



## NEWSBREAK

Volume 3, Number 3

March 2009

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### What's New?

#### How Do You Create a Sustainable Performance-Based Compensation Program?

Many policymakers, program developers, and administrative staff have concerns about obtaining funding for the development of alternative compensation programs, especially given the current economic climate. That concern does not diminish during implementation, as these same individuals frequently have ongoing concerns about resources to support the program over the long term.

States and districts can access the Center for Educator Compensation Reform (CECR) Guide to

Implementation module, *Paying for and Sustaining a Performance-Based Compensation System* (<http://cecr.ed.gov/guides/payingFor.pdf>), to obtain information on strategies for sustaining an alternative compensation program.

The first step in paying for an alternative compensation program over the long term is to make sure that the school system has accurately estimated costs and that it updates this estimate on a year-to-year basis to allow for program change. The module provides examples of how to estimate costs based on the type of program as well as what school systems can do if they have underestimated the cost of the program.

Most important, the module includes five strategies to consider when deciding how to pay for an alternative compensation program. Many states and districts use a combination of these strategies:

- Redeploying current state, district, or school resources
- Redirecting future resources
- Repackaging state and federal categorical aid programs, such as programs in the Elementary and Secondary Education Act

- Seeking additional public funding, such as increased taxes or provisions in state legislation
- Seeking philanthropic or corporate support

Although there is a history in education reform of ideas failing due to lack of resources, this module provides some tips and strategies that school systems can employ to give their performance pay plans a better chance at succeeding and finding sustainable funding.

## Hot Off the Press

**Obama Pushes to Reward Great Teachers**—*The Christian Science Monitor*, March 18, 2009. <http://www.csmonitor.com/2009/0318/p13s01-ussc.html>

*In his education speech, President Obama stated that teachers should be treated like professionals and rewarded for improved student achievement. The recent stimulus bill includes an additional \$200 million for the Teacher Incentive Fund (TIF), which will allow more districts and states to apply for the funds.*

**Education Commissioner Tells Educators Q Comp to Expand**—*MinnPost.com*, February 26, 2009. [http://www.minnpost.com/politicalagenda/2009/02/26/6990/education\\_commissioner\\_tells\\_educators\\_q\\_comp\\_to\\_expand](http://www.minnpost.com/politicalagenda/2009/02/26/6990/education_commissioner_tells_educators_q_comp_to_expand)

*Alice Seagren, Education Commissioner of Minnesota, traveled around the state to announce Governor Tim Pawlenty's commitment to expanding the state's Q Comp program.*

**Bills Favor Teacher Pay Raises Over Bonuses**—*WRAL.com*, February 23, 2009. <http://www.wral.com/news/local/story/4594332/>

*Two bills in the North Carolina state legislature change the use of funds under the current state performance-based awards program, the ABCs of public education. One bill reallocates funds originally meant for performance-based bonuses to across-the-board teacher salary increases. The goal of the change is to make teacher salaries more competitive with those in other states. Teachers who exceed state performance goals will still be eligible for performance awards; however, the second bill makes fewer schools eligible for the awards.*

**DPS Gets Tough on Principal Bonuses**—*The Denver Post*, February 22, 2009. [http://www.denverpost.com/news/ci\\_11757496](http://www.denverpost.com/news/ci_11757496)

*Denver is redesigning its principal performance pay plan to focus more on rewards for increased student achievement. The plan currently rewards principals if they lead a*

*hard-to-staff school that demonstrates modest academic growth. With the redesign, only principals in schools near the top in academic achievement will be eligible for rewards.*

## **Grantee Spotlight: Houston Independent School District ASPIRE Award**

The Houston Independent School District (HISD) Teacher Incentive Fund (TIF) grant provides financial support to the district's performance-based compensation program, the ASPIRE Awards program. ASPIRE stands for Accelerating Student Progress, Increasing Results & Expectations. The TIF-funded portion of the ASPIRE program rewards teachers and principals for effectiveness based on student learning at both the individual and school levels and serves 3,867 teachers in 104 of the 306 HISD schools with at least 30 percent or more educationally disadvantaged students. Other funding sources support the ASPIRE program in the remaining HISD schools. HISD developed the ASPIRE Awards program in a setting of statewide teacher pay reform. The ASPIRE Awards program uses SAS EVAAS<sup>®</sup> value-added analysis to measure student progress on standardized exams to determine the performance bonuses provided through three strands:

**Strand I.** Rewards all campus staff based on schoolwide performance. HISD completes a value-added analysis of composite scores using multiple years of data from the Stanford tests/assessments and Texas Assessment of Knowledge and Skills (TAKS) across subjects and grades.

**Strand II.** Rewards core instructional staff for individual efforts at improving student academic performance at the classroom/student cohort level based on the application of teacher-level or campus-level valued-added analysis of student academic progress. In order to include more teachers, there are five parts of this strand to ensure the inclusion of the maximum number of core teachers in Grades PK–12.

**Strand III.** Rewards instructional staff for cooperative efforts at improving student performance at the campus level and for achieving or maintaining the Recognized or Exemplary campus accountability ratings.

### **What need is the project trying to address?**

The ASPIRE Awards program attempts to address the following challenges faced by HISD:

- HISD experiences high levels of poverty (79 percent of students are economically disadvantaged).
- A majority of students (92 percent) are minorities.
- HISD has high dropout rates (65 percent of students are at risk of dropping out).
- A significant number of students (30 percent) are limited English proficient.

Student achievement in HISD is lower than state averages. Compared with Texas as a whole, HISD students underperform on the statewide TAKS, demonstrate lower academic achievement on high school completion exams, and have lower graduation rates (75.8 percent). In addition, HISD's mean SAT score (934) falls below the Texas mean score (987). Furthermore, HISD has a higher percentage of new teachers with zero to five years of experience (39.6 percent) than the statewide average.

### **What are the goals of the project?**

The HISD ASPIRE Awards program aims to do the following:

- Promote the retention of highly effective teachers.
- Provide incentives for highly qualified teachers to work at economically disadvantaged campuses.
- Advance efforts to ensure stability at campuses that perform well academically.
- Encourage collaboration and cooperation between teachers, especially collaboration between new teachers and highly qualified teachers.
- Recognize and award exceptional student academic progress at the campus and classroom level.

### **How much are the incentives?**

The incentive structure consists of the three strands previously described, which were updated in 2007:

- **Strand I**
  - All instructional staff are eligible for a bonus of up to \$1,000 (up to \$500 funded by TIF).
- **Strand II**
  - Part A is used to give incentives to core subject teachers in self-contained elementary classes in Grades 3–6. The incentives are based on teacher value-added scores by subject, with awards up to \$5,000 (up to \$1,500 funded by TIF).
  - Part B is used to give incentives to elementary and middle school core teachers in departmentalized classrooms in Grades 3–8. The incentives are based on teacher value-added scores by subject, with awards ranging up to \$5,000 (up to \$1,500 funded by TIF).
  - Part C gives incentives to core instructional teachers at the high school level based on campus department value-added scores by subject, with awards up to \$5,000 (up to \$1,500 funded by TIF).

- Part D gives incentives to early childhood through second-grade teachers based on campus value-added scores for reading and mathematics, with awards up to \$2,500 (up to \$750 funded by TIF).
- Part E provides awards to special education teachers based on campus value-added scores for reading and mathematics, with awards up to \$2,500 (up to \$750 funded by TIF).
- **Strand III**
  - Part A is designed to reward instructional staff at schools whose students have exhibited significant improvement when compared with similar schools across the state and is based on Texas Education Agency (TEA) Comparable Improvement. Awards range from \$250 to \$1,000.
  - Part B is designed to reward instructional staff at schools whose students reach and maintain high levels of academic achievement and is based solely on TEA Accountability Ratings. The TIF grant does not provide any funds for Strand III, Part B awards.

Principals are eligible for awards based on school performance in Strands I and III and on school value-added performance by subject for Strand II. A principal's maximum incentive amount is \$12,400 and may not exceed \$3,000 of TIF funds.

### **What are the recent highlights of the project?**

HISD created the following comprehensive program website, which includes detailed information about the program:

<http://portal.battelleforkids.org/ASPIRE/Home.html?sflang=en>.

Year 2 performance awards were paid out in January 2008. Of 4,077 TIF eligible teachers in the schools that did not opt out of the incentive program, 3,578 received ASPIRE Awards. The total amount paid in the district was \$24,118,696. Of that, \$2,688,751 was paid by the TIF grant money. The remainder was paid by the district.

Year 3 performance awards were paid out in January 2009. The district awarded \$31.4 million in awards, a portion of which were paid by the TIF grant. The average award for all classroom teachers was \$2,426. More than one third of teachers received this amount. In all, 95 percent of teachers received a bonus.

HISD modified the ASPIRE Awards program to include special education teachers as a separate group for Strand II and to include writing scores as an additional part of Strand III. The district made these changes based on feedback from its Teacher and Principal Advisory Committees. The current ASPIRE Award model includes an increased award amount, funded locally by the district. Battelle for Kids, HISD's partner, continues to conduct training sessions across the district to better communicate with teachers, parents, and the community, about the revised model's objectives and payout strategy as well as provide the link to instructional practice and the use of value-added data.

For more program information, see the CECR Case Summary, *Performance Pay in Houston* (<http://cecr.ed.gov/guides/summaries/HoustonCaseSummary.pdf>).

## 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 the Teacher Incentive Fund (TIF) grantees with their implementation efforts through the provision of ongoing technical assistance and the development and dissemination of timely resources. CECR also is charged with raising national awareness of alternative and effective strategies for educator compensation through this newsletter, a Web-based clearinghouse, and other outreach activities. We look forward to an exciting partnership with the TIF grantees as we embark together on blazing a new path for education reform.

This work was originally produced in whole or in part by CECR with funds from the U.S. Department of Education under contract number ED-06-CO-0110. The content does not necessarily reflect the position or policy of CECR or the Department of Education, nor does mention or visual representation of trade names, commercial products, or organizations imply endorsement by CECR or the federal government.

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