



Madeira City Schools

A school community where learning is personalized and success is ensured.

STRATEGIC PAY

CONSIDERATIONS FOR DESIGN AND IMPLEMENTATION

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STRATEGIC PAY

CONSIDERATIONS FOR DESIGN AND IMPLEMENTATION

REPORT OBJECTIVES

1. Review scope of current legislation related to teacher pay for performance . Review any additional guidelines or standards issued by the Ohio Department of Education ; and
2. Research sustainable pay-for-performance (P4P) models that currently exist in the educational sector. Identify best practice models for base pay programs and bonus pay programs. Identify related funding sources and longevity of each related program.

EXECUTIVE SUMMARY

Ohio's elected officials have introduced a variety of legislation containing potentially significant impact for Madeira Schools, but none more so than Senate Bill 5. Senate Bill 5, objectively, was an attempt to fundamentally change the way teachers (and all public and quasi-public employees) would be evaluated and compensated. While Senate Bill 5 was repealed by voters, House Bill 153 remains and directs the State Department of Education to establish regulations detailing how it will require districts to evaluate teachers. Those directives are due in May of 2012 and require the board of education in conjunction with teachers to adopt a standards-based evaluation policy. This evaluation frame must be established into school district policy by July 1, 2013.

While this framework is yet to be announced, we anticipate elements of the recommendations may include value-add measures. Value-added attempts to identify not only the progress made by individual students, but also the extent to which individual teachers, schools, and districts have contributed to that progress. Based on a review of students test score gains from previous grades, predictions are made on the amount of growth a student is likely to make in a given year. Value-added assessments project test scores for students based on past performance and compare these projections to actual scores achieved at the end of a school year.

The current environment of pay-for-performance in the education sector is extremely varied and fluid. With the availability of awards from the U.S. Department of Education via Teacher Funded Incentives (TIF), many pay-for-performance plans, primarily bonus programs, have proliferated during the last four years. These programs are varied and have been developed to meet local district needs. Only a very limited number of schools have made base pay structure modifications and the sector at-large has continued programs based on step-increase or longevity driven platforms. Hundreds of districts/schools have layered their base step programs with performance based bonuses predominately funded with TIF grants.

Some exceptions to these findings include Denver, Vaughn, Washington DC and a handful of other public school systems that use base merit plans. In these districts teachers are evaluated by a number of different means. Some of the evaluation methods include student test scores, peer evaluations, parent evaluations, amount of continuing education attained, working in “hard to staff” schools, and other measures. Compensation packages are associated with each teacher’s performance gauged by these methods. Most of these districts have either received a TIF grant or Reach for the Top dollars to fund their programs.

LEGISLATIVE REVIEW

Senate Bill 5

Ohio’s elected officials have introduced a variety of legislation containing potentially significant impact for Madeira Schools, but none more so than Senate Bill 5. Senate Bill 5, objectively, was an attempt to fundamentally change the way teachers (and all public and quasi-public employees) would be evaluated and compensated.

Despite the fact that voters repealed SB 5 in November 2011, it is worth examining the most significant impacts SB 5 would have made to Madeira School’s compensation structure, particularly as similar bills encompassing some or all of the changes may be brought forth in the future. The most significant changes were an attempt to fundamentally change how Ohio Schools compensate their professionals – it is an effort to move from tenure based system to a performance-based system. For example, had SB 5 not been repealed the following would apply:

REDUCTION IN FORCE --	Madeira would have to use quality of performance as the “principal factor” in reducing staff (including non-teachers)
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TEACHER COMPENSATION --	Madeira would have to link base to “pay for performance”
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BENEFITS/SEVERANCE --	Minimum employee contribution of 15% for health care; cap on severance pay at 50% of accumulation, up to 1000 hours
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SICK LEAVE --	Must be included under general policy regarding absences
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As a “non-union” district, the impact of SB5 on Madeira would have been substantially less than most districts, because many of the proposed changes pertained to collective bargaining.



House Bill 153

This bill is much less sweeping than Senate Bill 5. House Bill 153 remains and is (or in some cases will be) the law of the state. Its key elements:

- REDUCTION IN FORCE -- For teachers only, Madeira may not use seniority as a factor in determining layoff or recall order, except when evaluations are “comparable”
- TEACHER COMPENSATION -- No impact, unless Madeira participated in federal “race to the Top” program, which it does not currently.
- TEACHER EVALUATION -- Using as-yet-to-be-released directives, **the board of education, in conjunction with teachers, adopt a standards-based teacher evaluation policy** which will comply with a yet-to-be-established evaluation framework. That framework is due to be established in **May of 2012**. The deadline for establishing the policy is **July 1, 2013**.
- PRINCIPAL EVALUATION -- Same as teacher evaluation, above, but with a different framework to be established.
- BENEFITS/SEVERANCE -- Former School Employees Health Care Board abolished and duties transferred to Ohio Department of Administrative Services, which has been charged with studying regarding health care and district pooling.
- SICK LEAVE -- Not required for substitutes and certain part-time/seasonal employees – typical part-time employees receive sick leave at the civil service rate (4.6 hours for every 80 hours of service)

Note: Other changes will apply that impact other areas beyond compensation.

Likely Requirements for Teacher and Principal Evaluation

House Bill 153, codified in part as Ohio Revised Code Section 3319.112, required the State Board of Education to establish a preliminary “frameworks” for the evaluation of teachers and a separate framework for principals. The only directive HB153 has given the state board was that it should allow for multiple evaluation factors, provided that **50% of each evaluation shall be based on “student academic growth.”** Student academic growth is undefined.

At the end of 2011, the state board did indeed pass the following frameworks. It is included, below, in its entirety. First, for teachers:

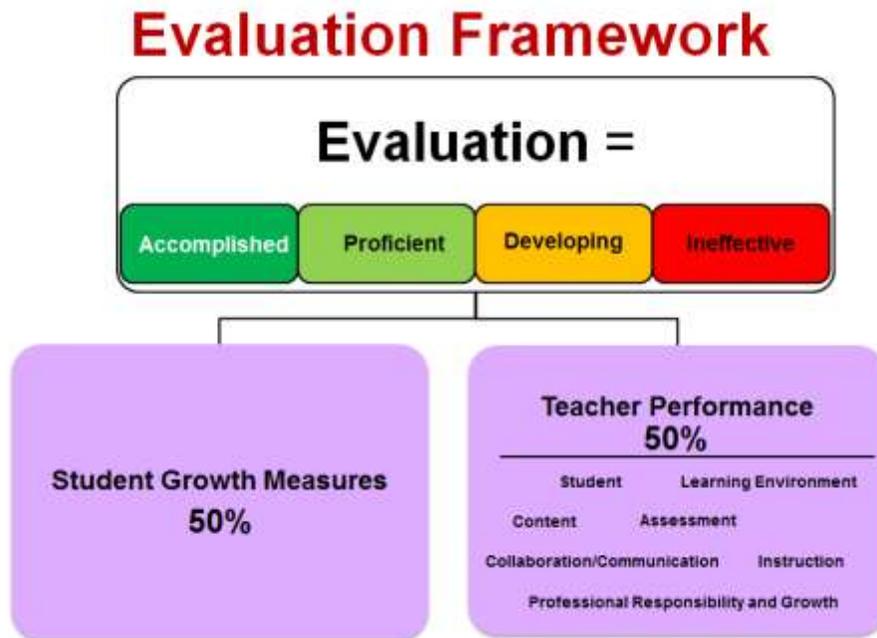
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Evaluation of Professional Staff (Teachers)

The State Board of Education recognizes the importance of evaluating teachers for the purposes of rewarding excellence, improving the quality of instruction students receive, improving student learning, strengthening professional proficiency, including identifying and correcting deficiencies, and for informing employment decisions.

Each teacher will be evaluated according to the Evaluation Framework (see below) which is aligned with the *Standards for the Teaching Profession* adopted under state law.

Each teacher will be evaluated using the multiple factors set forth in the State Board of Education’s teacher evaluation framework. The evaluation factors are weighted as follows:



Student academic growth will be measured through multiple measures that must include value-added scores on evaluations for teachers where value-added scores are available. Local boards of education may administer assessments chosen from the Ohio Department of Education’s assessment list for teachers of subjects where value-added scores are not available and/or local measures of student growth using state-designed criteria and guidance.

Each evaluation will consist of two formal observations of the teacher at least thirty minutes each in duration, as well as periodic classroom walkthroughs.

Each teacher will be provided a written report of the results of his/her evaluation carried out under the Evaluation Framework. The evaluation must be completed annually, by April 1, and the teacher will receive the written evaluation report by April 10. Local boards of education may evaluate teachers rated “Accomplished” on the most recent evaluation once every two years rather than annually. This biennial evaluation will be completed and written evaluation results made available to teachers on the same dates as the annual evaluations.



The teacher’s performance rating will be combined with the results of student growth measures to produce a summative evaluation rating as depicted in the matrix below.

Evaluation Matrix

		Teacher Performance			
		4	3	2	1
Student Growth Measures	Above	Accomplished	Accomplished	Proficient	Developing
	Expected	Proficient	Proficient	Developing	Developing
	Below	Developing	Developing	Ineffective	Ineffective

Teachers with above expected levels of student growth will develop a professional growth plan and may choose their credentialed evaluator for the evaluation cycle.

Teachers with expected levels of student growth will develop a professional growth plan collaboratively with the credentialed evaluator and will have input on their credentialed evaluator for the evaluation cycle.

Teachers with below expected levels of student growth will develop an improvement plan with their credentialed evaluator. The administration will assign the credentialed evaluator for the evaluation cycle and approve the improvement plan.

Additionally, at the local level, the board of education will include in its evaluation policy, procedures for using the evaluation results for retention and promotion decisions and for removal of poorly-performing teachers. Seniority will not be the basis for teacher retention decisions, except when deciding between teachers who have comparable evaluations.

The local board of education will also provide for the allocation of financial resources to support professional development.

* * * * *

Again, this framework is merely a first step; and largely parrots HB 153’s specific requirements. What remains unknown is how the State will require “student academic growth” to be measured. Other programs utilize “Value-Added” measurements for math and reading for grades 4-8, and the State has indicated that it is currently reviewing programs and proposals for the remaining subjects and grades. Whether Value-Added

measurements will be used, here, is not known. But the ODE plans to roll out its policies with respect to measuring student academic growth in May 2012.

HB 153 will require a teacher evaluation policy to be implemented by July 2, 2013. At this time, this will NOT require this evaluation to be directly tied to base pay teacher compensation.

VALUE ADD DEFINED

Value-added assessment is a new way of measuring teaching and learning. Value-added attempts to identify not only the progress made by individual students, but also the extent to which individual teachers, schools, and districts have contributed to that progress. Based on a review of students test score gains from previous grades, predictions are made on the amount of growth a student is likely to make in a given year. A value-added assessment can show whether a student has made the expected amount of progress, more than expected or less than expected.

Traditional measures of student performance are based on achievement – the absolute level achieved on year-end tests. Value-added measures focus on growth – the progress in test scores over the year vs. what would be expected. Value-added assessments project test scores for students based on past performance and compare these projections to actual scores achieved at the end of a school year. Value-added uses all historical achievement data available for each student to estimate the impact of the district, school and classroom on student learning.

Value-added uses all historical achievement data available for each student to estimate the impact of the district, school and classroom on student learning.

Value-added was created by Tennessee statistician Dr. William Sanders and has been in use in that state since 1992. Today, hundreds of school districts in more than 20 states, including Ohio, are implementing value-added measures. Research from Tennessee shows that when value-added measures are used as part of a broader teacher evaluation program, they can be effective in identifying and developing effective educators. However, like most alternative evaluation and compensation models, they are highly controversial and their validity has been questioned.

Proponents of value-added argue value-added assessment allows districts to separate the contributions of the teacher and school from those of the student and family. As a result, value-added provides a fair way to measure the impact of teaching on student learning. Opponents of value-added argue there are too many factors which impact a student's performance throughout a school year so it is not a fair measurement of teacher performance.



Value-added should be just be one component of a teacher evaluation program. Existing measures of teacher quality, including observation, professional development, peer evaluation, etc., can be maintained. When value-added is coupled with these other measures of teacher knowledge and skills, value-added can be an effective tool for evaluating, rewarding and developing quality teachers.

COMPENSATION ENVIRONMENT

A primary driver in the proliferation of pay for performance plans in the education sector has been the availability of funding. In 2010, the US Department of Education awarded sixty-two winning applicants of the Teacher Incentive Fund (TIF) grant competition. In two prior cohorts, thirty-three additional grants had been awarded. The five-year \$1.2 billion TIF program seeks to strengthen the education profession by rewarding excellence, attracting teachers to high-need and hard to staff areas, and providing all teachers and principals with the feedback and support they need to succeed. Applicants of these awards were required to demonstrate a high level of local educator support and involvement and a plan for financial sustainability after the 5 year grant award period. Applicants received additional points for using value added measures, attracting effective teachers in hard to staff subject or specialty areas, and for being a first-time applicant. A list of TIF winners can be found here: <http://www2.ed.gov/programs/teacherincentive/awards.html>. Note that award amounts listed for each winner are over a 5 year period. In 2010, the first 2 years of funding was awarded and further funding is contingent on congressional action.

In an economy of diminishing school budgets and a 65% average of this budget invested in teacher salaries, it seems worthwhile for school districts to explore avenues to reward teachers based on student outcomes. With initiatives like Race to the Top and No Child Left Behind, student assessments and data systems have become more valid and reliable in which to pursue these considerations. Currently 39 states have educator reform indicatives' under way in some form or fashion at the state or district level.

Many school districts that receive federal Teacher Incentive Fund (TIF) grants from the U.S. Department of Education use these dollars to create bonus systems. In 2010, sixty-two grants were awarded across 27 states totaling \$442M of the two-year award with a five year budget of \$1.2B.

Other districts and states have pursued pay-for-performance programs outside TIF funding totaling approximately 40 assorted districts. Of both TIF and non-TIF funded programs, there are three basic types of compensation models that currently exist in public education-the **traditional step-and-level system**, alternative **base compensation systems and bonus structures**. Each of these pay programs result in different cultures, district strategies, outcomes, types of employees, sustainability plans, HR systems, and policies.

Traditional Step-and-Level System (a.k.a. Single Salary Schedule or Step-and-Lane)

Definition: A salary system (in education) in which employees' base pay increases are determined by educational attainment level and years of service.

Background: Step-and-level came about in the 1920's. The first step-and-level system was created and implemented in the state of Iowa. Today, the overwhelming majority of districts across the country operate under such a system. Research has indicated the single salary schedule, which encompasses both years of experience and degrees obtained, is weakly correlated with student achievement.

Base Compensation System

Definition: A salary system in which employee base pay increases are determined by factors other than educational attainment and years of service. Such factors differ from district to district but (could) include components such as evaluation scores, value-added, peer evaluation, additional duties, parent/student surveys, working in a hard-to-staff subject/building, or skill attainment. Thus, people who receive high marks or are more involved get higher base increases than lose with low marks or those who are not as involved.

Background: The alternative base compensation systems that currently exist across the county have been home-grown (with occasional consultant assistance) to fit districts needs. A number of these systems have been developed using Race to the Top dollars, private foundation funding, and research initiatives. However, the vast majority were created through TIF grants. These compensation programs are all extremely different. Some may include bonuses as well as base increases.

Here is a sample of districts that use a base pay alternative compensation system (some with bonuses as well) to pay and reward teachers:

Vaughn Charter Schools – San Fernando, CA

Denver Public Schools - Denver, Colorado: [ProComp](#)

Washington D.C.: [IMPACT](#)

Eagle County Schools - Eagle, Colorado: [Rewarding Excellence in Teaching](#)

Putnam County Schools - Cookeville, Tennessee: [Putnam County Accelerating Student Success \(P.A.S.S.\)](#)

These districts and a handful other public school systems have implemented an alternative base pay system that can include (but is not limited to) bonuses, base pay increases, continuing education dollars and other incentives as well as a combinations of these components. The teacher is potentially evaluated by a number of different means. Some of the evaluation methods include student test scores, peer evaluations, parent evaluations, continuing education, working in “hard to staff” schools as well as many other variables. Once the teacher’s score has been determined, there is a compensation package associated with that score. The higher the teacher’s evaluation score, the larger the payout becomes to the teacher. Most of these district have either received a TIF grant or Reach for the Top dollars to fund their programs. Considering that this is a relatively new model, many districts provided teachers an “opt in/out” decision. And, since the majority of these districts recently implemented an alternative compensation system, few have restructured their district compensation budget. In fact, the majority that we researched were implemented for less than 2 years. However, the majority of district statistics are showing a trend towards greater participation in the program. For example, Denver Public Schools now claims that over 80% of teachers are participating.



There are a very limited number of examples where districts have approached base pay alternative systems. The large majority were created through TIF grants.

Bonus Programs

Definition: A bonus is a one-time payment of direct or indirect compensation that is offered in addition to an individual's base pay.

Background: Many school districts that receive federal Teacher Incentive Fund (TIF) grants from the U.S. Department of Education use these dollars to create bonus systems. These systems use the traditional step-and-level structure (described above), while providing educators with additional payments for meeting specific measures, including value-added scores, evaluations, achievement scores, AYP, professional learning community involvement, completing additional professional development, student survey feedback, district goals, etc.

Here is a sample of districts that currently use bonuses (on top of their step-and-level pay system) to reward teachers and have been in place three years or longer:

Trousdale County Schools - Hartsville, Tennessee: [Alternative Comp](#) Fort Worth
Independent School District - Fort Worth, Texas: [Redesign to Increase Schools of Excellence \(R.I.S.E.\)](#)

Butler County School System - Greenville, Alabama: [PayPLUS](#)

Longview Independent School District - Longview, Texas

Austin Independent School District - Austin, Texas: [REACH](#)

Hamilton County Schools - Chattanooga, Tennessee: [Benwood Initiative](#)

Guilford County Schools - Greensboro, North Carolina: [Mission Possible](#)

South Dakota: [Incentive Fund](#)

Alaska Compensation Reform Initiatives - [3 District Consortium](#)

[Ohio Teacher Incentive Fund \(OTIF\)](#) and [Ohio Appalachian Collaborative \(OAC\)](#) Charlotte
Mecklenburg Schools – Charlotte North Carolina

There are many strengths, weaknesses, opportunities, and challenges to consider when selecting (or altering) a compensation system. Depending on the district and its culture, these can vary. While the debate will continue about which type of system is *best*, it's important for school leadership, teachers, parents, board members, and all district stakeholders to remember that what's really important is whether or not your pay system matches the vision, mission, and goals of your district. Below in the appendix, you'll find a summary of the bonuses identified above.

INNOVATIVE PROGRAM

While there are a wide variety of approaches to address teacher pay for performance, this program stands as innovative in the industry:

Arizona Career Ladder Program

In 1984, the Arizona Legislature allowed all school districts to apply for grant funding for a performance-based program for teachers. After a five year pilot, the legislature deemed the Career Ladder Program

“permanent” because participating districts demonstrated higher student achievement as compared to non-participating districts, and seven additional districts were included in the program. During the 1993–94 school year, the program expanded by adding seven more districts for a total of 28 participating districts.

The Career Ladder Program is a voluntary, performance-based initiative designed to advance teachers along the career continuum and simultaneously promote retention. The program allows each district to develop a career ladder program based on its local context. Prior to the commencement of each district’s program, the Arizona Legislature mandates that an appeal process be in place to challenge the placement decision if a teacher disagrees with his or her initial placement. New teacher participation in the program is mandatory for the first year of teaching; however, teachers can opt out of the program after the first year.

Four components determine advancement along the Career Ladder Program: student academic progress, increased teacher skills, increased teacher responsibility, and professional growth. Teacher evaluations must comply with state criteria and the use of state-approved procedures and tools.

In February 2010, a court declared the program to be unconstitutional, owing to the fact that in 2009, the Arizona State Legislature decreed that no new districts may apply. The state has appealed the ruling.

NEXT STEPS FOR CONSIDERATION

1. Review directives from the Ohio Department of Education for the required criteria of performance evaluation plan to be distributed in May 2012.
2. Review available guides for plan design and implementation of evaluation and compensation systems.
3. Establish work group to review state established criteria and implementation plans.

GUIDES FOR PLAN DESIGN

Program Evaluation for the Design and Implementation of Performance-Based Compensation Systems – Center for Educator Compensation Reform

Implementation Checklist – Center for Educator Compensation Reform

Strategic Compensation Relections and Results – Battelle For Kids.org

How to Use Value-Added Analysis to Improve Student Learning: A Field Guide for School and District Leaders – Battelle For Kids.org



RESOURCES

<http://www.ode.state.oh.us>

<http://www.performanceincentives.org/>

<http://www.theteachersalaryproject.org/outreach.php>

<http://www.tn.gov/firsttothetop/programs-committee.html>

<http://cccr.ed.gov/TIFgrantees/granteeProfiles/>

<http://www.battelleforkids.org>

Center for Educator Compensation Reform website (<http://cccr.ed.gov/>)

US Department of Education – www.US.gov

Phi Delta Kappan, Teacher Pay for Performance, May 2010. Please visit the district website for additional articles about strategic compensation.

University of Wisconsin Consortium for Policy Research (CPRE) Group <http://smhc-cpre.org>.

New Teacher Pay Structure: The Compensation Side of the Strategic Management of Human Capital, by Allan Odden

How to Pay Teachers for Student Performance Outcomes, by Anthony Milanowski

How to Fund Teacher Compensation Changes, by Allan Odden

ADDENDUM – BASE PAY PROGRAMS

District: Denver Public Schools

About the program:

Over 80% of all DPS teachers now participate in ProComp. ProComp provides schoolwide and individual teacher incentives in areas such as school performance and growth, student growth, earning advanced degrees/professional-development units, tuition reimbursement, and serving in hard-to-staff schools. Several of these incentives are base-building in terms of salary. As you know, with the severe state budget cuts this year, no one in the district is receiving base-building salary increases, whether principals, district leaders, teachers, or classified staff. Because the ability to use ProComp to pay base-building incentives is tied to revenue increases in our general fund and for reasons of equity between ProComp and non-ProComp teachers, the ProComp incentives this year will all be fully paid, but will not be base-building. Once the economy and funding climate improves, we anticipate resuming the base-building incentives.

Staff Statistics:

- Total employees: 13,087
- Full-time: 6,713
- Part-time: 6,374
- Teachers: 4,555
- Starting Teacher Salary (SY 2010-2011): \$37,551
- Average Teacher Salary (SY 2010-2011): \$52,845
- **ProComp Bonus Amount received for a ProComp Employee in 2009-2010: \$4,715**

Union/Non-Union: Union

Incentive Criteria: see attached ProComp spreadsheet

- Teachers
- Administrators

Method of award (base/bonus): base plus bonus program

Funding Mechanism: traditional school funding

Longevity: 2004-present

Outcomes: no “published outcomes. However, 80% of the staff participates in the program. It is an “opt in” system.

2010-'11 ProComp Payment Opportunities

<http://denverprocomp.dpsk12.org/>

Component of Index \$37,551	Knowledge and Skills			Comprehensive Professional Evaluation			Market Incentives		Student Growth			
	Element	Professional Development Unit	Advanced Degree and License	Tuition and Student Loan Reimbursement	Probationary	Non-Probationary	Innovation/Non-Probationary	Hard-to-Serve School	Hard-to-Staff Assignment	Student Growth Objectives	Exceeds CSAP Expectations	Top Performing Schools
Description of Element	Providing ongoing professional development - tied to the needs of our students - is a central strategy to help you expand your skills, improve student performance, and advance your career with the district.	Compensation for Graduate Degree or Advanced Licenses or Certificates	Reimbursement for tuition or for outstanding student loans.	Increases for new teachers based on a satisfactory evaluation.	Increases based on a satisfactory evaluation.	Increases based on a satisfactory evaluation.	Designed to attract teachers to schools with a high free and reduced lunch percentage.	Designed to attract teachers to roles with high vacancy rate and high turnover.	Incentive paid for meeting student growth objectives.	Teachers whose assigned student's growth in CSAP scores exceed district expectations.	Teachers in schools designated as a "Top Performing School" based on the DPS School Performance Framework.	Teachers in schools designated as a "High Growth School" on the DPS School Performance Framework.
Eligibility and Payout	Base building for PDUs paid if 11 or fewer years of service. Non-base building if more than 11 years of service at time of payment.	Paid upon receipt of documentation that the license or certification is active and current.	Paid upon receipt of evidence of payment for and satisfactory completion of coursework, \$4,000 lifetime account; no more than \$1,000 per year.	Requires Satisfactory Evaluation; if unsatisfactory, ineligible for CPE increase.	Payable only to teachers who have a formal evaluation during service credit years 1-11.	Teachers receive 1% of index increase for a satisfactory annual evaluation during years 1-11 if have not received a 2% of index CPE increase in the past two years.	Teachers currently serving in schools designated "Hard-to-Serve".	Teachers currently serving in designated "Hard-to-Staff" positions.	Base building when 2 SGOs are met; non-base-building when only 1 SGO is met during prior school year.	Paid based on assigned student CSAP growth percentiles. Paid based on results from prior school year.	Paid based on performance during the prior school year.	Paid based on performance during the prior school year.
Affect on Base Salary	Base Building ¹	Base Building	Non-Base Building	Base Building	Base Building	Base Building	Non-Base Building	Non-Base Building	Base Building ²	Non-Base Building	Non-Base Building	Non-Base Building
Percent of Index	2%	5% per degree or license. Eligible once every 3 yrs.	N/A	2% every year	3% every three years	2% every year if no 2% in past 2 yrs.	6.4%	6.4%	1%	6.4%	6.4%	6.4%
Dollar Amount	\$751	\$3,380	Actual expense up to \$1000/yr, \$4000 lifetime	\$376	\$1,127	\$376	\$2,403 (\$200.27/mo)	\$2,403 (\$200.27/mo) x (# of assignments held)	\$376.00	\$2,483.26	\$1,403.26	\$2,483.26
Builds pension and highest average salary	Yes	Yes	No ³	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Payment Type and Frequency	Monthly installments upon submission of proper documents	Monthly installments upon submission of proper documents	Up to \$1000 per year upon submission of proper documents	Prorated over 12 months. If unsatisfactory delayed at least 1yr	Prorated over 12 months. If unsatisfactory delayed at least 1yr	Prorated over 12 months. If unsatisfactory delayed at least 1yr	Monthly installment upon completion of service each month	Monthly installment upon completion of service each month	1 objective: Paid lump sum in the year following assessment. 2 objectives: Paid in monthly installments	Paid lump sum in the year following assessment.	Paid lump sum in the year following assessment.	Paid lump sum in the year following assessment.

District: Putnam County Schools; Cookeville, TN; PASS is the program Statistics:

- See PASS attachment

Union/Non-Union: Union

Incentive Criteria:

- Teachers
 - Student growth (see grade level needs in the PASS attachment)



- Administrators (are evaluated on the following)
 - Continuous improvement
 - Culture for teaching and learning
 - Instructional leadership and assessment
 - Professional growth
 - Management of the school
 - Ethics
 - Diversity

Method of award (base/bonus):

- Base salary increase based on evaluation (0-3%)
- Bonus based on point system (1 point =\$100)
 - Can be earned through mentoring, professional development, performance

Funding Mechanism:

- Funding provided through the state’s “Reach for the Top” program

Longevity:

- Adopted in 2011

Outcomes:

- unknown

District: Trousdale County Schools; Hartsville, TN

Statistics:

Union/Non-Union: Union

Incentive Criteria:

- Teachers
 - Not explained
- Administrators
 - Not explained

Method of award (base/bonus):

- the awards are considered to be bonuses or awards from the district

Funding Mechanism:

- Trousdale received a \$1.05 million dollar grant through the state of Tennessee’s “Reach for the Top” program

Longevity:

- 1 year (December 2010)

Outcomes:

- unknown at this time

- opt in/out option for Alternative Compensation program is not available for new teachers in the district effective 7/25/2011

District: District of Columbia Public Schools; IMPACT is the program

Statistics:

- n/a

Union/Non-Union: Union

Incentive Criteria:

- Teachers

All staff members evaluated under IMPACT receive one of four final ratings: Highly Effective, Effective, Minimally Effective, or Ineffective.

Highly Effective: This rating signifies outstanding performance. Under the current Washington Teachers' Union (WTU) contract, WTU members who earn this rating are eligible for additional compensation. These staff members are also recognized in a variety of other ways.

Effective: This rating signifies solid performance. Individuals who receive this rating advance normally on their pay scales.

Minimally Effective: This rating signifies performance that is below expectations. Individuals who receive this rating are given an additional year to take advantage of the professional development opportunities provided by DCPS. Those who do not improve after two years are subject to separation.

Ineffective: This rating signifies unacceptable performance. Individuals who receive this rating are subject to separation.

Administrators

- It does not appear that administrators are evaluated under IMPACT

Method of award (base/bonus):

- Eligible teachers can earn up to:
 - \$25,000 bonus
 - \$20,000 base salary increase

Funding Mechanism:

- DCPS (DC Public Schools) funds the program

Longevity:

- Introduced in 2009

Outcomes:

- Results are unclear at this point. However, almost all 6500 eligible employees are participating in the IMPACT program
- All guidebooks for staff are available online



Eagle County School District Performance-Based Compensation Reform

The Eagle County School District (ECSD) will collaborate with the National Institute for Excellence in Teaching (NIET) and the Teacher Advancement Program (TAP) to expand its TAP program as follows: increase master and mentor teacher stipends; increase training and support for master and mentor teachers and principals, as well as career teachers; further differentiate compensation for teachers in high-poverty schools to include student achievement and recruitment incentives; expand the opportunities for teachers to be rewarded for individual classroom achievement to include teachers of kindergarten to grade 2 and grades 9 to 12; differentiate contracts for teachers to increase training in core content areas; and improve the effectiveness of student assessments, achievement data collection, and analysis at the district, building, and classroom levels.

Needs Assessment Results and General Information

ECSD serves 5,300 students in 15 traditional schools and one charter school. Students are from communities varying from ski resorts to small, rural towns. Despite this, ECSD shares similar racial and socioeconomic diversity characteristics with urban schools. More than 30 percent of students are English language learners (ELLs), the fifth highest percentage in the state. Participating in the grant are the 13 high-poverty schools (with more than 30 percent of students from low-income families based on free/reduced-price lunch eligibility).

Overall, ECSD schools scored close to average on the state student assessment. Because of the high percentage of ELL students, ECSD believes a better gauge of performance is the Colorado Student Assessment Program (CSAP) performance of English-speaking students and the percentage of ELL students who convert to fluent English proficient each year. ECSD has higher than average teacher turnover (21 percent vs. 16 percent state) due to the high cost of living in the area (third highest in state). Twenty-one percent of teachers are in the district for fewer than 3 years, and 85 percent of principals are in their current positions for fewer than 3 years.

Background

ECSD is the only school district in the country to have eliminated the lock-step salary schedule and to have implemented a pure performance-based compensation system for teachers and principals. In 2002, the district implemented TAP in five schools and added five more the next year and the next. In 2004, officials implemented TAP districtwide. This grant will expand TAP.

Incentives

The Performance Compensation Committee voted unanimously to not return to a lock and step system for bonus payouts and salary increases. Salary increases will be determined by teacher evaluation scores (see “Evaluation” section of profile for details). The annual TIF bonus will be based on an index of student assessment results. This bonus is not added to the next year’s salary. The index is made up of four components:

- Districtwide ACT — The index increases when the district composite meets or exceeds the state composite.
- Districtwide CSAP — The index increases as more students “Catch-Up/Keep-Up” with previous CSAP results.
- Buildingwide CSAP — The index increases as buildings close the gap between where their previous achievement results stand and having 100 percent of students improving on the “Catch-Up/Keep-Up” model.
- Buildingwide NWEA — The index increases as NWEA tests given at the building level show “Significantly Above” average “Value-Added” results as calculated by the SAS-EVAAS method (commonly called “Sanders”).

The expanded program will include bonuses of up to \$10,000 for sustained individual classroom gains, hiring and annual bonuses for working in high-poverty schools, increased stipends for master and mentor teachers, and an expanded pool of teachers eligible to receive individual classroom performance gains. Additional training will also be provided as will differentiated contracts for teachers.

In September 2009, TIF teacher bonuses were paid based on teacher evaluation scores. ECS-funded bonuses were based on instructional delivery (evaluation) and student achievement (indexed assessments).

**Vaughn Charter Schools
SanFernando, CA**

District Statistics

- 104 Teachers/Administrators
- % of Master Prepared Teachers
- 18 Schools, restructured in 1993
- 2209 Students (98% Hispanic)
- Urban LA, 98% Hispanic, 95% graduation rate

Method of Award (base, bonus, etc.)

Base pay and bonus awards

The Vaughn Next Century Learning Center is a public conversion charter school in the Los Angeles Unified School District. Vaughn Center developed a new knowledge- and skills-based pay program in 1997-98 school year. This also came with a new evaluation system. During this time, they had seen a development and evolution of the performance-pay program and the new teacher evaluation system implemented at the Vaughn Center. Vaughn.

Incentive Award Criteria (individual, school, measurement)

Based on an evaluation system called the Peer Assistance and Review System, the teacher compensation program uses three sets of reviews, each based on a four-point scale. All three reviews take place three times per year, as follows:

- The first part of the review process involves self-reflection whereby teachers use the state-established teaching standards and rubric to review their own performance.
- The second part of the process involves a peer review conducted by another Vaughn teacher or colleague who does not teach at the school. The reviewer also follows the state teaching standards and rubric.
- The third review involves an instructional coordinator who conducts classroom visits and meets with teachers on an ongoing basis to discuss strategies and performance.

Program administrators then average the scores of all of the evaluations to determine the level of compensation for a teacher, using the following guidelines:

- Teachers who receive a score of 2.5 or higher out of a possible 4 on their Level 1 skills evaluation earn a \$4,300 bonus. Level 1 skills include mathematics, literacy, language arts, special education inclusion, classroom management, and lesson planning.
- Teachers who receive a 3.0 or higher in Level 2 skills evaluation—which include social studies, science, art, English language learners, and physical education—receive a bonus of \$5,700.
- Teachers who are fully credentialed and average a 3.5 or higher in all areas receive a \$4,500 bonus.



Teachers can earn a maximum of \$14,700 in performance-based compensation each school year in addition to their base pay. Furthermore, teachers can earn an additional \$2,000 each school year for student attendance, parent involvement, discipline, and teamwork.

- Administrators

Finally, all teachers and administrators are eligible for an additional \$2,000 per school year if the entire school makes the Academic Performance Index. Teachers in leadership positions including committee chairs, grade-level chairs, peer reviewers, mentors, and faculty representatives have opportunities to receive additional awards. The school also provides \$3,500–\$4,000 in annual incentive pay to teachers who sponsor afterschool activities.

Funding mechanism —.

Longevity of Program – School started in 1993 and program in place 13 years.

Program validation or outcomes/impacts of program

Statewide Rank – 4th, 2011 Growth API Score – 796, Actual API – 22, Met all 2011 AYP requirements

NOTES: Average salaries 9.7% below state average & 34% of budget

Key District Contact Information

818-896-7461 – Anita Zepeda, Principal & Executive Director

ADDENDUM – BONUS PROGRAMS

Guilford County Schools, Greensboro, NC	
District Statistics <ul style="list-style-type: none"> • 5,000 Teachers/300 Administrators • % of Master Prepared Teachers • 122 Schools • 72,000 Students • 1/3 of schools in top two NC categories • Union Environment • Large district covering urban and rural areas 	
Method of Award (base, bonus, etc.)	
Bonus based on categories below	

Incentive Award Criteria (individual, school, measurement)		
Category	Description	Amount
Historically Effective Teacher Incentive	Demonstrate two or more years of above-average value-added growth.	\$5,000
Hard-to-Staff Position Incentive	Work in a pre-defined hard-to-staff position for 50 percent or more of the day.	\$2,500- \$5,000
Individual Performance Incentive	Earn a Level 4 or 5 value-added data teacher effect score.	\$2,000- \$15,000
School-wide Performance Incentive	School demonstrates expected or high growth on the NC ABC's Accountability Model.	\$1,000- \$1,500
Teacher Leadership Incentive	Be nominated to a teacher leadership position based on effectiveness.	\$2,000
Mentor Teacher Incentive	Teachers who have completed 24 hours of mentor training will be matched with beginning teachers.	\$500
Funding mechanism Federal TIF Funds. Guilford has demonstrated its commitment to sustaining a robust PBCS in part by having established the state's first comprehensive PBCS in 2005 using local dollars. The original Mission Possible program included 22 schools (including two Cumulative Effect High Schools) and expanded to 30 schools in 2006 under a Teacher Incentive Fund I grant. Similarly, the Teacher Incentive Fund III grant will allow Guilford to expand the PBCS to include 20 additional schools for a total of 50 schools participating in the Mission Possible program.		
Longevity of Program – 7years		
Program validation or outcomes/impacts of program Faculty turnover and short-term suspensions fell. Graduation rates, performance composites, and test scores increased.		
Key District Contact Information		

District Name/Location Alaska – 3 districts	
trict Statistics <ul style="list-style-type: none"> • 27 schools across three rural districts 	



Method of Award (base, bonus, etc.) Bonus based on categories below	
Incentive Award Criteria (individual, school, measurement) Incentives based on growth in student achievement at the school and classroom level are the primary components of the plan, followed by incentives for teachers and principals related to their performance evaluation, professional development, and for assumption of additional responsibility. Incentives based on student achievement include schoolwide growth rewards (\$2,500-\$5,500), annual incentives for math teachers (\$750-\$2,250), and rewards for developing math individual learning plans (\$750-\$2,250). Teacher performance incentives range from \$250-\$1,000 and include teacher performance and evaluation, as well as Professional Growth (Plan-Implement-Evaluate-Refine – PIER) Plans for teacher leadership and math instruction. Additional responsibility incentives range from \$1,500-\$3,000 and include compensation for work beyond the contract day such as math tutoring, principal contract work, and mentoring during and after regular school hours. Other incentives include bonuses (\$2,000-\$4,000) for teachers who are highly qualified in math.	
Funding mechanism Federal, State and local funds	
Longevity of Program – 2006	
Program validation or outcomes/impacts of program <ul style="list-style-type: none"> The number of teachers and administrators highly qualified in math has grown in each of the last three years, from 31 in Year 1 to 50 by the end of Year 2, and 66 at the end of the third project year: 50 percent of Alaska TIF participants are now highly qualified in math. 	
Key District Contact Information	

District Name/Location South Dakota Incentive Fund	
District Statistics <ul style="list-style-type: none"> 42 rural schools across 10 districts in South Dakota 	
Method of Award (base, bonus, etc.)	
Incentive Award Criteria (individual, school, measurement)	
Performance Award and Eligibility	Compensation Amount
School-Based Performance Award:	Principals: \$4,000; certified
	Criteria for Receiving Award
	School meets AYP as defined by state

principals, assistant principals, and instructional staff	instructional staff: \$2,250; non-certified instructional staff: \$1,100	or demonstrates growth in student achievement.
Individual Leadership Roles and Responsibilities: principals and certified instructional staff	BLT team members: \$1,500; CWG team members: \$750 (certified staff); \$500 (non-certified staff)	Actively engaged in BLT and CWG meetings and activities.
Individual Effective Performance: principals and classroom teachers	Principals: \$1,000; classroom teachers: \$1, 500	Teachers complete National Board Certification or Take One! Principals participate in Leadership Academy.
Individual/Classroom Increases in Student Achievement: classroom teachers	Classroom teachers: \$750; paraprofessionals assigned to a class: \$350	South Dakota achievement tests and other achievement tests.
Recruitment Incentive: new teachers	Teacher: \$5,000	Signed contract and agreement.
Funding mechanism		
\$20 from US Department of Education TIF grant		
Longevity of Program	5 years	
Program validation or outcomes/impacts of program		
Key District Contact Information	Dr. Melody Schopp at the Department of Education at (605) 773-5232.	

District Name/Location Hamilton County Schools – Tennessee	
District Statistics <ul style="list-style-type: none"> 16 urban Chattanooga Elementary Schools 	
Method of Award (base, bonus, etc.) Bonus	
Incentive Award Criteria (individual, school, measurement) Signing bonus of \$10,000 to \$15,000 to lure teachers to underperforming schools plus annual bonuses for teacher performance. “We go through and estimate the scores a student would make based on past history. We predict where a student will score, and track teachers who beat those predictions. Then we rank those results, and if a teacher is in the top 20, they receive an incentive”	



Funding mechanism	
\$15.0+ million from local foundation (Benwood Foundation)	
Longevity of Program	2001
Program validation or outcomes/impacts of program	
Schools made greater gains than 90% of all schools in Tennessee from 2003-2006. The percentage of third graders scoring proficient or advanced in reading rose from 53% in 2003 to 73% in 2006.	
Key District Contact Information	

Charlotte Mecklenberg Schools North Carolina	
District Statistics <ul style="list-style-type: none"> • 18,800 of Teachers/Administrators • % of Master Prepared Teachers • 159 Schools • 141,100 Students • Report Card Rating • Union Environment • Environment information (Rural, urban, funding) 	
Method of Award (base, bonus, etc.)	
Annual bonus awards with pass/fail trigger of approximately \$1000 per teacher.	
The specific goals of this bonus program are to:	
<ul style="list-style-type: none"> build teacher and principal capacity to increase student achievement by aligning and improving district systems in support of the schools create a compensation system for teachers and principals that provides differentiated levels of compensation based on student achievement gains and teacher/principals evaluations that include multiple classroom observations support the recruitment and retention of qualified teachers and principals in hard-to-staff schools and subjects develop district capacity to implement, scale-up, evaluate and sustain a performance-based compensation system, with measurable impact on student achievement 	

In the 2011-2012 school year, TIF-LEAP is working with 3 High Schools, 2 Middle Schools, 3 Pre-K-8 Schools, and 3 Elementary schools. This year's efforts are concentrated in 3 areas:

1. Using data to drive instructional practices that can lead to improved levels of student achievement. This is the focus of Student Learning Objectives (SLOs).
2. Continuing to evaluate a value-added growth measure and an associated compensation system. The model was piloted for use in a compensation plan along with SLOs beginning in the 2009-2010 school year.
3. Exploring options for the expansion of the SLO process beyond the TIF schools

Incentive Award Criteria (individual, school, measurement)

- Teachers

Eligibility for certified teachers with “proficient” or above overall standard of NC Teacher evaluation process within 11 schools (after some combined). Each teacher has an individual self-designed and approved plan by their principal which may be designed at the team or individual level. Pre-test and post-test are required and if results are within 75% of target goal bonus awards are achieved in the range of approximately \$1000.

As this grant expires, this district has plans to adopt the State of North Carolina plan which will focus on individual teacher testing results of their individual respective students.

- Administrators

n/a

Funding mechanism - TIF 5-year grant funding

Longevity of Program – **2007, implemented prior program in 1990’s.**

Program validation or outcomes/impacts of program

In a state of flux and push to get out from under the state and use pay for performance.

No student left behind - Under this new program, fifty-one CMS schools made Adequate Yearly Progress (AYP). Fourteen CMS schools missed AYP by one target and 15 schools missed AYP by two targets. Sixty-six CMS schools were named "Schools of Excellence" or "Schools of Distinction" in the North Carolina ABCs testing program. In addition, CMS outperformed the nation in reading



and math scores for fourth and eighth grade students in the National Assessment for Educational Progress (NAEP), the "nation's report card." In December 2005, Charlotte-Mecklenburg Schools earned district-wide accreditation from the Southern Association of Colleges and Schools and Council on Accreditation and School Improvement. CMS became the first large urban school district in the United States and one of only 20 districts of any size nationally to receive the distinction from SACS CASI. It is the largest accrediting agency in the world and one of only six agencies that accredit both public and nonpublic educational institutions.

Key District Contact Information	<p>Norwood, Susan</p> <p>Executive Director Phone: 980-343-1122 Fax: 980-343-0069 Email: susan.norwood</p>
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SAMPLE DISTRICT SUMMARY	
District Name/Location	Longview Independent School District Longview, TX
District Statistics <ul style="list-style-type: none"> • # of Teachers/Administrators • % of Master Prepared Teachers • # Schools • # Students • Report Card Rating • Union Environment • Environment information (Rural, urban, funding) 	1,400 12 8,400
Method of Award (base, bonus, etc.) Bonus – District Awards for Teacher Excellence (DATE)	
Incentive Award Criteria (individual, school, measurement) <ul style="list-style-type: none"> • Teachers – teachers whose value added results demonstrate significant growth <ul style="list-style-type: none"> • -classroom teachers must have opportunity to earn minimum of \$1000 • -state law requires district to allocate 60% or more to classroom teachers and principals • -teachers must be full-time • Administrators 	

Funding mechanism	
State Grant Funds	
Longevity of Program	2008-09
Program validation or outcomes/impacts of program	
Key District Contact Information	Dr. James Wilcox – Superintendent 903-381-2200 aholland@lisd.org

SAMPLE DISTRICT SUMMARY	
District Name/Location	Austin Independent School District Austin, TX
District Statistics	<ul style="list-style-type: none"> • # of Teachers/Administrators 5,714 • % of Master Prepared Teachers • # Schools 124 • # Students 86,697 • Report Card Rating • Union Environment • Environment information (Rural, urban, funding) Urban – 5th largest dist in TX
Method of Award (base, bonus, etc.) Bonus- REACH Program	
Incentive Award Criteria (individual, school, measurement) <ul style="list-style-type: none"> • Teachers – Professional Development Units, Student Learning Objectives, Texas Essential Knowledge and Skills (TERS), Texas Assessment of Knowledge and Skills (TAKS) • -stipend for coming to/returning to a REACH Campus • Administrators 	
Funding mechanism	
Longevity of Program	2007-08 began four yr. pilot program 2011-12 began an enhanced strategic comp. program



Program validation or outcomes/impacts of program	
Key District Contact Information	Dr. Meria Carstarphen – Superintendent superintendent@austinisd.org 512-414-2412