

## What's New?

### New CECR Webinars Online

The U.S. Department of Education and the Center for Educator Compensation Reform (CECR) hosted a series of webinars in March and April on *Performance-Based Compensation: Keys to Success*. Each event featured leaders in educator compensation reform speaking about their experiences in designing and implementing performance-based compensation programs. These CECR webcasts are available online at <http://cecr.ed.gov/webcasts/webseminars.cfm>.

The new webinars include the following:

- ***TIF: Funding Innovative Approaches to Reforming Educator Compensation.*** Jo Anderson and April Lee of the U.S. Department of Education presented details about how the new Teacher Incentive Fund (TIF) competition can support states, school districts, charter schools, and nonprofit organizations in developing and implementing performance-based pay programs.
  - View [webcast archive](#).
  - Download [slide presentation](#).
  - View [accessible RealPlayer® version](#).
- ***Structuring Your Alternative Compensation Program: Challenges and Opportunities.*** This webinar focused on program design for alternative compensation programs. Presenters included Michael S. Christian from the Wisconsin Center for Education Research and CECR, Alyssa Ford-Heywood from Pittsburgh Public Schools, and Patrick Schuermann from Vanderbilt University and CECR. The presenters discussed types of reward structures including systems based on schools, teams, and/or individual awards; high school award programs; and alternative compensation programs for principals and school leaders.
  - View [webcast archive](#).
  - Download [slide presentation](#).
  - View [accessible RealPlayer® version](#).
- ***Participation, Cooperation, and Buy-In: Stakeholder Engagement and New Forms of Teacher Compensation.*** Presenters included Julia Koppich from J. Koppich & Associates, Phil Gonring from the Rose Community Foundation, David Lussier from the Austin Independent School District, Louis Malfaro from Education Austin, and Francine Lawrence from the Toledo Federation of Teachers. The presenters focused on how to engage relevant stakeholders in developing new forms of teacher compensation.
  - View [accessible RealPlayer® version](#).

A fourth webinar from April 15, 2010, ***Anticipating the Data Quality Challenges in TIF: Delivering Student-Teacher Linkages and Managing and Presenting Complex Data***, will go live on the website shortly.

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## Hot Off the Press

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### **Principal-Training Portal Aims for Ease of Use—***Education Week*. March 30, 2010

<http://www.edweek.org/ew/articles/2010/03/31/27epic-2.h29.html> (Subscription required)

The Effective Practice Incentive Community (EPIC), funded by TIF, redesigned its online professional development portal, making the resource more user-friendly. The portal, currently available only to staff in EPIC partner schools and districts, provides examples of effective practices identified through the EPIC evaluation rubric.

### **A Tentative Contract Deal for Washington Teachers—***The New York Times*. April 7, 2010

<http://www.nytimes.com/2010/04/08/education/08schools.html>

The Washington, D.C., schools chancellor and teachers' union reached an agreement on a contract that would allow for educator compensation reform in the district. The agreement must be ratified by union members and the city council and would establish an opt-in performance-based awards program, increase teacher salaries overall, and allow the district to make decisions about teachers based on their performance.

### **Florida Governor Vetoes Legislation on Merit Pay, Tenure—***Education Week*. April 20, 2010

<http://www.edweek.org/ew/articles/2010/04/21/29florida.h29.html> (Subscription required)

The governor of Florida, siding with the Florida Education Association, vetoed a bill recently passed by the state legislature that would have reformed teacher tenure laws and linked teacher pay to student growth measures.

### **Legislation That Would Remake Teacher Pay, Tenure Rules Proves Divisive—**

*Greeley Tribune*. April 19, 2010

<http://www.greeleytribune.com/article/20100419/NEWS/100419621/1002&parentprofile=1001>

Key education policy stakeholders in Colorado have mixed reactions to Senate Bill 191, which would reform teacher evaluation, hiring, and retention policies. The bill stipulates that districts base at least 50 percent of teacher evaluation results, as well as 66 percent of principal evaluations on student growth measures. The bill also links the new evaluation system to teacher pay. The Colorado Board of Education and the Colorado Association of School Boards have expressed support for the legislation; however, the bill faces opposition from the Colorado Education Association.

# Performance-Based Compensation Systems: Design Issues at the High School Level

Designing a performance-based compensation system that all teachers and school leaders endorse as valid and fair is a challenging task. At the high school level, this task is especially daunting because of expanded subject-area course offerings in both core content and resource areas, the departmentalization of teachers, the increased number of teachers interacting with each student, and the relative absence of valid and reliable assessments across the full spectrum of course offerings. This article provides suggestions for overcoming the challenge of designing a performance-based compensation system at the high school level and offers examples of current promising approaches.

### Key Design Considerations

As a starting point, program leaders need to consider the perception of the program's relevance and fairness from multiple perspectives, including those of all instructional staff as well as all support staff, such as librarians, nurses, and administrative team members. Stakeholder inclusion is important because all members of a school community contribute to student performance and growth through the development of a collaborative and collegial culture of learning. A performance-based compensation system should link directly to the core goals of a school and district and should include support systems and targeted professional development training to help educators meet growth targets and program expectations.

Because of the specialized nature of high school teaching, in which the ways that teachers deliver and students demonstrate content mastery vary widely, program leaders should consider the inclusion of multiple measures of student and teacher performance and incorporate a variety of award types. Award types can include a variety of team awards, constructed in collaboration between the teachers and program leaders, both within and across content areas. For example, a group award could be set to include the entire mathematics department, or it might link

the music department with the mathematics department; the award also could bring together art teachers and history teachers.

When choosing measures of student and teacher performance, school systems should consider the balance between transparency and accuracy. States, districts, and schools need to make difficult decisions regarding the inclusion of measures that may be difficult to explain clearly to key constituents or that cannot be verified as valid and reliable measures of teacher effectiveness. School systems need to find the right balance between assessments, measures, and measurement techniques that have technical rigor and those that are easily understood and explainable to key constituents.

Finally, program leaders should be aware of potential unintended consequences associated with program design. In a performance-based compensation system, the manner in which student performance and teacher effectiveness are measured will influence teacher motivation. States, districts, and schools should consider the manner in which the performance-pay system influences the behavior of teachers at all grade levels and in all subject areas and should consider the implications across the spectrum of student ability levels and demographic characteristics.

## Promising Approaches

Performance-based compensation systems rely heavily upon student scores on standardized achievement tests to identify teachers who are highly effective at increasing student learning. These tests primarily measure student achievement in reading and mathematics, although a smaller number also measure student learning in additional core subjects, such as science and social studies. Although these tests capture an important segment of student learning, the vast majority of teaching and learning at the high school level occurs within specialized content domains that the state assessments do not measure. As such, performance-based compensation systems should include additional measures and approaches that teachers, support staff, and school leaders will not immediately dismiss as impertinent and unfair.

The TIF sites that incorporate the NWEA MAP, ACT, or SAT assessments into performance-based compensation systems include the following: Amphitheater, Arizona; Florence County, South Carolina; Hillsborough County, Florida; and Eagle County, Colorado.

One approach to developing reward structures at the high school level is to use existing tests initially developed for other purposes, such as the NWEA MAP test and the SAT and ACT tests. Because these tests are not curriculum sensitive and cover content that extends beyond individual courses, school systems should incorporate a group reward structure when using this approach (e.g., all teachers in the mathematics or English departments).

A second approach to designing reward structures for high school teachers is to develop or adopt end-of-course tests, which can provide a high degree of curricular alignment, account for local context, link to state standards, and incorporate all members of the academic community in the compensation program—including those who teach in resource areas—while ensuring the system remains linked to important

student outcomes. Several states, such as North Carolina and Florida, encourage the use of end-of-course tests by establishing statewide examinations and creating a clearinghouse to enable districts to share their work, reduce costs, and prevent duplication of effort.

Examples of end-of-course testing include the following:

- Denver's ProComp system incorporates end-of-course assessments for academic, not-tested subjects into its reward structure.
- Guilford County, Cumberland County, and Charlotte-Mecklenburg Schools in North Carolina use end-of-course and end-of-grade assessments in their performance-based compensation systems.
- Beggs School District in Oklahoma includes End of Test Indicators as one element of its TIF project.
- Hillsborough County, Florida, uses district tests developed for every semester course taught in its performance-based pay program.
- Prince George County, Maryland, uses grade-level local benchmark examinations as one element in its performance-based compensation system.

A third approach to designing reward structures at the high school level is to have teachers set group goals based on department-wide performance rather than individual classroom performance. A growing body of research shows the important impact that teachers have on other teachers within a school. These peer effects show the efficacy of group awards to collective units such as academic departments or particular grade-level teams. Further, given the prevalence of vaguely defined curricular scope and sequence at the high school level, infrequent testing, and selection effects, school systems can find it difficult to determine which individual teachers to credit when student performance improves. One way to address these

which individual teachers to credit when student performance improves. One way to address these challenges is to base awards on group performance. Although this structural solution addresses one set of challenges, program designers also must be aware of the “free rider” problem that can occur when groups get large enough for individuals to get lost in the shuffle and count on the efforts of others to carry them along. The labor economics literature suggests a group size of six to seven individuals as an optimal size for group incentives.

The TIF sites that use group goals based on student academic performance for their performance-based awards include the following districts and states: New York City, New York; Cumberland County, North Carolina; Harrison County, Colorado; Miami-Dade County, Florida; Orange County, Florida; Pittsburgh, Pennsylvania; Prince George County, Maryland; Chicago, Illinois; South Carolina; Pennsylvania, and New Mexico.

Educators are not solely focused on the student’s education outcomes. In some cases, social outcomes are just as important. For that reason, one approach to designing a high school performance-based compensation system is to supplement student test-based outcomes with schoolwide measures such as high school dropout, attendance, and graduation rates. This approach exemplifies another way to align performance-based compensation systems directly with important priorities for high schools.

In addition to departmental or grade-level teams, the establishment of creative teams can help to include non-classroom staff into measures of teacher effectiveness based on student performance data. For example, in Ohio, high school librarians and school nurses collaborate with core academic teachers to deliver instruction and facilitate learning experiences that meet academic standards.

When incorporating measures such as these into a performance-based compensation program, it is important to establish goals based not merely on attainment levels and to examine growth longitudinally and assess progress at closing gaps in graduation and dropout rates for poor and minority students, English language learners, and students with disabilities.

Three TIF sites incorporate longitudinal analysis of graduation rates into schoolwide awards: Dallas, Texas; Pittsburgh, Pennsylvania; and Beggs, Oklahoma.

Another thoughtful way to include a wide array of instructional and non-instructional staff in a high school performance-based compensation system is through the Student Learning Objective (SLO) process. This process follows several key steps that allow faculty and staff, in collaboration with their peers and their principals, to delve into available data to establish important goals for student performance.

Over the course of several school years, the Austin Independent School District has refined the SLO process as one core component of its strategic compensation initiative. The key elements of the SLO are as follows:

- Conduct needs assessment and provide rationale.
- Determine specific content and student groups to target.
- Articulate learning objectives.
- Specify outcome assessments.
- Establish student growth targets.
- Determine strategies to be used to meet objectives and targets.
- Identify professional development to support success.

The majority of current performance-based pay programs use a teacher evaluation rubric as one measure of teacher performance. In most cases, the rubric is standardized and not personalized to a particular content area. To ensure that the rubric provides useful data to teachers and school leaders and offers a valid assessment of teacher performance, several conditions are essential. First, the rubric must build upon credible, research-based, agreed-upon standards of professional practice. In addition, rubrics must specify levels of performance with enough detail to make clear what behaviors indicate a great performer in the classroom. To assess teaching across the spectrum of content areas, the rubric must be flexible enough to account for content-related pedagogy. Further, the rubric must be flexible enough to allow for differentiated processes for new, experienced, and struggling teachers. To determine typical and not just peak performance, evaluators must conduct multiple observations. To alleviate social pressure, multiple trained assessors should conduct observations. Finally, high-quality sustained training should be required for all evaluators. If conducted thoughtfully, evaluations can provide important insight regarding the process of teaching across a full spectrum of core academic, resource, and support domains.

Because of a host of geographic, demographic, and market factors, certain schools and content areas are considered high-need and are difficult to staff. As such, one useful element of a high school performance-based pay program is the inclusion of recruitment and retention bonuses for effective teachers willing to serve in a high-need school or to teach in a hard-to-staff subject area.

The Benwood Initiative in Chattanooga, Tennessee, attracted quality teachers to the city's nine most troubled schools by providing market incentives in the form of annual bonuses, free tuition toward graduate degrees, and a forgivable loan toward a down payment on a house if a teacher stays for five years. In addition to the financial awards, teachers received targeted professional development, supportive school leadership, and training on more sophisticated uses of data to measure student progress.

## Conclusion

As this article has illustrated, school systems can overcome the challenges of designing a performance-based compensation system at the high school level with creative solutions that range from developing new assessments to restructuring awards or infusing market factors into the compensation system. Each promising approach provides two primary functions: (1) an approach can serve as a marker for those teachers and staff members who are most effective, and (2) an approach can serve as a tool for providing formative and summative feedback to faculty, staff, and administrators. It is important to consider both functions because not every measure of teacher effectiveness provides helpful formative or summative feedback to teachers to facilitate and encourage improvement. This underscores the importance of incorporating multiple measures of student performance and teacher effectiveness into performance-based compensation systems at the high school level.

## Contact Us

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The Center for Educator Compensation Reform (CECR) was awarded to Westat — in partnership with Learning Point Associates, Synergy Enterprises Inc., Vanderbilt University, and the University of Wisconsin — by the U.S. Department of Education in October 2006.

The primary purpose of CECR is to support Teacher Incentive Fund (TIF) grantees in their implementation efforts through provision of sustained technical assistance and development and dissemination of timely resources. CECR also is charged with raising national awareness of alternative and effective strategies for educator compensation through a newsletter, a Web-based clearinghouse, and other outreach activities.

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