

Review on Performance-Pay for Teachers Literature

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1. Are alternative teacher compensation systems valuable to improving educator quality, recruitment, and retention? If so, in what ways?

The Value of the System [2]

- A. The Public feels the current teacher compensation structure rewards mediocrity. Changing teacher compensation can reassure the public that we value teacher performance.
- B. Teacher salary increases often are not linked to organizational needs.
- C. Helps to stimulate teacher development of knowledge and skills to teach the new curriculum standards that are being promulgated by professional content groups.
- D. New forms of compensation can support the trend in education to identify, develop and recognize accomplished professional practice.
- E. New forms of teacher compensation can support standards-based reform.
- F. New forms of organization, teams, site-based management, contracting out, suggest new ways to organize and manage schools.

Impacts found in Denver Pilot (ProComp) [1]

A. On Student Achievement

- a. Higher mean student achievement is positively associated with the highest quality objectives.
- b. Middle and High school's students in the pilot performed better in ITBS and CSAP tests score. The reverse happened with Elementary schools.
- c. Meeting two objectives is positively associated with higher mean achievement scores.
- d. Student achievement rises as length of teacher participation in the pilot raises.
- e. The pilot was a catalyst for developing a new compensation plan for teachers in Denver which is based, in part, on student achievement.

B. On Teacher Evaluation Objectives

- a. The quality of teacher evaluation objectives as well as the number of teachers being rated at the two highest levels of the rubric increased steadily over the time of the pilot.
- b. Teachers met their objectives at a high rate and their ability to do so increased over the time of the pilot.

- c. Educational background and years of experience in the Denver Public Schools are related to whether classroom teachers met their objectives.

C. On Participants and Other Parties

- a. The pilot increased the school and district focus on student achievement.
- b. Teachers have greater access to student achievement data and use it more effectively.
- c. Most pilot teachers do not attribute changes in their core classroom instructional practices to the pilot.
- d. Most teachers are less fearful of pay for performance than control school teachers.
- e. Pilot teachers continued throughout the pilot to raise issues of fairness and trust in the objective setting and review process.
- f. The quality of interaction between the principals and teachers is pivotal to the implementation of the Pay for Performance at the school sites.
- g. Parents indicate that a teacher's contribution to student achievement should be rewarded in financial terms.
- h. The majority of parents (94%) and teachers (93%) feel that more than one measure of student achievement should be used to determine teacher performance.
- i. Participants value the training they received.

Impacts of Alternative Compensation Identified in other research [5]

- A. Evidence suggests performance pay systems based on teachers knowledge, skills, seniority (teachers' inputs) are negligibly correlated with students performance (outputs).
- B. Performance-pay programs tend to attract and retain individuals who are particularly good at the activity to which incentives are attached and repel those who are not. It raises the overall quality of the workforce by altering the mix of low and high performance teachers.
- C. The high variation in teacher value-added within school districts are largely unrelated to measured teacher characteristics (the traditional pay system: the single salary schedule).
- D. Positive correlation between value-added measures of teacher productivity (e.g. student achievement gains) and principal's evaluations of teacher performance.
- E. Studies generally find that individual performance rewards do not induce competition between teachers.
- F. Private school teachers are much more supportive of performance-related pay than public school teachers.

2. What are key technical implementation issues to alternative compensation systems?

- A. Creating a strong and equitable base-pay system. [3]

- B. Supplement the base-pay system with a performance-pay system that is open to all teachers. [3]
- C. Rewarding teachers who help their students make significant academic gains and show willingness to work together and achieve success for all students in a school. [3]
- D. Providing additional pay for relevant additional degrees and professional development. [3]
- E. To offer incentives to qualified teachers who want to teach in high-needs, low-performing schools. [3]
- F. To reward leadership not seniority. [3]
- G. Measuring less visible teacher roles and tasks.

Prerequisites for a Performance Pay Plan

- A. Guarantee stable and adequate funding. [4]
- B. Provide competitive total compensation (e.g. salary, benefits, and performance pay). [6]
- C. Build strong measurement systems. [6]
- D. Gauge likely teacher reactions to the performance pay plan: [6]
 - Differentiation
 - Teacher motivation
 - o Teachers must value the reward
 - o Teachers must see the performance-pay link
 - o Teachers must see an effort-performance link
 - Fairness.
 - Acceptance.

Designing the Performance Pay Plan [6]

- A. Include principals and administrators.
- B. Develop performance improvement strategy plan.
- C. Align human resources Systems to Performance Improvement.
- D. Engage the Teacher’s Association.
- E. Build capacity.

Implementing the Performance Pay Plan [6]

- A. Conduct a pilot of the performance pay plan.
- B. Identification of a designated “champion” and formal leader for the plan.
- C. Continual engagement by top management with the plan.
- D. Attention to details and “drill down” of plan requirements to all systems. involved, to avoid changing timelines and deadlines, modifying the design midstream, and confusing teachers and administrators.
- E. Constant communication with teachers and principals.

3. What are key process-related implementation issues to alternative compensation systems?

A. General [3]

- a. Include accomplished teachers in any efforts to overhaul your teacher compensation plans.
- b. Appreciate that teachers bring different levels of skills, knowledge and ability to their work and that some teachers outperform others.
- c. Attract talented individuals to teaching and support all of them on the path from novice to expert.
- d. Allow local flexibility.
- e. Encourage collaboration.

B. Alignment [1]

- a. Set performance goals that are measurable and accompanied by clear instructions about what it is being measured so that teachers can clearly adjust/ behave/ perform accordingly.
- b. Strengthen the linkage between classroom objectives, school improvement plans, and district standards and goals.
- c. Increase the connection between student information systems and human resources systems.
- d. Project the costs of changing internal practices and requirements.

C. Assessment [1]

- a. Expand the district's assessment strategy.
- b. Define which assessments can be used for objective setting and compensation purposes.
- c. Make the use of multiple measures a development priority. Set an instructional improvement strategy.
- d. Increase the district capacity to disaggregate and analyze student achievement data.
- e. Convene select urban districts to analyze and take action on problems in assessments.

D. Professional Development [1]

- a. Establish district standards for professional development.
- b. Predicate professional development on student achievement.
- c. Create opportunities for teachers and principals to shape professional development.

E. Leadership [1]

- a. Broaden the collaboration on behalf of student achievement.
- b. Continue to place problems on center stage.
- c. Create a system to prepare and train principals to work in the new system.

4. What assistance can be provided by the state to assist with the development and implementation of alternative compensation systems (assuming the systems are valuable)?

- A. Support further policy experimentation and pilot programs. Trial and error is likely required to formulate the right set of performance incentives. [4]
- B. Funding: efficiency of goals when attached to money. [4]
- C. Political involvement. [4]
- D. Development of massive student longitudinal achievement databases. [3]
- E. Support learning from other state and district efforts. [3]
- F. Encourage the participation of key stakeholders (teachers, the union, school district, non-profits, community, citizens). [4]
- G. Provide technical assistance for the process challenges including: [4]
 - Developing data systems
 - Developing standards-based educator evaluation systems
 - Expanding district assessment systems
 - Creating standards for professional development

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