Performance-based Educator Compensation Model Development

New Models of Educator Compensation

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Introduction
As part of RIDE’s Strategic Plan we committed to leading a collaborative effort to review and analyze research regarding the successful implementation of performance-based compensation systems for teachers and leaders. Race to The Top is supporting our efforts by funding two projects to research, develop, and pilot new models of performance-based compensation. RIDE is looking for LEAs, multi-LEA collaboratives, or LEA-union partnerships to work with us in developing a deeper understanding of the research and developing and piloting new compensation systems for teachers and principals that can serve as models for districts throughout the state. RIDE will award two multi-year grants of $250,000 through this competitive grant process. One award will go to a district/collaborative that will develop a model to redesign current step/lane compensation systems that are based exclusively on years of experience and advanced degrees. The redesign should reflect a system in which advancement is based on educator performance. The model might also include differentiated professional pathways in which educators qualify for new positions in a way that is performance-based. A second award will go to a district/collaborative that develops a system that includes rewards. Proposals that address both options will also be considered. This document provides some examples of models of educator compensation that districts considering submitting a proposal might find informative.

New Models of Educator Compensation
New models of educator compensation incorporate a variety of strategies. Some models add one new element to an existing system while others make a variety of modifications or totally revamp the compensation system. As RIDE seeks partners in developing and testing new models, we want to begin with a common understanding of what might be included in a model and be clear about the focus of this grant opportunity. New models of educator compensation encompass approaches that range from awards and bonuses to career ladders based on performance that lead to differentiated roles and compensation. The chart on the following page illustrates some of these models.
Districts that have developed comprehensive programs that are integrated with their Human Capital Management Systems (HCMS) often include a variety of elements that begin with recruitment and signing of new educators and continue throughout a professional pathway for all educators. The range of options can include:

- Revised compensation structures
- Awards and bonuses
- New professional pathways
- Stipends
- Market-based incentives
- Recruitment incentives

Compensation models may include one, some, or all of these elements. Districts responding to this grant may also elect to choose one or some combination of elements as part of their response to developing performance-based compensation systems.

A review of emerging compensation models suggests that the field of compensation reform uses a variety of terms, sometimes interchangeably, to describe the different ways in which districts across the country are making changes to compensation. For that reason RIDE has stipulated definitions for each of these options to create a common understanding of the priorities of this grant. The descriptions of each of the options appear on the following page.
### Types of Compensation

| Revised Compensation Structure | • Redesigning steps and lanes compensation systems based on years of experience and advanced degrees into systems where advancement is performance-based  
| | • Differentiated professional pathways for educators in which they qualify for new positions through a performance-based evaluation. |
| Awards or Bonuses | • Independent of base salary and can vary each year  
| | • Usually based on student achievement, but can also be based on other goals  
| | • Individual awards to educators, group awards to grade level, team, or school, or a combination of both |
| New Professional Pathways | • Classification of Educators within a Pathway (novice, progressing, exemplary, master)  
| | • Differentiate pathways based on responsibilities (model teachers, lead teachers)  
| | • Pathways may establish criteria to qualify for leadership roles |
| Stipends | • Compensation added to base salary for specific additional responsibilities  
| | • Stipends for different roles with compensation based on career ladder positions offered based on earning pathway status as master or exemplary educator |
| Market-based Incentives | • Additional compensation for assignments in hard to staff positions (e.g., mathematics, chemistry)  
| | • Additional compensation for taking challenging assignments in warning, focus, or priority schools |
| Recruitment Incentives | • Additional consideration at signing of new educators  
| | • Can be signing bonus or other compensation, such as loan forgiveness program |

### Priorities for this Grant

Although RIDE recognizes the value of each of these elements in a comprehensive educator compensation model, the awards will be made to districts that propose: 1. a model that includes either a revised compensation structure that is performance-based with some form of professional pathways; 2. awards/bonuses; or 3. both. Proposals can include stipends, as part of a career ladder option within new compensation structures or as part of professional pathways. Districts can also propose market-based incentives and/or recruitment incentives, but only as additional elements to complement awards/bonuses, new professional pathways, or a revised compensation structure. This decision is based upon the commitment RIDE made in its Race to the Top Application, which is the funding source.
for these grants. RIDE is committed to developing models that other districts could adopt or use as guidance for their own compensation systems.

**First Grant – Category One: Revised Compensation Structure**

One grant of $250,000 will be made to a district or collaborative that proposes a revised compensation structure. The Center for Educator Compensation Reform provided a brief history of the single-salary schedule in its August 2009 *Emerging Issues Report No. 2, Alternative Compensation Terminology: Considerations for Education Stakeholders, Policymakers, and the Media*. The report notes that the single-salary schedule, which is the structure most commonly used in school districts in the United States, originated almost a century ago in 1921. A review of new compensation models that are being developed or that have been implemented to replace the traditional years of experience/advanced degree structure suggests districts should design schedules around career pathway status, review of an educator’s performance, and/or an educator’s knowledge or skills. Descriptions of these approaches and some illustrative examples are provided below. Regardless of the type of approach, the Center for Educator Compensation Reform notes that any attempts to revise this structure must be clear about what is being rewarded; specifically what is the definition of performance.

**Career Pathway Status**

Many districts have replaced “years of experience” with a designation of status within the profession. Career pathways differentiate Novice, Progressing, Proficient, Exemplary, and Master Teachers in Douglas County Colorado. Baltimore City Schools differentiates among Standard, Professional, Model, and Lead Teachers. Toledo’s (Ohio) TRACS program has Career, Accomplished and Distinguished Teachers. Some of these categories have multiple levels within each step. The process of progressing from one step to the next is usually performance-based and based on evaluation of the teacher, student outcomes, professional development, and other characteristics. Programs in Memphis City Schools and St. Francis (MN) have similar characteristics. Each “level” is equivalent to a different base salary. Some of the highest levels may require additional performance review (e.g., portfolio submission, evidence of work beyond the classroom) to attain the added distinction. In some districts these top ratings are required to assume leadership positions in schools. For example, only a Master or Lead Teacher could lead curriculum redesign or serve as a mentor. In some districts a stipend might be attached to one of these roles, but the teacher must first achieve pathway status as a master or lead teacher based on performance to qualify as a candidate for the specialized responsibilities.

**Review of an Educator’s Performance**

Educator evaluation is at the core of career pathway status, but some districts have tied evaluation more directly to the determination of an educator's salary. For example Denver’s (CO) Procomp system applies a percentage increase to the common base salary of all educators. That percentage is driven by the educator’s evaluation. In the District of Columbia, where a traditional steps/lane schedule has been retained, educators who receive a highly effective rating on their annual evaluation for two consecutive years can earn a three or five year bump on the schedule in just one year or move a lane in the degree column based on the evaluation without earning the degree. The key in developing compensation criteria is to clearly identify the definition of performance to be rewarded and use that as the basis for progression.
**Knowledge and skill based compensation**

Many districts continue to use knowledge and skills as a basis for compensation. Denver’s Procomp system includes compensation for continued professional development through PDU’s (Professional development Units) during the first fifteen years. Montgomery County Maryland and other systems add to the base salary of National Board Certified Teachers. In Helena, MT other certificates (e.g., clinical competency for a Speech Pathologist) are also used as a basis for compensation. The Green Dot charter schools in California provide compensation for these distinctions, but do so as a one-time payment (not building the base salary) for a Ph.D./Ed.D or achievement of National Board certification. Knowledge or skills valued by a district can be included as lanes or one-time payments in a revised model but they would need to be in addition to other more significant changes to compensation to meet the criteria of a revised structure as defined in this grant competition.

*One grant will be awarded to a district or collaborative that proposes a revised compensation structure that reflects some of the characteristics of these models.*

**Second Grant – Category Two: Award/Bonus Plan**

One grant of $250,000 will be made to a district or collaborative that proposes an award/bonus structure.

Awards or Bonuses are provided to individual or groups of educators who meet pre-established criteria for an award. The award is independent of base salary compensation and can vary from year to year. Most award structures are tied to student growth/achievement goals, but some districts/schools have used other performances (e.g., attendance, parent involvement, professional development) as the basis for establishing goals that must be met to earn the award. Districts create the award structure based on analysis of district data, establishment of clear goals for improving student achievement, and identifying the changes that will support attaining those goals. These awards do not make permanent changes in the base.

**Group Awards**

Group awards are made based on the performance of a group of educators and can be whole district, individual school, teachers at a particular grade level, an instructional team, or teachers of a specific content area. Teachers at Pittsburgh schools that are rated in the top 15% of Pennsylvania schools for growth in a given year get a team bonus. Promise Readiness Corp Awards are granted to teams of teachers who work with a 9th to 11th grade cohort and get them “promise ready” as part of the district’s priority program to retain high school students and to bring their knowledge and skills to appropriate levels. In Memphis, teachers in schools that demonstrate expected or “high growth” on the state ABC accountability model receive bonuses. As part of Toledo TRACS-B schools establish three targeted goals – two academic and one related goal. Meeting these goals results in a bonus for all teachers in that school.

**Individual Awards**

Many districts provide awards to individual teachers based on their individual performances. In the District of Columbia’s Impact Plus program teachers who earn a rating of Highly Effective earn a bonus. The bonus is higher for teachers in the high poverty schools. In Douglas County Colorado teachers who
are highly rated on three distinct criteria (teacher evaluation, assessment of students, and world class targets – advocacy, community involvement, professionalism, etc.) earn a bonus. Memphis beginning teachers who pass the effectiveness threshold and are in the top quartile of beginning teachers in their first or second year cohort earn a retention bonus paid out over three years. The bonus is contingent on continued employment in Memphis.

**Combined Group and Individual Award Systems**

Some districts provide both group and individual awards. Denver’s Procomp creates an award that is a percentage of the base salary for each individual teacher who meets student growth objectives. There are also awards for teachers working in Top Performing Schools or in High Growth Schools. Winston Salem’s (NC) STAR program provides bonuses for teachers at school, grade, and individual levels.

*One grant will be awarded to a district or collaborative that proposes a bonus or award structure that reflects some of the characteristics of these models.*

**Combining New Compensation Structures and Awards**

Each of the prior examples reflects one way to modify educator compensation. A system could also be built using many of these elements as building blocks that are part of a more complex compensation model. There are many examples that include a revised compensation structure and awards/bonuses (e.g., Denver’s Procomp, Harrison County, and Teacher Assessment Project).

**Options**

During this pilot model development RIDE encourages districts to think creatively about what can be achieved in the time period of this grant. A proposal might focus on just one school in a district or it might include two different groups within the district (e.g., one school is a pilot site and a group of teachers at a different grade level or in some other configuration in another part of the district is another pilot site). There might be two different elements developed and tested in different locations (e.g., one elementary school for one model and middle school math teachers for another). A district might choose to make this available to new teachers only or to teachers who opt in. The pilot design and testing of a mode can be on a smaller scale with the gear up to full implementation as a part of understanding the challenges of moving from small scale to large scale implementation. Districts should prepare proposals that offer meaningful ways to develop and implement elements of a model.

**Other Design Requirements**

Any proposal must meet the following requirements:

- It must include teachers. However, preference will be given to models that address both teachers and principals.
- It must show that significant changes are being made to current structure. This cannot be used to pay for compensation structures in place.
- The model must include elements that are replicable and will have applicability and/or appeal with minor modification to other Rhode Island districts.
- The district must implement the model.