

Alternative Compensation Models and Our Members

Voices from the Field:
Stories from Six districts

**National Education Association
Teacher Quality Department**

Written by:
Linda Davin and Sarah Ferguson

Contributors:
David Schlein
Segun Eubanks
Bill Raabe

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Introduction

In support of the Salary Campaign (National Education Association’s Strategic Goal #3), Teacher Quality (TQ)—with guidance and support from Collective Bargaining and Member Advocacy (CB&MA)—was charged with the following activity:

Document affiliate practices and provide relevant information on alternative compensation to enhance affiliates' capacity to advocate for quality compensation systems.

With this charge, NEA staffers Linda Davin, Sarah Ferguson, and David Schlein traveled to six affiliates to interview members, staff, and leaders about their experiences with alternative compensation systems. The six sites—Denver, Colorado; Eagle County, Colorado; Hamilton County, Tennessee; Helena, Montana; Manitowoc, Wisconsin; and Minnesota—were selected because of their varied and relatively well-established alternative compensation systems. This report, intended for NEA leaders and staff only, aims to portray how alternative compensation is affecting our members.

Our Methodology

The primary questions we sought to answer were: “How are NEA members experiencing alternative compensation systems?” and “What do they think of the affiliates’ role within such systems?”

Member participants in the structured discussion groups were identified by local leaders. We requested groups with differing views on the programs, but we did not make the specific participant selections. Examples of the questions we asked include:

- ◆ Has your experience with the new compensation system been mostly positive or mostly negative?
- ◆ Do you think the system has had an effect on your relationship with school and district leadership?
- ◆ Has it affected your relationships with your colleagues?
- ◆ Has it affected how you do your work? If so, how?
- ◆ Has the new system made a difference in the amount of compensation you received in the last few years? If so, in what way?
- ◆ Do you think the system has affected recruitment and retention in your school or district?

Implications and Limitations of the Report

The findings in this report reflect information gathered from a limited number of interviews. The small number of sites and the small number of teachers sampled at each site limit the ability to generalize our findings. It is difficult to know if the same patterns would be observable in other districts with alternative compensation programs. In order to validate these findings, a more definitive research study—using scientifically selected focus groups or a survey research effort—would be necessary.

It is important to note that our findings about “members” and “teachers” are limited to the groups with whom we met and may not reflect the experience of all teachers in each district.

Program Summaries and Key Findings

Denver Classroom Teachers Association

Denver Public Schools

Program Summary and Key Findings

NEA staff met with 20 local association members and leaders from the Denver Classroom Teachers Association (DCTA). An additional meeting was held with the Operations Team of Denver Public Schools (DPS), which oversees the administration of the compensation program. NEA staff also met with Denver's superintendent and other DPS staff, but their comments are not reflected here.

In 2004, the Denver Classroom Teachers Association and the Denver Public Schools (DPS) collectively bargained the Professional Compensation System for Teachers, widely known as ProComp, which DCTA members voted to adopt.

Participation in ProComp is mandatory for all new teachers and voluntary for teachers hired before January 1, 2006. Once teachers opt-in, they must remain in the system for the rest of their DPS careers. The district also maintains the traditional salary schedule for teachers who do not opt-in. (As of late 2007, 49 percent of DCTA teachers were enrolled in ProComp, including new teachers for whom participation is mandatory.)

Teachers have a variety of ways to earn compensation bonuses. Bonuses are calculated as a percentage of an index, currently equal to the base salary of the traditional salary schedule.

ProComp Program Components

In 2007–2008, teachers were eligible for the following:

Knowledge and Skills

- \$711 per year for completing their Professional Development Units (PDUs)
- \$3,201 per year after achieving a graduate degree or National Board Certification
- A \$1,000 “lifetime account” for tuition reimbursement, which does not build salary.

Professional Evaluation

- Probationary teachers are paid \$356 per year for earning a satisfactory evaluation, and are evaluated every year for the first three years.
- Non-probationary teachers are paid \$1,067 every three years for earning a satisfactory evaluation, and are evaluated once every three years.

Market Incentives

- \$1,067 per year for working in a hard-to-serve school
- \$1,067 per year for working in a hard-to-staff assignment.

Student Growth

- \$356 per year for achieving two student growth objectives, and this builds as salary
- \$356 as a one-time bonus for achieving only one student growth objective, and this does not build as salary
- \$1,067 per year for teachers at schools that show exemplary performance on the Colorado Student Assessment Program (CSAP)
- \$711 per year for teachers at a Distinguished School.

KEY FINDINGS

Although DCTA members voted to adopt ProComp, teachers believe the program eroded solidarity.

Member Comments:

- “It feels like there is a split throughout the union. The feelings towards the union became polarized. Some people did revoke their membership.”
- “When ProComp passed, it really divided the membership.”
- “I saw a big split between elementary and secondary. Elementary teachers were ready to take in ProComp and high school teachers were not.”

Teachers had mixed feelings about the program’s Professional Development Units (PDUs).

Member Comments:

- “With ProComp, I am able to do PDUs to advance my salary for things I would already do to assess student success.”
- “I personally did two individual PDUs. I felt my energy was going to the PDU, rather than focusing on my kids and my new curriculum ... It takes my focus away from the kids.”
- “[The PDU process] has allowed teachers to better their practice. The overarching goal for PDUs is to help teachers be more creative and innovative.”
- “It is not enough money to be significant. You are doing PDUs more for yourself.”

- “When I opted-in to ProComp, I was going to sit there and let nothing happen. Then I was [evaluated]; I got a satisfactory evaluation, and I got that money. I did the PDUs after that, and I am seeing more and more that I can do. It motivates me. At the beginning I wasn’t motivated at all by it.”
- From a first-year teacher: “Right now, I would rather have the step raise than focus on PDUs to get a raise.”

Administration of the system is expensive and cumbersome.

DPS Operations Team Comments:

- “Data systems need to be fixed and developed to work with ProComp.”
- “There is room for improvement. We have to reach compromises as to what can be done in a timely manner. It is not perfect. It is approximately 90 percent accurate. We have to do some kind of manual quality control to be sure that everything is accurate.”
- “The current system is too complicated. I would like to simplify it.”
- “Integration is the key. It is an overwhelming amount of work to get this thing up and running.”
- “Given the right number of resources, you can do anything ... [ProComp] may be too complicated in some areas [of the program].”

Teachers report that ProComp-related activities enhance collegiality.

Member Comments:

- “[ProComp] is helping us to come together as a faculty and work as a team. We work more as a community. We are responsible to each other.”
- “The goal is that we are working as a school designing our PDUs and having [professional] book clubs. The PDUs are dynamic.”
- “We are working interdepartmentally.”
- “In my school [ProComp] has become the connective tissue that ties together teachers at different grade levels. It affects all of our pay.”
- “The things that we are doing to get our PDUs help us to come together as a community. I think that is the benefit.”

Teachers describe ProComp as complex and time-consuming.

Member Comments:

- “My experience has been that there was a lot of work involved in the PDUs, and it does take time from students.”

- “I do not think most teachers understand the nuances of ProComp. No one really understands how to complete the PDU and who to turn it in to.”
- “I would say fewer than 20 percent [of the district’s teachers] understand ProComp, because teachers are more involved in teaching their students than in [determining] their salaries.”
- “There are a lot of teachers who are in ProComp, and others who are not, who have asked me questions about it. A lot of the teachers do not understand the system.”
- “If you’re in ProComp, you still have to do all the other staff development. It is many more hours. Many hours are spent on this.”
- “Principals say it takes too much time administratively.”

Teachers regard some of the bonuses as too small to be meaningful.

Member Comments:

- “The money for hard-to-staff schools averages \$85 a month, and I don’t think that’s enough.”
- “As far as the \$684 [for completing Professional Development Units], am I excited about the money? No.”
- “It is not enough money to be significant. You are doing PDUs more for yourself.”

Support for ProComp among teachers is mixed.

Member Comments:

- “As veteran teachers, [opting-in to ProComp] was a no-brainer. We got to a point where we were maxed out [on the single salary schedule], and this gave us a little bit of a pay increase.”
- “As a first-year teacher, I am looking toward another district. I would rather do that than jump through hoops to get a raise. It takes my focus away from the kids.”
- “If I am going to stay in the profession, I want to take advantage of everything I am offered ... I am glad to be in ProComp ... I will make more with ProComp than with the traditional salary [schedule].”
- “I am looking at other districts because of the pay system.”

NEA STAFF REFLECTIONS

The Denver Classroom Teachers Association did a good job of representing all members in its negotiations. The association ensured that experienced teachers could choose when, during a seven-year period, it was most financially advantageous for them to opt-in and made allowances for those who decided to remain on the single salary schedule for the rest of their careers.

ProComp attempts to use the pay system to solve a wide variety of the problems faced by Denver Public Schools: Staffing shortages for particular positions and schools, recruitment and retention overall, accountability, and professional development. As a result, the program is too complex to be widely understood by teachers and is extremely difficult to administer.

The administrative complexities and costs associated with administering the system make Denver ProComp expensive and impractical to replicate.

The payouts for incentive components may be too insignificant to be meaningful. For example, the bonus for teaching in a hard-to-staff school—or teaching a hard-to-staff subject—amounts to fewer than \$6 per day.

Although both internal and independent program evaluations are conducted regularly as part of the collective bargaining agreement, Denver Public School (DPS) administration did not offer any data on the program's effects.

The teachers who shared their views were not chosen scientifically, but most of the experienced teachers who opted-in to the system seemed happier with ProComp than newer teachers, for whom there was no choice.*

*In 2008, ProComp underwent significant changes after a prolonged negotiation between the Denver Classroom Teachers Association and the Denver Public Schools. The details of the tentative agreement appear in Appendix I on page 49.

Eagle County Education Association

Eagle County, Colorado

Program Summary and Key Findings

NEA staff met with 15 members and leaders from the Eagle County Education Association.

Colorado's Eagle County School District serves diverse communities, from ski resort areas such as Vail and Beaver Creek, to small rural towns like Minturn, Red Cliff, and Gypsum. The Teacher Advancement Program (TAP) in Eagle County began as a pilot program involving three schools. Contrary to the guidelines recommended by TAP's founders, the Eagle County School District refused to conduct a formal vote of the district's teachers to determine their support, yet expanded the program to all of the district's schools.

Teacher Advancement Program Components

Multiple Career Paths

- **Career teachers** have classroom responsibilities 100 percent of the day.
- **Mentor teachers** have classroom responsibilities 70 percent of the day; for extra responsibilities and 10 additional days worked, they are paid \$5,000 more annually; Mentor teachers are required to have three years of teaching experience.
- **Master teachers** have classroom responsibilities 30 percent of the day; for extra responsibilities and 20 additional days worked, they are paid \$11,500 more annually; Master teachers are required to have at least seven years of teaching experience.

Ongoing Applied Professional Growth

- Cluster group meetings are held regularly and focus on improving student achievement through instructional development.
- Both Mentor and Master teachers provide leadership.

Instructionally Focused Accountability Measures

- Three evaluations, held annually, are scored on a scale of 1–5: The first evaluation is performed by a Mentor teacher (and doesn't count toward pay for performance), the second is performed by a Master teacher, and a third evaluation—which counts more than the Master teacher's—is performed by the principal.
- Schoolwide achievement, as measured by annual Colorado Student Assessment Program (CSAP) scores.
- Individual achievement, as measured by student growth on the Northwest Education Assessment (NWEA).

Performance-Based Compensation (up to \$2,600 a year)

- Fifty percent of additional compensation is earned through the acquisition of additional skills and knowledge, as demonstrated by the teacher’s earned evaluation score, with a maximum possible award of \$1,300.
- Twenty-five percent of additional compensation is earned through individual student achievement, as demonstrated by value-added growth performance on the Northwest Evaluation Assessment (NWEA), with a maximum possible award of \$650.
- Twenty-five percent of additional compensation is earned through schoolwide achievement, as demonstrated by CSAP value-added growth performance, with a maximum possible award of \$650.

Additional Stipends

- Teaching in a high-poverty school adds a one-time signing bonus of \$2,000.
- Holding an advanced degree in a district priority area pays a one-time bonus of \$2,500.
- National Board Certification adds \$2,500 to salary annually for the life of the certificate.

KEY FINDINGS

Teachers view the evaluation system as unfair and lacking transparency.

Member Comments:

- “There is a lack of transparency. [Evaluators] do not want to give the top score [of five], or the lowest score [of one]. Therefore, scores tend to be judgmental.”
- “It is impossible to have inter-rater reliability. I was trained as a Mentor, and I still see the differences [among evaluators].”
- “Our pay is based on the CSAP and NWEA tests. It is also based on evaluations. People ask their Mentor, “How do I bring up my score?” The Mentor says that the teacher cannot get a higher score than the Mentor. We have been marked down because we do not talk about special education standards, but there *aren’t* any state special education standards.”
- “We were told that we would never get “fives.” If we told our students that they would never get A’s, we would be fired.”

Teachers view the performance-based compensation formula as complex and lacking clarity.

Member Comments:

- “Most people do not understand the test score evaluation on CSAP. No one understands the value-added method of determining student growth on CSAP.”

- “The formula is so confusing that no one really knows how they get paid.”
- “I would be more enthusiastic if the base pay were more in line with the cost of living. We do not know how they calculate pay. We ask, and [administration] says they will get back to us.”
- “We would not know if they made a mistake in our pay [because nobody understands it]. We basically trust them to figure out pay.”
- “Last year we had six teachers who were overpaid by \$1,000 and had to pay it back. Because teachers do not understand the payout, they do not know if they are being paid correctly.”

The TAP program, as implemented in Eagle County, does not work well at the secondary level.

Member Comments:

- “The program was designed for the elementary grades; we tried to adapt [TAP] for middle school and high school. It just does not work because it is so specialized. Middle school and high school are departmentalized.”
- “I want to address class size. The Science Department contributes a Master and Mentor teacher. When they are participating [in these positions], no one replaces them. Our class size goes up.”
- “A big problem is for the core subject teachers ... Noncore subjects were told that they could not get the [individual bonus] money. It put a distinction between core and noncore teachers.”
- “There is one Master and two Mentors from the English Department; therefore, the class size in the department increases [because fewer teachers are actually teaching].”

Teachers view leadership opportunities as inequitable.

Member Comments:

- “I was not qualified to be a Mentor teacher. I was a teacher for two years with no master’s degree. I was talked into being a Mentor teacher, although I was not qualified for it.”
- “I applied to be a Mentor teacher the first year [of the program]. I felt, with my special education background, I would be a good Mentor. I was told flat out that if I [became a Mentor] they would not be able to fill my position. Special education teachers are at a disadvantage [for selection as a Mentor teacher] because it is hard to spread their students over other classes.”

The program—not jointly developed, bargained, or voted on by the district’s educators—has minimal support.

Member Comments:

- “No one should do pay for performance as it is being done here ... If anyone wants to see how to do everything wrong, come to Eagle County.”
- “For me [at the elementary level], parts of it are very beneficial. We have a 90-minute reading cluster every week and a 60-minute math cluster. It helps me as a first-year teacher. The support is different at my level.”
- “I would make the [evaluation] rubric so that it reflects the job.”
- “The HR Department controls [salaries]. The unknowns can be challenging. The system has its pot of money. Teachers are evaluated on the bell curve.”
- “I think we have lost respect for the district office and the superintendent.”
- “A new hire comes in with no record and gets \$3,000 more than a veteran teacher with the same credentials.”
- “I would like to throw TAP out.”

NEA STAFF REFLECTIONS

Eagle County is a very expensive place to live, and yet salaries are low; the district will need to raise all salaries considerably to attract and retain quality teachers.

Implementing TAP throughout the entire district was a misguided decision. Major changes will need to be made, particularly at the high school level, where TAP may never work.

The experience of Eagle County teachers with the TAP model strongly contradicts what promoters of the program tout: its ability to revitalize and reform schools.

The district’s failure to involve the Eagle County Education Association in the creation and implementation of this program was—and continues to be—a mistake. Because Eagle County ignored this basic TAP principle, their program may not be representative of other TAP districts.

POSTSCRIPT

In March 2008, the administration in Eagle County announced plans to significantly overhaul the district’s compensation system.

Hamilton County Education Association

Chattanooga, Tennessee

Program Summary and Key Findings

NEA staff met with association leaders, staff, and 11 members from the Hamilton County Education Association (HCEA) in Chattanooga, Tennessee. Staff also met with several members and the principal at Hardy Elementary School.

In 2001, private grants totaling \$7.5 million were invested in nine low-performing elementary schools in Chattanooga, Tennessee. Funded primarily by the Benwood Foundation, this reform effort is known as the Benwood Initiative.

Eight additional schools were added to the program in late 2007.

The Benwood Initiative Program Components

Participating teachers are eligible for:

- Retention bonuses: Existing teachers with three years of high performance on the Tennessee Value-Added Assessment System (TVAAS) receive a salary bonus of \$5,000 annually for three years.
- Recruitment bonuses: Teachers new to the Benwood schools with three years of high performance on the TVAAS receive a salary bonus of \$5,000 annually for three years.
- Salary bonuses: Principals whose schools achieve high performance on the TVAAS receive an annual salary bonus of \$10,000.
- Team bonuses: If a school achieves an average TVAAS score of 115+, each teaching professional receives a salary bonus of \$1,000. If the school achieves an average TVAAS score of 120 or higher, each teaching professional receives a salary bonus of \$2,000.
- Low-interest loans of up to \$10,000 to purchase a home in nine central downtown neighborhoods.
- Fellowships: The opportunity to pursue a master's degree in urban education at the University of Tennessee at Chattanooga at no cost.

Job-embedded professional development—led by a Master teacher during the school day—is also an element of the program.

KEY FINDINGS

Collaboration contributes significantly to the program's strength.

Member Comments:

- “Benwood supplied extra planning time and funds so that we could have teamwork.”

- “We are departmentalized in grades 4, 5, and 6. It has made us more dependent and reliant on other teachers.”
- “At my school we are all friends ... we have a huge camaraderie. I think the relationships keep us [at the school].”

Teachers believe the program’s professional development component leads to improvements in teaching practice.

Member Comments:

- “At Hardy, we have had intense professional development that has been very helpful. [The district has] given us opportunities to have quality professional development.”
- “The money is like icing on the cake. The master’s is much more important—the Osborne Fellowship. That has affected me more.”
- “The professional development and all of the extra training we received has empowered us.”

Teachers view the performance-based compensation formula as complex and lacking transparency.

Member Comments:

- “We do not truly know how the [TVASS] scores are used.”
- “We need to know how [the bonus] is calculated, and we need to know ahead of time.”
- “In our school, there was a little animosity as to how people were chosen to receive bonuses. [The animosity] is not between members; it is between members and the system.”

Specialists and preK teachers are not eligible for individual rewards, which creates some resentment.

Member Comments:

- “We had a teacher who was teaching developmentally challenged students. The program does not consider her a classroom teacher; therefore, she was not eligible for the bonus.”
- “I do not feel it is justifiably fair ... for me to get the bonus [because not everybody is eligible to get one.] I want to see my pay increased as salary.”

The level of program support among teachers is mixed.

Member Comments:

- “Do you understand the pressure to take children up four grade levels?”
- “[The bonus] is a validation of the fact that you do so much.”
- “I would rather see the money go to additional resources. I would rather see incentives in the classroom with extra people and supplies.”
- “At our school we are a family. We are encouraged to be teams.”
- “We didn’t find out until [the district] released the scores ... that we had to close a bigger gap to get the bonus [because the target had changed].”
- “There are summer workshops for which teachers are paid a stipend. There are lots of opportunities.”
- “I [thought I would] teach at Clifton Hills Elementary School only until I got tenure, but now I cannot see myself anywhere else. The people at Benwood and the Public Education Fund invited [Benwood teachers] to dinners. We felt appreciated.”
- “The value-added [goals] changed from when [the program] first started.”

NEA STAFF REFLECTIONS

A major strength of the program is its emphasis on professional development, including: a fellowship to pursue a master’s degree in urban education, paid summer workshops, and the embedded professional development that is targeted to the needs of the students.

The Benwood Initiative created incentives to bring high-performing teachers to Chattanooga’s low-performing schools. However, many teachers who came as a result of these incentives are staying because of the strong relationships they developed with their colleagues and their commitment to provide all students with quality educational opportunities.

Teachers in these schools emphasized the importance of their principals, in particular, the instructional leadership and guidance they provided on a daily basis to support the work of the staff.

Teachers valued the many opportunities they had to collaborate with—and learn from—their colleagues.

It’s questionable whether the alternative pay system itself contributed significantly to the Benwood school improvements.

Helena Education Association

Helena, Montana

Program Summary and Key Findings

NEA staff met with 10 members and leaders from the Helena Education Association.

In 2002, more than half of Helena's teachers were nearing retirement, and starting teacher salaries were among the lowest in Montana. In a joint effort to attract and retain quality teachers, the Helena Education Association agreed to work closely with the district to develop the Professional Compensation Alternative Plan (PCAP). The plan, which allows members to remain on the traditional salary or move to PCAP, increased the 2004 starting salaries from \$23,000 to \$30,000, and top salaries from \$55,241 to \$65,000.

Thirty-six teachers took early retirement, enabling the district to allocate \$1 million to start up the new system. The district commissioned a study on Helena's school funding, and the result was both a short-term and long-term cost analysis for the program, projecting ahead 20 years. The study predicts that the new system will reach equilibrium as soon as the current retirement wave passes.

The purpose of the Professional Compensation Alternative Plan (PCAP) is to foster "high levels of student growth, achievement and academic excellence ... encourage and reward professional growth, knowledge and responsibility ... that result in observable and/or measurable improvements in education."

PCAP Program Components

Skills and Knowledge: A Three-Pronged Approach

To advance to the next salary step each teacher must:

- Write, submit, and complete a Career Development Plan (CDP) that includes an education component.
- Receive a positive evaluation as defined in the negotiated agreement.
- Perform professional service as defined in the plan. Service may include committee involvement, peer support, curriculum development, community outreach, and/or leadership roles, including association service.

Additional Compensation

- A \$2,000 annual stipend is awarded to educators who complete their master's degree while on the plan.
- A \$2,000 annual stipend is awarded—for the life of the certificate—to educators who achieve National Board Certification.

KEY FINDINGS

This system, designed by teachers and collectively bargained, boasts high member support.

Member Comments:

- “Stability in the district has made a difference. Without the contentiousness [around bargaining], the association and the district can work on other issues in the district to improve student achievement.”
- “We are the best paid teachers in the state of Montana.”
- “[The work group that developed the plan] had meetings all the time. They communicated all the time. They allowed for a lot of teacher feedback.”

Members view PCAP as having a positive impact on the professional culture in the district.

Member Comments:

- “The networking with Career Development Plans has allowed for more collegiality. New teachers say that there are many requirements. However, those requirements are noticed, and you are being paid for them. The Career Development Plan was developed for educators by educators. It always goes back to what is best for kids.”
- “The Career Development Plan requires a higher level of education to move. It makes you a better educator. You get credit for doing more outside the classroom.”

Teachers view the new system as enhancing collegiality.

Member Comments:

- “I am now working with a colleague on new ways to teach chemistry. It has motivated and energized me. Working with a colleague gave me more insights, new ways to look at things.”
- “I put together a Career Development Plan with my teaching partner. It helped to keep me focused. This year I am doing a cross-grade level plan. [PCAP] has allowed us to work across grade levels.”
- “I am working with high school and middle school. That has been fun. About 50 percent of teachers work on collaborative plans.”

Strategic efforts to communicate with the public solidified community support for the program.

Member Comments:

- “We talked a lot about how the plan is presented to the community. Communication focused on students and what is done for them.”
- “Our community members support teachers and do not believe that they are overpaid. We have huge support.”
- “PCAP creates a degree of respect among educators, administrators, and school board members. When all are on the same page with expectations that leads to mutual respect for everybody. It is going above and beyond. People who are doing this ... are now rewarded. People are getting new experience.”

NEA STAFF REFLECTIONS

Helena’s compensation system boasts financial stability and a very high degree of support from members and the community, factors which give the program staying power.

The district’s culture shifted from oppositional bargaining to collaborative bargaining: both the district and the association were intent on improving student achievement through enhanced professional learning, and by financially rewarding teachers for the acquisition of skills and knowledge, they created a win-win situation.

The professional service element is a unique aspect of Helena’s Career Development Plan. Creditable activities include curriculum work, community outreach, and coaching, as well as association work. As a result, members are now competing to serve as building representatives.

The shared sense of urgency between the district and the association drove the change process. Together, they were anxiously trying to figure out how they could attract and retain high-quality teachers.

Helena’s compensation model encourages and nurtures collaboration among teachers, not only within the same subject area, but also across grade levels. What became apparent was the energy and passion of teachers that resulted from having a voice in the creation and implementation of their individual Career Development Plans.

Manitowoc Education Association

Manitowoc, Wisconsin

Program Summary and Key Findings

NEA staff met with the local UniServ director and 18 association members, including leaders, to discuss Manitowoc's compensation system. Staff also met with the former superintendent who was instrumental in working with the association to develop Manitowoc's compensation system, though his comments are not reflected in this report.

Prior to 1999, the Manitowoc Public School District (MPSD) had no National Board Certified teachers and only 23 percent of its teachers had earned master's degrees. As a result, the district had expressed concerns about the level of professional development accessible to teachers and decided that the bargaining table was the best place to link professional development and professional compensation. (Carlson, 2006)

In 1999, after months of collaborative work between the local association and the school district, the 400-member Manitowoc Education Association voted nearly unanimously to accept a contract that encouraged and rewarded the acquisition of skills and knowledge.

Manitowoc Program Components

The collective bargaining agreement:

- Restructured the salary schedule from 12 steps and two lanes—one for teachers with a bachelor's degree, and a second for those with a master's degree—to 11 steps and eight levels.
- Requires that teachers, in order to move on the new salary schedule, work toward a goal: an advanced degree, National Board Certification, or a Professional Development Certificate.
- Created the Manitowoc Public School District Academy, which offers courses created and taught by educators.
- Introduced the Professional Development Certificate (PDC), a research-based, portfolio-driven program that is specifically tailored to each individual teacher's professional assignment. (Note: The PDC, like advanced degrees or National Board Certification, is optional.)
- Increased the pay of teachers who earn a doctorate degree (13%), National Board Certification (13%) and/or a master's degree (9%).

The impact has been significant:

- The number of teachers with master's degrees increased from 91 to 155.
- The district, previously without any National Board Certified teachers, now has 19.
- Teacher turnover declined from 20 percent in 1997–98 to 11 percent in 2004–05.

KEY FINDINGS

Teachers view the system as strengthening the impact of professional development.

Member Comments:

- “It cannot help but affect your practice. It had you question why you are doing what you are doing. Once you participated in the new system and felt successful, you could continue to grow. Everyone has a reflective part. The [Professional Development Certificate] requires reflection.”
- “I took a number of Academy classes, and it gave me a window into what was happening in the classroom. It also gave me a nice window into what was going on in other classrooms. I got more out of some Academy classes, more than university classes.”
- “So many in my own department have achieved [National Board Certification], I thought I should move up to that level. It was not only desirable, it was achievable.”

This system boasts high member support.

Member Comments:

- “There are lots of opportunities; we move across the lanes faster and can increase our salaries faster.”
- “It changed the climate of the school; more and more people talk about professional learning. Because I got my Professional Development Certificate, I had to have a professional plan; I became more of a participant. I began to do presentations. I attended conferences.”
- “The compensation leads to more professional development. I knew I had to do something else. I could afford to begin and finish National Board Certification [NBC]. I could not afford to pay for a master’s degree. Now that I have my NBC [and the higher salary that comes with it], I can afford to get a master’s degree.”

The stability of the program is undermined by a lack of commitment to long-term funding.

Member Comments:

- “Funding is an enormous problem. As [my colleague] said, we will price this out of existence. We do not cost forward. We do actual costing. Finally, someone has done something that works, but it will have to be phased back without the funding mechanism. It is a profound problem and one you do not hear about.”

- “The year that I started NBC, I didn’t pass. I was asked by the HR director to pursue it. I cannot see that happening today. I can’t see administration recruiting people for NBC now. I think the number of people getting all these credentials is scaring them. I think they worry about the cost if everyone pursues National Board Certification.”

Some teachers view differentiated pay as eroding union solidarity.

Member Comments:

- “When revenue caps limit the money and the money goes to a select few who have done something to earn it, there is a jealousy factor. [Some teachers] claim it does not benefit the members as a whole.”
- “I am fearful it will split our union if we become a group of ‘haves’ and ‘have-nots.’”
- “...Where are the coaches and union leaders coming from? I am seeing fewer younger teachers involved in social things. We are becoming the corporation of education. We used to be part of the neighborhood; we are not so much anymore.”

The new program lacked a public relations strategy—the community didn’t understand it and, therefore, wasn’t supportive.

Member Comments:

- “We need the kind of attention that Denver has gotten. We should have done more PR on the plan.”
- “On my wish list would be that the public recognizes what we do and supports it.”
- “Nothing in the budget equation is going down. Other costs are going up. [Without community support,] I think sustainability is a concern.”
- “The [school] board needs spokespersons taking pride in the achievements of the teachers. The board and the administration are not doing this.”

From Jim Carlson, the local UniServ director and architect of the system:

Ultimately, the cost of this new compensation system will consume all available resources, leaving nothing for the normal growth in the base schedule ... Without new and additional resources, this very successful teacher compensation initiative will be significantly modified or entirely evaporated, ending the story.

Carlson, Jim. “*Alternative Compensation in Manitowoc, Wisconsin, Six Years Later,*” January, 2006.

NEA STAFF REFLECTIONS

The Manitowoc Education Association pioneered its innovative compensation system in 1999, and it has served as a model for other skill- and knowledge-based programs. But without a public relations strategy and program branding (it has no name like PCAP, ProComp, etc.), the program has been undervalued. The energy and professional climate it brought to the district were impressive.

The enthusiasm and the motivation, shown by several veteran teachers, were palpable—they were energized by their professional learning, their self-reflection, and their ability to analyze and change their practice.

Association leaders, who helped to develop this model, led by example: several past local presidents have achieved National Board Certification; other leaders have earned master's degrees and Professional Development Certificates, and as a result, they have been champions for the compensation program.

The importance of securing long-term funding for this initiative cannot be overemphasized.

Education Minnesota

Alternative Teacher Professional Pay Systems

NEA staff attended Education Minnesota's 2007 Alternative Teacher Professional Pay System (ATPPS) Conference. Participants included 50 Education Minnesota members, local leaders and association staff. Since Minnesota's alternative pay system is decentralized and bargained by each participating local affiliate, the programs differ from district to district. Consequently, the comments below come from members working in different districts with diverse programs.

Minnesota's state-level alternative compensation program, Alternative Teacher Professional Pay Systems (ATPPS), was initiated by Governor Tim Pawlenty and enacted by the Legislature in July, 2005. The program—which the Legislature calls Quality Compensation for Teachers, or Q Comp—was modeled after the Milken Family Foundation's Teacher Advancement Program (TAP).

Districts apply to be part of ATPPS by submitting a proposal and an implementation plan to the Minnesota Department of Education. Each plan must include five standard program components (see below). A teacher vote is not required before districts apply for the program, but each application must be signed by the president of the local teachers' association. As of December 2007, there were 39 Minnesota school districts and 21 charter schools participating in the program.

ATPPS Program Components

- Career ladders for teachers
- Job-embedded professional development
- Instructional observations and standards-based assessments
- Measures to determine student growth
- Alternative teacher compensation

KEY FINDINGS

Anticipating the introduction of a statewide initiative, Education Minnesota engaged members to outline the principles of an acceptable alternative compensation program.

Education Minnesota Staff Comments:

- “It became clear to us that something was going to come forward about alternative pay. We established a standing committee to look at it and decide whether it was something we wanted or were opposed to.”

- “Teachers’ pay was not what it is supposed to be. It took forever to get to the high end. It was a form of deferred compensation. We decided we wanted to shape this and take part rather than have it happen *to* us.”
- “The union has had a generational opportunity to do something different.”
- “Many states have adopted our principles. We are seen as a leader.”
- “In 2003, three years after the principles [developed by Education Minnesota outlining the necessary components of alternative compensation] were adopted, we worked to craft something to be ready for the governor, in case he put something forward. In 2005, in the closing minutes of the session, something was put in place. It passed in early July and was going to be put into place in August.”
- “We do support this, but we only support it if it’s done in the right way.”

Each plan’s success has been highly dependent on the degree to which members were involved in developing it.

Member Comments:

- “We did a big survey this year to find out what people like and do not like about ATPPS, and that has helped us write our new plan. We have drafted our plan for the next two years.”
- “A hallmark of the program that was indispensable was real cooperation between district administration, teachers, and the local union.”
- “This was our first year of Q Comp in our district. Our plan began by our superintendent coming to us with this new plan with money. She thought it would fit well with our school improvement plan. Without a committee really looking at it, we agreed. She went and got the paperwork for it. When she was looking for a team, no one came forward because everyone knew it would take a lot of time because it involved the Minnesota Department of Education (MDE). Our plan is not reader-friendly.”
- “Another plus was the individual goals that we set. We came with goals that we wanted to work on; that was how we gained the majority of our dollars. We could choose whatever we wanted to improve our teaching. The staff became very excited.”
- “If you are going to get involved [with ATPPS], you need a team. We really don’t have a team, and it is kind of hit or miss. We are trying to figure out our issues and how we are going to attack them.”
- “I was on the oversight committee. We worked hard to make the plan the best it could be.”

Teachers view the system as strengthening the impact of professional development.

Member Comments:

- “Teachers are directing professional development, and it is meaningful.”
- “It has increased the professional status of teachers in the district. Professional development can be a key for building a relationship between the union and the administration.”
- “[In our district] the courses are created by teachers. Participation is voluntary. It’s empowering for teachers.”
- “This has changed the conversation in school districts. The union has made professional development front and center.”

The level of program support is hard to gauge because the ATPPS plans differ greatly from district to district.

Education Minnesota’s Recommendations for Participation in ATPPS

- Ensure that the plan has member support.
- Make the plan simple.
- Focus on improving teaching and learning.
- Develop the plan through a transparent and inclusive process.
- Make use of Education Minnesota’s available resources.
- Put a communication plan in place.
- Educate members on the details of the program.

NEA STAFF REFLECTIONS

Education Minnesota’s decision to be proactive rather than reactive enabled them to shape ATPPS and provided safeguards for local associations interested in developing programs in their districts.

The attractive aspect of ATPPS is its emphasis on professional development and teachers’ ability to direct their learning, making it more meaningful. The most successful district plans involved the union from the beginning; consequently, the union played a central role in developing the plans’ foundation. Professional development becomes union work, and the perception of the union changes.

Professional development can act as the lever for forging a collaborative relationship between the union and the district.

The program is decentralized, which is both a strength and a weakness. Locals are free to create programs that work for them and are beneficial. Conversely, it is difficult to assess and coordinate the wide variety of programs that have resulted from such a decentralized system.

Overall Observations

The site visits conducted by NEA staff suggest key elements that are essential to successful, sustainable programs:

Quality professional development is a powerful motivator: Experienced teachers who engaged in new kinds of learning, such as action research and classroom-focused professional development, found they were inspired in unexpected ways. Also, they were often paid for these professional development experiences, indicating the importance that districts place on this kind of professional learning.

District and association leaders must be visionaries and champions of lifelong learning: In order to successfully develop forward-thinking, skill- and knowledge-based programs like those in Manitowoc and Helena, districts need superintendents and association leaders who strongly support lifelong learning. It should be noted that neither of the superintendents in these districts believed in tying compensation to test scores, but rather believed that standardized testing should be used to identify achievement gaps and inform practice.

School-level leadership matters: In these schools, teachers emphasized the importance of the role that principals play in providing ongoing instructional leadership and guidance to support the work of the staff.

Collaboration should be a fundamental aspect of a program: A by-product of the intense collaboration in Helena and Chattanooga is each district's ability to better recruit and retain the next generation of teachers, who seem to thrive on collaboration.

Programs like the Benwood Initiative show promise in closing achievement gaps: Although the district did not make major staffing changes (two-thirds of the existing teachers in those schools remained), student achievement improved because of the embedded, focused professional development. As an article in *Education Week* noted (see Appendix D), the large strides in student achievement are attributable primarily to “the rising effectiveness of teachers who had been at the schools when their students' performance was dismal.”

Rigorous professional development can significantly raise the level of professionalism in a district: In Manitowoc and Helena, districts with compensation systems based on improving skills and knowledge, teachers experienced a deeper level of engagement, felt that the school's culture was strengthened, and expressed a high level of shared responsibility for improving the quality of teaching.

Compensation systems should be transparent and understandable: Some teachers expressed frustration that complex systems are hard to understand, making it difficult to estimate the impact on a teacher's compensation. In addition, complex systems are difficult and costly to administer.

Educators want the ability to choose whether or not they participate in a new compensation system: When a plan allows educators to opt-in to a new compensation system or retain their previous salary schedule, all teachers are more likely to support the program, as the Denver interviews illustrated.

Long-term funding is essential: A critical component of alternative compensation systems is guaranteed long-term financial stability. In districts with stable funding, like Helena and Denver, teachers have more confidence in the system than they do in Manitowoc, where funding is always in jeopardy.

Association involvement is essential: Programs such as Eagle County, developed without the input of the Association or voted on by members, will not succeed in the long-term.

Teacher attitudes were less negative than may have been expected: While teachers are clearly suffering in bad programs (like Eagle County's), there is less evidence that other programs have significantly impacted teacher attitudes or beliefs about the association, the district, or the profession.

Recommendations and Policy Implications

NEA should continue to develop its strategies around the positive elements of innovative models, particularly programs that improve the skills and knowledge of teachers, like those in Helena and Manitowoc. In addition to creating a positive lexicon, the Association needs to ensure that staff and leaders have a shared understanding of what we can support. For example, the Professional Standards and Practice (PSP) Committee’s recent report embraced pay for experiences (emphasis on the “s”), a concept supported by members who participated in the site visit conversations. The idea of “pay for professional growth” could change our strategy from opposing bad ideas to supporting good ideas.

NEA should continue to closely track these and other burgeoning programs so that we can share with our affiliates and the public what works, what doesn’t, and why. These systems are complex and need to be examined for their ability to positively impact both teaching quality and compensation.

NEA needs to determine how we want to frame our argument against pay for test scores because our adversaries continue to gain an advantage by strategically defining the language. For example, proponents of performance incentives are reframing their argument: instead of using punitive terms like “accountability,” they are using terms like “teacher recognition” or “pay for contribution”—labels which are challenging for the Association to oppose from a public relations standpoint. At the same time, NEA must continue to study, analyze and/or critique the validity, limitations and reliability of methods like *value-added assessment* to determine teacher effectiveness.

NEA should consider conducting or supporting research studies with scientifically selected focus groups (or surveys) in districts with alternative compensation programs in order to collect evidence concerning what our members think, and how these systems impact them. Also needed is quality research measuring the short- and long-term impact of these systems on student achievement, teacher pay, administrative costs, and recruitment and retention.

NEA should create strategies in the context of today’s political reality. Despite sparse evidence to support “merit pay” and “pay for performance,” many educators, researchers, and policymakers continue to support experimenting with performance incentives. The Association needs to carefully craft a message that recognizes this strong support, while continuing to promote salary structures that are consistent with sound compensation theory and NEA policy. The Association should define alternative compensation in a way that allows us to emphasize the elements that may hold promise: Advocating for skill- and knowledge-based programs that pay for things like embedded, relevant professional development and teacher career ladders.

Appendix A: At-a-Glance Overview of Sites Visited

Location & Program	Manitowoc, Wisconsin	Chattanooga, Tennessee: The Benwood Initiative *	Minnesota: ATPPS
Program Scope	Manitowoc Public School District	Eight Hamilton County elementary schools that were among the lowest performing schools in the state	All Minnesota school districts are eligible - participation is voluntary
Components of Salary Determination	<ul style="list-style-type: none"> ◆ Restructured salary schedule includes 8 levels ◆ Level movements for all educators (except new teachers) require the following: <ul style="list-style-type: none"> • Successful completion of 12 graduate credits • Successful completion of Manitowoc Public School District Academy credits • Any combination of the above • 3 level movements are granted upon completion of a Professional Development Certificate • Educators earning a master's degree minimally move to level 5 ◆ National Board Certification: Adds 10% to salary each year certification is held ◆ Doctorate degree: Additional 13% of salary each year 	<ul style="list-style-type: none"> ◆ Retention bonus: Existing teachers with records of high performance (3-year Tennessee Value-Added Assessment System, or TVAAS, scores averaging 115+ or a recommendation by the K-3 committee) receive a bonus of \$5,000 for three years. ◆ Recruitment bonus: New teachers with records of high performance (3-year TVAAS average of 115+ or a recommendation by the K-3 committee) receive \$5,000 after 3 years. ◆ Team Bonus: If any high priority schools achieve an average minimum TVAAS of 115+, each teaching professional receives \$1,000. If the schools achieve a score of 120+, each teaching professional receives a bonus of \$2,000. ◆ Housing Incentive: Benwood Initiative teachers who buy homes in nine central downtown neighborhoods can receive a low-interest loan of up to \$10,000. If they live in the home for 5 years, the loan will be forgiven. ◆ Opportunities for fellowships for a free master's degree in urban education. 	<ul style="list-style-type: none"> ◆ Statewide program; plans bargained at the local level ◆ Broad guidelines include: <ul style="list-style-type: none"> • Career ladder/career advancement • Job-embedded professional development • Teacher evaluation • Alternative Teacher Compensation
Measures of Performance	<ul style="list-style-type: none"> ◆ Evaluation ◆ New skills and knowledge 	<ul style="list-style-type: none"> ◆ Bonus payments are determined by TVAAS scores or by a recommendation of the K-3 committee 	<ul style="list-style-type: none"> ◆ Instructional observations and standards-based assessments ◆ Measures to determine student growth <p>NOTE: 60% of incentives must be based on teacher evaluations and measurement of student achievement; 40% can be based on other factors, such as cost of living.</p>
Funding	No long-term funding commitment; without additional resources, this initiative is likely to be significantly modified or phased back.	<ul style="list-style-type: none"> ◆ \$7.5 million in grants from the Benwood Foundation and the Public Education Foundation in 2001 ◆ The Benwood Foundation provided another \$7.2 million grant to continue and expand the 2007 	<ul style="list-style-type: none"> ◆ Funded by Legislature. State has allocated \$86 million annually for the program which is funded by state aid and local tax levies.

* Chattanooga schools have received three sizable grants to raise student achievement. The Benwood Foundation award went to elementary schools, while a Carnegie Foundation grant was made to high schools, and The NEA Foundation provided a \$1.5 million grant over five years to address middle school student achievement.

Location	Helena, Montana PCAP	Denver, Colorado ProComp	Eagle County, Colorado TAP
Program Scope	Helena Public School District	Denver Public Schools*	Eagle County School District
Components of Salary Determination	<p>To move to the next step on the 25-step career ladder educators must:</p> <ul style="list-style-type: none"> • Write, submit, and implement a Career Development Plan • Perform professional service as defined in the plan • Receive a positive evaluation as defined in the negotiated agreement <p>Additional remuneration includes:</p> <ul style="list-style-type: none"> • \$2,000 annual stipend to educators who complete their master's degree while on the plan • \$2,000 annual stipend to educators who obtain National Board Certification (valid for the length of the certification) 	<ul style="list-style-type: none"> ◆ Knowledge & Skills <ul style="list-style-type: none"> • Completing Professional Development Units adds 2 percent of salary index • Graduate degree or national certification adds 9% of index • \$1000 lifetime tuition reimbursement ◆ Successful Evaluation: <ul style="list-style-type: none"> • Adds 1 percent of index each year (probationary employees) • Adds 3% of index once every 3 years (non-probationary employees) ◆ Market Incentives <ul style="list-style-type: none"> • Teaching in a hard-to-staff position adds 3% of index • Teaching in a hard-to-serve school adds 3% of index ◆ Student Growth <ul style="list-style-type: none"> • 1% of index added if both student growth objectives are met • 1% of index for meeting 1 student growth objective • Colorado Student Assessment Program (CSAP) – increases or decreases salary 3% for exceeding or falling below expectations • Distinguished schools – 2% of index is added 	<p>The single salary schedule was replaced by the Teacher Advancement Program (TAP):</p> <ul style="list-style-type: none"> ◆ Multiple Career Paths <ul style="list-style-type: none"> • Career teacher • Mentor teacher (adds a \$5,000 stipend) • Master teacher (adds a \$11,500 stipend) ◆ Teacher evaluations <ul style="list-style-type: none"> • Four evaluations each year, with a maximum payment of \$1,300 ◆ Performance Pay <ul style="list-style-type: none"> • Value-added methodology • Maximum payment is \$2,600
Measures of Performance	<ul style="list-style-type: none"> ◆ Write, submit, and complete a Career Development Plan ◆ Complete professional service ◆ Positive evaluation 	<ul style="list-style-type: none"> ◆ Evaluations customized to particular jobs. ◆ Measures to determine student growth: statewide standardized test, meeting 2 student objectives, and/or serving in a Distinguished School. 	<ul style="list-style-type: none"> ◆ 4 evaluations, 2 by the principal, 1 by a Master and 1 by a Mentor teacher ◆ Annual Performance Awards <ul style="list-style-type: none"> • 50% skills, knowledge and responsibilities • 50% based on student achievement
Funding	<ul style="list-style-type: none"> ◆ Board of Trustees funds the PCAP through state and local levies ◆ Board of Trustees hired Augenblick, Palaich, and Associates to do a cost analysis (20-year projection) to determine the affordability and sustainability of the plan. 	<ul style="list-style-type: none"> ◆ The program is funded by a \$25 million annual mill levy; funds are administered by an independent board. ◆ DPS received a Teacher Incentive Fund (TIF) Grant from the U.S. Department of Education. 	<ul style="list-style-type: none"> ◆ Eagle County received a Teacher Incentive Fund Grant from the U.S. Department of Education. ◆ Salaries are funded through state and local levies.

*See 2008-2011 Denver Classroom Teachers Association Tentative Agreement Economic Summary on page 51 for updated information on bonuses and salary.

Appendix B: Awards/Bonuses Eligibility Matrix

Local Affiliate	Program Type	Individual Rewards	All teachers are eligible for individual rewards	Group Awards	All teachers are eligible for group awards	Stable Funding	Traditional salary schedule	Alternative salary schedule
Denver, Colorado	4 elements Knowledge and Skills, Evaluation, Market Incentives, Student Growth	Yes	No Core academic subjects teachers in tested subjects, only	Yes	Yes	Yes \$25 million Mill Levy	Yes For veteran teachers who choose not to opt- in to Denver ProComp	Yes Possible achievement of 10 components, although not all teachers are eligible for all awards
Eagle County, Colorado	TAP Skills and Knowledge, Evaluation, Career Ladder, Student Growth	Yes	No Core subject teachers, only	Yes	Yes	No, TIF Grant	No	Yes
Hamilton County, Tennessee	Market Incentives, Student Growth, Housing Loan Incentive	Yes	No Grades 4, 5 for meeting target test scores K – 3 with approval of committee	Yes	Yes	No Foundations support	Yes with bonus payments for meeting and exceeding standardized test score targets	No
Helena, Montana	Skills and Knowledge, Evaluation, Career Ladder,	Yes	Yes	No	Not Applicable	Yes	Yes For veteran teachers who choose not to opt- in to PCAP	Yes PCAP salary career ladder
Manitowoc, Wisconsin	Skills and Knowledge	Yes	Yes	No	Not Applicable	No	Yes With additional money for acquired skills that focus on district and school needs	No
Minnesota - Decentralized Program – Each district or school that wishes to participate submits its own program based on state requirements	Skills and Knowledge, Evaluation, Career Ladder, Student Growth	District determines	District determines	District determines	District determines	State allocated \$68 million annually for the program	Yes Districts that do not opt- in to ATPPS retain the single salary schedule	Yes Districts that opt-in to ATPPS develop an alternative salary schedule

Appendix C: Eagle County Article from the *Vail Daily*

Overhaul Ahead for Teacher Pay in Eagle County?

Matt Terrell
Vail, Colorado
March 20, 2008

EAGLE COUNTY, Colorado —The school district still believes in paying teachers based on their performance, but could soon approve a major overhaul of what many call a controversial and flawed pay system that for years has frustrated and confused teachers.

The Teacher Advancement Program, the sweeping education reform started in 2002, ties a teacher's salary to formal evaluations and how well their students score on standardized tests. The better they perform, the more money they get.

Most teachers say they like being rewarded for performing well and like having regular discussions about their strengths and weaknesses and finding ways to improve their teaching.

But in practice, TAP, as the program is known, has been unfair, inconsistent, hard to understand, and a constant worry for many teachers, says Jason Glass, the human resources director for the district. When pay becomes a preoccupation and morale goes down, education suffers, school leaders have said.

Interim superintendent John Pacheco formed a committee of teachers, administrators, principals, maintenance workers, and community members to study the problems, find solutions, and keep whatever it is that works.

The committee is now proposing a new pay-for-performance system it says is more fair, more transparent and promotes teamwork, all the while staying committed to holding teachers accountable for their performance in the classroom.

If the school board adopts the committee's recommendations, here's what would change, and why the district thinks the changes would help:

'All for one'

The change: The biggest difference would be how test scores are used to affect a teacher's pay. Under the proposed program, teachers will no longer be tied to the scores of only a small group of students they might see in class—they'll be tied instead to the overall performance of their school and the district.

Their performance bonus, which would come in a lump sum at the end of a year, would be calculated using an "index" of test results, including the scores from their school's NWEA and CSAP results, districtwide NWEA and CSAP results, and ACT results. Basically, their pay would be determined by how well thousands of students do in the district, as opposed to a couple dozen.

Why? Many students switch teachers during the day, especially in high school, or they'll spend much of their day working with a specialist or teacher's aide. There are P.E., art, shop and music teachers, who affect a child's education—but how much of that can be reflected in test scores?

High school students could get a new set of teachers every trimester. The youngest students in the district don't even take the CSAP.

All these things make it very hard to attribute the success or poor performance of any one student to any one teacher, and make paying teachers based on those scores especially complicated and unreliable. There are about seven different formulas for paying certified teachers—and that just leads to confusion and inconsistency, Glass said.

By paying teachers based on the overall performance of a school and the entire district, teachers still know the better they do, the better the school will do, the better the district will do, and the better they'll be paid. Teachers will be more inclined to both do their best and work as a team—they're all being paid together, Glass said.

“I think it helps create that ‘all for one’ mentality”—that we are all here to educate students,” said Meredith Deem, a reading teacher at Edwards Elementary who served on the committee.

Also, taking this approach lessens the impact of how inconsistent children can be while taking tests. When a teacher's pay is tied to a handful of students, they have to worry about whether their students got a good night's rest, had a good breakfast, are distracted by problems at home, what they're learning from other teachers, are much better at one test than the other, or never do well at multiple choice tests—things that really have nothing to do with how well a teacher is teaching.

Paying for experience

The change: A teacher's performance-compensation would be based on a percentage of their contracted salary as opposed to a fixed amount.

Currently, teachers are eligible for up to \$2,600 in performance pay to be added onto their salary. Under the new system, a teacher would be eligible for 8 percent of their contract salary for performance pay. Of that 8 percent, 4 percent will be based on standardized test scores, and four percent will be based on evaluations.

A beginning teacher with a salary of \$38,650 would be eligible for \$3,092 in performance pay, while a teacher who's been here a longer time, making \$45,000 a year, would be eligible for \$3,600.

Why: Doing this allows the school district to not only reward high performance, but also veteran teachers, said Mitch Forsberg, principal at Gypsum Elementary.

The longer you stay, the more bonus pay you're eligible for. This could be a helpful incentive to keep teachers in the district, which is a constant problem for the school district.

“There are studies showing that teachers start becoming really effective after three years—and that’s around when we start losing them,” Glass said. “This is an incentive for people to stay around.”

Overall, the district would end up spending more money every year on salaries—but it would be the right thing to do to stay competitive with other school districts and keep the most talented teachers, Glass said.

“Experience doesn’t always equal a good teacher, but a lot of times it does, because with experience comes knowledge,” Deem said. “Doing this helps teachers stay longer, and each year we know we will make more.”

Better evaluations

The change: Teachers still need to be held accountable on an individual level, and that’s why evaluations conducted by principals and Master teachers will still be an important part of the pay system, says the committee.

How those evaluations are used to pay teachers will change though. Currently, teachers are graded on a five-point scale with 13 different cutoff points for different pay levels—which means a teacher who scored a 3.91 could end up making more than a teacher who scored a 3.90.

Under the new program, the grading system would become qualitative, and teachers would be paid based on five performance categories—excellent, high performing, professional, improvement needed and unacceptable.

The committee is also recommending that the district reexamine the way teachers are evaluated — to revisit questions like:

- What makes up good teaching and how do you score it?
- How often should a teacher be evaluated and who should conduct the evaluations?
- What can an evaluator determine over a single class period, and what can only be seen over time?

Why? The current system doesn’t make sense, and isn’t fair, especially considering how subjective evaluations can be, Glass said.

Is someone who scored a 3.91 really any better than someone who scored a 3.90? Hard to say. The evaluations shouldn’t try to be that precise, he said.

“One of the morale killers in the past five, six years was that there was a numeric value attributed to a teacher’s performance,” Forsberg said. “If your supervisor says that you’re doing great, but on a 5-point scale you’re a 2.6, that suddenly takes on a different meaning.”

“By going to qualitative descriptions solely, it recognizes teachers for what they are doing. You can call them ‘professional’ instead of a 2.6.”

As for the actual method of evaluating teachers, it still needs more work and study, the committee says. The district wants to make sure every school is grading teachers the same way, and that those who are performing evaluations are looking at the right things.

Because teachers put their heart and soul into their work, evaluations will always be tough and sensitive—which means the district has to make sure it’s evaluating the right way, Forsberg said.

“It’s really hard to measure teaching because we’re working with humans—with children—not a product,” Deems said. “There’s a lot of gray area, and it’s tricky. With the evaluations, we need more trust in the system to have humans evaluating humans.”

The inflation factor

The change: The new compensation system would give teachers an increase in salary every year based on inflation. The actual percentage would be something that would be negotiated every year, depending on how much money is available.

Why? This will allow for the school district to easily give teachers more money based on things like school reserves, the economy and available state funding. At a minimum, it would guarantee teachers some amount of compensation just for coming back the next year, Forsberg said.

Also, this is a part of a teacher’s salary that could be determined well before the beginning of the next school year. A common complaint among staff is that many people don’t know how much they’ll be making until days before the new school year starts.

“It provides the flexibility to adjust that system as needed to stay competitive,” Forsberg said. “The district is making huge strides to say, ‘Hey, come work for Eagle County Schools, and we want to honor that you want to be here.’”

Staff Writer Matt Terrell can be reached at 748-2955 or mterrell@vaildaily.com.

Appendix D: Benwood Article from *Education Week*

Failing Schools Showed Progress with Most of the Same Teachers

By Bess Keller

April 9, 2008

Much of the widely reported improvement in student achievement at eight inner-city Chattanooga, Tenn., schools seems to be linked to the rising effectiveness of teachers who had been at the schools when their students' performance was dismal, a report from an education think tank concludes.

That finding goes against the way the elementary schools' story has often been told by education reformers, many of whom have focused on financial incentives that were meant to lure better teachers to the schools.

"In this case, we see . . . an existing staff improve over time," said Elena Silva, the author of the report, which was slated for release this week by the Washington-based Education Sector.

And despite attention to the flashier parts of the Benwood Initiative, named for a local foundation that helped underwrite the effort to salvage the schools, the improvement did not result from any one or two changes, the researcher said. Some new teachers came to the schools after all the existing teachers were required to reapply for their jobs in 2003, but about two-thirds were rehired.

What made the difference instead, Ms. Silva said, was a host of changes devised by the Hamilton County school district and its community partners, including intensive attempts to shape up the eight schools and help the teachers improve their practice. "There isn't any simple policy solution to the teacher-quality problem, though it is the right problem," she said.

The 40,000-student district has included Chattanooga as well as the wealthier suburban areas surrounding it since a merger in 1997. In 1999, a ranking of Tennessee elementary schools by average scores on the state achievement test showed eight of the 20 worst to be in Chattanooga. Teacher qualifications in those schools were relatively low, and turnover high, compared with the district overall.

Comparing Effectiveness

To see how teacher effectiveness in the eight schools compared with teacher effectiveness in other Hamilton County schools, the report considers ratings derived from a "value-added" analysis developed and conducted by the researcher William Sanders, now of the Cary, N.C.-based SAS Institute.

The performance of math teachers in the Benwood schools improved with the coaching and other changes, while performance remained virtually unchanged for their counterparts in other Hamilton County, Tenn., schools.

In general terms, the analysis attempts to isolate a teacher's effect on each student's achievement from one year to the next by holding steady such confounding factors as a student's economic background, previous achievement, and school characteristics.

For this study, Mr. Sanders and his colleague Paul Wright looked at the value-added ratings for more than 550 4th- and 5th-grade math teachers in the district with at least three years of experience, the minimum necessary for the analysis.

From 2000 to 2004, the rated effectiveness among the Benwood schools' teachers was significantly below the district average, though improving. By 2005, the experienced Benwood teachers had moved to above-average effectiveness, and they improved again the following year. In the same time period, the effectiveness of the teachers in the district's other schools remained essentially unchanged.

"What the Sanders analysis of Hamilton County teachers shows is that while attracting new teachers helped, the improvement in the Benwood schools turns out to be in large part a function of other reforms, especially the many steps Hamilton County officials took to improve the performance of existing Benwood teachers," the report says.

Even the brand-new teachers brought on in 2003 did not enter the data set until 2006 because of the three-year requirement. Among the changes that seemed to count were adding teacher coaches and reading specialists, reorienting administrators to instruction, beefing up student data and helping teachers make better use of it in their classrooms, and signaling through bonuses for raising test scores and other rewards that the teachers' work was valued.

Ms. Silva points out, too, that school and community leaders took advantage of the new context of a merged district to focus intensely on the needs of the district's lowest performing elementary schools.

Robert Reichardt, who researches teacher quality at the school of public affairs at the University of Colorado at Denver, hailed the study as "good news" because "it goes in the pile that says we can improve teacher quality" without getting in a whole new batch of teachers.

But the study says little about how much improvement can be wrought among veterans, he said, because "the data is really limited" to teachers in two grades and one subject.

Appendix E: Teacher Compensation Glossary *

Alternative Compensation	Pay systems that are not based on a single salary schedule. May be the primary means of compensation or may supplement a single salary schedule.
Base Pay	Monetary compensation (based on a salary schedule) paid to a teacher excluding stipends or differentials.
Bonus	Pay that a teacher earns in addition to base pay, but is not carried over year to year.
Career Earnings	Total sum of all salaries received by a teacher during his/her career.
Career Ladder	Pay system where teachers achieve more highly compensated positions as they progress from “novice” to “advanced” practitioner. Under this system, teachers “climb” the “rungs” of the career ladder as they grow in expertise and take on additional duties and responsibilities.
Group Incentives/ Performance Award	A type of pay for performance system that links the pay of a group of teachers that achieves a specifically identified objective or goal. The group may be as small as a department-level or a grade-level group of educators, but such rewards are often applied on a building-wide or schoolwide basis.
Individual Incentives	A type of pay for performance system that links the pay of individual teachers to some type of evaluation of their job performance. The evaluation can be based on the subjective evaluations of administrators or specifically identified objectives or goals.
Knowledge- and Skill-based Pay	Pay system that financially rewards those teachers who have acquired and use identifiable skills, competencies, and knowledge that are relevant to a school’s district’s program (such as fluency in a particular language, licensure or certification, professional development components, etc). Also called “competency-based pay.”
Knowledge or Skill Blocks	Content or subject matter components that are used as standards for knowledge- and skill-based pay systems. Often categorized as one of three types: depth skills, breadth skills, or vertical skills.
Breadth skills	Augment a teacher’s expertise in subject areas beyond the teacher’s primary focus.
Depth skills	Enhance a teacher’s expertise in a given functional area or academic subject.
Vertical skills	Develop or increase a teacher’s leadership and management skills.
Licensure	Process by which a teacher fulfills the professional competency requirements mandated by states to become teachers. Some state licensing systems include multiple levels or “tiers,” which require additional learning or demonstrations of skill/knowledge. Also called “credentialing.”

* Prepared by NEA Collective Bargaining and Member Advocacy, 2008.

Market-Based Compensation	Additional pay or benefits used as an economic incentive to attract or retain teachers in shortage or “hard-to-staff” areas.
Pay for Hard-to-Staff Schools	Additional pay to attract and retain teachers to work in low-performing, high-poverty, or other schools where it may be difficult to recruit teachers. May be part of an annual salary or a bonus.
Pay for Hard-to-Staff Subjects	Additional pay that may help attract and retain teachers to teach hard-to-recruit subject areas such as math, science, or bilingual education. May be part of an annual salary or a bonus.
Recruitment Pay	Pay aimed at attracting an employee to work with the employer.
Retention Pay	Pay that is meant to encourage continued employment.
Merit Pay	See “Pay for Performance.”
National Board Certification	Through the National Board of Teaching Standards, teachers may earn National Board Certification, a voluntary and advanced teaching credential that goes beyond state licensure. The certification is based on standards for what accomplished teachers should know and be able to do. Many states and school districts provide financial rewards for those who earn National Board Certification.
Pay for Evaluation	Pay that is based on appraisal of a teacher's performance and/or qualifications. Generally, such appraisals are related to the teacher's role and responsibilities as well as to the school and/or district mission.
Observation	A common component of a teacher evaluation program in which an administrator or a peer watches the teacher engage in classroom teaching and records notes, based on established standards for teaching performance. It may also cover student behavior, the teaching context, and the learning environment. Observations typically occur in the teacher's own classroom, but they may also occur in other school-based settings or may be based on audio or videotapes.
Portfolio	A common component of a teacher evaluation or credentialing program in which a teacher compiles a collection of his/her documents and products according to specified requirements. It may include samples of students' work, lesson plans, and testimonials.
Pay for Performance	Pay that is conditioned on student outcomes (such as test scores) or employee evaluations subject to the employer's discretion. Amounts are not predictable from year to year. Also called “at risk pay,” “variable pay” or “merit pay.”
Pay for Test Scores	Pay that is based on some criteria associated with a rise in student scores on specific standardized tests in specific academic subjects. Often associated with the terms “student achievement” and “school accountability.”
Gain Scores	Gain in student test scores is the difference between student performance on a test in one year minus performance on the test by the same student in the previous year.

Growth Models	Growth models are statistical models that use test score data to determine whether students show progress between two points in time. Value-added assessment models are often classified as a type of growth model.
Value-Added Models (VAM)	Value-added models are statistical models that use students' prior test achievement to account for student input and use one or more years of the same students' test scores to try to isolate the inputs or effects of a teacher, school, or program on student learning. VAM estimates are used to interpret the difference between actual growth and expected growth in student achievement and attempts to attribute change to a causal agent (typically, the classroom teacher's effectiveness). VAMs are often classified as a type of growth model.
Status Models	Status models measure how students perform at a single point in time. Status models often use a threshold or goal against which to measure student progress. For example, status models may measure the percent of students passing a statewide test or scoring at or above a "proficient" level of achievement in a specific year.
Professional Development	Process by which a teacher participates in classes or training to improve or enhance his/her professional skills, expertise, or competencies. Teachers sometimes earn additional pay from the state or school district by completing professional development units.
Responsibility Pay	Pay (usually supplemental) that rewards teachers who perform additional responsibilities such as mentoring or coaching other employees, serving as department chairs, or sponsoring or coaching student activities. Also called "extra pay for extra duty."
Salary Schedule	A salary grid showing the dollar value of each step and lane. Also called "single salary schedule" or "salary guide."
Lane	Vertical columns on a salary schedule that represent levels of education such as a bachelor's, master's, or doctoral degree.
Step	Horizontal rows on a salary schedule that reward years of experience.
Starting Pay	The beginning step of a salary schedule that is considered to be the hiring step with no experience. Also known as "hiring salary" or "base salary minimum."

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Appendix F: General Recommendations from Collective Bargaining and Member Advocacy

NEA supports strong salary schedules. However, where alternative compensation programs are proposed, we believe that specific guidelines must be followed to enhance the probability of success.

- **Base Salary:** Start with a professional level salary and salary schedule. NEA supports a starting salary of at least \$40,000 for all teachers entering the classroom. The base salary should grow to at least twice the starting salary within 10 years.
- **Current Salary:** No teacher's current salary shall be reduced as a result of the implementation of an alternative compensation system.
- **Association Involvement:** The system must be collectively bargained or agreed to by at least 75 percent of the members in locations where there is no collective bargaining and allow for voluntary participation.
- **Funding:** Alternative compensation models must have adequate funding, both initially and ongoing with a sustainable source. Grants should be viewed only as a temporary resource that is not capable of sustaining a program.
- **Resources:** Time, relevant professional development, and opportunities for collaboration must be available to teachers and support staff to ensure success.
- **Accessibility:** Any alternative compensation system should be accessible to everyone who is eligible with no quotas.
- **Collaboration:** Alternative compensation should promote collaboration, not competition in the classroom.
- **Size of Incentives:** Incentives must be large enough to make a difference.
- **Training:** The system should be implemented incrementally, with proper training.
- **Recruitment and Retention:** Alternative compensation systems should be structured to attract and retain quality staff in the classroom.
- **Flexibility:** There is no one plan. Proposed plans must be flexible and structured for the context in which they will be implemented. Compensation may take many forms, including training and experience (steps and lanes), current extra compensation options, as well as other emerging pay opportunities.
- **Transparency:** The system must be understandable to educators and the public.

- **Teacher Evaluation:** Criteria used to evaluate professional expertise must be objective, understandable, and predictable.
- **Program Assessment:** There must be an annual assessment of the system to determine its effectiveness in improving teacher salaries, teacher practice, and recruitment/retention of quality staff, as well as its administrative cost-effectiveness. The association must be involved in all stages of the assessment. Member's views must be considered.
- **Implementation and Administration:** Implementing alternative compensation programs costs both time and money.

Appendix G: Reflections from the National Center on Performance Incentives Conference *

Does incentive pay work?

The nation's preeminent researchers on the subject simply do not know.

In February 2008, the National Center on Performance Incentives at Vanderbilt University hosted its first national conference. The center is funded by a five-year, \$10 million grant from the U.S. Department of Education, Institute of Education Sciences. This and other research is, of course, necessary to investigate the programs that the Department of Education funds through the \$99,000,000 Teacher Incentive Fund (TIF) and other merit pay programs that have grown out of the No Child Left Behind Act (NCLB).

NCLB-proponents claim that they are trying to sow seeds of change through merit pay, but this conference of researchers showed that there is nothing tangible to be harvested. Grover Whitehurst, Director of the Institute of Education Sciences, not only set the tone for the conference in his opening remarks, he summarized why performance pay is in the state it is currently in: "Policy does not wait for research. Policy is made." In panel after panel, researchers discussed why the programs they studied failed to produce statistically significant effects on student achievement or teacher behavior and why various estimates could not be relied on. Some panelists cited poor program design and implementation (e.g., attempting to incentivize the wrong teachers with insufficient incentives), some pointed to flawed and biased performance measures like proficiency scores, while yet others blamed the current system and culture for contributing to the failure of these plans.

There seemed to be recognition that teachers have an egalitarian view of their profession and that the single salary schedule supports this ideology by avoiding pay differentiation across subjects. However, this was not generally viewed as a good thing but as something to be overcome or dealt with when designing pay for performance systems. As one might imagine at a conference on performance pay, several presenters mentioned the single salary schedule and had nothing good to say about it. Yet none of these presenters offered up alternatives to the schedule beyond what might be *theoretically* extrapolated from other sectors.

Discussants also raised questions about some of the more practical design aspects of merit pay plans. There seemed to be consensus (or at least a constant refrain) that programs are likely to be unsuccessful if they have insufficient incentives; do not have teacher buy-in; use performance measures that lack transparency or are not understood; or rely too heavily on the use of student test scores to gauge performance.

Lack of transparency seems to be synonymous with the use of student test score measures. It was clear from the discussions that simpler and more transparent measures can often be the most

* Prepared by Daaiyah Bilal-Threats of NEA's Collective Bargaining & Member Advocacy Department

unreliable. This group of researchers proved that the matter of student test score measures is clearly still under debate.

Proficiency scores (one of the simplest measures) were cited as the most egregious measure because they are threshold-based and incentivize teachers to concentrate their focus on students with test scores that are just below the threshold. Gain score measures were also said to be dubious. During the discussion of a paper on various performance measures used by TIF grantees, gain scores were said to be notorious for producing false positive estimates.

If one research methodology dominated the conference discussions it was value-added assessment. While value-added estimates seem to be superior to measures like gain scores and proficiency measures, they are far from perfect and can also lead to erroneous estimates. In fact, much of the discussion about value-added measures focused on what is necessary to improve them. There are several value-added models currently being used by a number of vendors, but the best of these models (the models that provide the most reliable estimates and are based on three or more years of test data) are so technically rigorous and demanding in terms of data requirements that they are rarely used or understood by school districts. For example, 16 of the 34 current TIF grantees use some form value-added assessment and none of them use more than two years of test data. A paper presented by Daniel McCaffrey (Rand) compared several quantitative performance measures and laid out the relevant political and technical questions associated with them.

Erroneous performance estimates can lead to misallocated rewards and two teachers that are equally skilled may be rewarded or penalized because of the bias of the estimate being used. The recent trouble in Hillsborough, Florida. (where most bonuses went to teachers in affluent schools), was cited as an example of what can happen when performance estimates are badly biased.

Regardless of program outcomes, the advice from most researchers was to continue experimenting with performance pay and there is little doubt that school districts will. Bargainers that are faced with performance pay must not only question the overall design of these plans but what research models are being proposed. NEA has developed a series of questions to assist in this regard.

In the end, bargainers and school districts need to know that once all of the smoke clears and the technical jargon has been exhausted, research has no answers for what really works.

For more information about the conference and the papers presented, visit the NCPI website at: www.performanceincentives.org/conference/

Appendix H: What You Should Know About Value-Added Assessment *

A Value-Added model (VAM) is one type of growth model in which states or districts use student achievement data, and sometimes other student background data, as statistical controls in order to isolate the specific effects of a teacher, school, or program on student academic progress. VAMs aim to answer the question: On average, did the students' change in performance meet the growth expectation [based on what can be gleaned from his/her past performance]? (Goldschmidt, 2005)

The adequate yearly progress (AYP) goals and associated sanctions established under the No Child Left Behind Act of 2001 have spawned tremendous interest in statistical models that evaluate teacher effectiveness on the basis of student test scores. However, growth models are complex, have rigorous data requirements, and require a degree of human resources and psychometric expertise that most states and districts are not equipped with. It is equally disconcerting that there are still several unanswered questions about the reliability and validity of these models and the estimates they produce. While there is no doubt that VAMs have the potential to provide some insight into student achievement, until these questions can be answered satisfactorily, it is irresponsible to utilize teacher effect estimates for high-stakes decisions related to teacher performance or pay.

No consensus in the research community—There is no consensus in the research community as to whether VAMs can accurately isolate the effects of a single teacher. “Performance measures based on student achievement data are meant to measure teachers’ contributions to student achievement as opposed to other attributes of students or other aspects of teacher performance . . . However, measuring student achievement and growth consistently and precisely is at best difficult, if not infeasible.” (Buddin, R., 2007)

Teacher input may be an important influence on achievement, but it is not the only influence—“[T]reating the output of a value-added analysis as an accurate indicator of a teacher’s relative contribution to student learning is equivalent to making a causal interpretation of a statistical estimate . . . In the absence of randomization, causal interpretations can be misleading. In reality, the classroom placement of students and teachers is far from random. In most districts, parents often influence where their children go to school and even to which class and teacher they are assigned. Similarly, teachers may select the school and classroom where they are placed. Thus, the students assigned to a particular teacher may not be representative of the general student population with respect to their level and rate of growth in achievement, parental support, motivation, study habits, interpersonal dynamics and other relevant characteristics. It is very difficult for the statistical machinery to disentangle these intrinsic student differences from true differences in teacher effectiveness.” (Braun, 2005)

* Prepared by NEA’s Collective Bargaining and Member Advocacy Department

Other issues that may impact estimations of teacher effectiveness

- **Missing test data**—VAMs rely on student test scores across multiple years.
- **Timing of tests** – Test scores are compared from year to year so it is possible that a student may have experiences during summer recess that impact achievement estimates.
- **Contributions of the prior year's teacher/school**—Studies are inconclusive about how long a teacher's effect lasts. Estimations of current teacher effectiveness may be impacted by the lasting or shrunken effects of an earlier teacher.
- **Differences in what tests measure**—If the statistical method ignores the fact that different tests (in the same subject area) may measure different skills, the resulting estimates of teacher performance may contain errors that favor some teachers over others. (Martineau, 2006)

VAMs may work against collaborative teaching—Educational communities that value collaborations, team teaching, interdisciplinary curricula, and promote student autonomy and active participation in educational decisions may find little use for such information. A model that regards teachers as isolated, independent actors and students as passive recipients of teacher "effects" may not be adequate in some contexts. When the fit between the model and the phenomenon it seeks to represent is poor, validity is threatened. (Kupermintz, 2003)

Using achievement measures may encourage an unbalanced approach to teaching—Research on the response of schools and teachers to the requirements of the federal No Child Left Behind Act shows that educators report focusing more attention on reading and mathematics than untested subjects and focusing their attentions on students just below proficiency. (Hamilton. L, 2007)

The most popular VAM is also one of the most problematic—The Educational Value-Added Assessment System (EVAAS), operated by Dr. William Sanders, is the oldest and most popular value-added model in use. The EVAAS model assumes that teacher effects are constant over time and does not adjust for student background characteristics. EVAAS does not attempt to model the interaction between where a school starts and how much it grows. There are tremendous data requirements (linked student data over time) as well as tremendous computing capacity requirements. Further, due to proprietary estimation procedures, broad applications of this model independently by states are not possible. Hence, cost is an additional factor. Further, using models that contain complex (and proprietary) computations which are inaccessible to stakeholders may make it harder to build consensus and a sense of confidence around the validity of the results. (Goldschmidt, 2005)

VAMs may be expensive to adopt

- These models utilize multiple years of test data that must be comparable from year to year.
- Contracting to acquire psychometric expertise is often necessary. There are challenging technical issues to be resolved in creating a growth formula that meets a state's policy needs.

- Data system requirements need to be addressed. To measure growth, there must be a capacity to track individual student scores from one year to the next (and sometimes from one district to another in the state). This capacity often requires a statewide student identification system.
- Training is required to build capacity among the teachers, administrators, media, legislators, and general public to understand the additional complexities that occur when using data from more than one point in time. Even changing to the simplest of growth models will require a significant retooling of training materials. (Goldschmidt, 2005)

VAM numbers don't say much about achievement—“These analyses treat the classroom as a ‘black box’... and do not tell us why some classrooms are more effective than others, nor do they give us a very good picture of the potential improvements in student achievement that might be produced if we combined particularly effective instructional conditions into powerful instructional programs. (B. Rowan, 2002).”

Researchers have warned against using value-added estimates for high-stakes purposes—“VAM results should not serve as the sole or principal basis for making consequential decisions about teachers. There are many pitfalls to making causal attributions of teacher effectiveness on the basis of the kinds of data available from typical school districts. We still lack sufficient understanding of how seriously the different technical problems threaten the validity of such interpretations. (Braun, 2005)”

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Appendix I: DCTA Tentative Agreement Economic Summary

Cost of Living Adjustment (COLA)

School Year	COLA
2008/2009	3%
2009/2010	CPI + .25% (plus an addition .4% if PERA merger closes)
2010/2011	CPI + .25% (plus an addition .4% if PERA merger closes)

This year everyone will have their salary increased by 3%. In each of the following two years, salary will be increased by a minimum of .25% above the Consumer Price Index (CPI). If the PERA merger closes before June 30, 2009, an additional 4% will be added to the COLA in the 2nd and 3rd years of the deal, and one extra day will be added to the contract year in 2010/2011. If the PERA merger closes after June 30, 2009 but before June 30, 2010, an additional .4% will be added to the COLA in the 3rd year of the deal. The new salary schedule will be as follows.

	BA	BA+30	BA +60/MA	MA+30	MA+60	Doctorate
TIR	\$34,800		\$35,311			
Step 1	\$36,635	\$36,904	\$37,172	\$38,392	\$40,949	\$43,522
Step 2	\$36,910	\$37,258	\$37,603	\$40,248	\$42,920	\$45,610
Step 3	\$37,014	\$37,494	\$39,098	\$41,876	\$44,666	\$47,477
Step 4	\$37,201	\$37,697	\$40,559	\$43,471	\$46,383	\$49,309
Step 5	\$37,539	\$39,261	\$42,282	\$45,301	\$48,339	\$51,391
Step 6	\$37,765	\$40,930	\$44,080	\$47,216	\$50,379	\$53,577
Step 7	\$39,357	\$42,666	\$45,930	\$49,240	\$52,509	\$55,879
Step 8	\$41,014	\$44,437	\$47,875	\$51,331	\$54,750	\$58,277
Step 9	\$42,730	\$46,344	\$49,916	\$53,517	\$57,146	\$60,781
Step 10	\$44,547	\$48,313	\$52,068	\$55,830	\$59,578	\$63,398
Step 11	\$46,427	\$50,335	\$54,270	\$58,177	\$62,136	\$66,135
Step 12	\$48,408	\$52,486	\$56,605	\$60,731	\$64,816	\$68,981
Step 13	\$50,882	\$55,173	\$59,610	\$63,754	\$68,067	\$72,408

Benefits Allowance

School Year	Flex Dollars
2008/2009	\$405 per month plus a reduced premium of \$504 per year for those enrolled in a district health insurance policy.
2009/2010	\$405 increased by CPI + .25%. The \$504 per year for those enrolled in a district health insurance policy will continue unless the district cuts general fund positions due to budget cuts.
2010/2011	2009/2010 rate increased by CPI = .25%. The \$504 per year for those enrolled in a district health insurance policy will continue unless the district cuts general fund positions due to budget cuts.

This year flex dollars will be increased to \$405. For those enrolled in a district health policy, the district will contribute \$504 to reduce premiums for a savings of \$42 per month. In each of the following 2 years, the flex dollar amount will increase by CPI + .25%. The \$504 premium reduction from the district will continue provided that the district does not have to cut general fund positions because of budget cuts.

ProComp

1. In the current school year 2008/2009 all base building elements will remain under the current ProComp structure. Effective for the 2009/2010 school year, base building from Professional Development Units (PDU's) and Comprehensive Professional Evaluation (CPE) will only occur in years 1-14.
2. Base building from Student Growth Objectives (SGO's) and advanced degrees and licenses will continue through all years.
3. Tuition Reimbursement will be increased to \$4,000, payable at a maximum rate of \$1,000 in any year. Tuition Reimbursement will also be available for repayment of student loans.
4. Hard to Staff and Hard to Serve bonuses will be paid monthly.
5. The bonus elements of ProComp are summarized in the following table.

Bonus Elements	% of index	\$ amount for 2008/2009	Expected Earners
Hard to Staff	6.4%	\$2345	25% of teachers
Hard to Serve	6.4%	\$2345	50% of teachers
Distinguished Schools	6.4%	\$2345	50% of teachers
Growth Schools	6.4%	\$2345	50% of teachers
CSAP Exceeds	6.4%	\$2345	15% of teachers

All five bonus elements will have the same value. The expected earners are estimates of the number of teachers that will earn each bonus. The transition team, which will remain in effect through the duration of ProComp, will set and adjust benchmarks every 2 years that establish the criteria to be met to earn each bonus.

6. Starting in school year 2009-2010, a PDU bonus of 2% of the index (currently \$733) will be available to teachers in years 15 and above.
7. There will be a new opt-in window open until October 15, 2008 for the current school year.
8. Current ProComp participants may opt-out. Opt-outs will not be allowed to opt-in again.
9. PDU's that are currently banked as of August 31, 2008 are "grandfathered-in" for salary building.
10. ProComp will pay the ProComp salary differential for teachers in all funds as well as the full pension expense on the ProComp salary differential.

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Randi Kirchner

Field Representative
Education Minnesota
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Kim Ursetta

President
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Denver, Colorado