

**A National Portrait of Performance Based
Compensations Systems:
Motivating & Retaining Teachers**

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Texas Senate Education Committee

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Starting with the End in Mind



- Teachers drive student performance
 - ? Teachers are the greatest school-based influence on student achievement (Hanushek, 1992; Sanders & Rivers, 1996; Wright, Horn, & Sanders, 1997; Nye, Konstantopolous, & Hedges, 2004; Rivkin, Hanushek, & Kain, 2005; Gordon, Kane, & Staiger, 2006 Aaronson, Barrow, & Sander, 2007).
- Survey results consistently identify two issues as most important in moving schools in the right direction:
 - ? Better teachers and school leaders
 - ? More parental support (Bushaw & McNee, 2009).

The Core Message of Performance Based Compensation Systems:

A tremendous amount of resources in education are invested in people, and as such, it is imperative that the policy, research and practice communities ensure these funds are expended in ways that are aligned to our goals.

Purposes of Educator Compensation

- Payment for employment
- Attract talented teachers
 - ? New teachers
 - ? Cross-sector or inter-industry competitiveness
- Retain effective teachers
- Market incentives for hard-to-staff subjects or schools
- Incentives for advanced degrees or certifications
- Remuneration for taking on additional leadership roles and responsibilities
- Reward for effectiveness / attaining goals
 - ? Signal for retention, remediation or dismissal

Approaches to Educator Compensation



- Traditional Single Salary Schedule

? *Standardized* increases based on:

- Years of experience
- Advanced degrees
- Certification levels

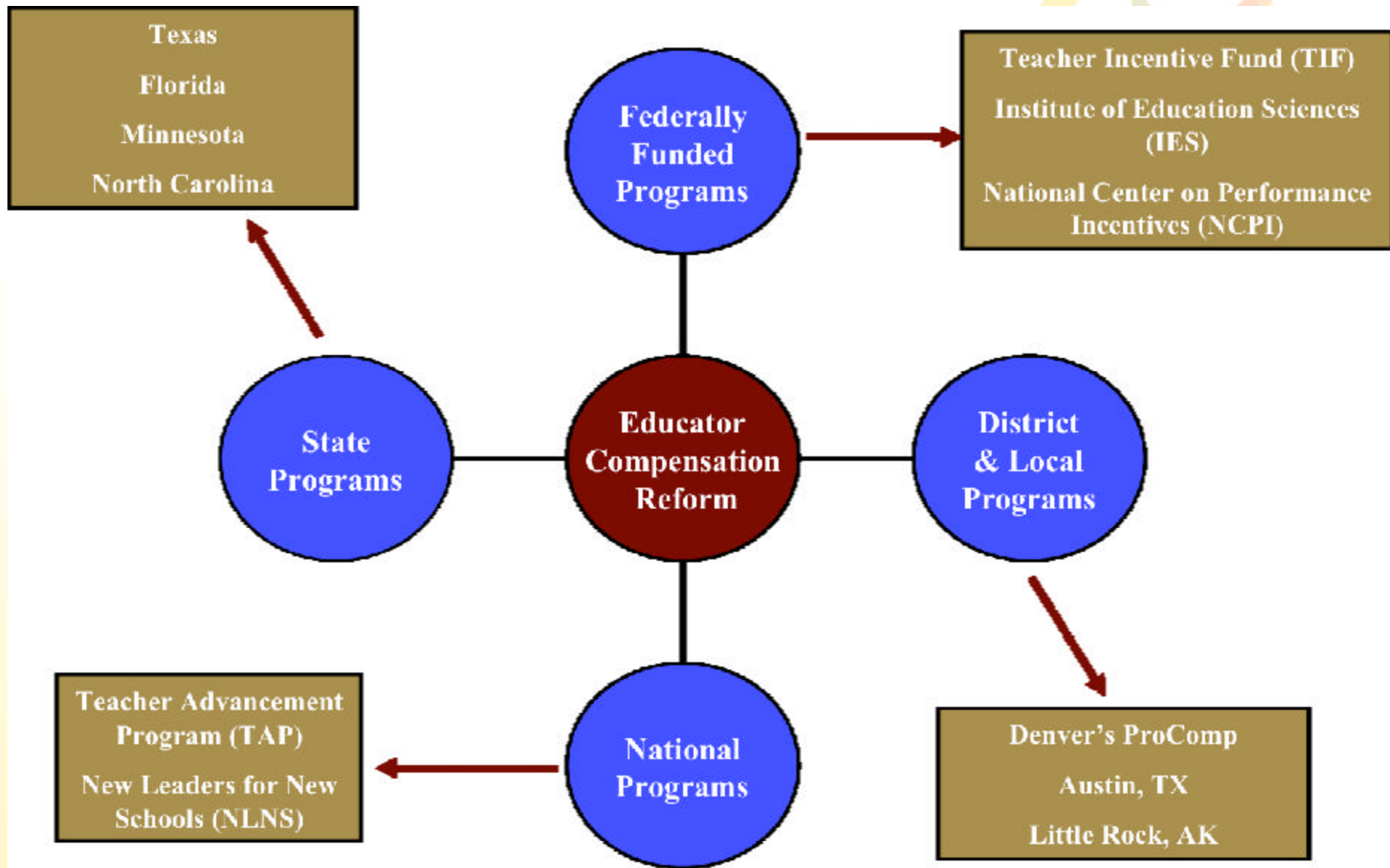
- Alternate Approaches

? *Differentiated* increases based on:

- Acquisition of knowledge and skills
- Effectiveness (based on multiple measures, including Value-Added)
- Market factors (hard to staff schools and subject areas)
- Leadership roles and responsibilities

Comparing Traditional Salary Schedule Raises and Performance Pay

Traditional Salary Schedule Raises	Performance Pay Raises
Funds are not linked to the most important outcomes of schooling, such as teacher effectiveness & increased levels of student performance	Funds are directly linked to the most important outcomes of schooling, such as increased teacher effectiveness & student performance
Do not provide motivation or rewards for elevated levels of school or teacher effectiveness	Do provide motivation or rewards for elevated levels of school or teacher effectiveness
Do not encourage the continued professional development of teachers and principals	Do encourage the continued professional development of teachers and principals
Do not provide impetus for schools and districts to align their resources with their core goals	Do provide impetus for schools and districts to align resources with core goals
Endorse the status quo	Challenge the status quo
Do not help schools and districts attract and retain highly effective teachers and administrators	Do help schools and districts attract and retain highly effective teachers and administrators
Do not encourage schools to consider how to effectively assess student learning across multiple grades and subject areas	Do encourage schools to consider how to effectively assess student learning across multiple grades and subject areas



Teacher Incentive Fund (TIF) Goals

1. Increase teacher and principal **effectiveness** and thereby improve student achievement
2. Reform compensation systems so that teachers and principals are rewarded for increases in student **achievement**
3. Increase the number of effective teachers teaching **poor, minority and disadvantaged students** in hard-to-staff subjects such as math and science
4. Create **sustainable** performance-based compensation systems

Teacher Incentive Fund (TIF) Sites

- The U.S. Department of Education awarded 34 grants in two cohorts.
- 16 Cohort 1 grantees were funded in June 2006 and 18 cohort 2 grantees were funded in June 2007
- Grantees are diverse geographically ranging from Miami to Alaska, and from California to New York City
- The project involves several large Urban districts such as Houston, Chicago, Dallas and NYC, as well as several small rural communities in such places as New Mexico and South Dakota
- The project includes several state-level initiatives such as South Carolina and Ohio, as well as individual charter schools in Texas and Massachusetts

Scope and Characteristics of the Teacher Incentive Fund Project

- The 34 TIF sites involve 1,315 schools, over 54,000 teachers and nearly 2,400 administrators.
- Annual funding per site varies between less than \$500,000 to over \$20 Million.
- All sites incorporate bonuses for **school leaders**, but not all include teachers – Denver and Pittsburgh focus exclusively on school leaders
- 8 of the sites implement the Teacher Advancement Program (TAP) model and the remaining 26 have created their own models of performance pay

Measures Included in TIF Evaluations

- **Increases / growth in student performance:** All 34 projects
- **Graduation rates:** New Leaders for New Schools projects
- **Improved recruitment and retention:** Guildford County, Beggs County, Eagle County
- **Increased numbers of highly qualified teachers:** SC, Miami
- **Management structure and effectiveness:** New Mexico and the School of Excellence in San Antonio
- **Enhanced curriculum and instruction:** Alaska
- **Changes in principal behavior:** Chicago, Pittsburgh

4 Considerations for Including Principals in Performance Pay

- School leaders should be eligible to earn additional compensation in a variety of ways that are strategically aligned to state, district, and school goals.
- Dollar amounts for principal bonuses should be consistent with financial awards for teachers.
- Decisions about the design and implementation of a new principal pay system should be the responsibility of a representative compensation committee.
- Reward arrangements for principals should be transparently obvious not only to the individuals in this leadership position but also to others with whom principals routinely interact.

Examples of Principal Measures

- 1. The school or organization achieves predetermined and specified outcomes.
- 2. The individual leader increases his or her knowledge and skills through professional development.
- 3. The individual principal takes on additional roles and responsibilities.
- 4. Evaluations of principal performance indicate that the individual has demonstrated evidence of effective leadership.
- 5. Rewarding a principal for achieving predetermined behavioral or professional goals.
- 6. Rewarding a principal for high scores on a rubric-based assessment of leadership effectiveness.

Evaluation Approaches Proposed by TIF Sites

- Randomized experiment: Chicago
- Quasi-experimental: Houston, Beggs County
- Quantitative analysis: Alaska, Denver, Florence SC
- Qualitative analysis: Eagle County, Orange County
- Context evaluation: South Dakota, Weld, New York, Ohio
- Input evaluation: Ohio, Weld, Chicago
- Process evaluation: New York, Dallas, Ohio, Weld, South Dakota
- Survey of teacher attitudes: Weld County, Dallas, Beggs County
- Fidelity of implementation: Denver, Ohio
- Case studies (interviews and observations): New Leaders for New Schools projects

Early Signs of Impact from TIF sites

- Performance pay has had a huge impact in our district. Not only have we seen an **increase in student performance** from the previous year but the teachers are excited and are changing their whole philosophy towards teaching. Rather than trying to work within their classroom, teachers are venturing out and **teaming together**. They meet regularly to discuss student's achievement and what they can do to improve student performance. Teachers are now **looking at the data, aligning their curriculum to the state objectives, and attending more professional development** in order to make themselves and their students top-notch.

~Denise Creason, Guilford County, NC TIF Project Director

- Since it began in 2005, Q Comp has begun to change the way participating districts look at professional development and teacher compensation. Q Comp enables schools to become more competitive. They **recruit and retain** highly qualified teachers by providing job-embedded professional development, leadership opportunities that maintain a direct role in classroom instruction, performance pay for teacher and student growth, and reformed salary schedules that allow highly qualified and effective teachers to advance more quickly based on performance measures. As more districts become part of the program, better **professional development** is spreading throughout the state, and we are beginning to change the culture of education.

~Patricia King, Qcomp Director, MN

- From Florence Three's perspective, teacher incentives **are positively changing the climate** for schools. We feel that the **teacher support and collaboration** that accompanies our teacher incentive model is key. ~Dr. Patricia Chandler, South Carolina TIF Project Director
- The TIF project in Philadelphia has had a great impact on the 11 schools involved with the grant. It has changed the face of each of these schools. This program has become the **cornerstone for the schools professional development system, their recruiting efforts, and has begun to change their culture**. Administrators reports that for the first time, conversations are about instruction. Having performance bonuses are a **recruitment** plus for many teachers. In 2007-08, 3 out of 4 of our **pilot schools showed more then a full year's growth**. ~Susan Ostrich, Philadelphia TIF Project Director
- The TIF project in Amphitheater has already had positive effects. **Recruiting** this year was much easier for our grantee schools. Teachers are digging deeper into **student achievement data** from standardized assessments and asking more questions about what the data means. They are tying what they discover directly to the classroom. Further, each teacher is working on on-going classroom assessments. The value-added data analysis is assisting teachers in looking at the **growth of students in their own classes**. We are seeing true improvement in our collaborative culture. ~ Roseanne Lopez, Amphitheatre Arizona TIF Project Director

***A Story of Success from a
School Practitioner***

Mr. Rodney Wilds

Principal

Andrews High School

Former Principal

Jackson Middle School



Before Mission Possible



- Teacher turnover exceeded 35%
- Recruiting teachers was a challenge
- Jackson had not made Adequate Yearly Progress for several years

After Mission Possible



- Teacher turnover for Mission Possible positions has dropped in the last three years from 33% (2006-2007) to 30% (2007-2008) to 0% (2008-2009)
- Recruiting teachers is easier with combined recruitment and performance incentives of up to \$14,000
- Jackson made Adequate Yearly Progress this past year, meeting 25 of 25 of its targets

Student Growth Results in Mission Possible

Subgroups	2007 Math	2008 Math
All	35.5	54.3
Afr. Amer.	29.2	49.2
Hispanic	38.5	55.8
SWD	10.9	38.2
LEP	31.5	56.2
FRL	33.4	54.3

PBCS Impacts on Motivation & Retention

- The stakes for Denver students were most important. This innovative program has been able to attract talented teaching candidates to the district and motivate and retain experienced teachers. ~ Robin Chait, Center for American Progress
- The RAND report, *Supply and Demand of Minority Teachers in Texas: Problems and Prospects*, found that higher pay lowered **attrition**, and the effect was stronger in high-needs school districts—every \$1,000 increase was estimated to decrease attrition by over 6 percent
- In Austin ISD, **retention** rates of new teachers in REACH schools increased by 11% at highest-needs schools compared to a 3% increase at comparison schools

Focus on What Matters



- The central educational challenge facing our nation, and the state of Texas is to **dramatically improve student performance**.
 - ? Teachers drive student performance
- We need a **systemic, holistic approach** to ensure the **most effective teacher** in every classroom and **most effective leader** in every school.

Example of a Systemic Approach



- Implement early hiring timelines.
- Provide differentiated, ongoing, job-embedded professional development.
- Ensure that workloads are reasonable.
- Offer long-term salary policies that are market-sensitive, competitive, and performance-based.

Putting it All Together: Resource Repositories

- The Center for Educator Compensation Reform <http://www.cecr.ed.gov>
- The National Center on Performance Incentives <http://www.performanceincentives.org>



Partnering: NEA Perspectives on Transforming Schools



- 1. Recruit and prepare teachers for work in high-needs schools.
 - ? One cannot be done well without the other.
- 2. Take a comprehensive approach to teacher incentives.
 - ? Lessons from the private sector and voices of teachers indicate that performance pay makes the most difference when it focuses on “building a collaborative workplace culture” to improve practices and outcomes.
- 3. Improve the right working conditions.
 - ? We need to fully identify the school conditions most likely to serve students by attracting, developing, retaining and inspiring effective and accomplished teachers.
- 4. Define teacher effectiveness broadly, in terms of student learning.
 - ? We need new evaluation tools and processes to measure how teachers think about their practice as well as help students learn.

Performance Pay Implementation Challenges

1. Consistent, stable, supportive leadership at the highest levels (school board, superintendent, and principals)
2. Time – to plan, engage stakeholders, to raise awareness, to train assessors, to construct targeted PD, to modify or create new data systems to support the program
3. Collaboration with teacher and principal unions / associations
4. Inadequate engagement with key stakeholders during planning and implementation and lack of ongoing communication between district departments (HR, budget, payroll) and those directly impacted by the plan
5. Lack of choice regarding elements of the program
6. How the program is initially framed, defined and communicated

Additional Implementation Challenges

7. Lack of high quality assessments, especially for K-2, High school, special education and resource teachers
8. Unrealistic initial goals, timelines and expectations
9. Lack of plan at the outset for fiscal and programmatic sustainability
10. Inadequate professional development to support identified needs
11. Lack of alignment between performance pay plan and broader district and school goals and improvement plans
12. Small award amounts and timing of awards

Components of Quality Performance Pay Plans

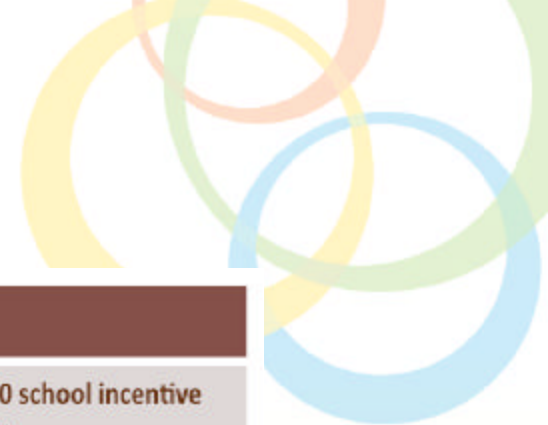
1. The use of multiple, valid and reliable assessments of student learning to measure teacher, team and school effectiveness
2. An orientation towards value-added measures of teacher and school effectiveness
3. The utilization of value-added measures beyond pay determination, such as the identification of effective practice, domains for potential improvement, and assessments of professional development experiences
4. The inclusion of rewards/inducements beyond financial, such as opportunities for collaboration and teamwork, a supportive environment, mentoring, and strong consistent leadership
5. Opportunities for flexibility in approach based on contextual needs. For example, if supply is the issue, include recruitment/retention bonuses. If quality is the issue, focus on performance-based awards.

Components of Quality Performance Pay Plans

6. The plan is continually appraised and refined in collaboration with key stakeholders, including union and association members
7. The performance pay system is built upon a solid base salary, and is not added on at the expense of solid base pay
8. Acknowledge the necessity of perceived and actual funding stability
9. Supported by a data system that allows for essential linkages between teacher and student databases. The data system must be able to link information between human resources, payroll, student record, and assessment domains
10. Includes a data quality plan that assures all key stakeholders that the data used to make performance award decisions are accurate, valid and reliable

Components of Quality Performance Pay Plans

11. Includes multiple levels (individual, team, school awards) and opportunities for choice (collaborate with core teacher for award or receive school-based award)
12. Framed as a school improvement process / strategic reform initiative by aligning program to core instructional goals at the school and district levels
13. Each performance goal is supported by targeted professional development
14. Ongoing training is provided for performance assessors
15. Includes ongoing communication in multiple modes, targeted to specific cycles in the program (initial overview of program, verification of test data, the payout)



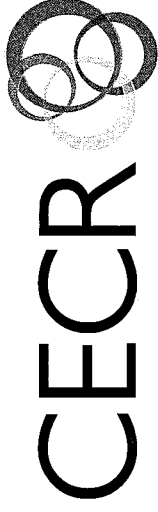
Study	Context	Sample
Muralidaran and Sundararaman (2006)	Rural Indian Primary School	100 individual/100 school incentive 200 extra resource 100 control
Glewwe, et al. (2004)	Rural Kenyan Primary Schools	50 School Wide 50 Control
Lavy (2002)	Israel High Schools	62 Schools Performance Incentives 22 Schools Additional Resources
Lavy (2004)	Israel High Schools	Use of Panel Data
Atkinson (2004)	UK High Schools	18 Schools Student scores before and after introduction of incentive system
Winters, Ritter, Barnett, and Greene (2006)	Arkansas Elementary Schools	2 treatment schools 3 control Schools
Eberts (2002)	Michigan High Schools	1 Treatment School 1 Control School
Figlio and Kenny (2006)	U.S NELS Data + Survey Data	2000 Schools NELS and Survey
Ladd (1996)	Dallas middle schools	Dallas Middle Schools Other Texas Districts



Study	Type of Incentive	Size of Incentive	Outcome Variable
Muralidaran and Sundararaman (2006)	Individual and School Wide	4% Group 5% Individual	Primary Grade Math and Language Arts
Glewwe, et al. (2004)	School Wide	Up to 43% of monthly salary	4/8 Test Scores
Lavy (2002)	School Wide (Tournament)	\$200-715	High School test scores, pass rates, dropout rates, course taking
Lavy (2004)	Individual (Tournament)	\$1750-7500	Pass rates and test scores
Atkinson (2004)	Individual	Up to 9% increase of base	English, science, math assessments
Winters, Ritter, Barnett, and Greene (2006)	Individual	\$1800 - 8600	4 th and 5 th grade math scores
Eberts (2002)	Individual	Up to 20 percent of base pay	Course completion, pass rates, daily attendance, GPA
Figlio and Kenny (2006)	Individual	Up to 9% increase in salary base	12 th grade composite math, science, and history scores
Ladd (1996)	School – Wide (Tournament)	\$1,000	Math and Reading test scores



Study	Results
Muralidaran and Sundararaman (2006)	Positive: Effects to be .19 (Math) .12 (Language Arts) Incentive Schemes cost efficient relative to added resource schemes
Glewwe, et al. (2004)	Mixed: increase pass rates 1 st two years – did not persist. No difference in pedagogy. No effect on teacher absenteeism
Lavy (2002)	Positive: Improved school performance for participating schools
Lavy (2004)	Positive: Improved value added contributions for participating teachers
Atkinson (2004)	Positive: Improvement of test score gains by half a grade per pupil.
Winters, Ritter, Barnett, and Greene (2006)	Positive: 4.6 NCE for every year in school within bonus system.
Eberts (2002)	Mixed: Raised course completion but more students in school led to overall drop in pass rate and GPA
Figlio and Kenny (2006)	Positive: Merit pay programs have positive effects equivalent to increase in maternal education of three years
Clotfelter and Ladd (1996)	Positive: Improvement of Test Scores



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Online Resources

Technical Assistance

Information Sharing

Outreach



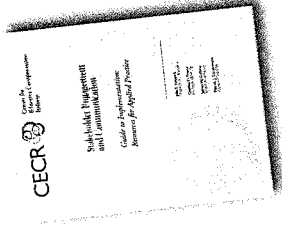
The Center for Educator Compensation Reform (CECR) is a partnership among Westat, Vanderbilt University, University of Wisconsin-Madison, Learning Point Associates, and Synergy Enterprises.

CECR provides technical assistance to the Teacher Incentive Fund grantees and develops resources for a national audience. Participants with a question about alternative compensation can submit their inquiry through the Ask the Expert function on our Website. For more information visit our Website at:

www.cecr.ed.gov

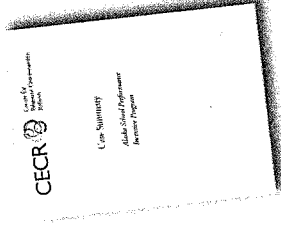
Guide to Implementation

The *Guide* provides an overview of the critical components of an alternative compensation system. Each module provides relevant research and real-life examples to guide the design, implementation, and ongoing management of educator compensation reform programs.



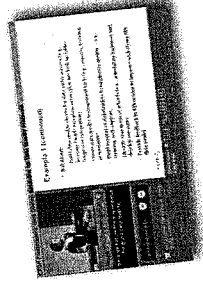
Case Summaries

CECR case summaries tell the story of state and district performance-based compensation programs that have been tried, tested, and implemented.



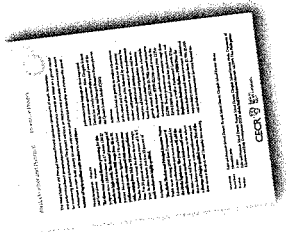
Informational Podcasts and Seminars

TIFTIPS offers online Web seminars and audio podcasts around topics of emerging interest. A complete library of CECR cafés can be found on the Website.



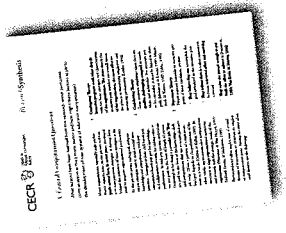
Grantee Profiles

View a detailed profile of each TIF grantee that provides an overview of the proposed program with updates on implementation progress.



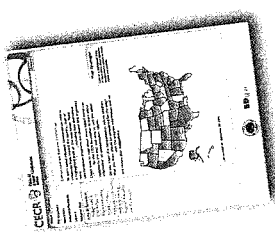
Research Syntheses

The research syntheses address key program design and implementation questions related to compensation reform, citing relevant research and resources.



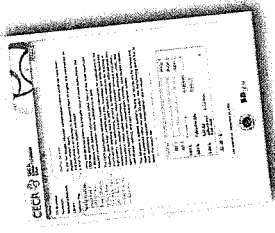
National Map

The map highlights performance-based initiatives, both TIF and non-TIF, from across the nation. Each profile provides an overview of the program with selected articles and reports.



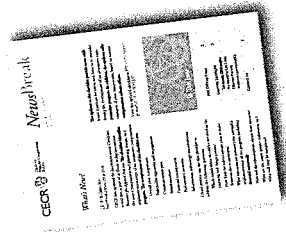
Online Library

Updated with new content each month, the online library is a database of information on alternative compensation, including market-based incentives, communications, stakeholder support, and information systems.



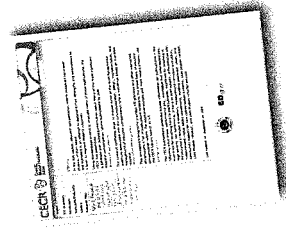
Newsletters

The CECR monthly newsletter highlights the latest news from CECR, recent articles discussing alternative compensation, and a summary and update on a TIF program.



Searchable TIF Grantees Database

Search the TIF grants by number of schools, students, and teachers affected, demographics of a region, or the student population.





Center for
Educator Compensation
Reform

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