



Center for
Educator Compensation
Reform

Fiscal Sustainability Roundtable

2010 TIF Grantee Meeting

Washington, DC – August 2010

Approaches to Fiscal Sustainability

1. Redeploy current state, district, or school resources and redirect future resources
2. Reallocate state and federal categorical aid programs
 - a) Title IA and IIA&B, V
3. Seek additional public funding
 - a) Mill levy (Denver), local tax (Austin)
4. Seek philanthropic or corporate support
5. Replace core components of the single salary schedule with performance-pay elements
 - a) Stipends for advanced degrees
 - b) Salary increases for certification status
 - c) Pay increases for years of experience

Use of Title II Part A funds:

- Financial incentives for teachers who teach in subjects or in schools which experience a shortage of teachers
- Financial incentives (bonuses) to attract and retain highly qualified teachers
- Teacher mentoring; induction and support for new teachers;
- Financial incentives to retain teachers who have a record of helping low-achieving students improve their academic achievement
- Incentives to principals who have a record of improving student achievement
- Professional development for teachers and principals and, in cases supporting the participation of pupil services personnel in the same type of professional development activities as are made available to teachers and principals.

Use of Title II Part B Math & Science

- Recruiting math, engineering, and science teachers through the use of performance incentives that are linked to activities proven effective in retaining teachers
- Stipends or other financial incentives to teachers to encourage them to pursue postgraduate degrees or to reward teachers who hold postgraduate degrees
- Enhanced and ongoing professional development of mathematics and science teachers that improves the subject matter knowledge of such teachers
- Professional development activities, including supplemental and follow-up activities, such as curriculum alignment, distance learning, and activities that train teachers to utilize technology in the classroom

Use of Title V Part A Funds

- Financial incentives for teachers who teach in subjects or in schools which experience a shortage of teachers
- Financial incentives to attract and retain highly qualified teachers
- Teacher mentoring; induction and support for new teachers
- Financial incentives to retain teachers who have a record of helping low-achieving students improve their academic achievement
- Incentives to principals who have a record of improving student achievement
- Teacher advancement initiatives that promote pay differentiation
- Professional development activities that give teachers, principals, and administrators the knowledge and skills to provide students with the opportunity to meet challenging State or local academic content standards and student academic achievement standards.

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Additional Fiscal Sustainability Approaches

6. Establish short-term and long-term financial projections
7. Communicate with key stakeholder groups regarding progress of the system, share results, and success stories
8. Communicate early with school board and community of projected costs
9. Presentations, press releases, radio / television interviews
10. Forge partnerships around human capital development issues by engaging local teacher association or union leaders in such activities as coaching and the provision of professional development. The partnerships help develop the trust that will enable districts to move forward sustaining innovative, and at times controversial, school reform initiatives such as performance based compensation systems.

What realities are making fiscal sustainability a challenge?



- Stagnant or shrinking budgets
- Declining enrollment
- Results / data are not yet the kind that the public and policy makers find compelling
 - ROI
 - Achievement trends
 - Retention of effective teachers

The North Carolina & Guilford Contexts

- In North Carolina, nearly 1/3 of all teachers have a Master's degree and on average, each teacher receives a salary increase of over \$4,400 dollars for this degree. State-wide, over \$140 Million is spent on this practice annually, at a cost of \$100 per student.
- In Guilford County Schools, during the 2008-2009 school year, 1,500 of the 6,000 FTEs (25%) received a total of \$31 Million for Master's Degrees and years of experience.
- Additionally, 280 FTEs (almost 5%) received \$8 Million for NBPTS certification and experience.
- Together, compensation for all advanced degrees and years of experience total over \$95 Million dollars expended annually in Guilford County – 35% of salary budget.

Austin Independent School District Approach to Fiscal Sustainability

- The district built a four-year pilot predicated on the Board of Trustees' decision to allocate \$4.3 million annually from its Maintenance and Operations tax rate. (1/2 % annually)
- Key public support for this decision was provided by the Austin business community vis-a-vis the Austin Chamber of Commerce.
- This money was supplemented with significant state grant money beginning in year two of the pilot. Taken together, these two funding streams have allowed AISD to expand its pilot from nine schools in year one to fifteen schools in year three.

Comparing Traditional Salary Schedule Raises and Performance Pay



Traditional Salary Schedule Raises	Performance Pay Raises
Funds are not linked to the most important outcomes of schooling, such as teacher effectiveness & increased levels of student performance	Funds are directly linked to the most important outcomes of schooling, such as increased teacher effectiveness & student performance
Do not provide motivation or rewards for elevated levels of school or teacher effectiveness	Do provide motivation or rewards for elevated levels of school or teacher effectiveness
Do not encourage the continued professional development of teachers and principals	Do encourage the continued professional development of teachers and principals
Do not provide impetus for schools and districts to align their resources with their core goals	Do provide impetus for schools and districts to align resources with core goals
Endorse the status quo	Challenge the status quo
Do not help schools and districts attract and retain highly effective teachers and administrators	Do help schools and districts attract and retain highly effective teachers and administrators
Do not encourage schools to consider how to effectively assess student learning across multiple grades and subject areas	Do encourage schools to consider how to effectively assess student learning across multiple grades and subject areas