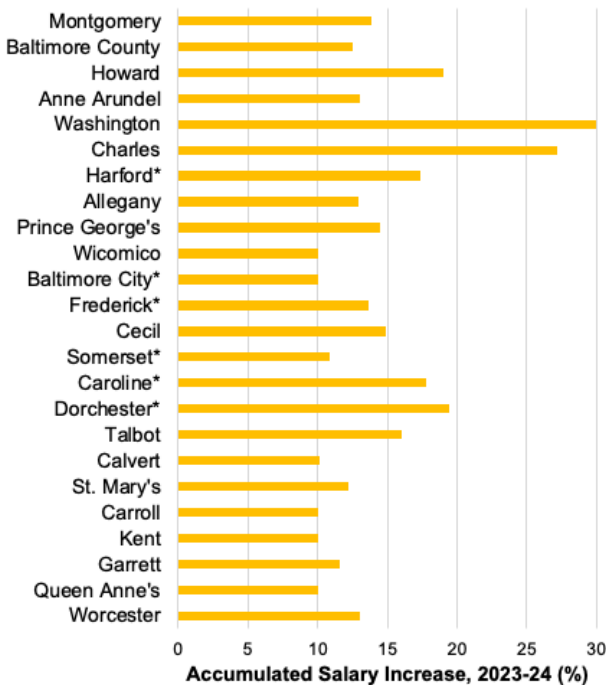
**About this Brief.** The University of Maryland College of Education's **Maryland Equity Project (MEP)** seeks to improve public education through research that supports an informed public policy debate about the quality and distribution of educational opportunities in Maryland and nationally. This brief is one in a series on **The Blueprint for Maryland's Future**—a significant statewide investment to transform Maryland's public schools in service of educational equity. The purpose of this brief series is to support districts in their efforts to plan and implement Blueprint initiatives through information-sharing and research-based recommendations.

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their 2024 Blueprint implementation plans other than to note that they had met or fully expected to meet that requirement by the deadline.

While the average projected increase across districts was 14.58%, there was a great deal of variation. Several districts reported increases of approximately 10% while Washington and Charles Counties reported increases of more than 27%. Implementation plans did not include information about why some districts went above and beyond 10% salary increases. However, this variation suggests that districts likely vary in their capacity to meet Blueprint salary raises.

**Figure 1. Teacher Salary Increases between 2019-20 and 2023-24 by District in Maryland, Sorted by Highest to Lowest Starting Salary**



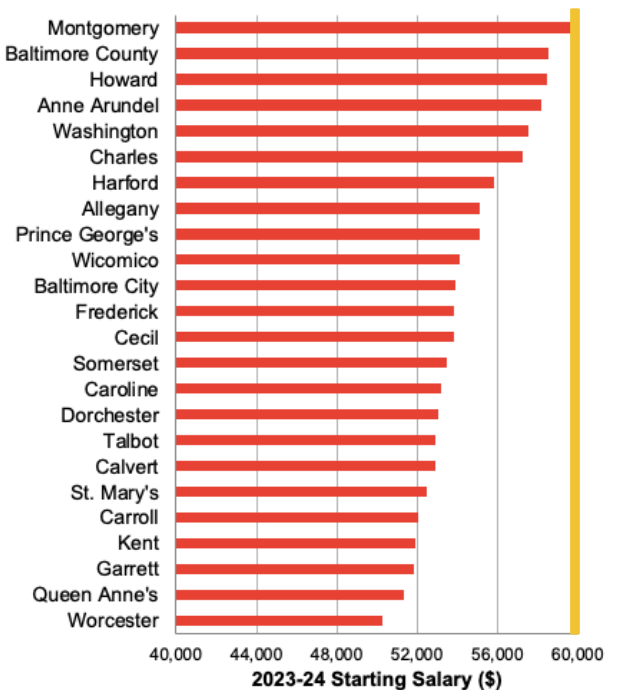
Note: Accumulated salary increase includes year-by-year salary increases between 2019-20 and 2023-24. \* indicates that the district did not report an exact percentage for 2023-24; all districts that did not report an exact percentage had met or exceeded a 10% increase in 2022-23 or indicated that they would meet or exceed it in 2023-24.

Source: Districts' March 2023 Blueprint implementation plans

As of 2023-24, all districts' starting salaries were below \$60,000 (Figure 2). The average starting salary across districts was \$54,439, meaning they were off from the required minimum by an average of \$5,561. Yet, as with the 10% salary increases, there was much variation between districts. Montgomery County had the highest starting salary at \$59,640, while Worcester County had the lowest

at \$50,275. Even so, in their May 2024 implementation plans, nearly all districts said they were confident about and committed to meeting or exceeding the \$60,000 minimum starting salary by July 2026. Seven districts—Anne Arundel, Cecil, Frederick, Harford, Kent, Montgomery, and Prince George's Counties—also specified their anticipated 2026-27 starting salaries, which fell between \$60,010 (Prince George's) and \$62,558 (Montgomery).

**Figure 2. 2023-24 Starting Teacher Salary by District in Maryland, Sorted from Highest to Lowest**



Source: MSDE (2023)<sup>15</sup>

**While districts appear on track to implement universal increases, they are facing challenges with doing so.**

Districts described many challenges with implementing and sustaining universal salary increases. Consistent with nationwide evidence,<sup>16</sup> several Maryland districts said personnel was the biggest portion of their expenditures. For example, in their March 2024 implementation plans, Queen Anne's County said staffing was well over 80% of its operating budget and Worcester County said human capital was 91.1% of its operating budget. Many districts noted that the sheer cost of raising salaries is compounded by the additional costs that come with it, such as retirement and healthcare benefits and cost of living adjustments. Several districts also described increased costs stemming from their

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desire to be equitable, which they believed meant also raising the salaries of experienced teachers and other personnel.

Districts also described challenges with getting the funding they needed to meet these increased costs. Districts are reliant on local, state, and federal funds for money—and many noted that there were not enough available funds from one or all of those levels. For example, several districts, including Calvert and Worcester Counties, said that their **county** governments were only allocating the minimum funding necessary under the state’s Maintenance of Effort (MOE) law, which requires counties to provide at least as much per-pupil funding as was provided in the previous year.<sup>17</sup> This finding suggests that MOE would not be enough to support salary raises, at least in those districts. Some districts also said they were receiving less **state** funding than in prior years as a result of declining student enrollment<sup>18</sup> and less **federal** funding than in prior years with the sunset of Elementary and Secondary School Emergency Relief (ESSER) funds. Districts noted that, altogether, these funding challenges would make it difficult to sustain both universal salary raises *and* other important initiatives.

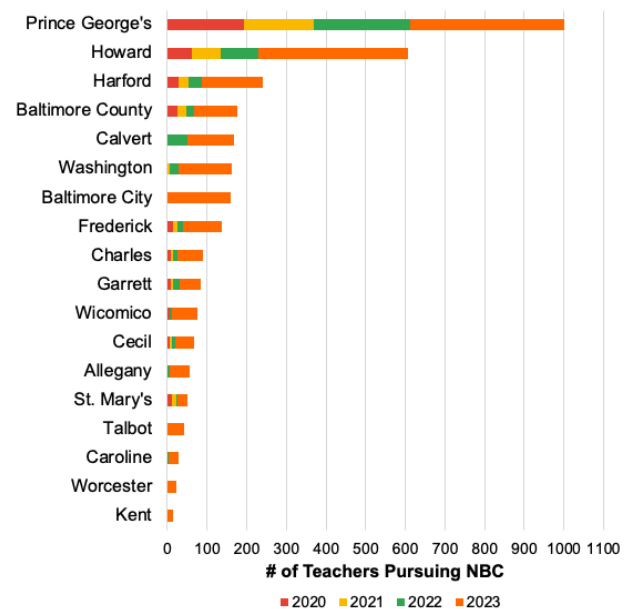
### In light of funding challenges, universal salary increases are requiring districts to cut costs in other areas.

Districts described several strategies for meeting universal salary requirements amid funding challenges. These strategies generally relied on cooperation among districts, county governments, and teachers’ unions. While a few districts mentioned requesting additional funds from their county governments, districts more frequently described how they were reallocating resources by cutting personnel and programs, modifying school schedules, and closing schools. For example, in its March 2024 plan, Queen Anne’s County noted that “position control will be the only way to balance our budget.” In its May 2024 plan, the county said it would be eliminating 53 positions—a sizable amount for the small school system—but hoped to do so through resignations and retirements. Some districts also described overcoming funding challenges by restructuring teacher salary scales. In essence, these changes would provide higher salaries for early-career teachers—in accordance with Blueprint requirements—and smaller salary returns on experience for teachers later in their career.

### Merit pay increases bring a different set of challenges than universal increases.

The number of NBCTs and teachers pursuing NBC varies dramatically across districts (Figure 3). Furthermore, there is no requirement for how many NBCTs districts must employ. Consequently, it is unclear how much this policy will cost districts. Prior to the Blueprint, NBCTs were few in number in most Maryland districts. Data from May 2024 indicate that all districts have increased certification rates, but numbers in many districts are still relatively low (Figure 3). Low certification rates mean that few teachers are reaping the benefits of the Blueprint’s merit pay increases; they also pose challenges for increasing certification rates in the long-term. For example, many districts are struggling to identify mentors who can support other teachers through the NBC process. Most districts are also struggling to increase the numbers of teachers of color, male teachers, and Career and Technical Education teachers pursuing NBC.

**Figure 3. Number of Teachers Pursuing NBC by District by Year**



Note: Anne Arundel, Carroll, Dorchester, Montgomery, Queen Anne’s, and Somerset Counties are excluded because data were not available for one or more years. No bar indicates that no teachers were pursuing NBC in that district that year.

Source: Districts’ May 2024 Blueprint implementation plans and data tables prepared by MSDE<sup>19</sup>

In their implementation plans, districts did not discuss funding issues associated with merit pay increases, perhaps because relatively few teachers have or are pursuing NBC.

However, some cited challenges with affording staff who could support teachers through the NBC process. For example, Carroll County said that, due to budgetary shortfalls and staffing shortages, they could not hire NBC facilitators—who support teachers pursuing NBC—for the 2023-24 school year. Several districts also mentioned that they support NBC facilitators through temporary sources of funding (e.g., Maryland Leads grants).

### **RESEARCH METHODS**

This brief draws on a qualitative analysis of the Blueprint implementation plans districts submitted to the Accountability and Implementation Board—which oversees the implementation of Blueprint initiatives—in March 2023, March 2024, and May 2024, as well as publicly available documents related to districts’ salary schedules and Blueprint salary requirements. This brief uses data that address districts’ plans to meet required teacher compensation increases. We conducted a qualitative analysis of these data using both deductive codes derived from questions the implementation plans asked of districts (e.g., challenges with raising starting salaries to \$60,000) and inductive codes derived from a preliminary review of the data (e.g., declining enrollment).

### **REMAINING QUESTIONS**

#### **Will universal and merit pay increases fulfill their aims?**

The Blueprint’s new salary requirements aim to improve teacher recruitment, retention, and quality, but whether they are actually doing so remains an important open question. For example, the fact that districts are still struggling to get teachers to pursue NBC raises questions about whether these merit pay increases are the “right” incentives for Maryland teachers. An even more critical question is whether NBC is the “right” way to improve teacher quality. While many states provide incentives for teachers to earn NBC,<sup>20</sup> evidence on whether NBC enhances or is a strong signal of teacher effectiveness is mixed.<sup>21</sup> Consequently, research on the impacts of Blueprint teacher pay raises will be key moving forward—particularly given how much these policies could cost districts and the state.

#### **How will “salary equality” affect competition for teachers between districts?**

A few districts, including Baltimore City, noted in their implementation plans that the \$60,000 minimum starting salary requirement could affect their ability to hire new teachers. These concerns align with evidence that schools with higher shares of racially/ethnically minoritized and low-income students generally need to pay teachers more to recruit and retain them.<sup>22</sup> In other words, this universal pay increase—which aims to *support* teacher recruitment and retention—could actually *undermine* teacher recruitment and retention in racially/ethnically diverse, high-poverty districts. Those districts would likely need to compensate by raising salaries beyond state requirements, placing additional financial burden on their county governments. These issues reaffirm the importance of monitoring the effects of Blueprint salary requirements and highlight the necessity of determining how effects vary across district and school contexts.

#### **How will salary raises affect the implementation of other Blueprint initiatives?**

For many districts, fulfilling Blueprint salary requirements is requiring a reallocation of resources. This finding raises questions about whether salary raises will require tradeoffs with other Blueprint initiatives that may be just as critical to transforming the state’s education system—and building its teacher workforce. For instance, while salary is an important factor in teachers’ career decisions, it is not the only factor. Several studies suggest that working conditions—including class sizes—are an important factor shaping whether individuals pursue a teaching career. Because working conditions could be (and, in some counties, already have been)<sup>23</sup> directly affected by districts’ decisions about how to reallocate resources to meet new salary requirements, it is possible that the *draw* of higher salaries could be offset by the *drawback* of the working conditions higher salaries may foster.

Gaining a more comprehensive understanding of whether and how teacher salary raises are requiring tradeoffs in other reform areas will be crucial to ensure success of the Blueprint, which seeks to transform multiple aspects of education. Even so, our findings suggest that some districts—particularly those receiving minimal local funding—may simply need more financial resources to fulfill the Blueprint’s aims.

### Endnotes

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- <sup>6</sup> Pham et al. (2021)
- <sup>7</sup> Maryland State Department of Education (MSDE) (2024). [Blueprint pillar 2: High quality and diverse teachers and leaders](#).
- <sup>8</sup> Blueprint for Maryland's Future - Implementation, [H.B. 1300](#), 2020 Reg. Sess. (Md. 2020).
- <sup>9</sup> MSDE (2024). [Blueprint for Maryland's Future: Implementation timeline](#).
- <sup>10</sup> National Board for Professional Teaching Standards (NBPTS). [Components](#).
- <sup>11</sup> Cowan, J., & Goldhaber, D. (2018). Do bonuses affect teacher staffing and student achievement in high poverty schools? Evidence from an incentive for National Board certified teachers in Washington State. *Economics of Education Review*, 65, 138-152.
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- <sup>12</sup> Each year, MSDE will identify which schools are low-performing. MSDE's determination is based on schools' ratings in the state's accountability system. Districts have the option to include additional schools that they deem low-performing. Sources: MSDE (2024). [National Board certified teacher incentive program](#). MSDE (n.d.). [Bringing National Board certified teachers to Maryland's low performing schools](#).
- <sup>13</sup> MSDE, & Accountability and Implementation Board (2024). [Career ladder guidance on frequently asked questions](#).
- <sup>15</sup> MSDE (2023). [Professional salary schedules](#).
- <sup>16</sup> NCES (2024)
- <sup>17</sup> January, B. (2023). [2024 issue preview: Funding the Blueprint for Maryland's Future](#). *Maryland Association of Counties*.
- <sup>18</sup> Because the state of Maryland allocates funds to districts (through county governments) based on the number of students enrolled, declining enrollment means that districts would receive less state funding. Source: MSDE (2024). [Blueprint funding: Formula and accountability](#).
- <sup>19</sup> MSDE data tables are available for most districts and can be found in the digital folders that hold their Blueprint implementation plans, which can be accessed through the Accountability and Implementation Board's [website](#).
- <sup>20</sup> NBPTS (2024). [State financial incentives for National Board Certification](#).
- <sup>21</sup> Cowan & Goldhaber (2018); Cowan & Goldhaber (2016); Manzeske et al., (2017)
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