Diversifying Teacher Compensation

Diversifying the way teachers are paid – and in particular, basing their pay, at least in part, on some measure of performance – is gaining support as a possible way to increase accountability, improve student achievement, and attract and retain quality teachers. Schools, districts and states are experimenting more than ever before with a variety of systems of basing pay on the knowledge and skills or performance of teachers or schools. As testament to the level of interest in this area, a striking 20 governors outlined teacher compensation as one of their major education issues in their 2005 State of the State addresses, and nine specifically spoke of some type of performance-based or merit pay.¹

The policy process for moving away from a structure based solely on degree and experience is a complex one, however. As more attempts are made to design new methods of compensating teachers, researchers and practitioners are learning more about what it takes for such a plan to succeed. At the same time, policymakers, reacting to ever-increasing demands for more accountability in public education, are looking to what has been tried around the country, and what it would take to successfully revamp teacher compensation in their states.

¹ These governors are: Donald L. Carcieri, Rhode Island; Jim Doyle, Wisconsin; Dirk Kempthorne, Idaho; Tim Pawlenty, Minnesota; Rick Perry, Texas; Edward G. Rendell, Pennsylvania; Bill Richardson, New Mexico; Bob Riley, Alabama; Arnold Schwarzenegger, California.

Note: This issue paper builds on an earlier ECS publication that reviewed five leading pay-for-performance models or proposals at the time titled, Pay-for-Performance: Key Questions and Lessons from Five Current Models (2001), available at http://www.ecs.org/clearinghouse/28/30/2830.htm.
As is true in all sound policymaking, those designing and seeking to implement diversified teacher pay systems would benefit from reviewing what has been learned by both the research and policymaking communities in order to design policies that have a better chance at succeeding. In recognition of this, the Education Commission of the States and The Teaching Commission have joined together on this issue paper to provide:

- An overview of the research on compensation systems that have ventured beyond the single salary schedule
- Some of the key findings about such a shift from both researchers and practitioners
- Key questions that have been gleaned from previous experiences
- An overview of some recent attempts to diversify teacher pay, both at the incremental and sweeping level
- A comparison and detailed summaries of four leading programs and proposals at the district and school levels.

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Literature Review

A History of Teacher Compensation

Numerous academic studies confirm the long-held belief that teacher quality is one of the greatest determinants of student achievement (Darling-Hammond, 2000; Ferguson and Ladd, 1996; Rivkin et al., 2005). As a result, policymakers have given significant attention to methods for improving teacher quality, specifically teacher compensation. Although still an issue of debate, it is generally held that teachers have historically earned smaller salaries than comparably educated workers in other professions (Allegretto et al., 2004). Because of this, many advocates argue that uniform, across-the-board increases in teacher salaries will improve both the recruitment and retention of high-quality teachers, raising overall teacher quality in the process (Ferris and Winkler, 1986; Harris and Associates, 1995; Murnane and Olsen, 1990). Academic studies, however, have provided mixed answers. Though some studies find higher salaries lead to improved teacher quality and/or student achievement (Figlio, 1997; Loeb and Page, 2000), others find across-the-board salary increases – an expensive policy option – have a negligible effect on teacher mobility and student performance (Ballou and Podgursky, 1996; Hanushek et al., 2004).

For the last 80 years, most American teachers have been paid through single salary schedules, sometimes called the “steps and lanes” compensation system. Under this policy, years of experience and education attained, taken together, determine salaries. While proponents argue the single salary schedule ensures salary equity among teachers (Odden and Kelley, 1997; Protsik, 1996), studies show the current standard for teacher pay may not be the most effective model for attracting, motivating and retaining exemplary educators. Numerous reports show the relationship between teacher quality and years of teaching experience is weak or non-existent after teachers’ first five years, and may actually be negative after 20 years in the classroom (Darling-Hammond, 2000; Murnane, 1983; Plecki, 2000). Additionally, evidence linking teaching quality to the completion of graduate coursework, particularly graduate coursework in education is inconclusive (Ferguson and Ladd, 1996; Hanushek, 1994; Murnane, 1983; Rivkin et al., 2005).

Attempting to strengthen the connection between teacher compensation and teacher quality, policymakers have considered a number of different plans to transform teacher pay. Throughout the 1980s and much of the 1990s, most redesigned compensation systems fell into two categories: experimental merit-pay and career-ladder systems (Odden and Kelley, 1997). Experimental merit-pay plans tended to rely on subjective evaluations of teachers to determine some percentage of salary and were in most cases poorly designed and/or implemented. Many educators reported frustration with the programs, believing they offered flawed evaluations and no clear paths toward improvement for teachers at the bottom of the quality curve. Additionally, these programs tended to be “zero-sum” systems, meaning the number and amount of bonuses were limited by the lump sum given to a school for this purpose. This limitation contributed to the system being criticized for creating competition among teachers. Moreover, or perhaps as a result, these programs showed no evidence of improving overall teacher quality (Haty et al., 1994; Mohrman et al., 1996; Murnane and Cohen, 1986).

Career-ladder systems, which attempt to eliminate the flat career structure of the teaching profession, showed greater promise in the early stages. These programs provide advancement opportunities for high-quality teachers, including mentoring and administrative responsibilities, accompanied by augmentations to the single salary schedule (Odden and Kelley, 1997). Schools employing career-ladder programs exhibited some improvements in student achievement after several years of operation; however, many programs lost funding before achievement gains could be established. States cited high costs, difficult implementation and unclear results as reasons for abandoning career-ladder systems (Cornett and Gaines, 1994; NASBE, 2002). Certain aspects of career ladders systems, however, exist in modern reform efforts.

Modern Reforms

At least three major motivations drive the new wave of attempts to diversify teacher compensation. First, these new systems attempt to provide incentives for engaging in professional development specifically related to school or district goals. Because most single salary schedules reward teachers for the number, and not the quality, of continuing education credits, the single salary schedule does not provide such incentives (Odden and Kelley, 1997; Stout, 1996). Second, they are an attempt to connect teacher compensation to progress in student achievement (Odden and Kelley, 1997; Milanowski, 2003) – which is becoming increasingly possible given the availability of ever-more sophisticated data on student learning gains. This is particularly salient in this era of rising standards and increased accountability. Finally, some diversified compensation strategies are targeted toward attracting and retaining effective teachers in low-income or other hard-to-staff schools or high-need subject areas such as mathematics and science. Single salary schedules place no greater value on teaching in these schools or subjects and therefore place schools and school districts at a disadvantage by maintaining the status quo of inadequate staffing.

The first two motivations are more global in scope and are intended to affect all teachers based on their knowledge, skills or performance. The third is targeted to specific, identified areas of need. These types of targeted incentives are categorized as market incentives. While they are an important aspect of many attempts to diversity compensation, the current paper discusses only the more global diversified compensation systems.
These more global motivations have led to two distinct and often combined approaches to diversified compensation, each with some promising results. The first is skill- or knowledge-based pay systems, which reward teachers for developing core competencies, either related to the teacher's specific field or in line with pedagogical priorities of the district as a whole. Proponents argue that by focusing teacher professional development on core instruction, such rewards create a more direct relationship between teacher compensation and teacher quality (Milanowski, 2003; Odden et al., 2001). Research indicates that, at least in concept, teachers view these programs more favorably than early attempts at merit pay or career-ladder systems (Milanowski, 2003), and some districts with skill-based pay experience higher rates of retention of highly qualified teachers (Reichardt and Van Buhler, 2003).

The second approach, performance awards, is a somewhat more controversial alternative to the single salary schedule. These systems factor in “outputs” as well as “inputs;” they reward teachers in part for the academic performance gains of their students, providing awards based on either the performance of the individual teacher’s students or the performance of students under a group of teachers or school. Opponents of individual-based performance awards argue that current testing systems do not accurately assess the progress made by students, creating an inaccurate measure of teacher performance (Milanowski, 1999; Odden and Kelley, 1997). Advocates for individual-based awards, however, argue that when carefully incorporated into a sophisticated measure of teacher quality, gains on student-achievement tests can provide an independent measure for teacher performance, and can be included as one part of a teacher’s evaluation (Solmon and Podgursky, 2000).

Group-based or school-based performance awards offer greater appeal to some by explicitly encouraging the collaborative nature of teaching, though advocates note that individual-based awards may indirectly encourage collaboration, as the awards are available to all teachers and thus not zero-sum systems (Solmon and Podgursky, 2000). Further, group-based awards may encourage teachers to address broader goals that match community and school expectations (Firestone, 1994; Kelley et al., 2000). Studies generally find that teachers in performance-award systems exhibit greater motivation toward improved student performance, with motivation varying based on the teachers’ perception of the award system’s fairness (Heneman and Milanowski, 1999; Kelley et al., 2000). Similar to skill-based pay systems, these systems also appear to have a positive effect on the retention of highly qualified teachers, but no clear effect on teacher recruitment (Reichardt and Van Buhler, 2003).

Despite the potential offered by these new systems for teacher compensation, there are still significant problems blocking their general implementation. Opponents argue that performance-award systems may encourage higher test scores; however, if tests are not aligned with broader goals of education, such improvements may not correlate with improvements in actual learning (Cohen, 1996). Even well-designed systems may face suspicion or opposition from teachers and their unions, based on concerns about both the effectiveness of existing evaluation systems and teachers’ abilities to meet continually higher standards for student performance or skill acquisition (Hatry et al., 1994; Heneman 1998; Kelley et al., 2000; Milanowski, 2003). Successful programs have the potential to become expensive, as a high percentage of teachers qualify for higher salaries through skill development or high performance (Milanowski, 2003). Finally, depending on the level of support for the single salary schedule, districts and policymakers may find it politically infeasible to implement any significant compensation reform (Milanowski, 2003; Protsik, 1996).

A Brief Note on Evaluation

As mentioned above, even well-designed compensation systems may face opposition if there is concern about the effectiveness or appropriateness of the evaluation system to which compensation is tied. Evaluation systems based only on student test scores are sometimes criticized as holding teachers accountable for factors outside of their control – although this concern may be allayed through the use of value-added systems of assessment that measure student growth rather than student achievement. Systems that rely on evaluation of a teacher’s performance rather than student test scores are often faulted if the method of evaluation, such as peer or principal review, seems overly subjective.

The more successful attempts at developing and implementing diversified compensation systems tend to use a combination of evaluation methods. Examples of these are found in the programs highlighted in this paper. These programs use a variety of teacher evaluation techniques, including student-performance gains, demonstrations of teachers’ skill and knowledge, and peer and principal reviews.

While an in-depth discussion of evaluation systems is outside the scope of this paper, experienced policymakers recommend if teacher evaluation systems are to help improve student, school and teacher performance, then state assessments must truly be aligned to state and district standards. They also recommend expectations for competencies must be made clear; teachers must receive adequate and ongoing professional development; and states must invest in sophisticated data systems to house, analyze and disseminate information. Additionally, evaluation systems need to be fair and measure what teachers legitimately can be held accountable for. (See McCaffrey, Lockwood, Koretz and Hamilton, 2003, Evaluating Value-Added Models for Teacher Accountability; Kellor, 2005, Catching up with the Vaughn Express).
Findings and Lessons Learned

Studies of currently operating diversified compensation systems, and the cumulative experience of those who have ventured into diversified teacher pay, have identified a number of similar findings that are valuable to those exploring new compensation systems:

- **Stakeholder Involvement**
  - What the research says: When teachers are involved in the design of a program, it maximizes the likelihood of teacher/union approval and often improves the program's effectiveness (Hatry et al., 1994; Odden et al. 2001).
  - What policymakers say: Developing a pay-for-performance system should be a collaborative effort, including all stakeholders from the beginning. Teachers, administrators, parents, policymakers and the public all have an interest in any pay-for-performance system. Because these stakeholders have varying perspectives and goals, involving them in the design and implementation of a plan increases the likelihood the plan will be successful and will continue to have support in the face of the inevitable bumps in the road the plan will encounter during its implementation.

- **Educator Support and Training**
  - What the research says: Teachers respond best, and achievement improves most, when professional development and teacher-training systems are aligned with the demands of the new compensation program. (Milanowski, 2003; Odden et al., 2001; Solmon and Podgursky, 2000; Stout, 1996; Community Training and Assistance Center, 2004).
  - What policymakers say: Performance-pay plans should be as easy to understand as possible without being simplistic, and both teachers and principals should be given the training they need to understand, administer and make effective use of student and teacher assessments.

- **Sustained Commitment**
  - What the research says: Stakeholders may need to exhibit some patience with new compensation programs, as transitions will likely be challenging, and improvements in teacher quality and student achievement may not be immediate (Cornett and Gaines, 1994; Odden et al., 2001; Reichardt and Van Buhler, 2003).
  - What policymakers say: Designing and implementing a pay-for-performance program takes commitment, time and a willingness to envision a new system. The design of a pay-for-performance program begins with a vision of an environment that is supportive of the teaching and learning needs of teachers and students. The implementation process reveals unexpected challenges that require ongoing, careful attention. It takes time and measured, deliberate steps to get the program up and running and to get stakeholders on board. It is also important that a performance-pay plan has a sustainable funding source; without it, teachers fear that performance-based salary increases or other incentives will dry up in lean budget years.

Additionally, research has shown that: These programs can become expensive, as a successful program will encourage the retention of teachers who possess beneficial skills, induce higher student achievement, and thus demand higher salaries under the system. It is unclear, however, whether diversified programs would result in net higher costs than across-the-board salary increases (Milanowski, 2003).

Reforms to diversify teacher compensation often modify, rather than replace, current single salary schedules (Milanowski, 2003; Odden et al., 2001; Protsik, 1996) because teacher pay based on experience and education is ingrained in the teaching profession and often mandated by district/union collective bargaining.

Experienced policymakers and practitioners have added that:
Communication is important. Constant, consistent communication to all stakeholders, including teachers, administrators, parents, policymakers and the public helps promote acceptance and an ongoing understanding of the program. These reform efforts do not occur in a vacuum. Those looking to implement pay-for-performance systems also should pay attention to other factors such as fiscal policies, data gathering and dissemination capacity, standards for good teaching, teacher preparation, assessments of student learning and teacher performance, and the availability of high-quality professional development.

“Developing a pay-for-performance system should be a collaborative effort, including all stakeholders from the beginning.”
Questions To Consider

Reflecting upon the experiences of other districts and states that have implemented or wrestled with diversifying teacher pay systems can be invaluable. At the same time, policymakers need to take into account the local or state context that may affect the specifics of its implementation and success.

Designers of new compensation systems will have to answer a number of important questions, including:

- What kind of activities or behaviors is the performance-based pay plan intended to promote?
- How significant a percentage of salary will be based on skills and knowledge and/or performance?
- Will the evaluation of teachers’ performance be based on student results, demonstration of professional skills and knowledge, or a combination of the two?
- Will performance pay be awarded to individual teachers, groups of teachers or the entire school staff?
- What mechanisms and opportunities for feedback will be in place?
- To what extent should performance-pay systems be driven by state policymakers, and to what extent should districts take the lead?

Recent State-Level Attempts To Diversify Teacher Pay

In 2005, governors of 14 states proposed reforming the traditional teacher compensation system, though the significance of their proposals and the level of specificity varied widely. Most of the proposals can be grouped into three categories:

- Continuation of existing programs: Iowa’s budget includes an additional $24 million for the Student Achievement and Teacher Quality Program, which among other elements provides individual performance awards based on student achievement. Kentucky Governor Ernie Fletcher is creating a task force to study the efficacy of the state’s flexible compensation program, which provides school-based performance awards.
- Incentive programs for teacher recruitment: Alabama appropriated $725,000 for incentives to attract teachers to high-poverty schools, and South Carolina Governor Mark Sanford recommended the state board award a special bonus for National Board Certification only to teachers in at-risk schools. Though neither of these programs would be considered performance pay per se, they are notable departures from the status quo of teacher compensation.
- Pilot programs for performance-based pay: Rhode Island Governor John Carcieri’s budget includes funding for a pilot study of performance-based pay, and Wisconsin Governor Jim Doyle’s budget offers $1.8 million in grants to 20 districts who design, implement and report on the success of alternative teacher compensation systems. Additionally, Nevada Governor Kenny Guinn has recommended that some funds from the proposed School Remediaion Trust Fund be allocated to establish pay-for-performance plans in at-risk schools. Finally, although unable to gain adequate support for a vote, California Governor Arnold Schwarzenegger proposed an amendment to the state constitution that would have required school districts to implement pay systems based on merit rather than seniority.

“It takes time and measured, deliberate steps to get the program up and running and to get stakeholders on board.”
State Focus: Minnesota

Minnesota is one state that has enacted sweeping teacher compensation reform. The alternative pay system is called Quality Compensation, or “Q Comp.” It was proposed by Governor Tim Pawlenty and passed by the state legislature in July 2005. The state allocated $86 million statewide for the program and established guidelines for districts to claim their portion of the funding ($260 more per child in state aid) if and when they devised a teacher pay plan meeting a set of requirements established by the state. The requirements include the establishment of multiple career paths, objective assessment systems and professional development that align with performance pay. Some schools already have a system in place, using the Teacher Advancement Program model on which the governor based much of his proposal. Only schools that agree to move away from the traditional steps and lanes salary schedule and comply with the requirements are eligible for the increased funding. The Minnesota state teachers union generally did not support the reform on the legislative level but local teachers and unions have praised the system for its classroom results, professional development and incentive pay.

As of October 2005, seven school districts and charter schools – Hopkins, Minneapolis, St. Francis, Mounds View, St. Cloud, Duluth Public Academy and ARTECH charter school – have been accepted for participation in Q Comp. Six additional school districts and charter schools will receive formal approval shortly. Several of these have opted to implement the Teacher Advancement Program (TAP) – such as the Minneapolis Public Schools, which is implementing TAP at eight sites with plans to expand the program in 2006-2007. In total, approximately $17 million will be spent during the 2005-06 school year to implement Q Comp initiatives.

District- and School-Level Programs

Attempts to implement diversified compensation systems have occurred more at the district or school level rather than state level. The table below compares four such programs on selected aspects of their systems. These programs were chosen because they include global rather than targeted reform efforts and because they are active systems with some history and experience behind them. For detailed summaries of each of these four programs, see Appendix A: Summaries of Four District and School Programs.
<table>
<thead>
<tr>
<th>Program Dimensions</th>
<th>Scope</th>
<th>Type(s)</th>
<th>Status</th>
<th>Basis of Salary Determination and Approximate Salary Impact</th>
<th>Measures of Performance</th>
<th>Connection to State Licensure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver</td>
<td>Districtwide</td>
<td>Individual performance pay, school-wide performance pay, skills- and knowledge-based pay, additional responsibilities pay</td>
<td>Ongoing since 1995-96 school year.</td>
<td>(1) $40,000 base salary for new teachers (2) Annual evaluation. (3) Professional Development. (4) Graduate Degree/National Certificate. (5) Satisfactory evaluation if nonprobationary. (6) Hard-to-staff school or position. (7) Meeting annual student growth objectives. (8) Student achievement.</td>
<td>(1) Evaluation of performance</td>
<td>None</td>
</tr>
<tr>
<td>Vaughn Next Century Learning Center</td>
<td>Schoolwide</td>
<td>Individual performance pay, school-wide performance pay, skills- and knowledge-based pay, additional responsibilities pay</td>
<td>Ongoing since 1998-99 school year.</td>
<td>(1) $33,301 base salary for new teachers (2) Performance bonuses are given as a percent of the index, a fixed amount negotiated by Denver Public Schools and Denver Classroom Teachers Association. Current proposed index is $33,301.</td>
<td>(1) Evaluation of performance</td>
<td>None</td>
</tr>
<tr>
<td>Milken Family Foundation’s Teacher Advancement Program</td>
<td>Districtwide</td>
<td>Individual performance pay, school-wide performance pay, skills- and knowledge-based pay, additional responsibilities pay</td>
<td>Ongoing since 1999-2000.</td>
<td>(1) $33,301 base salary for new teachers (2) Annual evaluation. (3) Professional Development.</td>
<td>(1) Evaluation of performance</td>
<td>None</td>
</tr>
</tbody>
</table>
CONCLUSION

There have long been concerns about the system by which we pay teachers in this country compared to systems used to compensate other educated professionals. The single salary structure originated in the early 20th century in response to demand for a system that paid the same salary to teachers with the same qualifications regardless of grade level taught, gender or race. This structure, however, has been cited in recent years as failing to differentially reward teachers based on their skills, abilities and achievements. Diversifying teacher compensation systems is seen by many as a critical means of recruiting and retaining more high-quality teachers, individuals who may enter other professions in the first place or leave teaching for fields in which skills and performance are more tangibly recognized.

Diversifying teacher compensation is gaining increasing attention at the state and district level, as is evident by the number of governors including teacher compensation in their state of the state addresses. Future efforts can be well informed by looking at systems that have already been designed and implemented. Some of these systems are primarily skill- or knowledge-based, wherein compensation is linked to education, professional development or certification obtained by the educator. Others are more performance based, using student achievement as the primary measure by which rewards are determined. Most combine multiple measures of teacher performance and incorporate student achievement as one of many factors. This paper has reviewed the specifics of several current and proposed systems for diversifying teacher compensation. By highlighting important aspects of each plan, outlining lessons learned from these systems and attempts, and listing the questions that should be considered when such systems are being developed it is hoped states, districts and schools will be better informed when deciding whether to pursue this work and in proceeding with their own efforts to best serve teachers and students.
Appendix A: Summaries of Four District and School Programs

Douglas County, Colorado: Ten-Year Veteran

Douglas County, Colorado, adopted a pay-for-performance plan to improve the overall quality of teaching in the district by rewarding the performance of outstanding individuals and groups. The Douglas County Federation of Teachers (DCFT) and members of the Douglas County Board of Education cooperatively committed to teacher performance pay in their contract settlement for the 1993-94 school year. This settlement was ratified by more than 90% of the teachers. In 1999, the performance-pay program was modified to align teacher compensation and evaluation with the District’s new strategic directions. The model has worked over time to create a balance of group and individual incentives for performance.

The sum of this multiyear process is a performance-pay system with two major parts. The first part is a base salary structure for all teachers in the district. The second is a series of bonus incentives components that teachers may participate in voluntarily. Teachers choose to participate in one or all of the incentive components without the risk of losing any of their base salary.

Base Pay

The first part of the Douglas County performance-pay plan provides a teacher’s base salary using a formula that factors in a teacher’s number of successful evaluation credits and the level of education a teacher has attained in addition to their professional base pay. Unlike a traditional salary schedule, under the performance-pay plan, a teacher does not automatically receive an increase based on length of service. Building administrators use formative and summative assessments to determine if teachers’ performance is satisfactory. Teachers must receive a satisfactory evaluation of their performance to be eligible for a base salary increase. Teachers who receive an unsatisfactory rating are not eligible to receive an evaluation credit (a negotiated cost-of-living adjustment and standard evaluation-step increase) for the coming year. In essence, their salary is frozen for one year. Moreover, unsatisfactory performance ratings also preclude teacher participation in any of the bonus incentive components of the plan. The base salary in Douglas County is $31,000 for a beginning teacher with a bachelor’s degree.

Incentive Pay

The second part of the plan is a series of bonus incentive awards that are completely separate from a teacher’s base salary.

Outstanding Teacher

Perhaps the most controversial bonus incentive, the Outstanding Teacher Program, rewards a bonus of $1,250 to teachers who demonstrate individual outstanding performance. There are four Outstanding Teacher designations: A, B, C and D.

- **Type A** uses criteria established by the National Board for Professional Teaching Standards (NBPTS) and modified by an Outstanding Teacher Committee in Douglas County. Teachers collect six artifacts demonstrating outstanding performance in a portfolio that includes relevant career and teaching information. They also include their educational philosophy and information generated by peer and client (parents/student) surveys. The portfolio is submitted to the building administrator, who reviews the documentation and makes the decision whether or not to award the teacher the Outstanding Teacher designation.

- **Type B** involves a portfolio focused on standards-based education. Teachers compile a body of evidence showing their efforts to develop a standards-based classroom. Teachers then “measure” themselves against a rubric that defines standards-based education practices and submit their portfolios to their building administrator for review.

- **Type C** is for teachers pursuing certification from the NBPTS. To limit the amount of paperwork, teachers can submit a copy of their National Board portfolio, with some minor modification, to their building administrator to earn this incentive.

- **Type D** is based purely on outstanding student growth. Teachers submit portfolios to document their systematic collection of data, which is analyzed and used to drive instructional practices that result in outstanding student growth. Teachers’ portfolios provide graphic data for all students in key core areas (elementary), or in specific content areas (secondary), demonstrate the use of benchmarking and summative assessments to generate data, and narratives explaining how their practice and use of data to drive their instruction are linked to the outstanding student growth. This portfolio is submitted to a standing district committee of teachers and administrators for review.
National Board Certification

Teachers who have current NBPTS certification earn a yearly incentive bonus of $2,500 for a maximum period of five years. To be eligible to continue to receive the bonus, NBPTS certified teachers must access the Master Teacher program. Renewal of NBPTS certification allows the teacher to receive the bonus for another five years after the expiration of their Master Teacher designation.

Group Incentive Program

This component encourages cooperative efforts within schools, or among groups of teachers across the district, to work on common goals that directly impact student performance. Teachers on a planning committee, within an individual school, draft a plan and collect signatures of support from other faculty members, the building administrator and the building Accountability Committee. The plan is then submitted to the Group Incentive Board (GIB), a district governing body for the Group Incentive Plan component. The GIB reviews the proposed plan and grants approval for the school to go ahead. At the end of the school year, a final report describing evidence of the impact on students is submitted to the GIB, which then determines if the goals were attained and a bonus should be awarded. Group incentive bonuses are approximately $400-$500 per group member and are funded from a district pool.

Skill Blocks

A Skill Block is intended to provide incentives for teachers to obtain skills identified by the district as central to fulfillment of its mission. Skill blocks are offered at after-school sessions and carry graduated values ranging from $250-$500. This incentive requires that teachers not only learn new skills, but that skills be applied and demonstrated in the classroom with students. To receive the skill block bonus, teachers must attend training sessions and also must demonstrate mastery of the skill through an authentic assessment administered at the conclusion of the training program. The skill block instructors determine if a teacher has demonstrated applications of the skills successfully in his or her teaching.

Master Teacher

A Master Teacher applicant is required to show outstanding student growth, similar to the requirement for a Type D Outstanding Teacher, document Master Teacher performance in two of three optional categories and have been recognized for two years out of the past five as an Outstanding Teacher. Additionally, an applicant must show leadership in their teaching field. Once a teacher receives the Master Teacher designation, he or she will be eligible to assume a variety of mentoring roles within the district. The Master Teacher award is for five years and currently worth $2,500 each year. To date, the district’s Performance Pay Improvement Committee has evaluated teachers who choose to participate in this component.

Responsibility Pay

The final bonus incentive component addresses the issue of additional responsibilities undertaken by teachers for which they historically have received no additional compensation. District responsibility pay is awarded to teachers who take on responsibilities at the district level. This includes such things as membership on the district committees. Site-based responsibility pay is distributed at the individual school level to teachers based on criteria and in award amounts determined by the school staff. Funding is made available from the district on a per-student basis. The site-based component involves very little guidance from the Central Office or the DCFT. Schools make their decisions and submit pay vouchers to the district payroll department.
In the 1999-2000 school year Denver began a pilot project to implement a pay-for-performance system for teacher compensation. The pilot project was jointly sponsored by the Denver Public Schools (DPS) and the Denver Classroom Teachers Association (DCTA), as well as its offspring, the Professional Compensation Plan for Teachers (ProComp). Though barely out of the proposal stage, it already stands apart as having many of the pieces and lessons learned in place such as teacher (and union) buy-in, funding, and citizen support. Another piece proving to be instrumental in the promise of Denver’s plan is veterans can choose to opt-in. Denver voters approved a $25 million mill levy in November 2005 to fund the compensation program.

Pay-for-Performance pilot program. The pilot phase of Denver’s process included 16 schools and ran from 1999 to 2003. Schools participated in the pilot on a voluntary basis; a minimum of 85% of the staff had to vote to become part of the program for a school to join. Local and national foundations funded the pilot program.

Pilot findings
- At all three levels – elementary, middle and high school – students whose teachers had objectives ranked “excellent” on a four level rubric achieved higher mean test scores than students whose teachers’ objectives were lower.
- Students of teachers who met two objectives had significantly higher test scores than students of teachers who met one or no objectives.
- The percentage of teachers who set excellent objectives increased over the course of the pilot.
- Teachers’ ability to meet objectives increased significantly as they gained more experience in the pilot. One year pilot participants met 89% of their objectives; four-year participants met 98% of their objectives.
- DPS/DCTA collaboration on behalf of student achievement was significant.
- Teachers and principals had many opportunities to influence the course of the pilot, which they reported was a positive and meaningful experience.

Pilot recommendations
- Alignment – The link between classroom objectives, school improvement plans and district standards and goals should be strengthened.
- Assessment – Denver is positioned as a national leader in the area of linking teacher compensation, in part, to student achievement as a result of the pilot.
- Professional Development – Other opportunities for teachers and principals to shape professional development should be created.
- Leadership – Since the collaboration between Denver Public Schools and Denver Classroom Teachers Association has been so effective in the pilot, it should be extended to other parts of district educational operations.


Denver Professional Compensation Program for Teachers (ProComp). The system that has grown out of the Denver pay-for-performance pilot is one of diversified indicators. The system has four components with nine elements through which teachers can build and improve their earnings: student growth, knowledge and skills, market incentives and professional evaluation. The plan, entitled the Professional Compensation Plan for Teachers (ProComp), was approved by the Denver Public Schools Board in February 2004 and accepted by members of the Denver Classroom Teachers Association in March 2004.

Student Growth
Annual Objectives: Teachers/specialists will collaborate with their principal/manager to set two annual objectives. Those who meet both of their annual objectives will receive a salary increase of 1% Index. Teachers who meet one objective will receive a 1% Index Bonus. Teachers who do not meet either objective will receive no increase.

State student achievement exam – CSAP: Teachers whose students exceed an agreed-upon range for one year’s growth as measured by CSAP math and reading will receive a 3% sustainable increase. Teachers who fall below the lower limit of a standard range will lose their sustainable increase if they have earned one in the past.
Distinguished Schools: Teachers who work in schools defined as “distinguished” will receive a bonus of 2% Index. Distinguished schools will be determined annually based on 30-40 school accreditation indicators. These include outstanding results based on student growth data and factors such as school climate, attendance and graduation rates.

Knowledge & Skills
Professional Development Unit: Teachers who complete one Professional Development Unit in their current or proposed area of assignment will receive a salary increase of 2% of the Index after (1) completing approved courses, (2) demonstrating their skills and (3) reflecting on the value of the knowledge for use with their students.

Graduate Degree/National Board Certificates: Teachers who earn graduate degrees or certificates from the National Board for Professional Teaching Standards relevant to their current or proposed assignment will receive a salary increase of 9% of the index for the life of the degree or certificate.

Tuition: Teachers will receive reimbursement for up to $1,000 for the course of their careers for tuition for coursework in their current or proposed area of assignment.

Market Incentives
Hard to Staff: Teachers/specialists who work in positions that are considered difficult to fill will receive a 3% Index Bonus. Hard to Staff assignments are classified as those where the supply of licensed professionals is low and the rate of turnover is high.

Hard-to-Serve: Teachers/specialists at schools considered hard to serve will receive a 3% Index Bonus every year the school is eligible. Hard to serve schools are those with a high percentage of students on free and reduced-priced lunch.

Professional Evaluation
Satisfactory Evaluation: Salary increases of 3% Index for teachers who receive a satisfactory evaluation. Evaluations would be given every three years.

Unsatisfactory Evaluation: Delay satisfactory performance salary increase for teachers with an unsatisfactory performance rating until the teacher receives a rating of satisfactory or better.

Vaughn Next Century Learning Center: Chartering Diversified Teacher Pay

The Vaughn Next Century Learning Center is a Title I charter school in the Los Angeles Unified School District, where almost all of the student population qualifies for free and reduced-priced lunch and many are English Language Learners. As of the 2004-05 school year, Vaughn includes grades K-8 with plans to add one additional grade level each year until the school encompasses kindergarten through high school.

In the 1998-99 school year, Vaughn implemented a pilot knowledge- and skill-based pay system. The system was developed to address six main issues and concerns: (1) pay inequity among teachers; (2) a concern that the single salary schedule promoted mediocrity; (3) a perceived need to develop a more explicit internal accountability system due to the focus on external accountability from the school's charter status; (4) a need to provide regular increases to new teachers to promote retention; (5) a concern that good teachers perceived movement out of the classroom as the only way to increase their salaries; and (6) an interest in tying salary improvement to student achievement.

Initially, this system was mandatory for all newly hired teachers, and teachers within their first five years of employment could volunteer for the plan. In response to veteran teachers’ requests that they be able to opt into the program, however, in the 1999-2000 school year, the program was offered to all Vaughn teachers regardless of their time at the school.

Concurrent with the implementation of this new pay system, two evaluation plans also were implemented – a school-based performance award program covering all teaching staff and a system for evaluating individual teachers.

School-Based Performance Award (SBPA)
The School-Based Performance Award (SBPA) was based on schoolwide student achievement. For the 1998-99 school year, student-achievement scores on three measures were used: the Stanford 9, the Terra Nova and report cards. If goals for improvement in these measures were met, all certified staff received a bonus ($1,500 for the 1998-99 school year). The Public School Accountability Act of 1999 required that an Academic Performance Index (API) be calculated for every public school in California with awards of up to $25,000 for meeting API growth targets. Instead of continuing the SBPA as a separate
program, Vaughn opted to tie the fiscal rewards for the SBPA to API. Vaughn has exceeded their growth target every year. In the 2001-02 school year, the bonus award was increased to $2,000 and has remained at that level.

**Teacher Evaluation**

Teachers are evaluated during three one-week-long windows throughout the school year by an administrator, a trained peer and self-evaluation. The evaluation rubric assesses teachers across four domains: planning and preparation, the classroom environment, instruction and professional responsibilities, with components and skills designated within each domain. Teachers are rated on a scale of 1 (unsatisfactory) to 4 (distinguished). Evaluation scores are averaged to produce a rating in each domain and averaged across domains to create an overall rating for the teacher. The amount of performance pay a teacher receives is based on these overall ratings.

**Salary and Performance Pay**

Base salary for teachers at Vaughn is determined by type of credential (alternative or clear) and years of teaching. Teachers who have a master's degree in education or have completed 30 units of advanced education after obtaining a clear credential receive an annual bonus, as do teachers who have achieved National Board Certification. As of the 2003-04 school year, these bonuses were $2,000 and $4,000, respectively.

Performance pay is designated by level. Level 1 requires an average rating of 3.0 in each domain and performance pay varies by domain from $1,000 to $1,775 for a total of up to $5,550. Level 2 teachers must meet the requirements of Level 1 and have an average score across all domains of 3.5 or higher. The bonus for Level 2 is $5,500. Teachers reach Level 3 when they achieve all Level 1 requirements and meet Level 2 requirements for 8 of 10 consecutive semesters. The bonus for this level is $2,000 for total possible performance-based pay of $13,050 annually, as of the 2003-04 school year.

**Additional Incentive Pay**

In addition to knowledge- and performance-based pay, teachers at Vaughn also are eligible to earn bonuses for meeting certain contingencies or taking on leadership roles. Examples of contingency-based pay include a $250 bonus if the use of substitutes is below an annual threshold or if student attendance is at least 95%. Leadership roles include serving as a committee chair, faculty chair or peer reviewer, and teachers can earn from $500 to $1,000 annually.

**Teacher Advancement Program (TAP)**

The Teacher Advancement Program (TAP) is a comprehensive, research-based whole school reform effort to attract, develop, motivate and retain high-quality educators in order to increase student achievement. TAP is based on four key elements to accomplish this goal: (1) multiple career paths; (2) ongoing, applied professional growth; (3) instructionally focused accountability; and (4) performance-based compensation.

TAP was initially developed as an initiative of the Milken Family Foundation. Burgeoning support for TAP from a broad cross section of public and private stakeholders led to the establishment of an independent Teacher Advancement Program Foundation, offering additional opportunities to strengthen the American teaching profession through public/private partnerships, and supporting the implementation of TAP in schools across the country.

**Multiple Career Paths**

Multiple career paths are intended to expand the opportunities for talented teachers without having to leave the classroom. TAP teachers can pursue a variety of positions (career, mentor, master) depending upon their interests, skills and accomplishments. In addition to new roles and responsibilities, as teachers move along the career path, they receive additional compensation in the form of a salary augmentation. The performance requirements and school responsibilities vary for teachers based on their career level.

**Teacher Evaluation**

TAP has a comprehensive system for teacher evaluations and rewards teachers for how well they teach their students as measured by a combination of classroom observations and student achievement gains. Teacher performance is measured against the TAP Teaching Skills, Knowledge and Responsibility Standards that are based on research in educational psychology and cognitive science, as well as best practices in the field. The standards involve teaching processes and teaching outcomes, and are the basis for classroom observation evaluations. Teachers are evaluated four to six times each year by multiple trained and certified evaluators.

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1 For further information on TAP, please see Teacher Advancement Program Foundation. *Understanding the Teacher Advancement Program.* Santa Monica: Teacher Advancement Program Foundation, 2005.
Performance-Based Compensation
TAP schools use their current salary schedules and supplement with augmented salaries for mentor and master teachers, as well as performance awards for which all teachers are eligible. **Salary Augmentations:** Mentor and master teachers earn salary supplements to compensate them for their additional roles and responsibilities. The recommended salary augmentation for master teachers is $15,000 and $7,000 for mentor teachers (variable based on local economic conditions). **Performance Awards:** TAP performance awards are based on a combination of multiple classroom observations and individual classroom and school-wide gains measured by a value-added model. Performance awards are earned yearly and provide an additional opportunity for teachers to increase their compensation.

Professional Growth Opportunities
A unique characteristic of TAP is the alignment of professional development activities to the standards for which teachers are held accountable. Time is set aside during the regular school day for teacher learning that is always focused on increasing student learning aligned to the school plan. Master and mentor teachers lead these weekly meetings – known as cluster group meetings – and continue the support of new teacher learning with ongoing classroom-based support utilizing data on student performance. In order to ensure that teachers are able to meet accountability standards and effectively help students learn, TAP professional development is designed to support job-embedded ongoing training, mentoring and classroom support during the school day.

The Growth of TAP
TAP has expanded to a total of 10 states and the District of Columbia affecting more than 3,100 teachers in the over 100 schools involved in the program. To date, TAP has been implemented locally with individual districts, parochial schools and charter schools demonstrating its successes. However, in the majority of TAP states there has been state-level interest and support in the form of funding, pilot initiatives implemented through the state departments of education and legislative initiatives. Arizona, Arkansas, Colorado, Florida, Indiana, Louisiana, Minnesota, Ohio, South Carolina and Texas have TAP schools within their education systems. Most districts have TAP in a few schools; however, Eagle County, Colorado and Waseca, Minnesota have implemented the program district-wide.

TAP has cultivated many partnerships with other educational organizations, federal, state and local governments and education agencies, corporations and foundations. TAP has received grants from private organizations (such as the Milken Family Foundation, the Walton Family Foundation, The Broad Foundation and the Lilly Endowment, Inc.) and government funding to broaden the program’s implementation.

Implementation
Faculty support to implement TAP is necessary. Further, TAP schools are required to implement all four basic elements of the program (multiple career paths, ongoing, applied professional growth, instructionally focused accountability and performance-based compensation), although TAP may allow some flexibility for schools to adapt the model to their local systems and unique set of circumstances. Often these adjustments are due to a limited amount of available funding. Evaluation of TAP suggests that, in general, truer implementation to the TAP model yields better student achievement results.

Criticisms
The most common criticism heard from TAP schools is that it requires a lot of paperwork. The desire to document the progress of TAP implementation, the need to measure student progress and teacher performance, and the evaluation of program implementation and impacts make such a complaint inevitable. Annual satisfaction surveys given to TAP teachers show that although some teachers remain reticent about the notion of performance pay, teachers report very high levels of collegiality. This finding contradicts the common perception and fear that performance pay systems will cause competition that results in a lack of cooperation among teachers. Some parents and teachers have stated concerns that the program ties teacher compensation too closely to student achievement. Yet others cite this link to student achievement as a highlight of the program. Some schools also have had challenges adjusting TAP to high schools because the culture and organization of high schools are different from elementary and middle schools and the subjects taught in upper levels often are not assessed by state standardized tests.
# Appendix B: Governors’ Current Teacher Compensation Initiatives

## General Teacher Compensation Reforms

All initiatives were taken from the 2005 State of the State Address of each state’s governor. Data were current as of summer 2005.

<table>
<thead>
<tr>
<th>State</th>
<th>Proposal</th>
<th>Status</th>
</tr>
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<tbody>
<tr>
<td>Iowa</td>
<td><em>Proposal:</em> Double funding for the Student Achievement and Teacher Quality Program, which supplements teacher salaries. <em>Status:</em> The education appropriations bill, HF 816, provided $24 million of the requested $47 million for this proposal.</td>
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<tr>
<td>Kentucky</td>
<td><em>Proposal:</em> Offer $36 million in flexible compensation beyond basic 2% raise to improve recruitment and retention. <em>Status:</em> The final budget, HB 267, signed into law on March 22, 2005, does not include funding for this measure. The Governor’s Office, however, is developing a task force to examine the issue.</td>
<td></td>
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<tr>
<td>Massachusetts</td>
<td><em>Proposal:</em> Increase overall teacher salaries, specifically offering supplements to attract math/science teachers. <em>Status:</em> This and other proposals are scheduled to be part of Governor Romney’s Education Reform Act of 2005, which as of Memorial Day had not been introduced to the Legislature.</td>
<td></td>
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<tr>
<td>Minnesota</td>
<td><em>Proposal:</em> Allow districts to pay more to teachers in high-need schools and hard-to-staff subject areas. <em>Status:</em> This measure is included in the Alternative Teacher Professional Pay System of the governor-endorsed budget bill approved by the House, HF 872, but not in the competing Senate bill, SF 2267. Both bills were tabled at the end of the legislative session; the House bill has been reintroduced as HF 2 in the special session that began on May 24, 2005.</td>
<td></td>
</tr>
<tr>
<td>Wisconsin</td>
<td><em>Proposal:</em> Overturn legislation that discourages salary and benefit innovation, and design new system that rewards performance, knowledge and challenges. <em>Status:</em> The Governor’s Executive Budget, AB 100, authorizes up to $1.8 million in grants to up to 20 school districts to implement diversified compensation systems. The Joint Finance Committee, however, has not yet considered the K-12 appropriations portion as of May 31, 2005.</td>
<td></td>
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</tbody>
</table>
### Incentive Pay / Bonus Programs

All initiatives were taken from the 2005 State of the State Address of each state’s governor. Proposals include incentives aimed at both teacher retention and improving student achievement. Data were current as of summer 2005.

<table>
<thead>
<tr>
<th>State</th>
<th>Proposal</th>
<th>Status</th>
</tr>
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</table>
| Alabama     | **Proposal:** Pay an incentive bonus to teachers in high-need schools or subject areas, and develop other ways to retain these teachers.  
**Status:** The education budget, HB 248, enrolled on May 16, 2005, over the governor’s veto, appropriated $725,000 for teacher incentive pay. Eligibility requirements and disbursement levels, however, have yet to be determined. This issue was not one of contention. |                                                                                                   |
| Minnesota   | **Proposal:** Restore and increase stipend to teachers of Advanced Placement/International Baccalaureate courses based on students passing examinations.  
**Status:** This measure is included in the governor-endorsed budget bill approved by the House, HF 872, but not in the competing Senate bill, SF 2267. Both bills were tabled at the end of the legislative session; a special session will likely be convened to reconsider legislation. |                                                                                                   |
| South Carolina | **Proposal:** Offer national board certified teachers an additional annual stipend of $3,500 to teach in high-need areas or subjects.  
**Status:** The budget, H 3716, changed the current stipend system to include this proposal. Under previous law, national board certified teachers received the additional stipend regardless of where they taught. |                                                                                                   |
| Texas       | **Proposal:** Offer $7,500 bonuses for teachers who improve achievement gains in schools with high at-risk populations.  
**Status:** The School Finance Reform Act, HB 2, passed both chambers but failed in Conference Committee. The act would have appropriated as much as $50 million to an incentive program for at-risk schools. Bonuses would be awarded to schools, at least 75% of which must be used for additional teacher compensation, including individual teacher bonuses of no less than $3,000. The governor may call a special session to reconsider the legislation. |                                                                                                   |
Pay-for-Performance Plans

All initiatives were taken from the 2005 State of the State Address of each state’s governor. Data were current as of summer 2005.

<table>
<thead>
<tr>
<th>State</th>
<th>Proposal:</th>
<th>Status:</th>
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| California| **Proposal:** Base teacher salary and employment on merit rather than tenure.  
**Status:** A constitutional amendment to force this change, SCAX1 1, was introduced in the Senate on January 13, 2005, and was re-referred to the Senate Education Committee without hearing on March 1, 2005. |                                                                                                   |
| Delaware  | **Proposal:** Implement teacher accountability system for the 2005-06 school year.  
**Status:** As of Memorial Day, the Office of the Governor, the Education Department and the Delaware Educators Association were still in discussions, with hopes of introducing a specific proposal by the end of the legislative session on June 30th. |                                                                                                   |
| Idaho     | **Proposal:** Support the State Board of Education’s recommendation to implement teacher merit pay.  
**Status:** A commission is studying the issue now, but no recommendations have been forthcoming, and no action taken as of the end of the legislative session. |                                                                                                   |
| Massachusetts | **Proposal:** Improve evaluations of teachers, allowing state to remove highly ineffective teachers.  
**Status:** This and other proposals are scheduled to be part of Governor Romney’s Education Reform Act of 2005, which as of Memorial Day had not been introduced to the Legislature. |                                                                                                   |
| Minnesota | **Proposal:** Institute performance pay for quality teaching based on rigorous review system, replacing tenure.  
**Status:** These measures are included in the Alternative Teacher Professional Pay System of the governor-endorsed budget bill approved by the House, HF 872, but not in the competing Senate bill, SF 2267. Both bills were tabled at the end of the legislative session; the House bill has been reintroduced as HF 2 in the special session that began on May 24, 2005. |                                                                                                   |
| Mississippi| **Proposal:** Design a pay-for-performance plan that is fair and broad enough so all teachers are eligible.  
**Status:** The Education Reform Act of 2005, SB 2504, passed both the House and Senate, but died in Conference. The bill would have required the State Board of Education to research the feasibility of a value-added pay-for-performance system. The governor will call a special session for October to take up the legislation again. |                                                                                                   |
| Nevada    | **Proposal:** Establish pay-for-performance salary incentives in at-risk schools.  
**Status:** No specific action taken, though funds from the School Remediation Trust Fund, if approved, could be used for this purpose by districts. |                                                                                                   |
| Rhode Island | **Proposal:** Introduce merit pay for teachers.  
**Status:** The budget, HB 5270, still under consideration by the House Finance Committee, includes funds for a pilot study of merit pay for teachers. |                                                                                                   |

Information from Delaware has not been confirmed by the Governor's Office.
Appendix C: Updates from 2001 Paper

Cincinnati, Ohio

Cincinnati’s pay-for-performance plan was to be implemented in two phases. The first phase was an advanced evaluation system measuring teachers’ performance against a set of 16 standards. The second phase – tying compensation to the evaluation system – was scheduled to be implemented for the 2002-03 school year, subject to a May 2002 vote of the union membership. The plan also included an incentive pay system whereby teachers could earn incentive pay for obtaining advanced degrees or certification, participating in focused training or skill blocks, and taking on extra responsibilities such as mentoring. The plan failed to pass and thus was not implemented in the teacher pay schedule.

Concerns about the proposed plan included:
• A lack of confidence in the evaluation system related to its objectivity and reliability before the program was put to vote
• Confusion about evaluation portfolio requirements, expectations and deadlines
• The ability to apply the standards to some subjects such as music, art, and theatre for which teachers did not have the same classroom methods as in other subjects
• Underestimation of the workload for evaluators
• Communication challenges at all levels

The Current System – Teacher Evaluation

Cincinnati Public Schools (CPS) retains the Teacher Evaluation System (TES) for annual and comprehensive evaluation of teachers and movement on the current salary schedule. A large number of significant modifications to the comprehensive evaluation have been made since the original design. Additional modifications were recently approved in May 2005 for implementation in 2005-2006. Some of the most significant modifications include in-depth professional development opportunities, extensive revision of the portfolio to include documents that teachers already maintain in their daily work, exemplars and more opportunities for conferencing and assistance. The district has also made a concerted effort to ensure that each teacher receives an annual observation as hundreds each year had not.

The TES is based on 16 standards divided into four domains. The standards were derived from ones identified by nationally recognized sources like the National Board for Professional Teaching Standards, the Interstate New Teacher Assessment and Support Consortium (INTASC), Praxis and especially Charlotte Danielson’s Framework for Teaching. A teacher’s performance is measured, using rubrics, against each of these standards. The standards are aggregated into four scores, one for each of the domains. Teachers can earn from three to 24 points in each of the following domains:
• Planning and Preparing for Student Learning
• Creating an Environment for Learning
• Teaching for Learning
• Professionalism.

Domain scores earned through the TES determine movement through five categories – Apprentice, Novice, Career, Advanced and Accomplished. Increases in salary are associated with each category. Apprentice and Novice teachers must move to the subsequent category within a specified period of time to continue their contract. If a teacher receives an evaluation that would place him or her in a lower category, the teacher’s salary increase is withheld and he or she must undergo a second comprehensive evaluation the following year. Depending upon the results of the second comprehensive evaluation, there are several different outcomes:
• If the second comprehensive evaluation affirms the lower category, the teacher will be placed in the Intervention component of the Peer Evaluation and Assistance program and may be subject to termination/nonrenewal.
• If the second comprehensive evaluation places the teacher in the current category, the teacher will remain in that category and receive the scheduled increment.
• If the second comprehensive evaluation places the teacher in a higher category, the teacher will be placed in that category and receive the schedule increment for the first step in that category.

Advanced and Accomplished teachers can also earn additional stipends, ranging from $3,000-$6,500, by taking on extra responsibilities as a lead teacher, which can include consulting teacher/teacher evaluator, chairing a curriculum council, serving as a team leader, coaching, and mentoring.
The ability to apply the standards to some subjects with different classroom methods have been alleviated by hiring Consulting Teachers and Teacher Evaluators that hold certification in all areas of instruction such as music, art, theatre, physical education, psychology, etc. Sets of standards, Teacher Evaluation System Adaptations, have been developed to address the specific job descriptions of all certificated personnel in Cincinnati Public Schools.

Future Plans
The Cincinnati Federation of Teachers (CFT) and the Cincinnati Public Schools (CPS) have begun research into diversified teacher compensation. A committee has been appointed to look into the Teacher Advancement Program (TAP) and other teacher incentive programs as possible alternatives to current compensation models in the district. A similar plan to that which was proposed in 2001 is not being considered. The union asserted that the May 2002 vote did not defeat performance pay but merely the individual program proposed to the teachers. It continues to support evaluations for teacher quality and engages in discussions with CPS regarding enhancing teacher quality. The Cincinnati Public School Administration is committed to working collaboratively with the federation to develop an alternative plan.

Denver, Colorado
See Appendix A: Summaries of Four District and School Programs.

Douglas County, Colorado (see #5)
See above section, Appendix A: Summaries of Four District and School Programs.

Iowa
In 2001 Iowa passed legislation establishing a comprehensive plan to improve teacher quality and student learning, Iowa Code Chapter 284. This code addresses the critical issues of rural and urban teacher shortages looming in Iowa and the declining comparability of Iowa teachers’ salaries with those in other states. Two of the four major elements in the Code address teacher compensation. The first is the creation of career paths and corresponding compensation levels. The second is the establishment of pilot team-based variable pay that provides additional compensation when student performance improves. The legislation appropriated $45 million to complete the activities of the Teacher Quality Legislation during 2004-05. Of this, $40 million was dedicated to improve teacher salaries.

Career Levels and Salaries
Beginning Teacher: This is a mentoring and induction program that lasts for the first two years of teaching and may continue for a third year if the teacher does not meet the evaluation standards. To be a beginning teacher, the individual must have successfully completed a preparation program and hold a provisional teaching license. To move to the next level, the beginning teacher must complete this two-year program and successfully complete a comprehensive evaluation that assesses whether the teacher meets district expectations and competency in Iowa Teaching Standards. The Comprehensive Evaluation includes classroom observation, demonstration of progress in teaching skill and successful completion of the teacher’s career development plan. Participating school districts are required to raise district’s minimum salary for a first-year beginning teacher by at least $1,500 per year unless the minimum salary for a first-year beginning teacher exceeds $28,000.

Career Teacher: After successful completion of the Beginning Teacher program, the teacher is granted a nonprovisional license and begins work on an individual professional development plan. This individual plan is based on the professional needs of the teacher, the Iowa teaching standards and the student-achievement goals of the school and school district as outlined in the comprehensive school-improvement plan. The individual professional development plans became operational in July 2005. The district must create a $2,000 differential between the average Beginning Teacher salary and minimum Career Teacher salary.

Teachers must remain at each level for a minimum of one year before requesting promotion to the next level. If a comprehensive evaluation is conducted in the fifth year of the teacher’s status at the Career level and indicates the teacher’s practice no longer meets the standards for that level, another performance review will be conducted in the following school year. If the performance review establishes that the teacher’s practice fails to meet the standards for that level, the teacher will be ineligible for any additional pay increase other than a cost-of-living increase.

Additional teaching levels have been planned but not yet implemented by the Iowa Department of Education.
Incentive Pay

The Team-based Variable Pay Pilot began in 2001 as a voluntary trial opportunity for a small number of Iowa schools. In this program each participating attendance center creates its own design for a team-based pay plan. These plans must include student-achievement goals, multiple indicators to determine progress toward those goals and a plan for providing financial rewards. The student-achievement goals must be aligned with the school-improvement goals for the district and approved by the school board. If the goals are met or exceeded, cash awards are given to all licensed practitioners within that attendance center. Awards to noncertified building personnel also may be included. Districts have to apply and be approved to participate in the program and are responsible for administering valid and reliable standardized assessment at the beginning and the end of the year to demonstrate growth in student achievement.

Eighteen attendance centers participated during the first year of the pilot, nine received awards, and 10 participated in 2003-04, seven of which received awards (the program was not funded during the 2002-03 school year). Nine attendance centers are participating during the 2004-05 school year. Five hundred thousand dollars is available and each attendance center that meets its goals will receive an amount not to exceed $100 per student. An evaluation of the variable pay pilot is completed each year by the Department of Education and provided to the Legislature.

Other Key Aspects of the Legislation

Professional Development. Professional development is a number one priority and to meet future education demands, Iowa will support both compensation and professional development. The legislation invested $1.5 million during the 2004-05 school year to begin the shift to research-based professional development. The Iowa Content Network has been established to provide local districts with information about scientifically based research in reading, mathematics and science practices. The Iowa Professional Development Model provides local districts with processes for implementing quality professional development for improving student achievement. Statewide capacity building is underway to provide technical assistance to local districts in designing, implementing and evaluating professional development.

Statewide availability of mentoring and induction. The legislation provided $4 million for the 2004-05 school year to support districts participating in a formal mentoring program that meets quality standards. Iowa’s intermediate units support local districts in training mentors.

Evaluation training for administrators. All administrators who evaluate teachers received training to improve their skills in making employment decisions and making recommendations for licensure. Newly trained administrators will evaluate veteran teachers every three years and beginning teachers to determine movement to Career-level status.

Definitions of good teaching. The evaluation system for teachers is built around the Iowa Teaching Standards. These standards are defined through the legislation as follows:

(a) Demonstrates ability to enhance academic performance and support for and implementation of the school district’s student-achievement goals
(b) Demonstrates competence in content knowledge appropriate to the teaching position
(c) Demonstrates competence in planning and preparing for instruction
(d) Uses strategies to deliver instruction that meets the multiple learning needs of students
(e) Uses a variety of methods to monitor student learning
(f) Demonstrates competence in classroom management
(g) Engages in professional growth
(h) Fulfills professional responsibilities established by the school district.

TAP: Arizona

See above section, Appendix A: Summaries of Four District and School Programs.
Appendix D: Bibliography


H.B. 2, 79th Legislature, 1st Called Session (Tex., 2005), Sec. 2A.13.


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