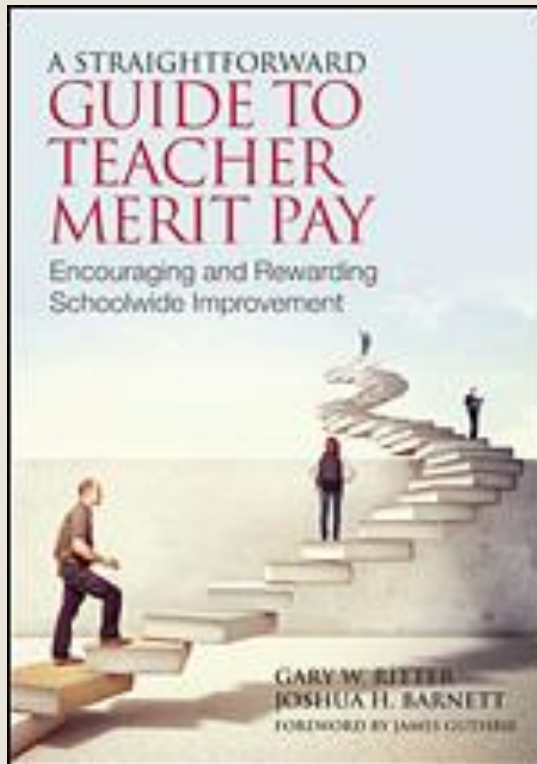


Strategies for Using Pay in Schools to Encourage and Reward Improvement



**TASK FORCE FOR IMPROVING
EDUCATION,
IDAHO STATE BOARD OF EDUCATION
JUNE 21, 2013**



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Overview of Presentation

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1. Why are schools considering performance pay?
2. What are the common criticisms of performance-based or merit pay?
3. What does the evidence say about merit pay?
4. What are the characteristics of a potentially effective plan for merit pay?
5. Principles for creating a plan connected to student achievement (RAMP)

Why Are Schools Considering Performance Pay as an Effective Strategy?



- In an effort to increase student performance, where might policymakers look?
- The research is clear and consistent in acknowledging the important role of teachers.
- However, the research is not clear or consistent in identifying strategies for recruiting and retaining effective teachers.
- Teacher salaries may be an appropriate place to exert policy influence.

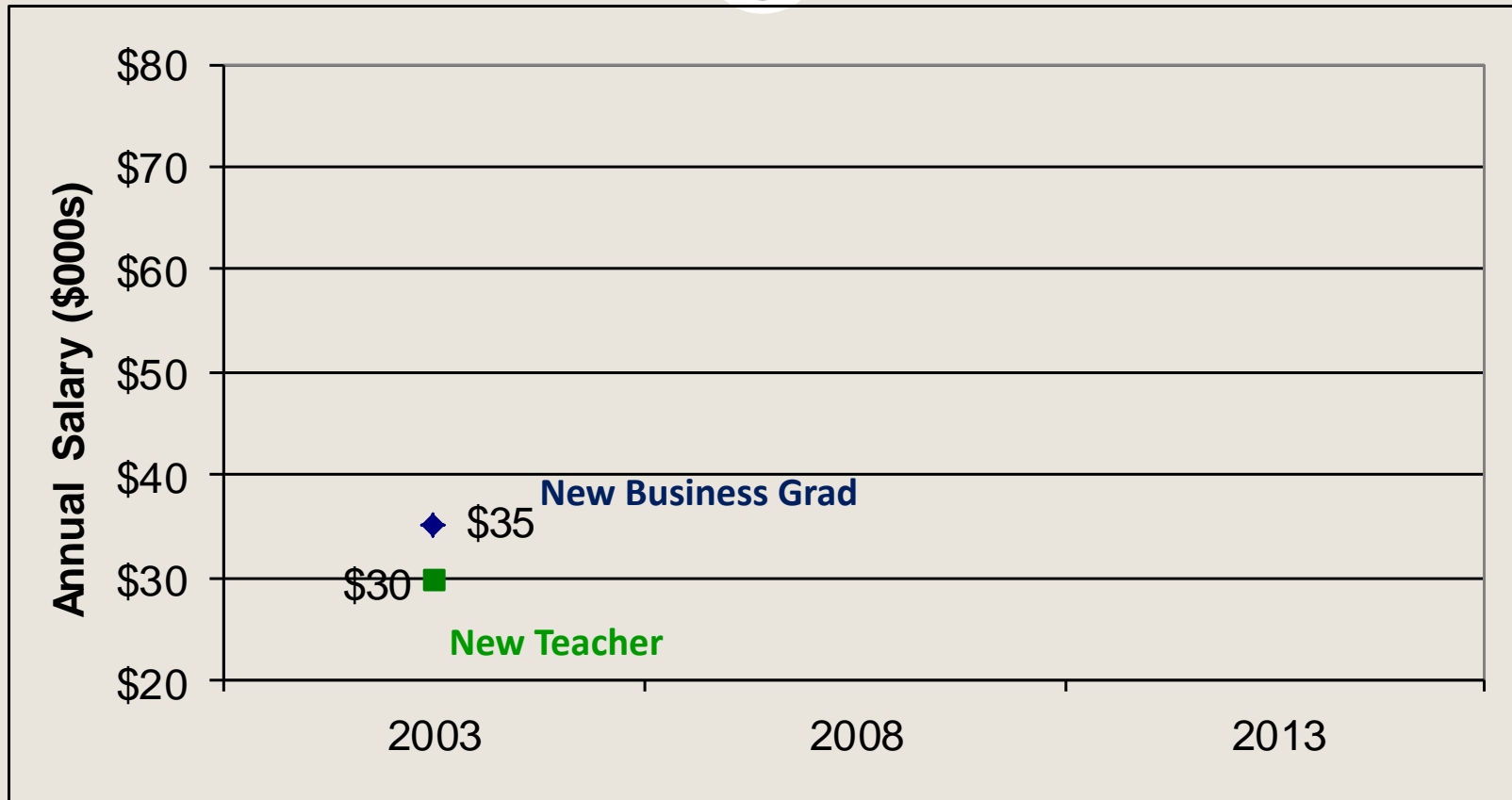
Why Consider Changing the Status Quo?



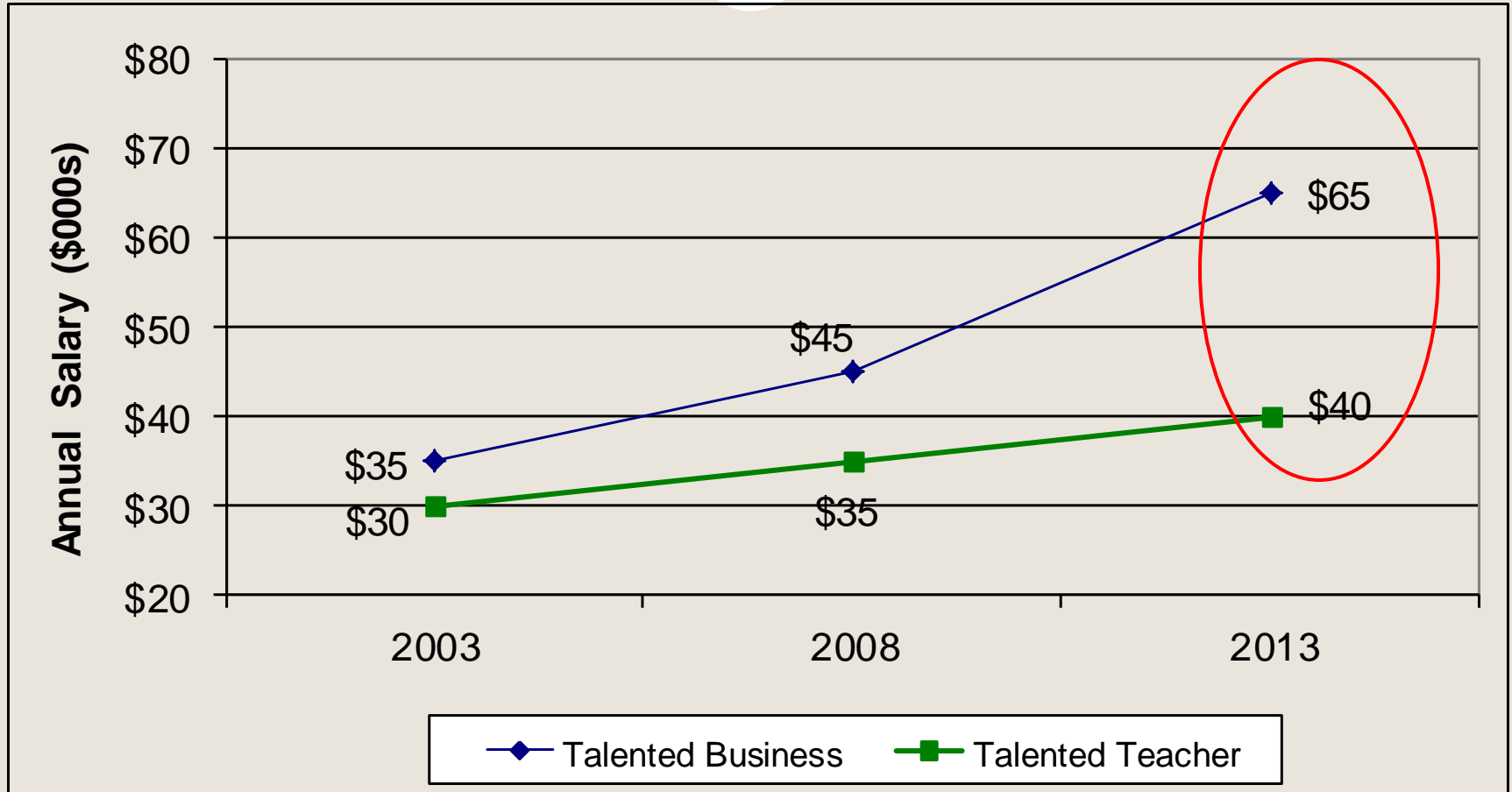
- Current Single Salary System
 - Based on tenure and degree
 - Lock-step
- Arguments for single system
 - “Fair”
 - Simple
- Arguments against single system
 - Does not address teacher shortages – geographic area or subject area
 - Counter-productive reward structure – good teachers encouraged to:
 - ✦ Leave field (better salary)
 - ✦ Transfer schools (better environment)
 - ✦ Move to Administration (only real promotion)



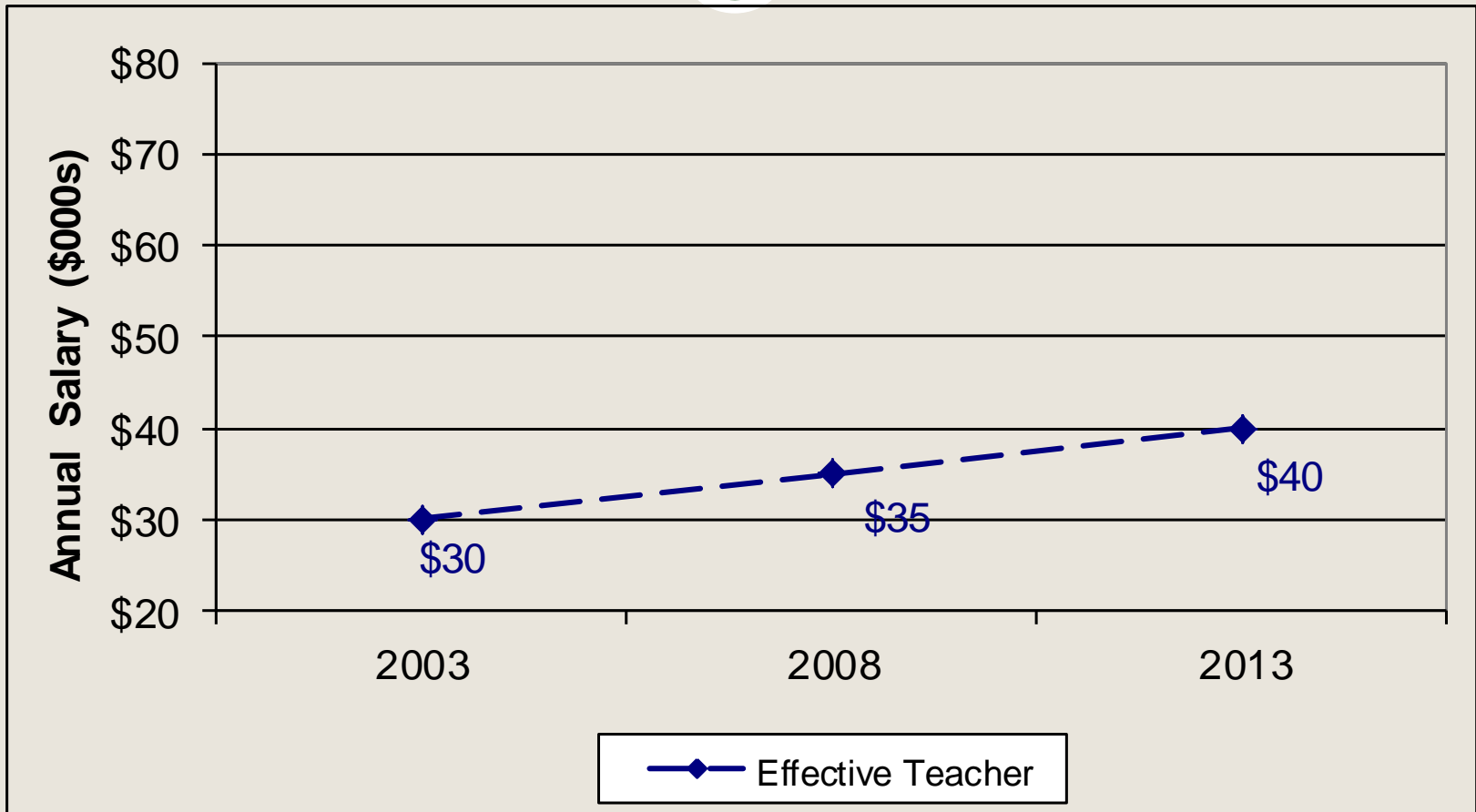
Consider the Status Quo Teacher's Pay



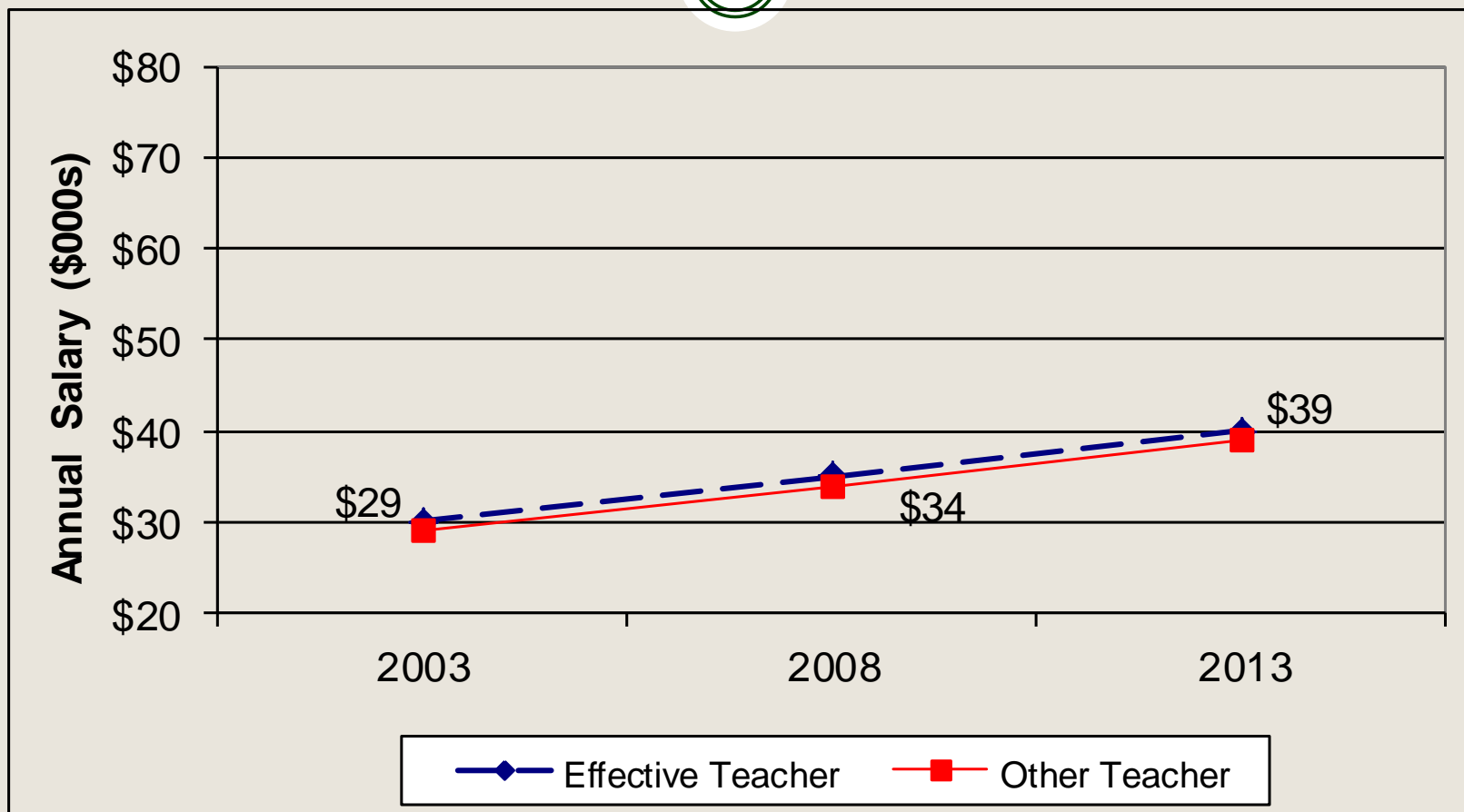
Rewards for Teaching Excellence Decline Over Time



Rewards for Effective Teachers?



Rewards for Effectiveness?



Common Criticisms & Challenges to Performance Pay



12. Unproven Reform

11. Too expensive

10. Forces competition

9. Disconnected from instruction

8. Bonuses too small

7. Teachers working hard

6. Secret formula

5. Teacher quality is too difficult to measure

4. Teachers don't teach for the money

3. Non-core subjects left out

2. Teaching to the test

1. Discourages teaching disadvantaged students

Addressing these common criticisms



12. Unproven Reform

Status quo is known to be ineffective; merit pay growing evidence of success

11. Too expensive

Current salary increases are disconnected from performance; reallocating existing funds and obtaining new funds to use efficiently

10. Forces competition

Avoid zero-sum programs; ensure all employees are eligible for maximum

9. Disconnected from instruction

Solutions exist (e.g. TAP System with 4-6 evaluations per year using different evaluators and guided by 26 point instrument)

8. Bonuses too small

A controllable problem in setting up a program. (DATE program avg \$1,000 bonus)

7. Teachers working hard

Agreed; however, “work smarter, not harder”.

6. Secret formula

Use simple measures of growth, and provide clearly outlined report cards

Addressing these common criticisms



5. Teacher quality is too difficult to measure

Measures should include teacher practice and student outcomes (e.g. TAP). Teacher practice needs to be observed multiple times by multiple observers; performance needs to be reliably measured

4. Teachers don't teach for the money

Teachers teach for the benefit of children. But teaching is their profession, and they should be rewarded for doing a great job as in other professions, which can help avoid losing those who are exceptional.

3. Non-core subjects left out

Growing use of Student Learning Objectives (SLOs) for untested subjects (e.g. required element for TIF4 cycle and new federal policies)

2. Teaching to the test

Movement toward Common Core and use of Smarter Balanced and PARCC

1. Discourages teaching disadvantaged students

Programs should be based on growth rather than performance levels, which encourages teaching those students who can grow the most

What Is the Evidence on Merit Pay?

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- Summary of studies on teacher attitudes
 - Generally indicates a positive finding of impact on teacher attitudes and school culture
- Summary of studies on student achievement
 - Well designed programs show promise of results; poorly designed programs show no results
 - Learned more about what not to do than what will work

Let's examine those characteristics...

What are the characteristics of a “good” merit pay program?



**KEY CONSIDERATIONS FOR DEVELOPING A
SUCCESSFUL MERIT PAY PROGRAM,
INCLUDING WAYS OF AVOIDING COMMON
PITFALLS**

Characteristics of Effective Programs



1. Performance pay plans should be straightforward.
 - A common criticism is that plans are based on “secret formulas” and teachers do not know why or how they are rewarded.
 - Plans should be clear so that teachers know what types of behaviors and outcomes will be rewarded.
 - Expectations and goals should be clearly explained ahead of time, and there should be an emphasis on transparency.

Characteristics of Effective Programs



2. Performance pay plans should be based on student improvement, not levels of attainment.

- Teacher effectiveness should be based on student growth rather than on absolute levels of student performance
- No reason to ignore low-performing students, and a potential for greater attention on these students
- Difficult to do with state tests, as most focus on simply identifying proficient/not proficient
 - Might employ a formative, computer-adaptive assessment like the MAP assessments from NWEA
 - Realistic growth goals are clearly defined, and data provided throughout the year show if students are improving or not

Characteristics of Effective Programs



3. Performance pay plans should be based on multiple measures of effectiveness.

Teachers likely make contributions to student learning that don't always show up in standardized test performance

Teacher could be rewarded for a principal evaluation or feedback from a parent survey...things that capture other aspects of the teacher's performance

Helpful for teachers (art, music, PE) that don't have standardized tests; allows for more flexibility

Characteristics of Effective Programs



4. Performance pay plans should intentionally foster collaboration in schools.

- Problematic performance pay plans intend to divide a "fixed" amount of reward dollars to a set number of teachers
- The receipt of an award by one teacher necessarily lessens the likelihood of his or her peers earning an award, thus minimizing collaboration
- Thus, create a program where all teachers are eligible for a bonus, not just a select few
- A combination of group-based and individual-based rewards can incentivize collaboration

Characteristics of Effective Programs



5. Performance pay plans should be connected to comprehensive improvement strategy.

- All employees contribute to student learning in one way or another; thus, all should be eligible for a bonus
- Maximum bonus may differ based on responsibility/accountability
- Rewarding all employees also contributes to a positive school environment
 - ✦ Can however, present a challenge from a budgeting perspective

Characteristics of Effective Programs



6. Performance pay plans should incorporate substantial financial awards.

- The primary failure of low-paying plans is that teachers simply do not believe the perceived additional work is worth the potential pay
- Plans without significant bonuses are unlikely to provide the necessary motivation to evoke significant change
- Again, does present a budgeting challenge, but is something that should be considered when implementing such a program

Recall Characteristics of Good Plans

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1. Straightforward (clear and understandable)
2. Improvement/growth not attainment
3. Multiple Measures of Effectiveness
4. Intentionally foster collaboration
5. Connected to comprehensive school improvement strategy
6. Rewards should be substantial

Critical Questions to Address

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1. Identifying Program Participants
2. Measuring Teacher Effectiveness
3. Ratings and Rewards

10 Step Timeline of Development

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Step 1: Mulling it over

Step 2: Organizing a merit pay exploratory committee

Step 3: First meeting with the exploratory committee

Step 4: Introducing the concept to full school

Step 5: Details, details, details

Step 6: Finalizing and ratifying the plan

Step 7: Getting ready to roll out the plan

Step 8: “Start Your Engines”

Step 9: Checking in

Step 10: Show Me the Money!

An Exemplary Merit Pay: RAMP Case Study

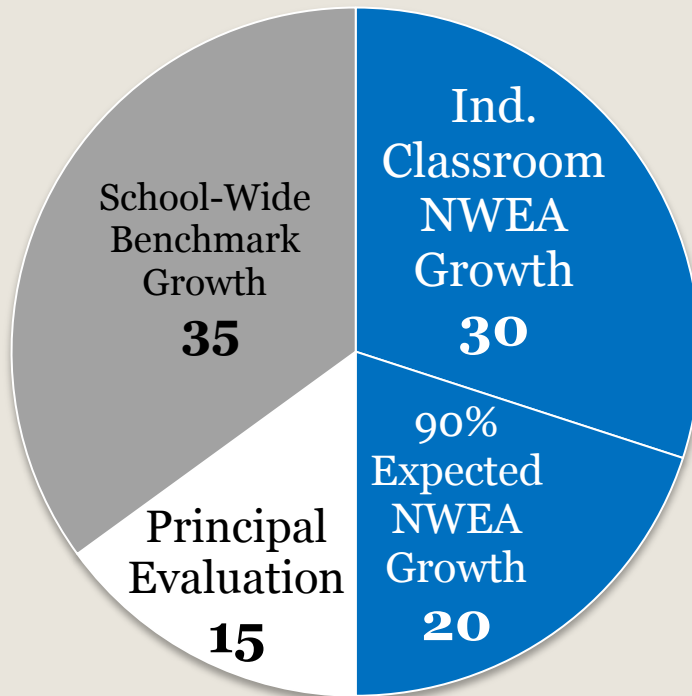
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**A DETAILED OVERVIEW OF THE PROCESS OF
ESTABLISHING A PROGRAM**

TRINITY PUBLIC SCHOOLS

RAMP Performance Pay Program: Core Teachers

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Core Teachers: \$10,000 Max. Bonus

- 3 areas of evaluation
 - 2 based on NWEA growth
- 100 total points possible
 - 50-Individual Classroom NWEA Growth
 - 35-School-Wide Benchmark Growth
 - 15-Principal Evaluation
- Bonus based on the total number of points earned

Example

80 points earned; 100 points possible

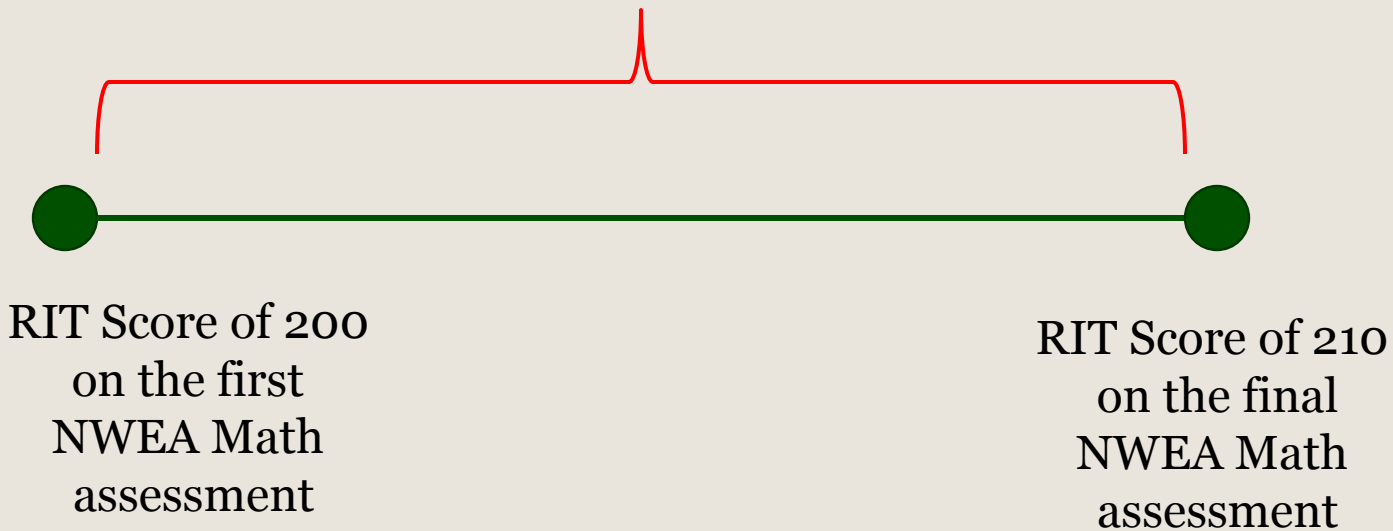
$80/100 = .80$ $.80 \times \$10,000$

Teacher earns a \$8,000 bonus

Student X: 4th Grade

25

10 points Average Growth



Student X: 4th Grade

26

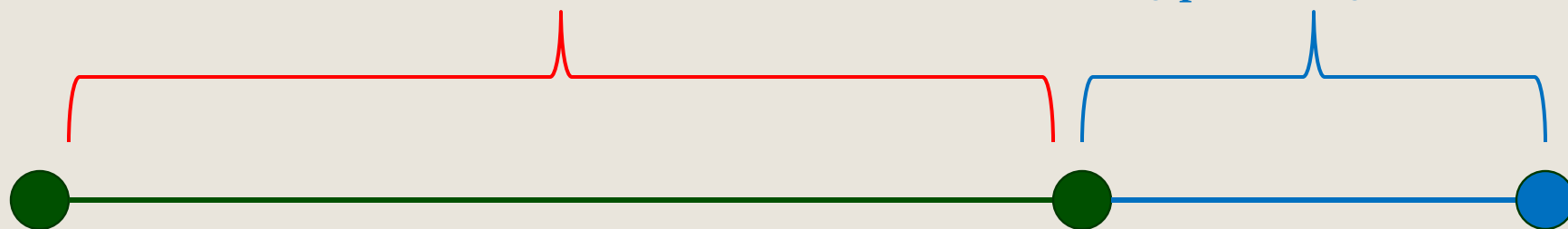
10 points Average Growth

“Goal Growth”
150% of Average Growth
5 points (15 total)

RIT Score of 200
on the first
NWEA Math
assessment

RIT Score of 210
on the final
NWEA Math
assessment

Goal RIT Score
of 215
on the final
NWEA Math
assessment



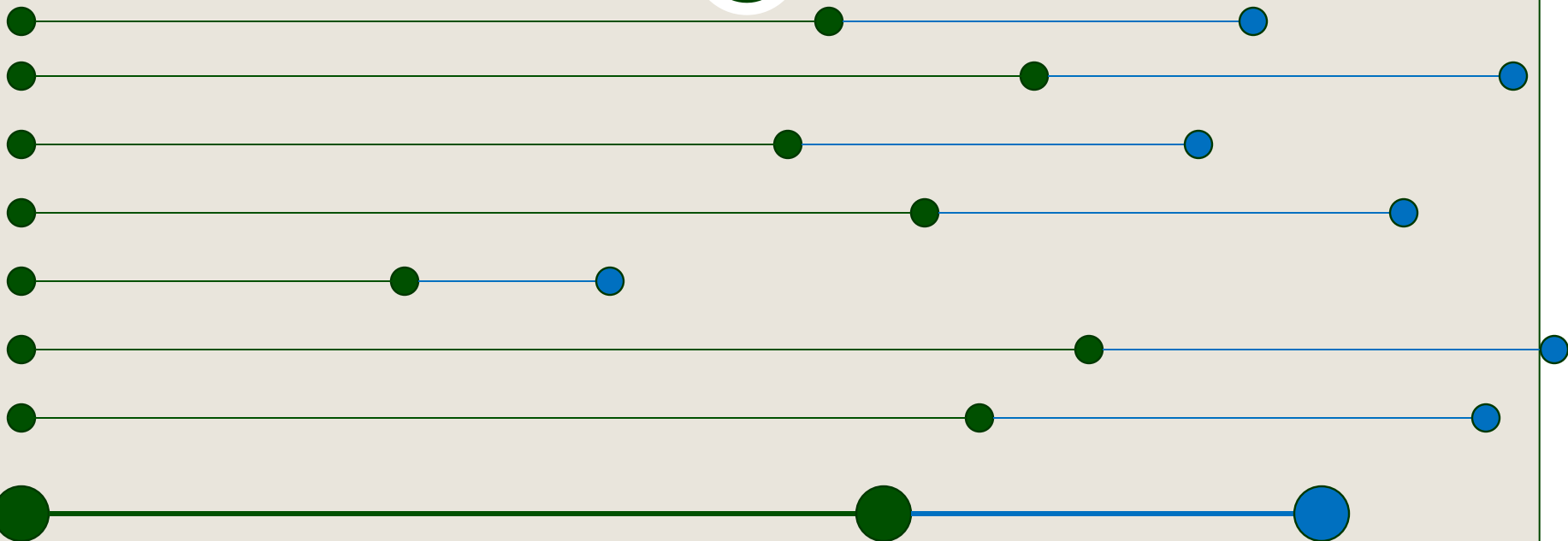
Teacher X Classroom: 4th Grade

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Class Avg. RIT Score
on the first
NWEA Math
assessment

Class Avg. (exp.) RIT Score
on the final
NWEA Math
assessment

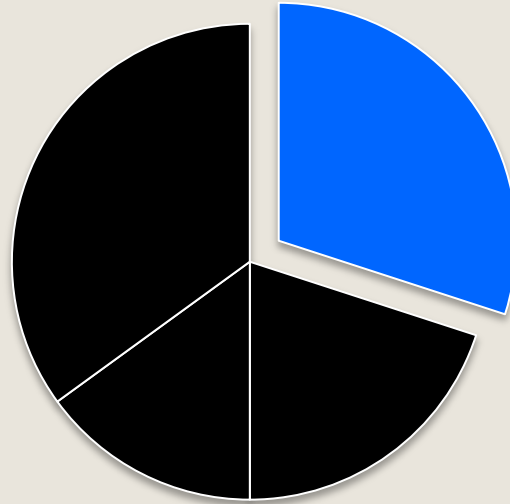
Class "Goal"
on the final
NWEA Math
assessment



Teacher X Classroom: 4th Grade

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Individual Classroom NWEA Growth: 30 Points



0 points



20 points

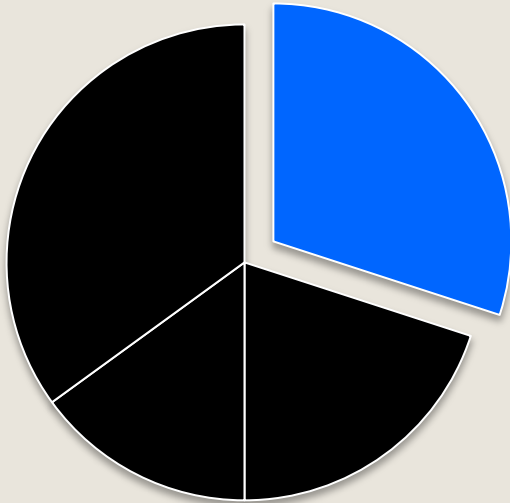


30 points

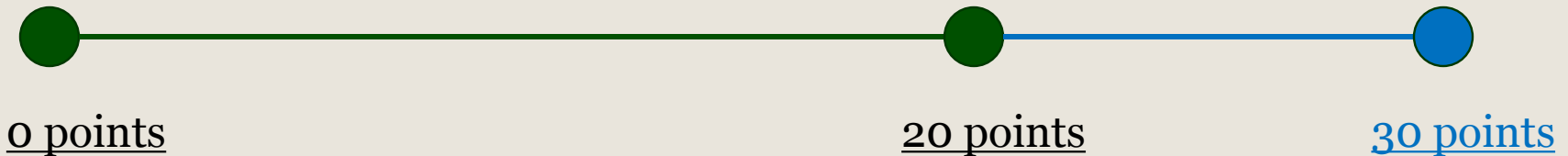
Benefits of the NWEA Assessments

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Individual Classroom NWEA Growth: 30 Points



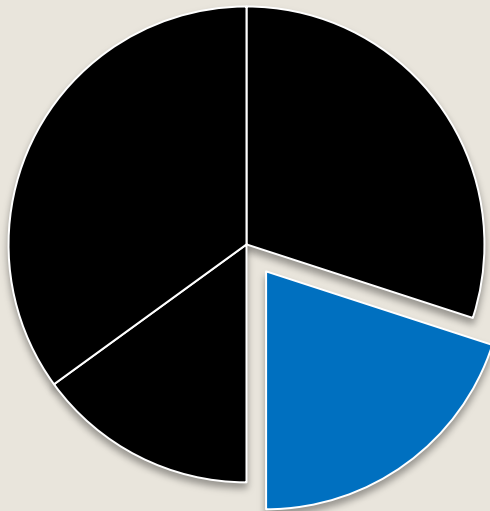
1. Clear Growth Goals for Each Classroom
 - Given to teachers at the start of the year
 - Continuous (not “all-or-nothing”)
2. Able to track performance over the year
 - Updates for each student and class at each testing period
 - Teachers can see which students need additional support



Encouraged Focus on ALL Students

30

90% of Students Meet Average (Exp.) Growth: 20 Points



Less than 90% of students meet their average growth

- 0 points

90% of more meet average growth

- 20 points

Here again, the NWEA assessments allow teachers to see at multiple points throughout the year, which students are on track, and which students need additional support.

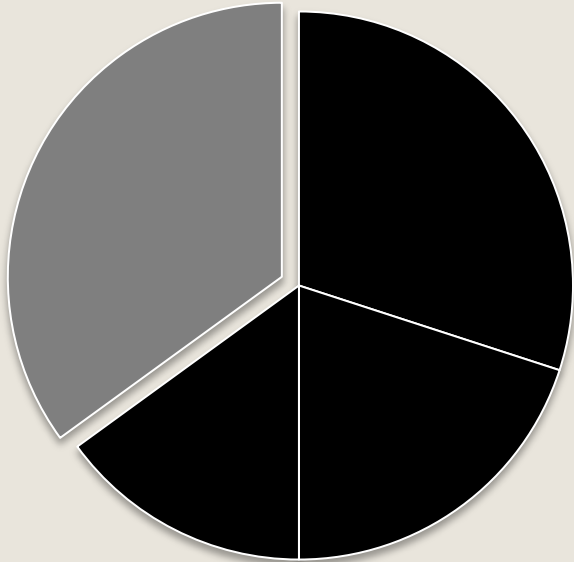
0 points

20 points

Focus on the State Assessments

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Benchmark Growth: 35 Points



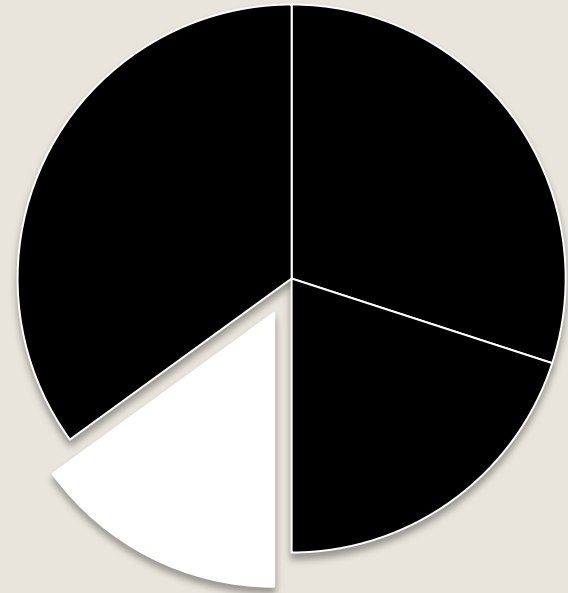
- Goal is to increase overall proficiency
- Reward teachers for:
 - Students increasing their proficiency level
 - Students maintaining proficiency over the course of a year
- Bad outcomes:
 - Students regressing over a year
 - Students not showing any growth

Principal Assessment of Teacher Performance

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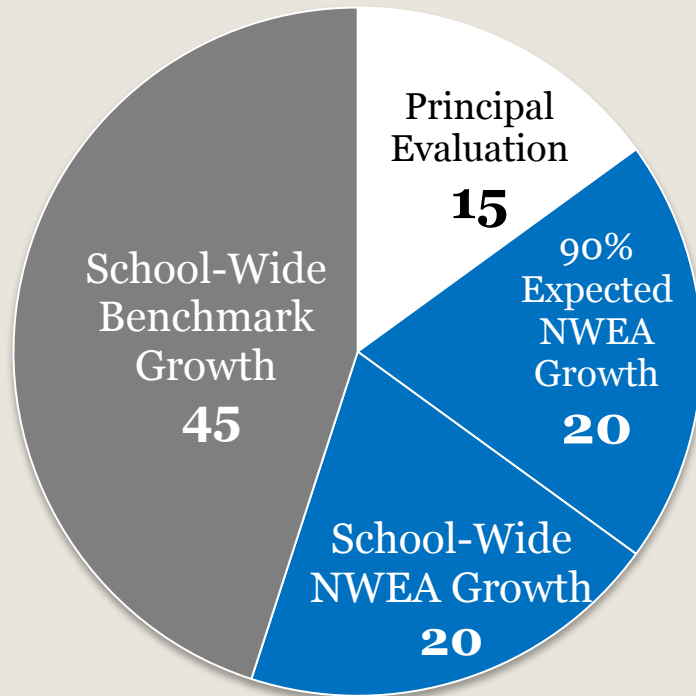
- Teacher evaluated in 5 areas:
 - School policies/culture
 - Content knowledge
 - Level of performance
 - Interactions with others
 - Attendance/punctuality
- 3 points/area; points summed

**Principal Evaluation:
15 Points**



RAMP Performance Pay Program: Specialists

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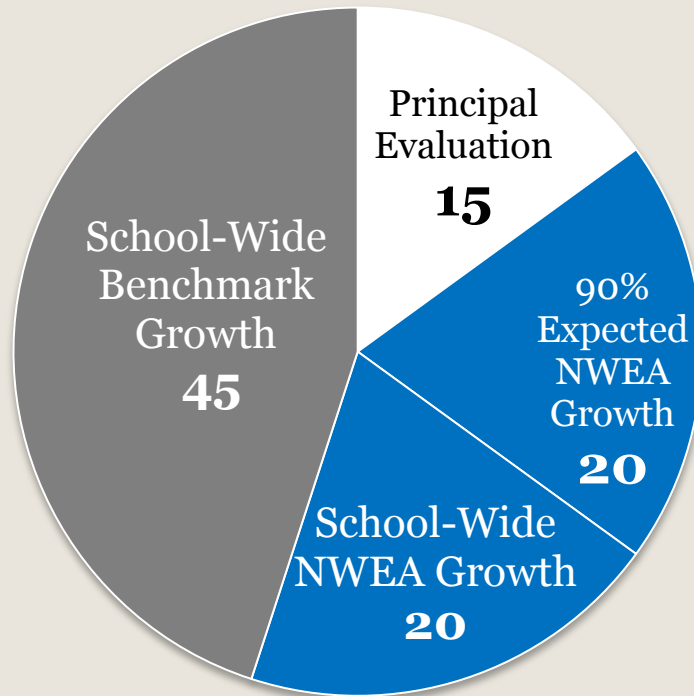


Specialists: \$6,000 Max. Bonus

- Lower maximum bonus than core teachers; due to higher levels of accountability/responsibility by core teachers
- 4 areas of evaluation
 - 2 based on NWEA growth
- 100 total points possible
 - 85-School-Wide Growth
 - 15-Principal Evaluation

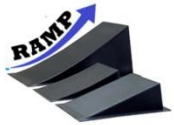
RAMP Performance Pay Program: Support Staff

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Support Staff: \$1,000 Max. Bonus

- Lower maximum bonus than core teachers & specialists; due to higher levels of accountability/responsibility by core teachers
- 4 areas of evaluation
 - 2 based on NWEA growth
- 100 total points possible
 - 85-School-Wide Growth
 - 15-Principal Evaluation



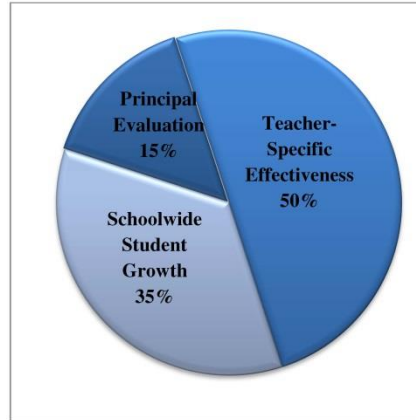
Teacher Name: _____

School Name: _____

Job Title: _____

Subject(s) Taught: _____

Maximum Payout: \$##,###



Teacher Specific Effectiveness 50%

I. Teacher-Specific Effectiveness: 50 Points

- a. Teacher-Specific State Growth (20) _____
- b. Teacher-Specific NWEA Growth (30) _____
- c. Total Points Earned (a + b)

Schoolwide Student Achievement 35%

II. School-Wide Growth: 35 Points

- a. Statewide Math Growth (10) _____
- b. Statewide Literacy Growth (10) _____
- c. NWEA Growth Goal Met (15) _____
- d. Total Points Earned (a + b + c)

III. Supervisor Evaluation: 15 Points

- a. Adheres to School Policies: 3 points _____
- b. Content Knowledge: 3 points _____
- c. Level of Instruction: 3 points _____
- d. Interaction with Others: 3 points _____
- e. Professional Responsibilities: 3 points _____
- f. Supervisor Evaluation Points (a + b + c + d + e)

Supervisor Evaluation 15%

Calculation of Year-End Bonus

- | | |
|---|--|
| A. Teacher-Specific Effectiveness (I.c) _____ | D. Total Points (A + B + C) _____ |
| B. Schoolwide Achievement Growth (II.e) _____ | E. Total Bonus Earned <input type="text"/> |
| C. Supervisor Evaluation (III.f) _____ | (D / 100 x \$##,###) |

Teacher “Report Card” (End-of-Year)

Discussion

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- Questions?
- Comments?
- Feedback?

Example Programs

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**AN OVERVIEW OF VARIOUS MERIT PAY
PROGRAMS ACROSS THE NATION,
INCLUDING PROGRAMS IN DENVER, TEXAS,
FLORIDA, AND OTHERS**

Achievement Challenge Pilot Project (ACPP) – Little Rock, AR



Table 1: Payouts for Wakefield for 2006-07

Employee Type / Position	0-4% Growth	5-9% Growth	10-14% Growth	15%+ Growth	Maximum Payout
Principal	\$2,500	\$5,000	\$7,500	\$10,000	\$10,000
Teacher (Grades 4 -5)	\$50	\$100	\$200	\$400	\$11,200
Teacher (Grades 1-3)	\$50	\$100	\$200	\$400	\$10,000
Teacher (Kindergarten)	\$50	\$100	\$200	\$400	\$8,000
Coach	\$1,250	\$2,500	\$3,750	\$5,000	\$5,000
Specialist; Spec. Ed.	\$1,000	\$2,000	\$3,000	\$4,000	\$4,000
Music Teacher	\$1,000	\$2,000	\$3,000	\$4,000	\$4,000
Physical Examiner	\$500	\$1,000	\$1,500	\$2,000	\$2,000
Aide	\$250	\$500	\$750	\$1,000	\$1,000
Secretary & Custodian	\$125	\$250	\$375	\$500	\$500

Denver ProComp Compensation Model

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- Payments based on....
 - Knowledge & Skills
 - Comprehensive Professional Evaluation
 - Market Incentives
 - Student Growth
- Plan is not solely focused on student learning
- Several all-or-nothing categories
- Still emphasizes inputs, instead of focusing on outputs (inputs, which are not statistically connected with student learning)

Comp. of Index \$37,551	Knowledge and Skills			Comprehensive Professional Evaluation			Market Incentives		Student Growth			
Element	Professional Development Unit	Advanced Degree and License	Tuition and Student Loan Reimbursement	Probationary	Non-Probationary	Innovation Non-Probationary	Hard to Serve School	Hard to Staff Assignment	Student Growth Objectives	Exceeds CSAP Expectations	Top Performing Schools	High Growth School
Descript. of Element	Providing ongoing professional development – tied to the needs of our students – is a central strategy to help you expand your skills, improve student performance, and advance your career with the district.	Compensation for Graduate Degree or Advanced Licenses or Certificates	Reimbursement for tuition or for outstanding student loans.	Increases for new teachers based on a satisfactory evaluation.	Increases based on a satisfactory evaluation.	Increases based on a satisfactory evaluation.	Designed to attract teachers to schools with a high free and reduced lunch percentage.	Designed to attract teachers to roles with high vacancy rate and high turnover	Incentive paid for meeting student growth objectives.	Teachers whose assigned student's growth in CSAP scores exceed district expectations	Teachers in schools designated as a "Top Performing School" based on the DPS School Performance Framework	Teachers in schools designated as a "High Growth School" on the DPS School Performance Framework
Eligibility and Payout	Base building for PDUs paid if 14 or fewer years of service. Non-base building if more than 14 years of service at time of payment	Paid upon receipt of documentation that the license or certification is active and current	Paid upon receipt of evidence of payment for and satisfactory completion of coursework; \$4,000 lifetime account; no more than \$1,000 per year	Requires Satisfactory Evaluation; If unsatisfactory, Ineligible for CPE Increase	Payable only to teachers who have a formal evaluation during service credit years 1-14	Teachers receive 1% of Index Increase for a satisfactory annual evaluation during years 1-14 if have not received a 3% of Index CPE Increase in the past two years	Teachers currently serving in schools designated "Hard-to-Serve".	Teachers currently serving in designated "Hard-to-Staff" positions	Base building when 2 SGOs are met, non base-building when only 1 SGO is met during prior school year	Paid based on assigned student CSAP growth percentiles. Paid based on results from prior school year.	Paid based on performance during the prior school year.	Paid based on performance during the prior school year.
Affect on Base Salary	Base Building	Base Building	Non-Base Building	Base Building	Base Building	Base Building	Non-Base Building	Non-Base Building	Base Building	Non-Base Building	Non-Base Building	Non-Base Building
Percent of Index	2%	9% per degree or license. Eligible once every 3 yrs	N/A	1% every year	3% every three years	1% every year if no 3% in past 2 yrs	6.4%	6.4%	1%	6.4%	6.4%	6.4%
Dollar Amount	\$731	\$3,380	Actual expense up to \$1000/yr, \$4000 lifetime	\$376	\$1,127	\$376	\$2,403 \$200.27/mo	\$2403 (\$200.27 per mo) x (# of assigns held)	\$376.00	\$2,403.26	\$2,403.26	\$2,403.26
Builds pension and highest average salary	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Payment Type and Freq.	Monthly installments upon submission of proper documents	Monthly installments upon submission of proper documents	Up to \$1000 per year 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	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	1 objective: Paid lump sum. 2 objectives: Paid in monthly installments	Paid lump sum in the year following assessment	Paid lump sum in the year following assessment	Paid lump sum in the year following assessment

New York Performance Pay

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- School-based rewards: Schools receive a fixed amount of funds (\$3,000 per teacher) for demonstrating gains on standardized tests
 - Only given to high-need schools
- Bonus money is distributed according to a predetermined committee of teachers and principals
 - The committee can distribute the money as they see fit – more to certain teachers, evenly distribute across teachers, etc.
 - Only members of the teacher union are eligible to receive the bonus money
- Goal is to “provide the best teachers with an incentive to work in high-needs schools”

Florida Merit Pay Program (est. March '11)

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- Elimination of tenure; all contracts are evaluated annually
- New teachers start on a new merit-based salary track (current teachers can keep their current salary)
 - 50% based on student growth over three years (required by law); 40% based on student performance if teacher doesn't have three years of data
 - 30% for non-classroom instructors with three years of student data; 20% for less than three years
 - The remaining portion can be principal evaluation, peer review, advanced degrees, etc.

District Awards for Teacher Excellence (Texas)

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- Texas has several plans at one time
- Offers a statewide incentive fund which schools can apply for and develop own plan
- Interestingly, some districts have developed plans which are not consistent with some key themes:
 - Based on status and not growth
 - No individual component at all
- Why status?
- What is wrong with “no individual piece”?

Project on Incentives in Teaching (POINT-Tennessee)

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- Randomized controlled trial
- Collaboration between TEA and schools and Vanderbilt
- Middle School Math teachers are eligible
 - Apply to be part of program as individuals (30% declined)
 - Chosen at random to participate
- Substantial rewards of \$5K, \$10K, or \$15K
- Led to no difference in achievement
- Some performance pay proponents are dismissing these results ... why?