

Bibliography

Reward Structure



Alternative compensation systems can be structured in many different ways, including school-based performance reward systems and individual performance reward systems. The publications in this annotated bibliography explore alternative compensation system designs.

This bibliography presents findings from a thorough scan of the literature. CECR does not necessarily promote the ideas shared in the publications but seeks to present the reader with a comprehensive list of recent relevant publications on various subtopics of compensation reform.

Each citation includes the following information:

- The title, author, source, and date of publication
- The publication type—CECR has typed each publication according to one or more of the following eight publication types.
 - **Scientific research:** Peer-reviewed reports on quantitative or qualitative research
 - **Rigorous research:** Peer-reviewed reports on research of a more general nature
 - **Case study:** Systematic reviews of one or more individual compensation reform initiatives
 - **Policy paper:** Reports on public policies affecting educator compensation reform
 - **Issue paper:** Brief overviews of specific educator compensation reform topics of interest that might prove useful to those implementing such programs
 - **Information guide:** Practical suggestions for implementing educator compensation reform programs
 - **Literature review:** Systematic evaluations of educator compensation reform research or reflections on the current state of the art
 - **Perspective piece:** First-person reflections offering perspective or personal experience with educator compensation reform programs
- A link to the publication if it is electronically available
- An abstract of the publication

Aligning Teacher Compensation With Systemic School Reform: Skill-Based Pay and Group-Based Performance Awards

Author(s): Mohrman, A. M., Mohrman, S. A., & Odden, A. R. **Date:** 1996

Source: *Educational Evaluation and Policy Analysis*, 18(1), 51–71

Type: Literature review; information guide; policy paper

Full text: URL not available

Abstract: The educational reform strategy requires that teachers develop a new array of professional knowledge and skills. It also requires a change in the organization and management of schools to focus on performance. This article describes a potential compensation structure that is consistent with these changes. Drawing on recent organization and compensation theory and practice, the authors emphasize the importance of matching pay practices to the strategic needs of the organizations. Core notions of skill-based pay in education are that knowledge and skills needed by the organization would be described explicitly, and individuals would be assessed against objective standards to determine whether they had and could use the skills. Skill-based pay is particularly appropriate in settings in which we want to motivate people to acquire new skills so they can contribute more flexibly and broadly to the school's purpose. The authors discuss three types of skills: depth, breadth, and vertical. The authors suggested a number of steps to follow in creating a skills-based pay system. The article shows how various components in the compensation system work and outlines several ways each component could be incorporated into a revised compensation system.

Alternative Teacher Compensation [ERIC Digest Number 142]

Author(s): Goorian, B. **Date:** 2000

Source: Eugene, OR: ERIC Clearinghouse on Educational Policy and Management

Type: Case study

Full text: URL not available

Abstract: This report examines various alternative methods of teacher compensation. The single-salary schedule, which pays individual teachers on the basis of their years of experience and educational units or degrees has been criticized for valuing seat time more than teaching skill. The four main types of alternative compensation systems are discussed: Pay for performance, knowledge- and skills-based pay systems, school-based performance award programs, and compensation for certification with the National Board for Professional Teaching Standards. Cincinnati is the first big-city public school district to replace the traditional salary structures with compensation based on evaluations of teachers grouped into five career categories ranging from “apprentice” to “accomplished,” with specific goals and standards attached to each. Denver's pilot program offers three different pay-for-performance plans. The performance is evaluated from standardized test scores, achievement on teacher-made assessments, and acquisition of new knowledge and skills. Douglas County, Colorado, used multifaceted, comprehensive compensation plans that combine pay-for-performance plans and knowledge- and-skills-based plans. The author suggests many resources for guidance in teacher compensation, including the Consortium for Policy Research in Education's Teacher Compensation Project; a Milken Family Foundation report; and publications by the American Federation of Teachers, the National Commission on Teaching and America's Future, and *Education Week*.

Alternative Teacher Compensation in Manitowoc, Wisconsin: Six Years Later

Author(s): Carlson, J. Date: 2006

Source: Sheboygan, WI: Kettle Moraine UniServ Council

Type: Case study

Full text: http://www.edcomp.org/uploadedFiles/Content/Research_and_Reports/The%20Manitowoc%20Story.pdf

Abstract: This case study examines the alternative teacher-pay system implemented in Wisconsin's Manitowoc School District in the late 1990s. As laid out in the 1999–2001 Collective Bargaining Agreement, the new system was designed to incentivize the pursuit of knowledge and professional development in an innovative way. Rather than being rewarded only for the achievement of an advanced degree, Manitowoc's new system allows teachers to move ahead on the pay scale incrementally; the increments are aligned with measurable progress toward advanced degrees. The hypothesis was that teachers would be further incentivized to attain advanced degrees if they could be rewarded for effort throughout the process. In the six years between implementation and this report, there was a significant increase in both positive teacher behavior (as measured in numbers of teachers with advanced degrees) and student achievement.

A Case Study of the Charlotte-Mecklenburg Public Schools School-Based Performance Award Program

Author(s): Johnson, A., Potter, P., Pughsley, J., Wallace, C., Kellor, E., & Odden, A. Date: 1999

Source: Madison, WI: University of Wisconsin–Madison, Wisconsin Center for Education Research

Type: Case study

Full text: <http://cpre.wceruw.org/papers/Charlotte-Mecklenburg%20SBPA%204-99.pdf>

Abstract: This report details the history of the pay-for-performance program in Charlotte-Mecklenburg County. The initial plan evolved into a school-based performance award program rewarding individual and group improvements.

Catching Up With the Vaughn Express:

Six Years of Standards-Based Teacher Evaluation and Performance Pay

Author(s): Kellor, E. Date: 2005

Source: *Educational Policy Analysis Archives*, 13(7)

Type: State or regional reports

Full text: <http://epaa.asu.edu/epaal/v13n7/v13n7.pdf>

Abstract: The Vaughn Next Century Learning Center is a public conversion charter school in the Los Angeles Unified School District. Vaughn Center developed a new knowledge- and skills-based pay program in 1997–98 school year. This also came with a new evaluation system. This paper provides an overview of the development and evolution of the performance-pay program and the new teacher evaluation system implemented at the Vaughn Center. Vaughn teachers' reactions to these innovations are discussed. Finally, the author offers key recommendations to help those who plan to implement knowledge- and skills-based pay or standards-based teacher evaluation.

Cincinnati: A Case Study of the Design of a School-Based Performance Award Program

Author(s): Kellor, E., & Odden, A. Date: 1999

Source: Madison, WI: Consortium for Policy Research in Education, University of Wisconsin–Madison

Type: State or regional reports

Full text: URL not available

Abstract: This report details the process of implementing a pay-for-performance pilot in Cincinnati schools. This process involved the school district and the union working together to devise a plan to create a program that would benefit schools as well as teachers. The need to create a school-based performance award program was not only aimed at improving student performance, but also to raise accountability and to incorporate that into the program. The article details changes to the plan throughout time.

Cincinnati's New Approach to Teacher Compensation

Author(s): Odden, A. Date: 2002

Source: *School Business Affairs*, 68(5), 20–23

Type: State or regional reports

Full text: URL not available

Abstract: This article describes the Cincinnati public school district's efforts in restructuring its teacher compensation system from a traditional single-salary schedule to a performance-based payment system, which uses both a knowledge- and skills-based salary structure and school-based performance award. The three major steps in making this change are: (1) developing acceptable teaching standards, which then were organized into four domains: planning and preparing for student learning, creating a learning environment, teaching for learning, and professionalism; (2) restructuring of teacher evaluation system; and (3) creating a new salary schedule that includes five categories of teachers: apprentice, novice, career, advanced, and accomplished. The author also summarizes findings from the pilot implementation of this new teacher compensation system in 10 schools during 1999–2000 school year.

Current State Policies That Reform Teacher Pay:

An Examination of Pay-for-Performance Programs in Eight States

Author(s): Chait, R. Date: 2007

Source: Washington, DC: Center for American Progress

Type: Case study; policy paper; issue paper

Full text: http://www.americanprogress.org/issues/2007/11/pdf/teacher_pay.pdf

Abstract: This article examines pay-for-performance programs in eight states. The author reviewed each program and found five different program structures in these states. Pay-for-performance emerged as the most common differential pay structure; however other structures include pay for knowledge and skills, career ladders, pay for teaching in high needs subject areas, and pay for teaching in high needs schools. The author reviewed trends within each program and identified common elements across programs. The paper concludes with recommendations for state policymakers.

Different Designs, Common Paths: A First Look at the Ohio Teacher Incentive Fund

Author(s): Raue, K., MacAllum, K., Winkler, A., & Ristow, L. Date: 2008

Source: Ohio Teacher Incentive Fund, *Issue Paper*

Type: Policy paper; perspective piece; literature review

Full text: <http://www.ode.state.oh.us/GD/DocumentManagement/DocumentDownload.aspx?DocumentID=62740>

Abstract: This issue paper provides an overview of the Ohio Teacher Incentive Fund (TIF) program. The Ohio TIF is currently implemented in four districts in the state: Cincinnati, Cleveland, Columbus, and Toledo. The paper offers insight into the key features of each of the programs within the four districts. The paper also discusses the importance of stakeholder buy-in and how clear communication can facilitate necessary buy-in. The paper concludes with the essential resources needed for the successful implementation of teacher incentive programs.

Dollars and Sense

Author(s): Keys, B. J., & Dee, T. S. Date: 2005

Source: *Education Next*, 1

Type: Issue paper

Full text: http://educationnext.org/files/ednext20051_60.pdf

Abstract: Merit-pay programs implemented in Tennessee were designed as career ladders. The career ladder programs were designed to reward teacher performance while not basing rewards on student achievement. These programs delivered mixed results among teachers. Teachers who participated in the career ladder program saw higher gains in performance of their students versus teachers who did not.

Enhancing Teacher Quality Through Knowledge- and Skills-Based Pay

Author(s): Odden, A., Kelley, C., Heneman, H., & Milanowski, A. Date: 2001

Source: Madison, WI: Consortium for Policy Research in Education

Type: Policy paper; information guide

Full text: http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019b/80/1b/5f/10.pdf

Abstract: Knowledge- and skills-based pay systems are emerging as a potentially promising way of leveraging the investment in teacher pay to improve teacher quality and to provide clearer signals to teachers about how they should focus their professional energies. This report discussed key issues in designing knowledge- and skills-based pay systems, including deciding to supplement, modify, or replace the traditional pay schedule; deciding on what knowledge and skills to reward; methods of knowledge and skills assessment; types and amount of pay incentives; the role of teacher association and collective bargaining; and costs of knowledge- and skills-based pay programs. The authors summarize 11 key lessons learned from implementing knowledge- and skills-based pay systems. Finally, they recommend the policy implementations for state policymakers.

The Future of Teacher Compensation: Déjà Vu or Something New?

Author(s): Baratz-Snowden, J. Date: 2007

Source: Washington, DC: Center for American Progress

Type: Issue paper; policy paper; case study

Full text: http://www.americanprogress.org/issues/2007/11/pdfs/snowden_report.pdf

Abstract: This paper reviews current pay-for-performance programs, examining the political context as well as the design of the programs. The author finds that a recent shift in education policy with a focus on outcomes created a situation ripe for new efforts in compensation reform. Specifically, the author suggests that the Denver ProComp program is structured in a way that creates a successful pay-for-performance program. The paper concludes with a summary of components that should be present in a pay-for-performance program in order for such a program to be successful.

How Cincinnati Developed a Knowledge- and Skills-Based Salary Schedule

Author(s): Odden, A. R., & Kellor, E. Date: 2000

Source: Madison, WI: Consortium for Policy Research in Education

Type: State or regional report; issue paper

Full text: <http://cpre.wceruw.org/papers/Cincinnati%20KSBP%203-00.pdf>

Abstract: This report details the development of knowledge- and skill-based pay system in Cincinnati Public Schools. The new pay system resulted from collaborative effort between the school districts and local teacher union that occurred in step with changes to the districts teacher evaluation and professional development systems. The report examines process of the design of all three systems, as well as the new teaching standards that resulted, and the linkages of the new evaluation system to teacher pay.

Improving Student Learning Through Strategic Compensation

Author(s): Center for Teaching Quality Date: 2008

Source: Hillsborough, NC: Center for Teaching Quality

Type: Policy paper; perspective piece

Full text: <http://catalog.proemags.com/showmag.php?mid=ggfgt#/page0/>

Abstract: In 2007, the Center for Teaching Quality convened a small group of highly accomplished teachers from the state of Kansas to think strategically about innovative and transformative teacher incentives. The initiative, TeacherSolutions, funded the Alternative Compensation Study Committee; the work of that committee is summarized in this executive summary. Among the recommendations of the committee is the notion that student growth must be included in any measurement of teacher performance that will eventually lead to additional compensation and the idea that extra pay should be granted to teachers who agree to teach mathematics or science or are willing to relocate to a high-needs, high-risk school setting. Finally, the report stresses the group's strong feeling that all teachers be eligible to participate in an alternative compensation system to ensure a sense of equity among all faculty members in a school or across a district.

Improving Teaching Through Pay for Contribution

Author(s): Ayscue Hassel, E., & Hassel, B. C. Date: 2007

Source: Washington, DC: National Governors Association Center for Best Practices

Type: Policy paper

Full text: <http://www.nga.org/Files/pdf/0711IMPROVINGTEACHING.PDF>

Abstract: This policy paper provides an overview of various types of alternative compensation initiatives that are designed to enhance teacher effectiveness. The authors review how the current teacher salary system inadequately compensates effective teachers and retains teachers that are ineffective while offering examples of successful alternative compensation efforts including the following: incentives for hard-to-staff schools and subjects, differentiated pay, skill and knowledge-based pay, retention incentives, and performance-based awards. Suggestions for policymakers are also offered.

Incentives, School Organization, and Teacher Compensation

Author(s): Odden, A. Date: 1995

Source: Madison, WI: Consortium for Policy Research in Education

Type: Policy paper; information guide

Full text: URL not available

Abstract: In order for compensation to serve as a reinforcement for organizational goals, the norms of the compensation structure must be aligned with the norms of the school organization. This report reviews the history of teacher compensation structure. The author also discusses exemplary cases of teacher compensation-system reform. Drawing from the lessons learned from the past, the author concludes that the school organization, incentives, and teacher compensation should be closely linked. The incentives imbedded in the compensation system function best when aligned with the broader goals of the organization and directly reinforce them. Teacher compensation should change from the traditional single-salary schedule to a salary schedule that provides increments based on direct professional measures of teacher knowledge and skills, and which also includes performance awards for teams and schools. Developing, designing, implementing, and funding such new compensation strategies raise many technical, financial, and political issues, all of which need additional research.

Ladders of Success: Keeping Teacher Pay on Schedule

Author(s): Aldeman, C. Date: 2009

Source: Washington, DC: Education Sector

Type: Issue paper

Full text: http://www.educationsector.org/usr_doc/CYCT_Teacher_Pay.pdf

Abstract: Using salary data compiled by the National Council on Teacher Quality, this issue paper discusses the various ways in which states determine teacher salary. The paper claims that although there is a recent push to tie teacher performance to pay, there is another way policymakers can look at teacher compensation: through a single salary schedule. The paper continues by providing examples of some of the ways states and districts compensate teachers. These approaches include paying teachers based on degrees earned, paying teachers significantly more in the latter years of tenure in order to increase retention, and paying teachers more in the beginning years in an effort to increase retention.

Linking Performance to Rewards for Teachers, Principals, and Schools: The 1990 SREB Career Ladder Clearinghouse Report

Author(s): Career Ladder Clearinghouse. Date: 1991

Source: Atlanta, GA: Southern Regional Education Board

Type: Case study; issue paper

Full text: URL not available

Abstract: This report looks at teacher incentive programs implemented across the country. Incentive programs were designed to meet the specific needs of states and helped in improving teacher pay. States increased funding to teacher incentive programs that brought in mixed results.

Linking Teacher Compensation to Teacher Career Development

Author(s): Conley, S., & Odden, A. Date: 1995

Source: *Educational Evaluation and Policy Analysis*, 17(2), 219–237

Type: Policy paper

Full text: [http://links.jstor.org/sici?sici=0162-3737\(199522\)17%3A2%3C219%3ALTCTTC%3E2.0.CO%3B2-V](http://links.jstor.org/sici?sici=0162-3737(199522)17%3A2%3C219%3ALTCTTC%3E2.0.CO%3B2-V)

Abstract: Alternatives to the traditional single-salary schedule of teacher compensation have been proposed to base payment on: evaluations of the performance of individual teachers, teachers' job responsibilities or tasks, and teachers' professional skills and knowledge. This report explored the advantages and disadvantages of these three alternatives. Four examples of skill- and knowledge-based pay systems in education are given, including career ladder programs in three districts (Flowing Wells, Arizona; Charlotte-Mecklenburg, North Carolina; and Pocatello, Idaho) and the Advanced Skills Teacher system in Australia. The authors proposed a model for a career development-based compensation structure composed of three components: starting pay, career stages that qualify teachers for a major pay increase, and a mechanism for increasing pay separate from knowledge and skill enhancement. Finally, the authors provided strategic considerations to guide the development of an alternative compensation approach. A strategic reevaluation of teacher pay should consider not only basic organizational goals but also school culture, norms, and micropolitical processes. The ideal model would address educators' low compensation and complement collective bargaining, teacher development, and collegiality.

Linking Teacher Pay to Student Scores

Author(s): LaFee, S. Date: 2000

Source: *The School Administrator*

Type: State or regional reports; issue paper

Full text: URL not available

Abstract: This article addresses the Colonial School District (Plymouth Meeting, Philadelphia) vote to create a merit-pay system, and the opposition faced in implementing that system. LaFee looks at the struggles between the local teacher union and school district to create a system pleasing both groups. Ultimately the merit-pay program would be individual- and group-based. LaFee goes on to previous attempts at pay-for-performance throughout the United States.

The Motivational Effects of School-Based Performance Awards

Author(s): Kelley, C., Odden, A., Milanowski, A., & Heneman, H., III. Date: 2000

Source: Madison, WI: Consortium for Policy Research in Education

Type: Scientific research; state or regional reports

Full text: <http://cpre.wceruw.org/publications/rb29.pdf>

Abstract: From 1995–98, the Consortium for Policy Research in Education teacher-compensation researchers conducted interviews and survey questionnaires of teachers and principals at three sites to measure the motivational effects of school-based performance award (SBPA) programs. The Charlotte-Mecklenburg's benchmark goals program and Kentucky's accountability program provided salary bonuses to all teachers in the school who met the educational objectives. Maryland's school performance program provided monetary awards to schools that showed progress toward state standards. Goal clarity was related positively to school performance. Providing rewards for too many goals could diffuse effort and responsibility so teachers would lose focus on how to achieve the goals. The most important motivation to determine whether schools succeeded in meeting the SBPA performance goals was whether teachers thought they could produce the desired improvements. On average, teachers neither agreed nor disagreed that the SBPA programs were fair; teachers who perceived the programs as fair are likely to believe that their efforts could improve student performance. SBPA programs work to focus teacher and system attention on key educational goals. The authors suggest that the motivational effects of SBPA programs could be strengthened by a better communication of goals, enhanced teacher expectancy, enhanced teacher perceptions that earned awards will be funded, and experimentation with larger award amounts.

Negotiating a Local Pay for Performance Program Encouraged by State Mandate

Author(s): Conley, S. C., Gould, J., Muncey, D. E., & White, N. Date: 2001

Source: *Journal of Personnel Evaluation in Education*, 15(2), 137–148

Type: Scientific research; state or regional reports

Full text: URL not available

Abstract: The article describes Brevard County's (Florida) pay-for-performance program, a teacher compensation strategy that incorporated individual and group performance-based pay and knowledge- and skills-based pay. Teachers voluntarily participated in the program by proposing a plan for how they would satisfy the particular requirements in either the student achievement or the professional development categories. Among 1,500 teachers who participated in the program during the first year, the majority chose the option of improving their students' test scores, with many teachers participating in both options and choosing to work in groups. The authors conducted interviews with union negotiators in Brevard County in 1999 as part of a larger study of alternative pay systems in American Federation of Teachers sites. The authors summarized many important features of successful alternative compensation efforts, including no loss in pay. The alternative compensation systems should give teachers options for earning additional pay as opposed to providing only one pay choice. Recognition of members' different needs and interests in the plan also is important. Negotiators should consider balancing compensation awards that are determined externally with locally determined awards. Finally, there must be cooperation and trust between union and management for compensation change to happen.

Pay for Performance Systems for Teachers

Author(s): Center for Policy Studies, Education Research, and Community Development. Date: n.d.

Source: Pocatello, ID: Intermountain Center for Education Effectiveness, Idaho State University College of Education

Type: Policy paper; information guide; perspective piece

Full text: http://licee.isu.edu/Policy/FinalPBPay_for_Performance.pdf

Abstract: This paper focuses on the policy of developing pay-for-performance programs. It is meant to serve as a resource to those that may be considering creating an alternative compensation system. The paper details many pay-for-performance programs in existence through literature review and source interviews. Information on the various models and timelines for building the programs are described.

Paying for What You Need: Knowledge- and Skill-Based Approaches to Teacher Compensation

Author(s): California State University Institute for Education Reform. Date: 1997

Source: Sacramento, CA: California State University Institute for Education Reform

Type: Policy paper

Full text: <http://www.csus.edu/ier/reports/teachercomp.pdf>

Abstract: This report revisits a 1997 seminar sponsored by the Consortium for Policy Research in Education, at which the focus was on knowledge- and skill-based compensation systems. The focus on compensation systems reflects changes believed to be necessary to improve instruction and ultimately student achievement. The report details knowledge- and skill-based compensation systems, methods to create school-based performance awards and the processes for implementing changes in pay systems.

Paying Teachers for Results: A Summary of Research to Inform the Design of Pay-for-Performance Programs for High-Poverty Schools

Author(s): Chait, R., & Miller, R. Date: 2009

Source: Washington, DC: Center for American Progress

Type: Case study; policy paper

Full text: http://www.americanprogress.org/issues/2009/05/pdf/performance_pay.pdf

Abstract: This policy paper presents a comprehensive view of the different systems and programs centered on performance pay in American public education today. Sparked by the increased attention that President Obama is giving alternative compensation (he noted it as an integral piece of the American Recovery and Reinvestment Act), Chait and Miller offer a short history of and justification for using performance pay for teachers, summarize the research on alternative compensation, and conclude by offering a few examples of current programs for states and districts to consider. Examples include the Denver Pro Comp Program, the multiple incentive programs in the state of Texas, Mission Possible, and North Carolina's ABCs schoolwide bonus program.

Performance-Pay for Teachers: Designing a System That Students Deserve

Author(s): Center for Teaching Quality Date: 2007

Source: Hillsborough, NC: Center for Teaching Quality

Type: Policy paper; information guide; perspective piece

Full text: <http://www.teachingquality.org/pdfs/TSreport.pdf>

Abstract: This report focuses on the design and implementation of performance-based pay reforms. The authors include data on teacher and other stakeholder opinions on teacher compensation reform as well as strategies to increase teacher buy-in. The report also provides a detailed guide on key features in the design of performance pay programs.

Power of Incentives in Private Versus Public Organizations

Author(s): Dixit, A. Date: 1997

Source: *The American Economic Review*, 87(2), 378–382

Type: Issue paper

Full text: URL not available

Abstract: Dixit contends that public organizations, more so than private organizations have multiple stakeholders they must satisfy and work in within a framework that takes into consideration the political situation. The article suggests that incentives in public organizations can be less financially based and more multidimensional within the framework.

Principal Compensation: More Research Needed on a Promising Reform

Author(s): Goldhaber, D. Date: 2007

Source: Washington, DC: Center for American Progress

Type: Policy paper

Full text: http://www.americanprogress.org/issues/2007/12/pdf/principal_pay.pdf

Abstract: This report focuses on the topic of principal compensation in alternative compensation structures. The author examines the 2003–04 SASS data, as well as data on principal compensation for the past 10 years, to analyze trends and significant shifts in the way principals are paid. The report concludes with a recommendation that more research is needed to further understand principal compensation before reforms to the structure can be made. The recommendation is broken down into the following categories: the need for more data, the need for more experimentation in policy, the need for detailed and sensible reform, and the need for funding.

The Pros and Cons of Teacher Merit Pay

Author(s): Solmon, L. C., & Podgursky, M. Date: 2002

Source: In D. L. Evans, *Taking Sides: Clashing Views on Controversial Issues in Secondary Education* (pp. 180–190).
Dubuque, IA: Dushkin/McGraw-Hill

Type: Issue paper

Full text: URL not available

Abstract: This chapter taken from the book “Taking Sides: Secondary Education,” examines the criticisms of performance-based compensation systems. In the discussion of the issue of teacher compensation, the idea of paying teachers based on student achievement or their performance has been criticized by teachers, unions, and other stakeholders. This chapter explains the argument behind each of the criticisms.

Redesigning Teacher Salary Systems for Education Reform

Author(s): Firestone, W. A. Date: 1994

Source: *American Education Research Journal*, 31(3), 549–574

Type: Literature review

Full text: URL not available

Abstract: This article focuses on recent efforts to reform teacher salary systems. According to past research, some efforts to reform pay systems though merit pay have not been successful. However, research indicates that there are good reasons to consider new approaches. The author focuses on three specific alternatives: knowledge- and skill-based pay, job enlargement, and collective incentives. The research review indicates that these reforms have the potential to contribute to the motivation of teachers.

Reinventing Teacher Compensation Systems

Author(s): Kelley, C., & Odden, A. Date: 1995

Source: Madison, WI: Consortium for Policy Research in Education

Type: Policy paper; information guide

Full text: <http://www.ed.gov/pubs/CPRE/fb6/index.html>

Abstract: This report provides a history of changes in teacher compensation during the last century and a discussion of key organizational and educational changes that could be reinforced by a new teacher compensation structure. The discussion builds upon the context of changes in the society and in education systems. Three types of new compensation systems are described: skills- or competency-based pay, pay-at-risk, and group-based performance awards. The authors also provide examples of implemented innovative compensation programs, including the Kentucky Instructional Results Information System, the South Carolina School Incentive Reward Program, the Douglas County, Colorado, pay plan, and school-based rewards in Dallas. The authors identify 10 key process principles for a successful compensation system: involvement of all key parties; broad agreement on the most valued educational results; sound, comprehensive evaluation systems; adequate funding; investments in ongoing professional development; avoidance of quotas; good working conditions; management maturity; labor maturity; and persistence. Technical principles of each innovative compensation system were suggested.

Rewarding Expertise

Author(s): Odden, A. Date: 2001

Source: *Education Next*, 1

Type: Policy paper; case study; perspective piece; issue paper

Full text: <http://educationnext.org/rewarding-expertise/>

Abstract: The author discusses the history of a traditional teacher pay model and why it is important to change the pay structures of today. He emphasizes the importance of aligning compensation with state and district standards to account for students' academic achievement. Knowledge and performance are key components of recent models that currently are being implemented. Newer compensation models, as previously implemented and followed in Cincinnati and Los Angeles, must have the full support of teachers and administrators to be successful. Teachers should be encouraged to pursue advanced degrees and supplementary professional development activities to enhance their abilities in their teaching area, which ultimately should help increase student achievement. Principals require rigorous training to be able to conduct effective performance reviews and award appropriate incentives.

Rewarding Teachers for Student Performance

Author(s): Cohen, D. K. Date: 1996

Source: Fuhrman, S., & O'Day, J. A., eds., *Rewards and Reform: Creating Educational Incentives That Work*. San Francisco: Jossey-Bass

Type: Issue paper

Full text: URL not available

Abstract: This chapter, taken from Fuhrman and O'Day's "Rewards and Reform," discusses in detail teacher performance reward plans and factors that come into play in creating such a plan, both inside the classroom and out. Satisfying the stakeholders in education becomes a challenge. The politics of such a system also come into play into making such a change.

School-Based Performance Award Programs: Design and Administration Issues Synthesized From Eight Programs

Author(s): Odden, A. R., Kellor, E., Heneman, H., & Milanowski, A. Date: 1999

Source: Madison, WI: Consortium for Policy Research in Education

Type: State of regional reports; issue paper

Full text: URL not available

Abstract: The design elements of 8 School-Based Performance Award (SBPA) programs are examined in this report. The programs at Boston, Charlotte-Mecklenburg, Cincinnati, Dallas, Philadelphia, Vaughan Next Century Learning Center (CA) and SBPA's in Kentucky and North Carolina are detailed. The report discusses common strategies as well as program-specific elements of these programs.

School-Based Performance Award Programs and Teacher Motivation

Author(s): Milanowski, A. Date: 2000

Source: *Journal of Education Finance*, 25(4), 517-544

Type: Scientific research

Full text: URL not available

Abstract: This article summarized the results of a qualitative study that examined school-based performance award programs in North Carolina, Kentucky, and Maryland. Expectancy theory guided the design of the study and the interpretation of the results. The North Carolina and Kentucky programs rewarded teachers and the program in Maryland put funds into an account for programs. The results showed that the bonus was as desirable as the intrinsic rewards of teaching (e.g., personal satisfaction from a student's achievement). Teachers did not believe that the bonuses would be awarded (because a previous one had not been given) and that the amount was too small. The teachers also reported increased stress trying to meet performance goals. Additionally, a proportion of the teachers did not believe that the performance goals could be met. The author also examined the effectiveness of sanctions (e.g., loss of pride or loss of job security) on teacher motivation, and found that in Kentucky loss of pride was more of a motivating factor than loss of job security. (The teachers in Maryland were unaware of the program had little knowledge of the program.) The article concluded with recommendations for school-based performance awards: provide support to increase teacher's expectancy, make a strong connection between rewards and school performance, the size of the award needs to be large enough to matter, principals need to provide active support for the program, and design the program in a way that teachers perceive as fair.

School-Based Performance Award Programs, Teacher Motivation, and School Performance: Findings From a Study of Three Programs

Author(s): Kelley, C., Heneman, H., III, & Milanowski, A. T. Date: 2000

Source: Madison, WI: Consortium for Policy Research in Education

Type: Rigorous research; policy paper; case study

Full text: http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019b/80/1b/26/55.pdf

Abstract: This study looks school-based performance award programs and their impact on student performance. The implementation of these programs has had a positive impact on student performance. Using survey data, the authors describe the benefits of increased expectations and how individual and group motivation impact the teacher. The article also goes on to examine principal reactions to expectancy changes.

Signing Bonuses

Author(s): Zirkel, P. A. Date: 2003

Source: *Phi Delta Kappan*, 85(2), 171–173

Type: National reports

Full text: URL not available

Abstract: This article provides legal advice on the use of signing bonuses by districts. The author advises districts to determine whether their state has a collective bargaining law that mandates bargaining in the case of signing bonuses. If it does, they must negotiate the issue of bonuses into an agreement. If not, districts may be able to use bonuses as a tool to recruit teachers.

The Single Salary Schedule and Other Issues of Teacher Pay

Author(s): Hanushek, E. Date: 2007

Source: *Peabody Journal of Education*, 82(4), 574–586

Type: Policy paper; literature review

Full text: URL not available

Abstract: Hanushek begins this literature review by making the case for the correlation between teacher quality and student achievement; citing Hanushek (1992), the author states that “teachers near the top of the quality distribution can get an entire year’s worth of additional learning out of their students compared to those near the bottom” (p. 3). He goes on to argue that traditional methods of teacher recruitment and retention are not yielding the volume of quality of teachers needed in today’s educational context and uses this as evidence in the case for revised teacher compensation systems. Hanushek concludes the article by providing a few details he believes to be necessary to a successful compensation system, such as having a combination of rewards for individual classroom performance and group awards.

Teacher and Principal Compensation: An International Review

Author(s): Sclafani, S., & Tucker, M. S. Date: 2006

Source: Washington, DC: Center for American Progress and National Center on Education and the Economy

Type: Policy paper; literature review

Full text: http://www.americanprogress.org/issues/2006/10/teacher_compensation.html/pdf/education_report.pdf

Abstract: This report examines various approaches to educator compensation from around the world—all with the intent of improving educator quality and student performance. According to the authors, many countries are addressing educator recruitment and retention issues using roughly similar compensation reform models to those being implemented in the United States. The authors examine the various incentives used to reward and retain teachers and discuss how teachers respond to new compensation models as compared to other professions. According to the evidence marshaled in this report, teachers support the same types of incentives used in other professions and claim that in order for these incentives to work, they must be structured in a way that allows them to be effective. This report is enhanced with five very detailed appendices focused on the following topics: teacher education and compensation systems, incentives in specific countries, performance-related salary systems, principal compensation systems, and the influence of unions on compensation.

Teacher Compensation Plans: An Overview of Options and Issues

Author(s): Stronge, J. H. Date: 2007

Source: Hanover, NH: Hanover Public Schools

Type: Issue paper

Full text: <http://www.sau70.org/spotlight/TeacherCompen.pdf>

Abstract: This report examines current state and district-level practices in alternative compensation. Alternative compensation is a valuable tool in contemporary school reform used to attract, develop and retain teachers. The author reviews existing literature on teacher compensation and identifies key issues that teacher compensation systems must address.

Teacher Incentives in Rural Schools

Author(s): Reed, D. F., & Busby, D. W. Date: 1985

Source: *Research in Rural Education*, 3(2), 69–73

Type: Scientific research; state or regional reports

Full text: URL not available

Abstract: This study gathered data on the incentives being offered to teachers in rural schools. Survey data were collected from 67 rural districts in Virginia. The study found that nearly all of the rural districts offered fringe benefits, most offered competitive starting salaries, and about half offered assistance with finding housing. Other incentives offered by most districts included tuition for courses, money for instructional materials, and release time for special activities. Few of the districts offered rewards for superior teachers.

Teacher Performance Pay: A Review

Author(s): Podgursky, M. J., & Springer, M. G. Date: 2007

Source: Nashville, TN: Vanderbilt University, National Center on Performance Incentives

Type: Policy paper; case study; literature review; perspective piece

Full text: http://www.performanceincentives.org/ncpi_publications/PodgurskyandSpringer-TeacherPerformancePay.pdf

Abstract: This working paper examines the “economic case” for performance-related pay in K–12 education. The first part of the review is a history of compensation models from the grade-based model to the current single salary schedule, currently ubiquitous in the U.S. educational system. The authors review the theoretical arguments involving performance-related pay (e.g., performance, monitoring, team production) followed by a review of several performance-based programs in Colorado, Texas, and Minnesota as well as programs supported by the Milken Family Foundation and the U.S. Department of Education’s Teacher Incentive Fund. The paper concludes with a review of empirical research on performance-based pay. The authors conclude that the methodologies employed by empirical studies on performance-based pay were extremely diverse. Consequently, they were unable to draw any general conclusions from them. They recommend rigorous evaluations of programs as they are implemented.

Teacher Performance Pay: Synthesis of Plans, Research, and Guidelines for Practice [CPRE Policy Brief RB-46.]

Author(s): Heneman H. G., III., Milanowski, A., & Kimball, S. Date: 2007

Source: Philadelphia: Consortium for Policy Research in Education

Type: Policy paper; issue paper; perspective piece

Full text: <http://cpre.wceruw.org/publications/RB-46%20FINAL%20FOR%20PRINT.pdf>

Abstract: This policy brief reviews existing teacher pay-for-performance programs and research on school-based performance awards and knowledge- and skill-based pay plans. Studies indicate mixed results about the effects of performance pay on both student achievement and teacher performance. These results, the authors believe, are an indicator of flaws in program design, implementation, and management. The brief offers a synthesis of guidelines for performance pay plans, including the need for these programs to establish a stable funding source; to offer teachers comprehensive compensation; to develop and utilize strong measurement systems; and to gauge teacher response to the performance pay plan. The brief concludes with a discussion on program design and implementation.

Team Incentives in Public Organisations

Author(s): Vyrastekova, J., Onderstal, S., & Koning, P. Date: 2006

Source: The Hague, The Netherlands: CPB Netherlands Bureau for Economic Policy Analysis

Type: Rigorous research; literature review

Full text: <http://www.cpb.nl/nl/pub/cpbreeksen/discussie/60/disc60.pdf>

Abstract: This report explores the theory that higher incentives improve employee performance using a controlled laboratory experiment. The experiment provides evidence to suggest that requiring employees to select an individual incentive over a team incentive (both based on performance) leads to an improvement in individual effort at the expense of team effort and vice versa. The report concludes by providing implications for compensation policy followed by a short warning suggesting that the study's design is somewhat limited and might yield different results if tested under other circumstances.

Understanding the Teacher Advancement Program

Author(s): Teacher Advancement Program Foundation. Date: 2005

Source: Santa Monica, CA: Teacher Advancement Program Foundation

Type: Information guide; policy paper; case study

Full text: http://www.tapsystem.org/pubs/understanding_tap.pdf

Abstract: This information guide, disseminated by the Teacher Advancement Program Foundation, offers a clear and in-depth explanation of the four components of the Teacher Advancement Program and provides examples of each of the four in action at various TAP schools throughout the country. The guide begins by providing a rationale for TAP and then describes each of the key components: multiple career paths, ongoing applied professional growth, instructionally focused accountability, and performance-based compensation. The guide indicates that the four components of TAP must be treated as a system and that any of them in a vacuum will not be effective.

The Varieties of Knowledge and Skill-Based Pay Design: A Comparison of Seven New Pay Systems for K–12 Teachers

Author(s): Milanowski, A. Date: 2003

Source: *Education Policy Analysis Archives*, 11(4)

Type: Research reviews and books; policy paper

Full text: URL not available

Abstract: This article described qualitative research on seven “pioneer” knowledge and skills-based pay programs. A theory of action, which linked teacher motivation, type of incentives, and other factors to student achievement, guided the study. First, the author discussed the advantages of knowledge and skills-based pay programs. Second, he developed seven dimensions to structure the analysis and comparison of the programs, including motivation for program development, the design process, types and structures of reward, assessment of skills acquisition, size and structure of knowledge and skills incentives, alignment of other human resource programs, and cost and funding. Third, case study site visits of six school districts and one-charter school informed and supported the analysis a cross-site analysis. The results showed that although the districts had different reasons for implementing the skills-based pay systems, the author identified several lessons learned: the programs retained seniority and degrees as factors for pay increases, teachers’ associations did not summarily dismiss changes in the pay structure, the use of preexisting standards will facilitate adoption of a new pay system, and the transition to a knowledge and skills-based pay system can be low-cost.

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