

Center for
Educator Compensation Reform



Framing a New Sustainability Discussion

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Framing topics for breakout session

- A new mindset for how to sustain educator compensation reform strategies
- Sustainability through alignment
- The utility of evaluation data to enhance sustainability efforts
- Sharing sustainability challenges and solutions

A new mindset

- The old mindset: seeking additional funds from federal or state sources or external agencies such as foundations to add bonuses on top of the existing salary structure
- The current reality: the economic climate has changed, and new approaches to sustaining educator compensation reform approaches are needed

Single Salary Schedule

Step	BA	BA+6	BA+12	BA+18	BA+24	BA+30	BA+36	BA+42	BA+48	BA+54	BA+60	BA+66
1	34,130	34,574	35,018	35,462	35,906	36,350	36,794	37,238	37,682	38,126	38,570	39,014
2	35,280	35,724	36,168	36,612	37,056	37,500	37,944	38,388	38,832	39,276	39,720	40,164
3	36,430	36,874	37,318	37,762	38,206	38,650	39,094	39,538	39,982	40,426	40,870	41,314
4	37,580	38,024	38,468	38,912	39,356	39,800	40,244	40,688	41,132	41,576	42,020	42,464
5	38,730	39,174	39,618	40,062	40,506	40,950	41,394	41,838	42,282	42,726	43,170	43,614
6	39,880	40,324	40,768	41,212	41,656	42,100	42,544	42,988	43,432	43,876	44,320	44,764
7	41,030	41,474	41,918	42,362	42,806	43,250	43,694	44,138	44,582	45,026	45,470	45,914
8	42,180	42,624	43,068	43,512	43,956	44,400	44,844	45,288	45,732	46,176	46,620	47,064
9	43,330	43,774	44,218	44,662	45,106	45,550	45,994	46,438	46,882	47,326	47,770	48,214
10	44,480	44,924	45,368	45,812	46,256	46,700	47,144	47,588	48,032	48,476	48,920	49,364
11	45,630	46,074	46,518	46,962	47,406	47,850	48,294	48,738	49,182	49,626	50,070	50,514
12	46,780	47,224	47,668	48,112	48,556	49,000	49,444	49,888	50,332	50,776	51,220	51,664
13	47,930	48,374	48,818	49,262	49,706	50,150	50,594	51,038	51,482	51,926	52,370	52,814
14	49,080	49,524	49,968	50,412	50,856	51,300	51,744	52,188	52,632	53,076	53,520	53,964
15	50,230	50,674	51,118	51,562	52,006	52,450	52,894	53,338	53,782	54,226	54,670	55,114
16	51,380	51,824	52,268	52,712	53,156	53,600	54,044	54,488	54,932	55,376	55,820	56,264
17	52,530	52,974	53,418	53,862	54,306	54,750	55,194	55,638	56,082	56,526	56,970	57,414
18	53,680	54,124	54,568	55,012	55,456	55,900	56,344	56,788	57,232	57,676	58,120	58,564
19	54,830	55,274	55,718	56,162	56,606	57,050	57,494	57,938	58,382	58,826	59,270	59,714
20	55,980	56,424	56,868	57,312	57,756	58,200	58,644	59,088	59,532	59,976	60,420	60,864
21	57,130	57,574	58,018	58,462	58,906	59,350	59,794	60,238	60,682	61,126	61,570	62,014
22	58,280	58,724	59,168	59,612	60,056	60,500	60,944	61,388	61,832	62,276	62,720	63,164
23	59,430	59,874	60,318	60,762	61,206	61,650	62,094	62,538	62,982	63,426	63,870	64,314
24	60,580	61,024	61,468	61,912	62,356	62,800	63,244	63,688	64,132	64,576	65,020	65,464
25	61,730	62,174	62,618	63,062	63,506	63,950	64,394	64,838	65,282	65,726	66,170	66,614
26	62,880	63,324	63,768	64,212	64,656	65,100	65,544	65,988	66,432	66,876	67,320	67,764
27	64,030	64,474	64,918	65,362	65,806	66,250	66,694	67,138	67,582	68,026	68,470	68,914
28	65,180	65,624	66,068	66,512	66,956	67,400	67,844	68,288	68,732	69,176	69,620	70,064
29	66,330	66,774	67,218	67,662	68,106	68,550	68,994	69,438	69,882	70,326	70,770	71,214
30	67,480	67,924	68,368	68,812	69,256	69,700	70,144	70,588	71,032	71,476	71,920	72,364

Denver ProComp Salary Schedule

Summary Table -- Components and Elements Earning Opportunities

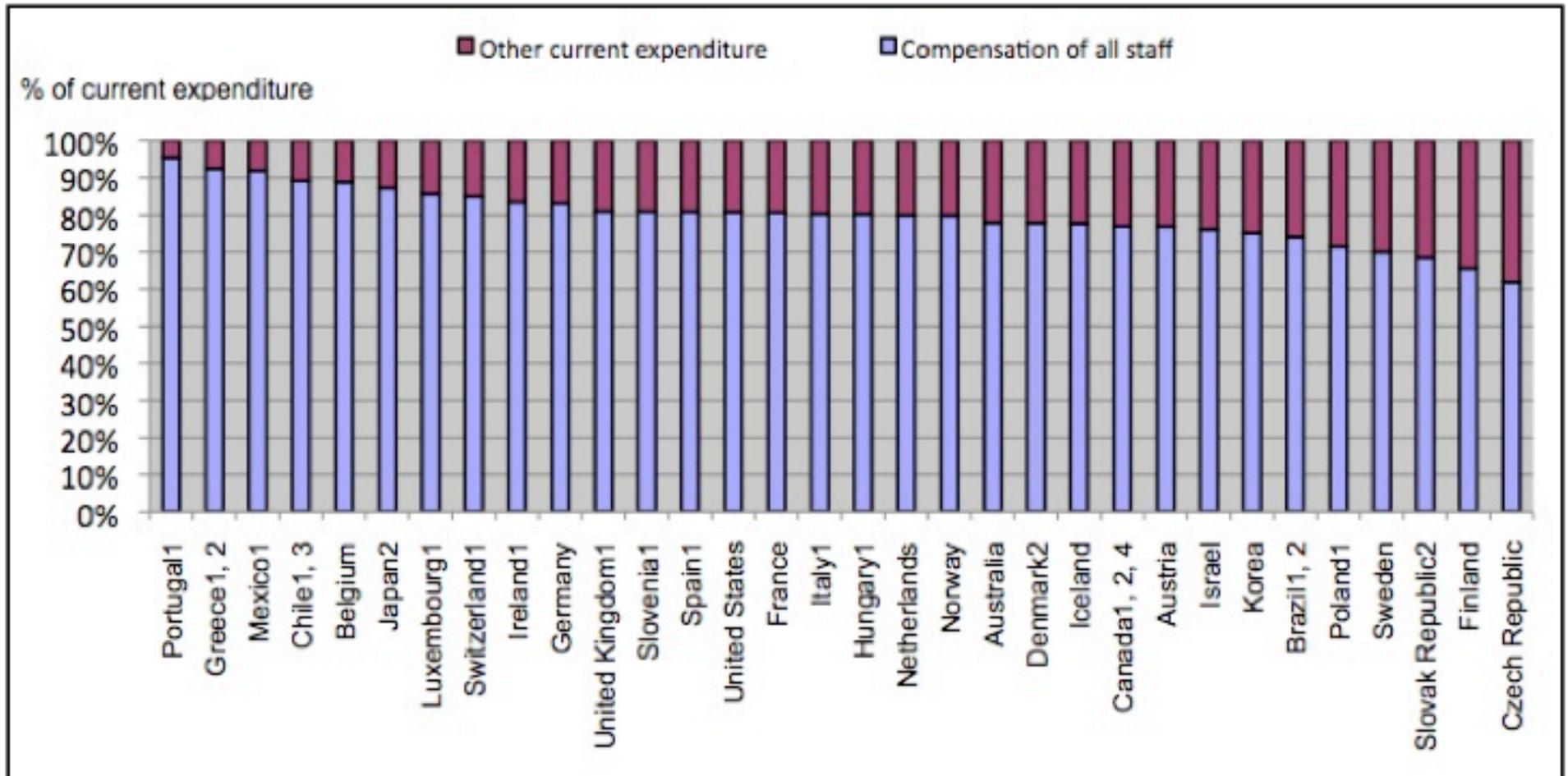
Components Index \$34,200	Knowledge and Skills			Professional Evaluation		Market Incentives		Student Growth		
Element	Professional Development Units	Grad Degree/ Nat. License & Certificates	Tuition Reimburse	Probationary	Non-Probationary	Hard-to-Staff Position	Hard-to-Serve School	Student Growth Objectives	CSAP Expectations	Distinguished Schools
	2% of Index Salary Increase	9% of Index Salary Increase	\$1,000 Lifetime Account	1% of Index Salary when rated Satisfactory	3% of Index Salary when rated Satisfactory	3% of Index Bonus	3% of Index Bonus	1% Index Salary if both objectives met 1% index Bonus if 1 objective met	3% of Index sustainable Increase for exceeding expectations; 3% Index sustainable decrease for falling below expectations	2% of Index Bonus
Dollar Amount	\$684	\$3,078	\$1,000	\$342	\$1,026	\$1,026	\$1,026	\$342	\$1,026	\$684
Payment Type and Frequency	Monthly Installments upon submission of proper documents	Monthly Installments upon submission of proper documents	Up to \$1,000 upon submission of proper documents	Prorated over 12 months. If unsatisfactory delayed at least 1 yr	Prorated over 12 months. If unsatisfactory delayed at least 1 yr	Monthly installment upon completion of service each month	Monthly installment upon completion of service each month	Paid over 12 months starting in September based on previous year	Paid over 12 months starting in September based on previous year	Paid over 12 months starting September based on previous year
Builds pension and highest average salary?	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year Implemented	2006-2007	2005-2006	2005-2006	2005-2006	2005-2006	2005-2006	2005-2006	2006-2007	2006-2007	2005-2006
Pay-Out Begins	2006-2007	2005-2006	2005-2006	2006-2007	2006-2007	2005-2006	2005-2006	2007-2008	2007-2008	2006-2007

Sustainable domains of pay differentiation

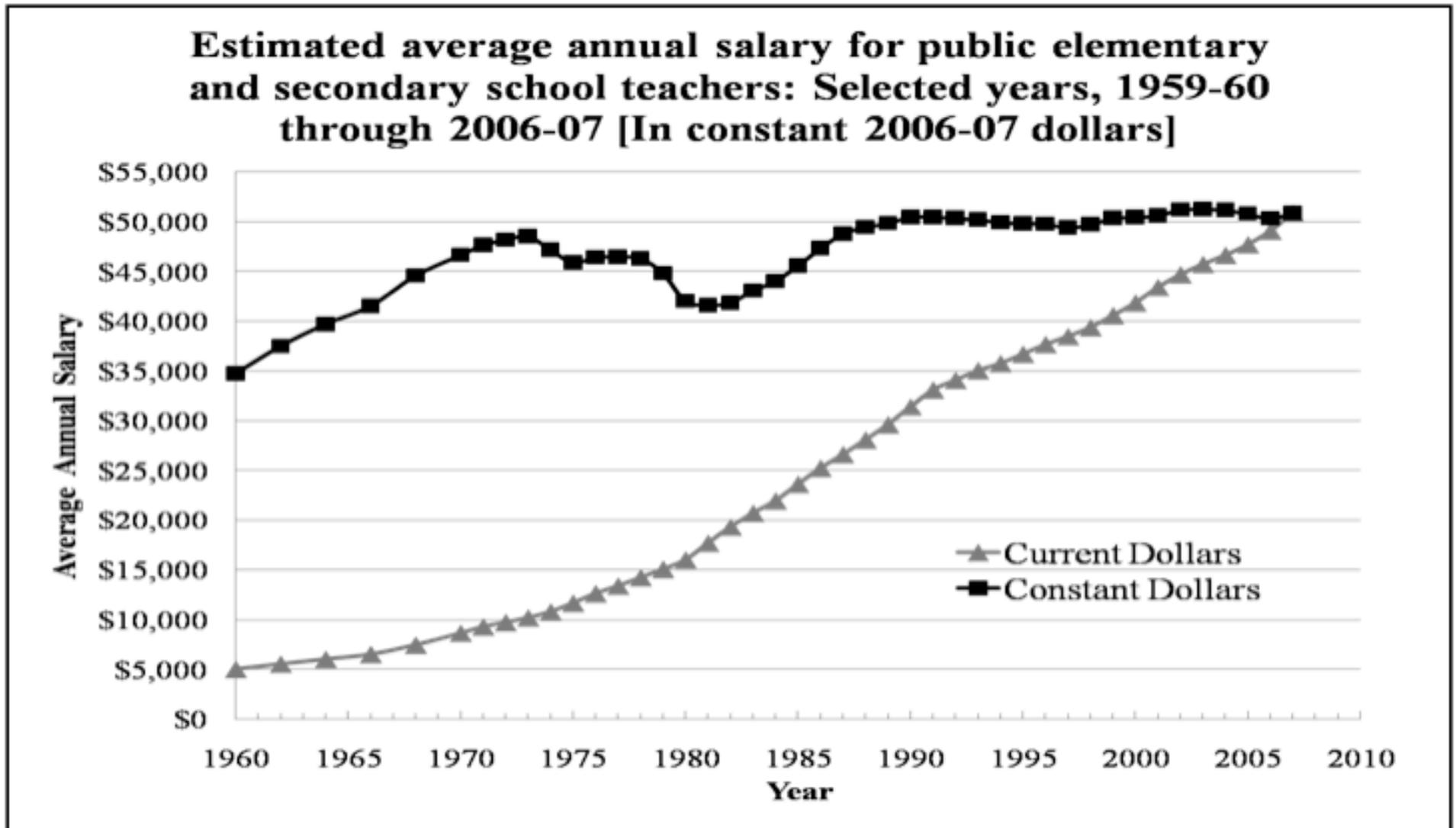
Award Strategy	Target	Additional Pay Range	Means for Determining Eligibility	Form of Pay
I. Student value-added reward	Individual	3% to 5 %	<ul style="list-style-type: none"> Student test scores 	Annual bonus Base salary addition or acceleration
II. Teacher appraisal-based reward	Individual	3% to 5%	<ul style="list-style-type: none"> Appraisals of teacher performance from multiple perspectives (peer, supervisor, self, student) and (possibly) knowledge and skills acquisition Acquisition of attributes specified as helping district or school pursuit of higher student achievement 	Bonus Base salary addition or acceleration
III. Whole-school reward (Inclusion of classified employees optional)	Group	3% to 5 %	<ul style="list-style-type: none"> Student test scores Teacher attendance Other key target areas 	Annual bonus
IV. Hard-to-staff schools and subject area shortages	Individual	5% to 10%	<ul style="list-style-type: none"> Market factors applied to specified shortage definitions 	Annual bonus
V. Annualized salary	Individual	5% to 10%	<ul style="list-style-type: none"> Extra assignments over summer months 	Annual bonus



Proportion of education spending allocated to faculty and staff salaries across OECD nations.

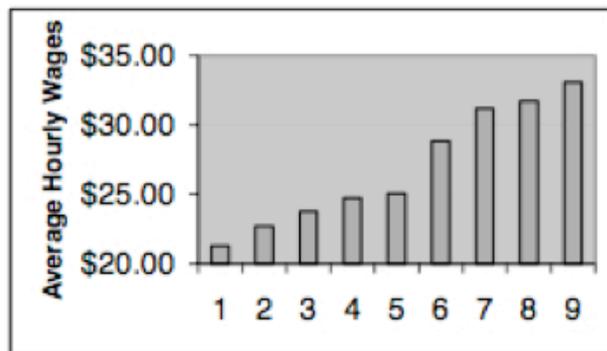


Trends in U.S. public school teachers' salaries during past 50 years

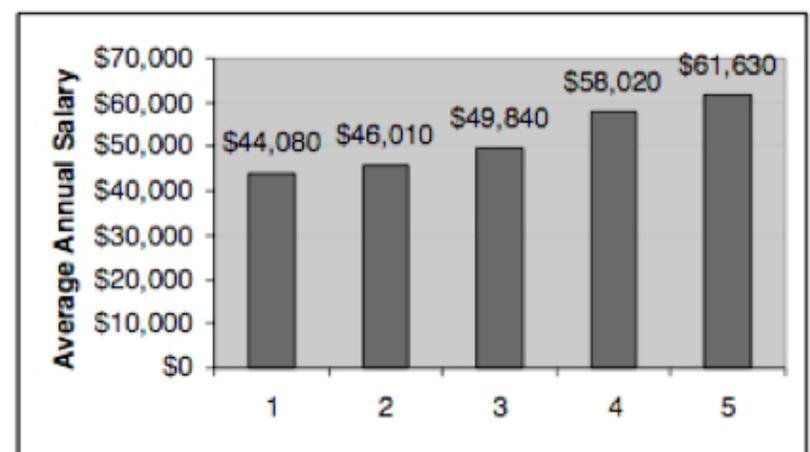


Comparisons of teacher *hourly* and *annual* salaries with those of comparable professions

If teacher salaries were annualized, that is, if teachers were paid for 220 days instead of 180 days, the average teacher salary would approach \$60,000



1. Accountants and auditors (state & local government)
2. Computer programmers (state & local government)
3. Accountants and auditors (private)
4. Registered nurses (state & local government)
5. Computer Programmers (private)
6. Engineers, Architects, and Surveyors (state & local government)
7. Secondary Teachers (public school)
8. Elementary Teachers (public school)
9. Engineers, Architects, and Surveyors (private)



1. Elementary School Teachers (excluding Special Education)
2. Secondary School Teachers (excluding Special Education)
3. Registered Nurse
4. Architecture and Engineering Occupations
5. Computer and Mathematical Science Occupations

Market selection influences of the old and new mindset

- [Hyperlink](#) to simulation showing starting and peak salaries for teachers under the old single salary schedule and under a new, sustainable performance-pay structure
- [Hyperlink](#) to simulation showing district fiscal outlay under old system and new system

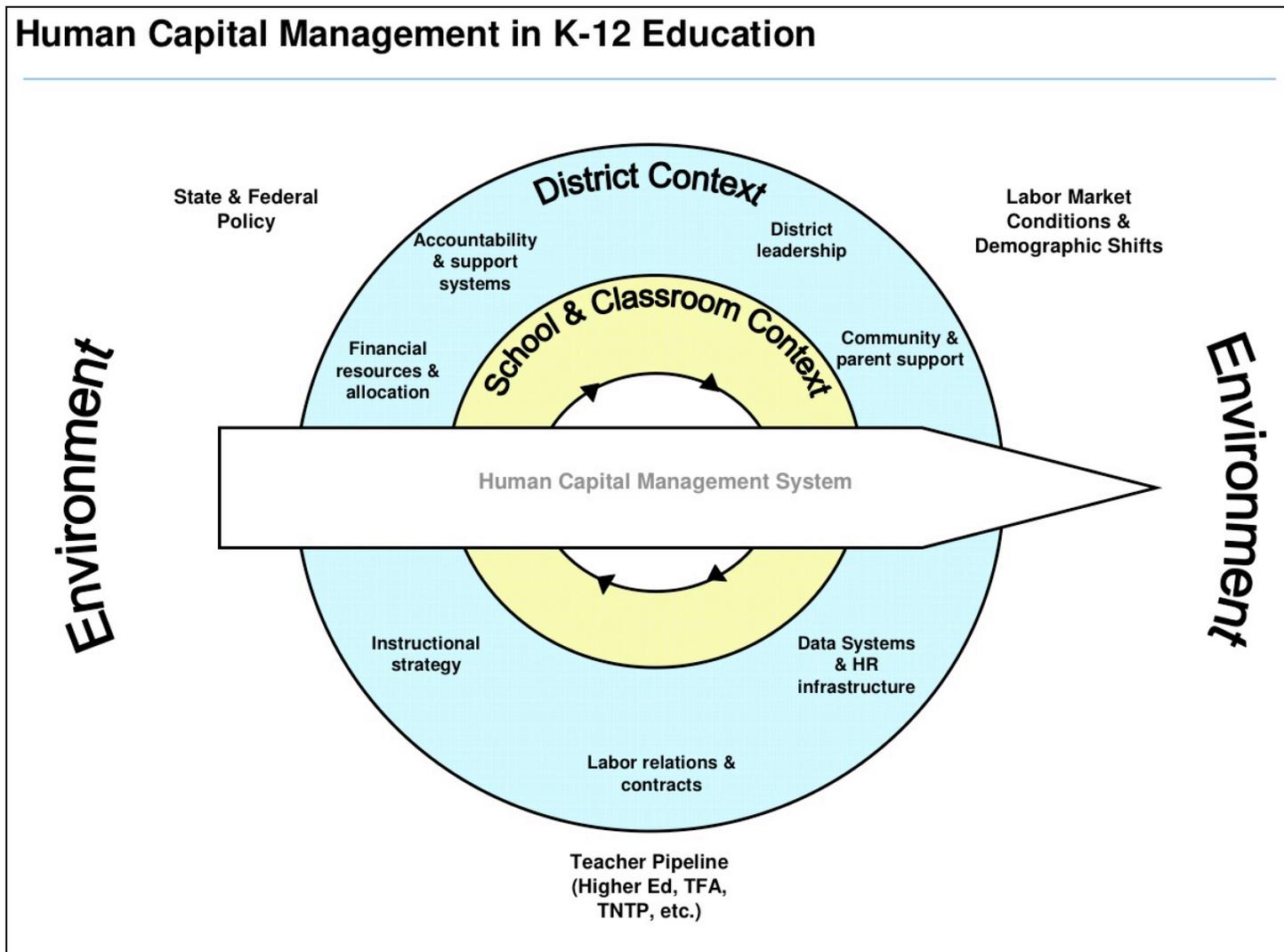
Sustainability through alignment

- In addition to financial sustainability, or perhaps as the most strategic way to ensure it, district and program leaders must consider the programmatic viability and sustainability of performance pay programs.
- Evidence suggests that this can be accomplished by ensuring a high degree of alignment between the performance pay program and core district and school goals for enhancing teacher effectiveness and elevating student performance.

Sustainability through alignment

- When performance pay is aligned to the most important aspirations of a school and district, when it is incorporated as one key element of a strategic human capital development framework, and when its operation becomes insinuated into the core of a district's operations, then the program has a much greater likelihood of financial sustainability over the long term.

The layers of context and influence affecting performance pay programs

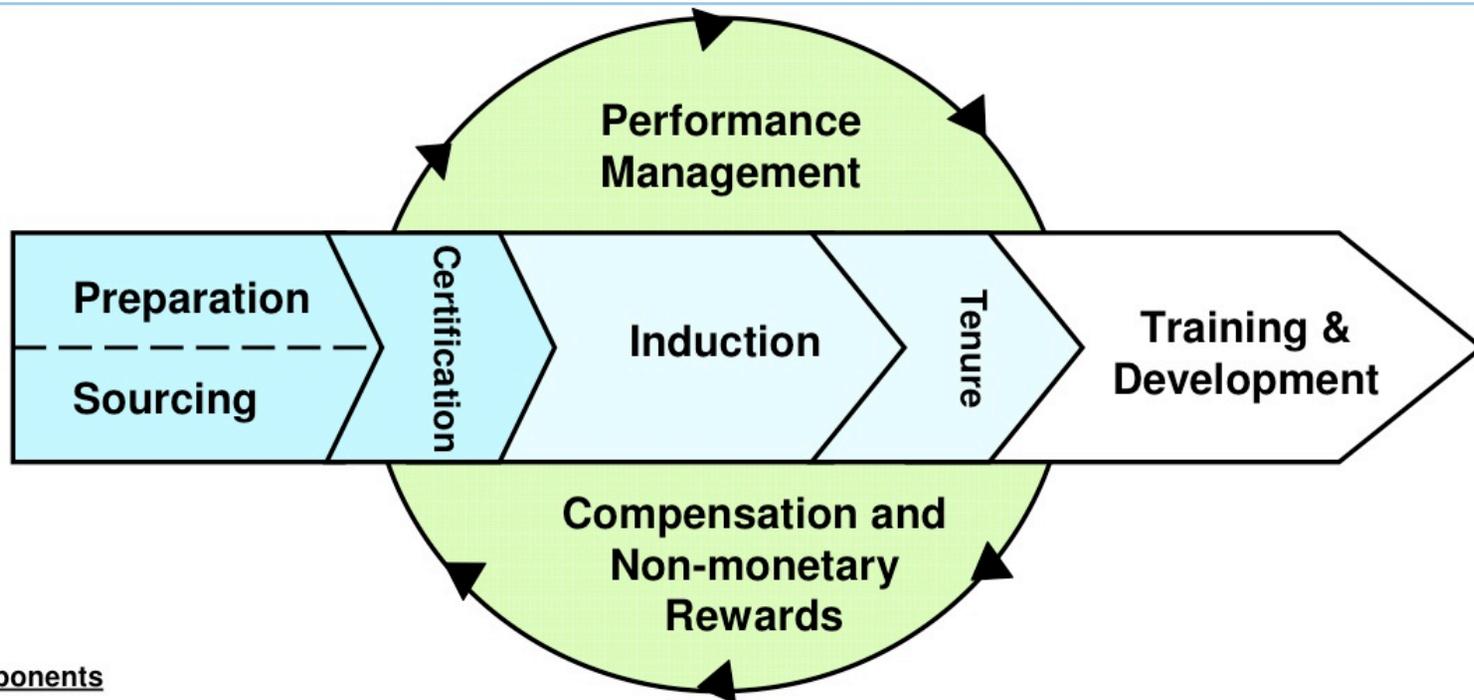


Performance pay within the context of a holistic human capital management strategy

There are many moving parts to a comprehensive human capital development strategy. As such, it is helpful to have a conceptual scaffold to guide this work. Scholars at the Aspen Institute have developed a framework for human capital management in K-12 education that recognizes the importance of state and federal policy forces; labor market conditions and demographic shifts; the teacher preparation pipeline; and district, school, and classroom contexts and incorporates eight essential components:

- Preparation
- Sourcing
- Certification
- Induction
- Tenure
- Training and Development
- Performance Management
- Compensation and Non-Monetary Rewards

Human Capital Management in K-12 Education



Components

Preparation

- Traditional higher education
- Alternative certification
- District-based preparation

Sourcing

- Marketing
- Recruitment
- Screening
- Hiring
- On-boarding
- Deployment

Induction

- Orientation
- Mentoring
- Reduced Teaching Load
- Differentiated professional development

Certification

- Process managed by state department of education to approve teacher candidates.

Training and Development

- Professional development
- Identification of high-potential employees
- Career management
- Career pathways

Tenure

- Point at which a district commits permanent employment to a teacher

Performance Management

- Expectation setting
- Assessment
- Calibration
- Feedback
- Outcomes

Compensation & non-monetary rewards

- Annual salary and benefits
- Recognition, growth opportunities, and working conditions

A multi-layered approach

- To implement a system approach to developing the teaching workforce and elevating student achievement, school systems need to be clear about their mission and goals, identify and help prioritize the strategies that will help them achieve them, and then align their district and school support structures, their key stakeholder groups, and their partnership with outside organizations. Certainly, every district and each school will address these challenges in a unique manner. A systemic and strategic approach will address each component individually and collectively to create a comprehensive system.

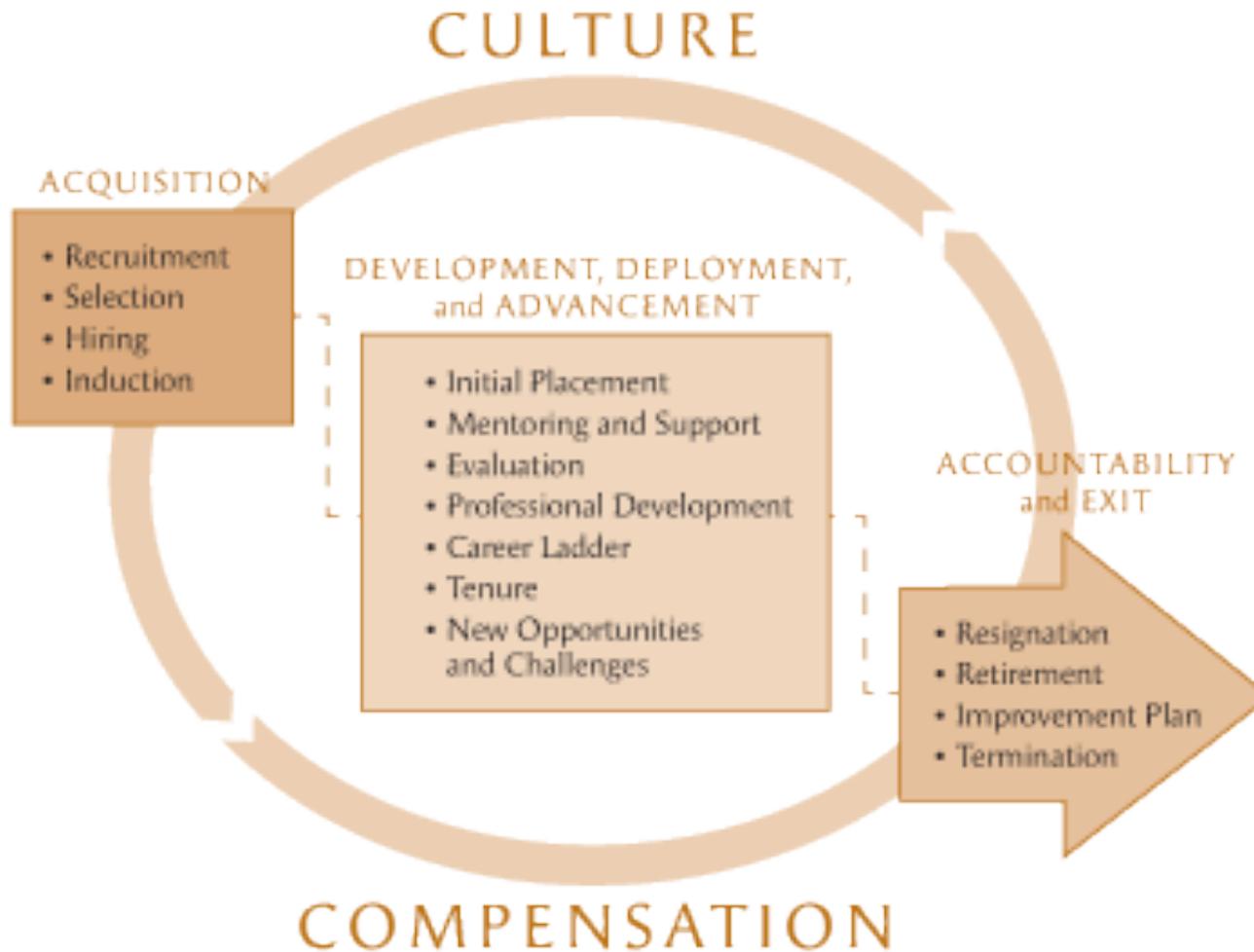
Integrating goals and processes

- Thinking systemically also requires that human capital development and management be considered in the larger contexts and forces that can either support or impede high-quality teaching and school leadership. For example, a district could address every component of the framework without realizing significant improvements if it did not address student learning needs, school working conditions, allocation of resources, or the development of robust data systems that track and inform improvement efforts.

The importance of partnerships – sometimes you can't do it all “in house”

- While coordinating internal district personnel across various program areas is important, it is also imperative that solid partnerships with external stakeholder groups be developed as part of a comprehensive human capital strategy. This is important for a variety of reasons related to the fact that districts have finite capacity and domains of expertise and influence. Along the human capital development continuum, there are activities that district personnel may excel at and should therefore concentrate their efforts in those domains. To supplement these efforts, it is helpful to work with quality service providers. Another way to forge partnerships around human capital development issues is to engage 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 with innovative, and at times controversial, school reform initiatives such as performance pay.

Another view of systemic integration



How Evaluation Data Can Inform Sustainability Efforts

- Collaboration between intra-district departments and external evaluators on areas of measurement can produce data in several important areas.
- Types of evaluation data that can inform sustainability:
 - Contextual Data (Social, Political, Economic)
 - Programmatic Data (Appropriateness and Feasibility of Program)
 - Implementation Data (Costs, Challenges, Stakeholder Perceptions)
 - Outcome Data (Effects and Impacts of Program)

Using Evaluation Data to Inform Sustainability Efforts

- **Using Contextual Data**
Example: Can a Performance Incentive Program fit into the contextual (social, political, economic) reality of the state, district, school?
- **Using Programmatic Data**
Example: Are the particular programmatic components appropriate and feasible both in general and specific to program context?
- **Using Implementation Data**
Are the costs and issues associated with implementation more than what should be expected from the program?
- **Using Outcome Data**
Are the outcomes of the program sufficiently positive to merit the financial, political, and social costs of implementation?

Sustainability Challenges & Solutions

- Grantee perspectives on the current challenges to fiscally and programmatically sustaining performance pay programs
- Grantee perspectives on proposed or validated solutions to the fiscal and programmatic sustainability of performance pay programs

Additional resources

<http://www.cecr.ed.gov/guides/payingFor.pdf>

Tremblay, M., & Chênevert, D. (2008). Influence of compensation strategies in Canadian technology-intensive firms on organizational and human resources performance. *Group & Organization Management*, 33(3), 269-302.

Gerhart, B. (2007). Horizontal and vertical fit in human resource systems. In Ostroff, C., & Judge, T. (Eds.), *Perspectives on organizational fit*. New York: Lawrence Erlbaum Associates.

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Heneman, Robert L. (2002). *Strategic reward management: Design, implementation, and evaluation*. Greenwich, CT: Information Age Publishers.

Lawler, E. (1990). *Strategic pay: Aligning organizational strategies and pay systems*. San Francisco, CA: Jossey-Bass.