

What's New?

Research on the Effectiveness of Performance-Based Compensation

Four recent studies present findings from performance-based compensation programs across the country.

One study funded by the Bill & Melinda Gates Foundation and The Joyce Foundation, *Performance-Based Compensation: Design and Implementation at Six Teacher Incentive Fund Sites* (http://www.tapsystem.org/publications/eck_tif.pdf), uses interviews, focus groups, site-based observations, and data analysis to compare the design and implementation of six Teacher Incentive Fund projects, four of which implement the TAP system. Findings include the following:

- Stakeholder involvement is essential to the design, implementation, and effectiveness of compensation reform.
- Compensation reform is most effective when it is systemwide and includes professional development and evaluation reforms.
- Providing state and district support staff is essential to program implementation.
- Reallocation of state and district funds enhances a program's financial sustainability.

The second study, *A Teacher Evaluation System That Works* (http://www.tapsystem.org/publications/wp_eval.pdf), from the National Institute for Excellence in Teaching, focuses on the TAP system. The authors analyze data from current implementation sites and find a correlation between TAP classroom observational scores and student achievement growth. The authors also find that observed instructional skills in TAP classrooms improved over time and that teachers with TAP evaluations of effective are more likely to stay than teachers deemed not effective.

A third study, *Toward a Culture of Consequences: Performance-Based Accountability Systems for Public Services* (http://www.rand.org/pubs/monographs/2010/RAND_MG1019.pdf), funded by RAND Corporation, examines the use of performance-based compensation in multiple fields, including education.

Finally, the National Center on Performance Incentives announced the results of its three-year study, the Project on Incentives in Teaching (POINT), implemented in

the Metropolitan Nashville Public Schools. The study examines the effect of teacher pay bonuses on student performance; the RAND Corporation served as a partner in the study.

The findings of the study showed the following:

- General middle school mathematics performance increased during the period of the project; students of teachers eligible for bonuses, however, did not outperform students of teachers in the control group.
- The study did find positive effects on incentives in fifth grade, but the effect did not persist after students left the fifth grade.
- The survey responses indicated that participating teachers favored the concept of incentive pay for effective teachers but did not believe the criteria used by POINT effectively measured teaching.

A video of the briefing is available at <http://news.vanderbilt.edu/2010/09/video-pay-for-performance-results/>.

The question-and-answer session after the briefing is available at <http://news.vanderbilt.edu/2010/09/video-pay-for-performance-results-qa/>.

The report is available at http://www.performanceincentives.org/data/files/pages/POINT%20REPORT_9.21.10.pdf.

Researchers from SRI International closed the meeting with some findings from the TIF program evaluation and lessons learned from current TIF work.

CECR plans to post presentations and other meeting materials on the website soon.

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Hot Off the Press

Teachers May Be Next to Get Bonus Pay in Thompson—*Norwich Bulletin*. September 19, 2010

<http://www.norwichbulletin.com/archive/x1985977789/Teachers-may-be-next-to-get-bonus-pay-in-Thompson>

The Thompson school district in Connecticut currently implements a performance-based compensation program for school administrators. The district is now considering a similar program for teachers. The current teacher contract is up for renegotiation in two years, and district officials indicate they plan to discuss providing bonuses for improvement in student performance in the contract negotiations.

Poll: Americans in Favor of Teacher Merit Pay—*Teacher Magazine*. September 14, 2010

http://www.edweek.org/tm/articles/2010/09/14/pdkgallup2010_tt.html?tkn=NWOFeWEnU f5NJ6o2/07j6/6twzhUgmCMXm7j&cmp=clp-edweek

The latest annual Phi Delta Kappa/Gallup poll indicates that more than 70 percent of Americans believe teachers' pay should depend on their merits rather than on the current standard scale. The poll also shows that respondents have differing opinions about how to evaluate teacher performance: 19 percent believe that teacher pay should be "very closely tied" to student achievement, and 35 percent believe it should be only somewhat closely tied. Further, 60 percent of respondents indicated that teacher evaluations should serve as the primary indicator of professional development needs, although 26 percent believed that evaluations should instead play a role in teacher dismissal.

Merit Pay or Team Accountability? by Kim Marshall—*Education Week*. September 1, 2010

(subscription required)

http://www.edweek.org/ew/articles/2010/09/01/02marshall_h30.html

In this *Education Week* commentary, Kim Marshall examines the use of student achievement for teacher evaluation and compensation. Although Marshall agrees that student achievement is important, that teachers and principals can affect student learning, and that the current teacher evaluation system needs revising, he also presents the following criticisms: Student standardized tests are flawed; rewarding teacher teams is more likely to increase staff collaboration than individual rewards are; and the use of teacher evaluations in improving instruction is more useful than merit pay.

Teachers Provide Input on Merit Pay System—*The Daily Commercial*. August 31, 2010

<http://www.dailycommercial.com/localnews/story/083110meritpay>

A school district in Florida hosted a forum of teacher of the year winners and teachers certified by the National Board for Professional Teaching Standards to discuss thoughts on merit pay. After the state legislature failed to achieve consensus on merit pay programs, the district hosted the forum to air educator complaints and brainstorm suggestions for performance-based compensation in the state.

Grantee Updates

South Dakota Incentive Fund

The Center for Educator Compensation Reform (CECR) profiled the South Dakota Incentive Fund (Incentives Plus) in the June 2008 CECR *Newsbreak* (<http://cecr.ed.gov/news/newsletters/CECRNewsbreakJune2008.pdf>). Since then, the program made an adjustment in award structure. The size of awards available for certified instructional staff and noncertified instructional staff for school-based student achievement results increased from \$1,500 to \$2,250 for certified instructional staff and from \$750 to \$1,100 for noncertified instructional staff.

The program shares the following implementation highlights:

- During the first three years of the program, teachers, principals, and paraprofessionals received more than \$2 million in awards.

- More than 60 percent of participating schools received the school-based performance award.
- Five hundred sixty-nine teachers participated in the National Board TakeOne program professional development experience.
- The state developed a growth model.
- Schools established Building Leadership Teams, which have implemented Professional Learning Communities in each school.

For more information, see the updated TIF Grantee Profile at http://cecr.ed.gov/pdfs/profiles/South_Dakota.pdf.

Hillsborough County Public Schools Performance Outcomes With Effective Rewards

CECR profiled the Hillsborough County (Florida) Public Schools Performance Outcomes With Effective Rewards (POWER) program in the July 2008 CECR *Newsbreak* (<http://cecr.ed.gov/news/newsletters/CECRNewsbreakJuly2008.pdf>). Since then, the program has developed a website that provides essential program information: <http://teacherincentives.mysdhc.org/POWER/>.

Currently, the program implements both the Institute for Leadership Reform and the Teacher Ambassadors program. Enrollment in each program increased in each of the past two years of the grant. POWER also provides

teachers with an option of 17 professional development courses in action research, teaching essentials, data analysis, and professional learning communities. Further, 1,317 educators received approximately \$1.8 million in performance awards for the 2008–09 school year.

For more information, see the updated TIF Grantee Profile at <http://cecr.ed.gov/pdfs/profiles/HillsboroughCounty.pdf> and the Hillsborough County Performance Pay Handbook online at <http://www.hillscta.org/Performance%20Pay%20HANDBOOK%202007-2008.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 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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