



Lessons Learned

About Implementing
Performance-Based Pay

Performance pay has had a huge impact in our district. Not only have we seen an increase in student performance from the previous year but the teachers are excited and are changing their whole philosophy towards teaching. Rather than trying to work within their classroom, teachers are venturing out and teaming together. They meet regularly to discuss student's achievement and what they can do to improve student performance. Teachers are now looking at the data, aligning their curriculum to the state objectives, and attending more professional development in order to make themselves and their students top-notch.

—Denise Creason
Beggs County, Oklahoma
TIF Project Director

Introduction

Research indicates that one of the most important factors in raising student achievement is a good teacher. We also know that, too often, our least experienced teachers are placed in our most challenging classrooms.

Traditional compensation systems are based on teachers' years of experience and the number of academic credits they have earned beyond a bachelor's degree. Neither of these factors, however, is closely linked with improved student performance. To create a better connection between this desired outcome and the compensation teachers receive for a job well done, many federal, state and local initiatives have been created to support the expansion of "performance-pay" programs. States as diverse as Texas, Minnesota, Florida, Alaska, and South Dakota have enacted statewide policies

promoting performance pay for educators and administrators. District- or school-based performance-pay programs exist in nearly every state.

The federal Teacher Incentive Fund supports districts in rewarding teachers and principals who have improved student achievement in high-need schools. Since the fund was initiated in 2006, new performance-pay models have been created and existing programs have expanded and evolved across the country.

This brochure highlights key insights that have emerged as the nation has gained more experience with performance-pay systems.



Components of High Quality Performance-Pay Programs

Implementing performance pay across South Carolina has given us the opportunity to implement a teacher incentive model in a caring and disciplined manner.

Establishing a culture that values excellent teaching and then rewarding value-added student achievement is a real winner. Schools that have embraced this approach have reduced teacher turnover, improved teaching and learning, and made positive gains on student achievement and school performance.

—Mark A Bounds
Deputy Superintendent
South Carolina
Department of Education

Leaders in schools, districts, and states have identified some important components of high-quality performance-pay programs. Administrators of successful programs:

- Dedicate sufficient time to planning so that schools and districts can engage stakeholders, raise awareness of the performance-pay program, train teacher evaluators, construct targeted professional development, and modify or create new data systems to support the program;
- Look ahead to secure funds from all available sources to support program sustainability;
- Communicate often and effectively, in multiple formats, with stakeholders, especially early in the process;
- Align the performance-pay program with school improvement plans and broader district goals so that it is integrated into the core of operations and framed as a school improvement strategy;
- Provide sufficient professional development to support program goals and address teachers' needs;
- Link data systems with human resources, payroll, student performance, and teacher evaluations in an accurate and reliable manner;
- Implement multiple, valid assessments to measure the teacher and school effectiveness;
- Ensure that data used to make performance-award decisions are transparent enough to assure all stakeholders that they are accurate, valid, and reliable;
- Consider supports beyond financial incentives, such as mentoring and strong, consistent leadership;
- Offer incentives that are large enough to change behavior;
- Give teachers opportunities to participate or opt out;
- Provide continuing training for teacher and principal evaluators;
- Encourage consistent, stable, and supportive leadership at all levels, from principals, to superintendents, to school boards; and
- Continually refine the program with input from key stakeholders.

Quick Reference Guide

The Benefits of Performance-based Pay

When properly implemented, this type of pay system:

- Directly links student performance—the most important outcome of schooling— with compensation;
- Provides rewards for teachers and schools that elevate their levels of effectiveness;
- Encourages teachers and principals to continue and actively seek out professional development;
- Provides the impetus for schools and districts to align their resources with their core goals;
- Helps schools and districts attract and retain highly effective teachers and administrators; and
- Encourages schools to consider how to assess student learning effectively across multiple grades and subject areas.

The chart below compares traditional and performance-pay systems.

Traditional Compensation Systems	Performance-Based Compensation Systems
Do not link directly to student performance	Do link directly to student performance
Do not provide rewards for elevated levels of school or teacher effectiveness	Do provide rewards for elevated levels of school or teacher effectiveness
Do not encourage the continued professional development of teachers and principals	Do encourage the continued professional development of teachers and principals
Do not provide impetus for schools and districts to align their resources with their core goals	Do provide impetus for schools and districts to align their resources with their core goals
Do not help schools and districts attract and retain highly effective teachers and administrators	Do help schools and districts attract and retain highly effective teachers and administrators
Do not encourage schools to consider how to assess student learning effectively across multiple grades and subject areas	Do encourage schools to consider how to assess student learning effectively across multiple grades and subject areas

By rewarding teachers who show individual professional growth (improved instruction) and whose students show achievement gains, more high-quality teachers will be retained in the classroom, and the retention of these teachers will allow schools to be more effective and show greater gains. In order to reward teacher and school effectiveness, there must be a change in culture, and good professional development must be provided.

—Patricia King
Q-Comp

MN Department of Education

The performance pay program implemented in the Houston Independent School District as part of our ASPIRE School Improvement Model, has had a tremendous impact on the district from changing the way we approach teaching and learning to providing meaningful financial rewards to effective teachers.

—Carla Stevens
Assistant Superintendent for
Research and Accountability,
Houston Independent
School District

Conclusion

We know that nothing helps a child learn as much as a great teacher. And we must start rewarding teachers who get great results.

—U.S. Secretary of Education
Margaret Spellings

Performance-pay programs focus resources in our nation's schools on teachers who help students most in need of assistance. Each school year, policymakers, researchers, and practitioners learn more about designing and implementing effective performance-pay programs. By continuing to evaluate the effect of these innovative programs and harnessing emerging insights—including those highlighted in this brochure—we can ensure that these promising developments will benefit greater numbers of schools, teachers, and students across the nation.

High quality, research based, job imbedded, sustained professional development is an indispensable component of Toledo's performance pay system.

—Fran Lawrence
President of the Toledo
Federation of Teachers