

Free Market Friday: Cut waste and pay teachers

By Michael C. Carnuccio - September 19, 2013

State Superintendent of Public Instruction Janet Barresi has suggested giving Oklahoma schoolteachers a \$2,000 pay raise, funded with a combination of school district carry-over funds and a 2-percent reduction in administrative overhead.

I applaud Barresi's idea of using existing money to fund pay hikes. Achieving efficiencies in an organization can result in employees receiving better pay for better performance. Organizations routinely decide to realign expenditures internally to reallocate resources to employees who are more deserving.

Lord knows there are efficiencies to be found in common education. The dramatic growth and bloat in administration is well-documented. When Oklahoma has nearly as many non-teachers as teachers, something is wrong.

Unfortunately, some object to Barresi's plan, saying that pay hikes can only occur with increased appropriations, even though that claim has been debunked. Private-sector organizations continually demonstrate that when incentives are aligned properly, reduced spending and better pay can be achieved. In fact, even some state agencies have shown that internal creativity can generate the savings necessary for pay raises – higher education comes to mind.

According to the Fiscal Year 2013 Education Appropriations Summary published by the Oklahoma House of Representatives, total budgeted state and local funds for common education total \$5.2 billion. Barresi is suggesting a raise of \$2,000 per teacher, which totals about \$100 million. This is about 2 percent of budgeted funds. If you can't find 2-percent savings to retain your top talent, you probably shouldn't be in a leadership position anywhere.

However, let's be honest: Among Oklahoma's 36,708 teachers, there are excellent teachers, good teachers, mediocre teachers and incompetent teachers.

Guy Strickland, an award-winning teacher, principal and educational researcher, said the most informed estimates are that 5 to 15 percent of teachers are ineffectual. If he's correct, that's 1,835 to 5,506 inept teachers in Oklahoma. Why should they even keep their jobs, let alone get a pay raise?

Many Oklahoma teachers deserve a \$2,000 pay raise, and it's quite possible that some deserve a \$20,000 pay raise. As Cato Institute scholar Andrew J. Coulson rightly said, "The same free-enterprise system that has given us Google, Starbucks and Apple works in education, too – if we let it."

I look forward to the day when Oklahoma teachers can reap the benefits of our free-enterprise system.