

# **Enhancing Careers, Developing Talent, Increasing Student Achievement**

*The Teacher Incentive Fund as a Catalyst for Improvement*

U.S. Department of Education

March 11, 2010



## Today's Discussion

1. Goal and Approach
2. A Focus on Teachers and Leaders
3. An Overview of TIF and Proposed Priorities and Requirements
  - TIF's Guiding Principles
  - The Basics of TIF
  - Proposed Priorities
  - Proposed Requirements
4. Timeline
5. Additional Resources and Information

**NOTE:** Proposed priorities for TIF are currently out for comment. Specifics in this presentation are subject to change based on feedback from stakeholders. ED is bringing this information to leaders and practitioners earlier to assist them in addressing short application timelines.

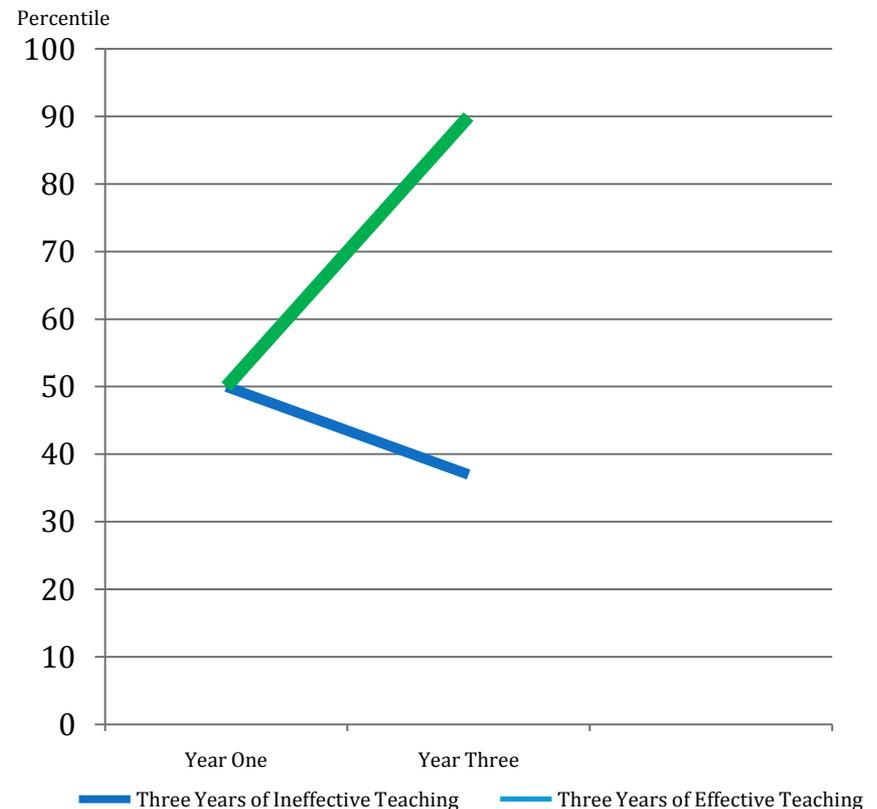
## Goal and Approach

- Overarching Goal: To ensure students are graduating college- and career-ready.
  - Requires improving student achievement for all and closing achievement gaps, especially in high need schools.
- We can reach this goal only when we take a comprehensive and systems-based approach. Teacher
  - Create a culture of continuous improvement in systems, schools and classrooms.
  - Use data to inform decisions.
  - Support the development of teachers and leaders, as individuals and as teams working together toward the same goals and enhance the career in education for teachers and leaders.
  - Focus resources on our most struggling schools.
- Great teachers and leaders are at the center of this work

# A Focus on Teachers and Principals

- Teachers and principals make a difference in student outcomes.
  - They are the first and second most significant in-school factors determining student learning.
  - There are significant differences in teacher and principal performance.
  - It is possible to recognize and reward teachers for the important work they do as individuals and as teams.
- Teachers and principals are not interchangeable parts.
  - These differences are not fully recognized in school systems.
  - There is a growing body of evidence that effective teams lift the performance of colleagues and students, and TIF can be directed to invest in those outcomes.

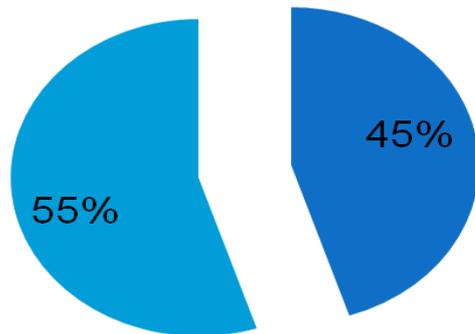
**Over three years, students who begin at the same starting point, end up at very different achievement levels because of the performance of their teacher.**



# Compensation: The Present Context

## Percentage of School System Budget

- All Other Expenditures
- Teacher and Principal Salaries



- The current system is not aligned with what we know improves student learning
  - TIF grantees report that efforts to align teacher compensation systems with student outcomes lead to other benefits such as improved data systems or teacher evaluation processes
- The current system offers limited opportunity for career development.
  - Transforming teacher compensation systems provides an opportunity to help put a stop to the revolving door in teaching by re-imagining career opportunities for teachers.
  - Emphasizes the critical role of principals in supporting and enhancing teachers' development.
- Teacher and principal salary are the single largest portion of a school system budget
  - Estimates range from about 45-55%

## TIF's Guiding Principles

- TIF is much more than an opportunity to implement new forms of incentive compensation. It is an opportunity to--
  - invest in systems that support a culture of continuous improvement in classrooms, schools and districts;
  - design and pilot career ladders for teachers, leaders and principals; and
  - develop and implement the next generation of teacher evaluation systems, high performing human resource data systems and other transformational reforms.
- Collaboration with stakeholders, including teachers and principals, and engaging in ongoing communication throughout is central for success.
  - Grantees must have “a communications plan, and demonstrate involvement and support of teachers, principals and other certified personnel, including input from teachers and principals in the schools and LEAs to be served by the grant, as well as the involvement of unions where they are the exclusive representative for collective bargaining purposes.”
- Thinking about systems of support and planning for sustainability from the beginning is vital.
- Rigorous evaluation is needed to create a body of evidence for the changes in these systems that will be powerful for kids and teachers.

## What we mean by Performance Based Compensation System

- TIF is aimed at sustainable, systemic performance based compensation systems (PBCSs) that increase educator effectiveness and student achievement. Thus for TIF, performance based compensation systems must include:
  1. Rigorous, fair, transparent evaluation systems, that differentiate effectiveness using multiple rating categories and take into account growth in student achievement, as well as classroom observations conducted at least twice during the school year.
  2. Data management systems that links student achievement data to teachers and principal payroll and human resources information systems
  3. Communication and support plans to ensure that teachers and principals understand the measures of effectiveness, and receive professional development enabling them to use data developed through the system to improve their practice.

## TIF Application Basics

- ED will award up to \$439 million in **new** TIF grants in FY 2010 through ARRA and the 2010 appropriation.
- Eligible applicants include state educational authorities (SEAs), local educational authorities (LEAs or districts) including charters, and non-profits in partnership with one or more LEAs and/or SEAs.
- The TIF program will hold two separate competitions— the Main TIF Competition and the TIF Evaluation Competition.
  - Applicants entering the Evaluation Competition who are not selected will be eligible in the Main Competition.

## TIF Application Basics

- TIF grants support projects to develop and implement performance based compensation systems in order to increase educator effectiveness and student achievement in high need schools.
  - TIF defines high-need schools as schools with 50% or more students eligible for free or reduced lunch, or other poverty measures used by districts.
  - Applications must be based on school poverty data, not district level data.
- TIF expects a high degree of communication and stakeholder engagement throughout all phases of the program.
  - Successful grantees will have to have a communications plan, and demonstrate involvement and support of teachers, principals and other certified personnel, as well as the involvement of unions where they are the exclusive representative for collective bargaining purposes.
- TIF is flexible -- proposals should be designed based on local context.
  - Individual, team or mixed incentives
  - Locally defined effectiveness measures
  - Teacher and leader evaluation systems that meet local needs

## Proposed Absolute Priorities

- *Absolute Priority 1: Differentiated Levels of Compensation for Effective Teachers and Principals*
  - Applicants must demonstrate how they will differentiate rewards for teachers and principals who demonstrate effectiveness by improving student achievement based on growth.
- *Absolute Priority 2: Fiscal Sustainability*
  - Applicants must demonstrate that they have projected costs beyond the completion of the project period, accept responsibility to pay out earned incentives, and provide an increasing share of the compensation paid to teachers and principals during the course of the project.
- *Absolute Priority 3: Programmatic Sustainability*
  - Applicants must demonstrate that their proposed compensation system is aligned with a strategy to strengthen the educator workforce.

## Proposed Competitive Priorities

- *Competitive Priority 1: Use of Value-Added Measures of Student Achievement*
  - Applicants will receive preference if they demonstrate how they will incorporate information from value-added measures when calculating differential compensation.
- *Competitive Priority 2: Increased Recruitment and Retention of Teachers in Hard-To-Staff Subjects and Specialty Areas*
  - Applicants will receive preference if the proposed compensation system will assist high-need schools to (1) serve high-need students (at-risk of academic failure), (2) retain effective teachers in hard-to-staff fields such as math, science, special education and English language acquisition and/or (3) fill vacancies in hard-to-staff fields with teachers who have demonstrated effectiveness or are likely to demonstrate effectiveness.

## Proposed Requirements

In the past few years, the field has learned a lot about what it takes to successfully develop and implement performance based compensation systems. The Department has incorporated this feedback into the proposed notice--

- Core Elements of a PBCS and a Potential Planning Period:  
Applicants must either: (a) demonstrate these core elements in their applications or (b) implement a planning period of up to one year, during which it will use its TIF funds to develop the core element(s) it lacks.

## Proposed Requirements – Five Core Elements of PBCS

1. A plan for **effectively communicating** to teachers, administrators, other school personnel, and the community at-large the components of the PBCS;
2. **Involvement and support** from teachers, principals, and other certified personnel, including input from teachers and principals in the schools and LEAs to be served by the grant, and the involvement and support of unions in participating LEAs where they are the exclusive representative for the purposes of collective bargaining;
3. **Rigorous, transparent, and fair** evaluation systems for teachers and principals that differentiate effectiveness using multiple rating categories that take into account student achievement growth as a significant factor, as well as classroom observations conducted at least twice during the school year;
4. A **data-management system** that can link student achievement data to teacher and principal payroll and human resources systems; and
5. A plan for ensuring that teachers and principals understand the specific measures of teacher and principal effectiveness included in the PBCS, and receive **professional development** that enables them to use data generated by these measures to improve their practice.

# Proposed Requirements

- Additional Responsibilities and Opportunities for Educators: Applicants must describe how their proposed PBCS will provide educators with incentives to take on additional responsibilities and leadership roles.
- Professional Development: Applicants must demonstrate that its proposed PBCS will include a high-quality professional development component for teachers and principals.
- Expanded Networks: Applicants must demonstrate that the proposed PBCS is only to serve schools that are not currently a part of TIF grants.

# The Evaluation Competition

- Evaluation Competition grantees will help build the body of evidence on the impact of PBCSs and their effect on recruitment and retention.
- Evaluation Competition grantees will be working to meet the same goals and carry out the same activities as the Main Competition with PBCS that have some specific parameters for comparison.
- The Department will fund the Evaluation Competition first. Those not funded for the Evaluation Competition will still be eligible for the Main Competition.

## **Grantees in the Evaluation Competition, will receive:**

- At least an additional \$1 million of funding for activities not funded under the Main Competition and assurance of substantial payouts for teachers and principals.
- In-depth technical assistance and support from national experts on value-added design, analysis, and implementation.
- Site-specific data findings that will promote further sustainability.

## Timeline

- The Notice of Proposed Priorities is available for public comment until March 29, 2010 at [www.Regulations.gov](http://www.Regulations.gov).
- Final requirements and applications will be available late spring and applicants will have approximately 45 days to apply.
- Grants awards will be made in September 2010

For the most up-to-date timeline and information on submitting applications, please visit:  
[www.ed.gov/programs/teacherincentive](http://www.ed.gov/programs/teacherincentive)

## Resources and Additional Information

- Questions on the Evaluation Competition and the proposed technical requirements can be answered by the national evaluator, Mathematica Policy Research, during the public comment period. We will also host a follow-up webinar on this topic:
  - [www.mathematica-mpr.com/education/tifgrantee.asp](http://www.mathematica-mpr.com/education/tifgrantee.asp)
- More information about the work of current TIF recipients is available from the Center for Educator Compensation Reform (CECR):
  - [www.cecr.ed.gov/](http://www.cecr.ed.gov/)
- Webinars on key aspects of Performance Based Compensation Systems will be available from CECR throughout March and April:
  - [www.cecr.ed.gov/](http://www.cecr.ed.gov/)

# In Summary

The Teacher Incentive Fund is designed to provide:

- Support for comprehensive approaches to increased achievement for students by improving opportunities and support structures for teachers and leaders in our highest need schools.
- States, districts and schools the opportunity to be innovative and rethink our current systems that are not aligned with what we know is good for students and adults in schools.
- Initial funding that can serve as the catalyst to build sustainable support for new ways of doing business.
- New information for the field on what works to promote cultures of continuous improvement, school-based teams focused on data, career growth for teachers and school leaders, and ultimately improved student achievement.

## For More Information:

Website: [www.ed.gov/programs/teacherincentive/](http://www.ed.gov/programs/teacherincentive/)

Email: TIF@ed.gov

Telephone: (202) 205-5224

***Performance Based Compensation: Keys to Success***  
***CECR Webinar Series***

**Structuring Your Alternative Compensation Program: Challenges and Opportunities**

March 18, 2010  
2:00 pm EDT

**Participation, Cooperation, and Buy-In: Stakeholder Engagement and New Forms of Teacher Compensation**

April 1, 2010  
2:00 pm EDT

**Anticipating the Data Quality Challenges in TIF: Delivering Student-Teacher Linkages and Managing and Presenting Complex Data**

April 15, 2010  
2:00pm EDT