

Developing and Sustaining Performance-Based Compensation for Teachers

Virginia First Cities

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“All Politics is Local”

Tip O’Neill

“All Compensation is Personal”

Every Teacher in America

It Isn't Just About Test Scores

- 23 Separate Criteria
 - 39.8% Student Growth
 - 11.7% Student Achievement
 - 26.9% Teacher Quality
 - 21.6% School Climate

Key Policy Screens

- Purpose
- Constituency Building and Communication
- Workforce Considerations
- Revenue and Budgeting
- System Changes

Discussion

Clarity of Purpose

- Reward top performers
- Close the performance gap
- Reward student growth
- Other purposes?
- Workforce Considerations

Revenue & Budgeting

- Bonuses
- Base pay increases
- Magnitude of increase
- More revenue, revenue neutral, less revenue
- Circuit breaker
- Start-up costs






Developing and Sustaining Performance-Based Compensation for Teachers







Modified Single Salary Schedule

- + Combines some elements of steps and lane with performance – not complicated
- + Allows new teachers to grow into their positions
- + Can be easily linked to a performance-based evaluation system
- More subjective measures can result in less acceptance by teachers

Career Ladder

-  Provides objective way to identify outstanding teachers and reward them
-  Two-way salary schedule, reward based on present contributions, not only on past performance
-  Multi-year steps, can better anticipate costs
-  Creates specific career steps for outstanding teachers
-  Acceptable to some teacher associations only if additional assignments are included to warrant extra compensation

Distributive Salary Schedule

-  Build in multiple measures impacting teacher practice and student performance
-  Devise incentives for a particular class of teacher assignments
-  Can combine teacher-level and school level incentives
-  Predicting cost can be more difficult with multiple options (may need circuit breaker)

Balanced Scorecard

- + School-wide measure that focuses on needs of students
- + Key is using multiple measures
- + Educational goals are tightly aligned to compensation advancement
- Can be complicated and not readily understandable
- Predicting cost can be more difficult with multiple options (may need circuit breaker)

Matrix Approach

- + Can be constructed to deal with school assignments
- + Can mix bonuses and pay increase depending on the value of the student outcomes
- May be difficult to manage with multiple categories of compensation
- May result in teacher resentment if “teacher category” does not provide for adequate financial incentives

Discussion

System Changes

- Human Resources
- Data Systems
- Curriculum and Instruction
- Professional Development
- Finances

Discussion

Constituency Building and Communications

- Who needs to be involved in design?
- What are the political considerations?
- Who would support and who would oppose?
- How will we ensure strong and accurate communications to all stakeholders?
- How will misinformation be dealt with?

Takeaways

- ✓ PBC has many moving parts
- ✓ Alignment of District Systems
- ✓ Communication and collaboration are key

Performance-Based Compensation System

Part 2: Building a Sample Performance-based Compensation System

TIME

- How long would you expect this to take?

PARTICIPANTS

- Who needs to be involved?

COMMUNICATIONS

- Who needs to know about this and what is the best way to do so?

RESOURCES

- What resources are needed to complete this component?

**OBSTACLES &
SOLUTIONS**

- What are the obstacles and potential solutions to complete this component?

Key Components for a PBC System

- Purpose
- Performance Measures
- PBC Structure
- PBC Awards
- Workforce Adjustments
- System Monitoring
- Mid-Course Corrections

I. Purpose of a PBC System – (SAMPLE)

- a.** Student Growth in the core academic subjects of ELA and Math continues to improve
- b.** Performance gaps in these core academic subjects continue to close.
- c.** Parental engagement continues to improve.

II. Performance Measures

- a. 40% is based on overall student growth in the core academic subjects of ELA and Math.
- b. 40% is based on closing performance gaps in these core academic subjects.
- c. 20% is based on strength of parental engagement.

Division Decisions Made

- For ELA and Math, all grade SOLs exceed by 5% median student growth percentile (SGP) from prior year.
- For ELL and SWD students, all grade SOLs in the core academic subjects exceed by 5% median SGPs from prior year.
- Targets are established measuring 75%, 100% and 125% of goal.

Division Decisions Made

- Defines parental engagement as parents' satisfaction with:
 - Teacher Quality
 - School Climate
 - Involvement in decision-making
- Creates scale to combine these 3 factors into one score.
- Targets are established measuring 75%, 100% and 125% of goal.
- Teacher evaluation standards must be met

Division Decisions Made

- Professional Development for educators is aligned with the needs of students and subgroups of students to improve student growth.
- Resources are adjusted towards to meet this goal.

Putting it All Together: Sample PBC Model for an Elementary School

Performance Objective	Performance Measure	Weight	Target increase	Prior Year Actual	75% of Target	100% of Target	125% of Target	Actual Results	Percent of weight Awarded
Growth	Reading SGP	20%	5 percentile	40 th percentile	43.75 percentile	45 th percentile	51.25 percentile	46 th percentile	20%
Growth	Math SGP	20%	5 percentile	41 st percentile	44.75 percentile	46 th percentile	52.25 percentile	47 th percentile	20%
Gap closing growth	SWD Reading SGP	10%	5 percentile	31 st percentile	34.75 percentile	36 th percentile	42.25 percentile	35 th percentile	7.5%
Gap Closing Growth	SWD Math SGP	10%	5 percentile	32 nd percentile	35.75 percentile	37 th percentile	43.25 percentile	33 rd percentile	0%
Gap closing growth	ELL Reading SGP	10%	5 percentile	28 th percentile	31.75 percentile	33 rd percentile	39.25 percentile	32 nd percentile	7.5%
Gap closing growth	ELL Math SGP	10%	5 percentile	35 th percentile	38.75 percentile	40 th percentile	46.25 percentile	40 th percentile	10%
Parental engagement	Parental satisfaction scale	20%	6%	89%	93.5%	95%	100%	93%	15%
Total									80%

Based on these performance measures and targets attained, this school is eligible for 80% of the award.

PBC Award Structure - Alternative 1

- Simplified Model
 - Division sets aside a specific amount for each high need school.
 - Bonuses are differentiated based % of target attained
 - Award is a bonus, no impact on base pay or future pension costs.

PBC Award Structure - Alternative 2

- a. A modified salary schedule is developed with two compensation “lanes” for teachers with Bachelor degrees and teachers with Master degrees.
- b. Revenue freed up from changes to “steps and lanes” are reinvested into performance compensation for the educators in the school by providing bonuses.
- c. Starting salary for new teachers is moved to step 3 to make new system more attractive for recruiting new teachers.
- d. Bonuses are differentiated based % of target attained.

PBC Award Structure - Alternative 3

- A modified salary schedule is developed with two compensation “lanes” for teachers with Bachelor degrees and teachers with Master degrees.
- Revenue freed up from changes to “steps and lanes” are reinvested into performance compensation for the educators in the school.
- Starting salary for new teachers is moved to step 3 to make new system more attractive for recruiting new teachers.
- Depending on performance, teachers can earn base pay increase, bonus or no increase.
 - a. Bonus if met 75% or 100% of target
 - b. Base pay increase if met 125% of target

VI. System Monitoring

- a. Division created an annual monitoring system that will track the impact of the PBC system on:
 - Revenue
 - Consistency and fairness of implementation as perceived by teachers
 - The degree to which the purpose of the PBC system is being realized.

System Monitoring

- Student growth across grades, subjects and schools?
- Survey educators on the effectiveness and fairness of system?
- Has the PBC system improved teacher practice?
- Compare financial payouts to projected payouts – any significant disconnects?
- Did the appeal process outcomes point to any needed changes in the system?
- How effective are communications about the PBC system?

Teacher Incentive Fund – Cohort 5

- 5-10 grants – Average Annual Award of \$10 million
- 5 year grants – Due date August 1st
- Single LEA, consortia of LEAs, can include SEA
- No mandated local match
- Areas of Focus
 - Human Capital Management System
 - Teacher Evaluation and Support
 - Instructional Vision
 - Linking Performance-based Compensation to Student Achievement

New Federal Program coming in Fall – Teacher and School Leader Incentive Program

THANK YOU!

Community Training and Assistance
Center

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