

# Creating a Successful Performance Compensation System for Educators

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*This document reflects the findings of the Working Group on Teacher Quality, whose participants share information and build consensus among organizations and experts active on the issue of performance pay and teacher compensation reform.*

*Participants of the Working Group on Teacher Quality include:*

*Association of American Educators*

*Augenblick Palaich and Associates*

*Center for American Progress*

*Community Training and Assistance Center*

*Full Circle Fund*

*National Commission on Teaching and America's Future*

*National Council on Teacher Quality*

*National Institute for Excellence in Teaching*

*New Teacher Center*

*The New Teacher Project*

*Resources for Indispensable Schools and Educators*

*State policymakers, district leaders, principals, teachers, school board members, parents and business leaders interested in creating effective teacher compensation and support systems may use the recommendations in this document to better understand the lessons the members of the Working Group on Teacher Quality have learned in implementing alternative compensation for teachers throughout the country. This document serves to inform decision makers of the essential factors to consider when designing and implementing a performance-based compensation system. This project was funded by the Joyce Foundation and coordinated by the National Institute for Excellence in Teaching. Examples of the principles outlined in this paper are included in the online version of the paper available on the websites of participants and at [www.talentedteachers.org](http://www.talentedteachers.org). These examples are illustrative and are not intended to reflect an endorsement or recommendation by the group. More examples will be included over time as we receive feedback and additional information on projects.*



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Well-prepared, high-quality teachers are essential if we are to ensure that all students achieve the high standards necessary to lead fulfilling lives and become productive citizens. In today's competitive marketplace, it is increasingly difficult to attract and retain excellent teachers. To accomplish this, we must provide salaries commensurate with their education, experience, the challenging and complex tasks they perform, as well as the success they experience in performing these tasks and the workplaces in which they operate.

Many schools and communities are exploring ways to attract, develop, motivate and retain excellent teachers by providing increased compensation through performance-based pay. Across the country, states, districts and schools have experimented with performance pay for teachers with varying degrees of success. From these real-world experiences, it is clear that a number of crucial elements are necessary to make performance-pay systems work in schools. Here we outline some of the most important design elements of successful performance-pay plans and recommendations for implementation.

### **Design Elements**

1. Ongoing, Job-Embedded Professional Development
2. Performance-Based Compensation
3. Evaluation Based on Professional Standards
4. Career Advancement Opportunities

### **Implementation Recommendations**

1. Sufficient and Stable Funding
2. Communication and Teacher Buy-In
3. Skilled Leadership
4. Target High-Need Schools and Subjects
5. Include a Program Evaluation and Monitoring System
6. Integrate and Align Other Systems to Compensation System

## DESIGN ELEMENTS OF AN EFFECTIVE PERFORMANCE COMPENSATION SYSTEM

### Design Element #1: Ongoing, Job-Embedded Professional Development

- ✓ **Includes an integrated, results-driven, job-embedded professional development component.**

Teacher compensation should not be considered in isolation but instead must be part of a comprehensive teacher quality system that supports teacher development and best practice. A very important element in a performance-pay system is a strong ongoing professional development program. If teachers are to be paid based on performance, teachers need the tools and the time to learn and implement the skills that foster higher levels of performance. This requires opportunities for professional development during the school day. School schedules must be structured so that collaborative learning communities can develop, where teachers have time to work with each other and to create improved learning opportunities for their students.

The professional development program should be school-based and focused on the instructional needs of individual students and strengths and weaknesses of teachers. It should be developed and directed by master and mentor teachers who provide ongoing coaching and individual assistance to teachers in their classrooms to help further improve their skills and knowledge. The program should provide teachers the opportunity to observe accomplished practitioners, collectively analyze student work, reflect with peers on their own practice and use data to determine areas that may need improvement.

### Design Element #2: Performance-Based Compensation

- ✓ **Multiple measures of teacher performance.**

Teachers should be eligible to earn additional compensation in a variety of ways.

- Systems should compensate teachers primarily based on gains in student academic achievement:
  - school-based student achievement growth, and
  - individual classroom-based student achievement growth;
- And a combination of one or more of the following:
  - demonstrated advanced skills and knowledge (e.g., meeting evaluation benchmarks);
  - assuming additional responsibilities (e.g., peer assistance and review, providing professional development to colleagues, mentoring other teachers); and
  - working effectively in hard-to-staff schools.

Multiple measures of teacher effectiveness also eliminates concerns that teachers will not earn bonuses if their students' scores initially do not show significant improvement, and ensures that teachers who meet other important teaching evaluation criteria are rewarded.

✓ **Objective measures of student achievement.**

Objective measures of student achievement *gains*, such as those using a valid and reliable value-added assessment or other measurements of individual and/or school-wide student achievement gains or growth, are essential if the system is to have credibility with teachers. These measures must include tests and performance measures that are sensitive to student achievement growth, and analyses of achievement must incorporate the teacher's context, a recognition that not all teachers teach the same students and that children are not randomly assigned to classrooms.

In addition, information management systems must be capable of tracking individual student achievement over time, providing teachers with real time data, as well as correlating students' records to their teachers' records—children often have more than one teacher and core subjects are often taught across the curriculum. (While these data systems are ultimately required for large scale implementations, it is important to note that smaller scale implementations can be done without full data systems in place.) Finally, the assessment systems must provide teachers with useful information to improve their teaching and their students' learning.

Since educators may be unfamiliar with student growth models such as value-added, providing information about these systems to teachers and principals is essential.

***See Appendix 1 for Lake County Schools (Florida) Teacher Advancement Program (TAP): objective measures of student achievement***

***See Appendix 2 for Minnesota Q-Comp: objective measures of student achievement***

✓ **Incentives available to all teachers at a school.**

All teachers should have the opportunity to receive performance awards. We recommend a combination of shared and individual accountability for teachers (and principals).

- The model should not be constructed with quotas, or numeric or percentage limits on the number of teachers who can receive an award within a school. If every teacher contributes to improving student achievement, every teacher should be able to earn more.
- The model should use a range of measures of excellence, ensuring that a wide variety of teachers are eligible, not just those in subjects/grades in which testing occurs.
- Some part of the award should be tied to an individual teacher's students' success, even if part of the award is for school-wide success.
- Incentives should be clearly aligned with intended performance outcomes and expectations for teachers and principals. Higher achievement yields greater rewards; lower achievement yields lower rewards.

Performance awards should be criterion-based, so that everyone meeting a previously agreed-upon standard earns the award. This eliminates the concern that performance-pay systems may breed unhealthy competition among teachers.

✓ **Performance rewards are significant.**

Models should include the possibility for performance rewards in the thousands, not hundreds of dollars—incentives significant enough to make a difference to teachers (e.g. at least 5% of salary) and appropriately reward them for their achievements. The goal is to produce incentives that are adequate to recruit and retain top teaching talent and to make additional work worth the effort for teachers.

✓ **Consider all perspectives on finances.**

As part of involving teachers and principals as equal partners in the design and implementation of alternative educator compensation, the financial analysis should be conducted from an educator perspective as well as from a district perspective. That includes looking at the impact of alternative pay systems on the career pay for educators at varied career stages, considering effects on retirement earnings, and other impacts to teacher pay and benefits.

### **Design Element #3: Evaluation Based on Professional Standards**

✓ **Credible, agreed-upon standards of practice.**

Earlier efforts at performance-based compensation systems often have failed because of ineffective evaluation systems that were often perceived to foster favoritism rather than promote teaching excellence. To be credible, a performance-pay evaluation system must be supported by clearly articulated standards of practice. The system must be designed to improve instruction, not to separate teachers into “winner” and “loser” categories.

Compensation proposals that reward teachers in part for their skills and abilities must be based on clear, agreed-upon standards designed by the profession. Evaluation standards and rubrics must be easily understood and research-based, and teachers, principals and other stakeholders must be collaborators at all stages—in the design, the implementation and the review of evaluation criteria.

***See Appendix 3 for South Carolina Teacher Advancement Program (TAP): credible, agreed-upon standards of practice***

✓ **Evaluation system facilitates support and feedback.**

The evaluation standards should be instructional tools that provide teachers constructive feedback and guide their professional growth. They should be integrated into the ongoing professional development efforts of coaches, master and mentor teachers. Pre- and post-conferences should be conducted with teachers during the evaluation process to provide opportunities for them to reflect on their areas of strength and growth. As a result, the process identifies areas of teacher need around which to design individual support and professional development.

✓ **Multiple evaluators, multiple evaluations.**

The performance reviews should occur multiple times during the year and be conducted by both teachers and administrators who are trained and certified as evaluators. Such an evaluation system will minimize teacher concerns about potential bias or favoritism. Evaluations should also take into account multiple methods of gathering evidence of the teacher’s impact on student learning (e.g. ongoing informal observations, student achievement growth in formative assessments, and lesson and unit plans).

✓ **System must ensure inter-rater reliability.**

It is vital that evaluators are extensively trained. Schools that build consistent inter-rater reliability observe and score lessons in pairs, observe volunteer teachers’ “practice” lessons, observe and coach one another’s post-conferences, and meet regularly, such as once a month, to monitor inter-rater reliability. Evaluators’ level of coaching skill significantly influences the degree to which the evaluation process is perceived as fair and supportive of teachers’ improved practice.

An evaluation data tracking and monitoring tool should be a part of the evaluation system. This tool can help evaluators determine areas of grade inflation or deflation, teacher strengths and weaknesses, and trends among standards of practice by grade level or subject.

## **Design Element #4: Career Advancement Options**

✓ **Models should include career path opportunities.**

If done properly, performance-pay systems provide incentives for restructuring systems to allow teachers to assume more responsibilities as they become more adept. Such systems create opportunities for teachers to advance in the teaching profession without having to become administrators, and new opportunities for shared instructional leadership. Performance-pay systems provide teachers the opportunity to pursue a variety of positions throughout their careers – inductee, career, mentor and master teacher – depending upon their interests, abilities and accomplishments. As teachers move up the career ladder, their qualifications, roles and responsibilities should increase – as well as their compensation. New roles and responsibilities should be clearly articulated and defined and there must be a structure and process for individuals to perform effectively in these new roles.

## IMPLEMENTATION RECOMMENDATIONS FOR AN EFFECTIVE PERFORMANCE COMPENSATION SYSTEM

### Implementation Recommendation #1: Sufficient and Stable Funding

- ✓ **A commitment to financial sustainability is demonstrated.**

Funding for performance pay should be budgeted, continual and approved in advance by school and district administrators. Of course, education budgets are often approved year by year so continuity of funds often cannot be guaranteed; however, by involving key stakeholders and working out a long-term funding plan, the likelihood of financial sustainability can be increased.

Such funds must not come at the expense of a competitive base salary for all teachers. Even the best performance-pay program will fail if base pay—the part of pay that provides the majority of a teacher's living expenses—is short-changed to support performance awards. An important principle is that the average salaries of teachers should not be lower with performance pay than without.

*See Appendix 4 for Calcasieu Parish, Louisiana Teacher Advancement Program (TAP): commitment to financial sustainability*

### Implementation Recommendation #2: Communication and Teacher Buy-In

- ✓ **Program is governed with input from teachers and administrators; model should be straightforward, easily understood and streamlined, and in alignment with other existing efforts.**

The system should seek a middle ground in terms of making teachers jump through too many hoops versus not enough parameters. The program should be implemented without adding substantial, unnecessary work for administrators, principals or teachers. To be most effective, the program should be jointly governed by a team of teachers and administrators – input is crucial.

- ✓ **Ongoing, clear communication with teachers and administrators is essential to their full understanding of and support for the program.**

Since value-added or student learning growth models are used to determine student achievement growth, teachers and administrators must understand that aspect of the system. Communication with teachers, administrators, the media, parents and the community about the goals and results of the program must be ongoing and transparent. Opportunities to ask questions must be provided.

*See Appendix 5 for Denver ProComp: communication and teacher buy-in*

### Implementation Recommendation #3: Skilled Leadership

The principal and instructional leaders who make up the school leadership team need to be strong in order for a school to successfully implement a performance-based pay program. Hiring processes for these individuals need to be rigorous in order to ensure effective leaders.

- ✓ **Principals must be involved in the performance-pay system and supports.**

In a performance-based pay system the principal needs to be very involved in all the processes and open to the idea of working under a distributed leadership model. Their buy-in, support and knowledge of the system are critical to success. Performance awards for principals should be part of the system.

- ✓ **Master and mentor teachers and coaches provide school-based professional development and support.**

Master and mentor teachers and coaches are expert instructional leaders with extensive knowledge of teaching practices. They have the ability to facilitate adult learning and coach teachers toward instructional improvement. These skills are critical to their success in developing professional learning communities, working with the principal to set academic goals and strategies, and coaching other teachers.

#### **Implementation Recommendation #4: Target High-Need Schools and Subjects**

- ✓ **High-need schools should receive priority.**

The neediest students generally end up being taught by the least effective teachers. To address this challenge, the system should provide ongoing rewards for teachers with demonstrated aptitude in high-need schools as opposed to one-time incentives for teachers to move – incentives for moving may result in ineffective teachers being recruited, or pose a risk of teachers leaving after a short period. One alternative may be to have larger financial rewards or bonuses at high-need schools and high-need subjects, than in other schools in the district.

*See Appendix 6 for Benwood Initiative (Hamilton County Schools, Tennessee): high-need schools receiving priority*

*See Appendix 7 for Mission Possible, Guilford County Schools (Greensboro, North Carolina): high-need schools receiving priority*

- ✓ **Model is consistent with efforts to recruit and retain math and science teachers.**

The model should make it more likely that schools will be able to recruit qualified individuals into high-need fields like math, science and special education — or whatever a given district’s most pressing needs may be. This can be accomplished by providing additional or enhanced incentives for teachers of hard-to-staff subjects especially in high-need schools.

- ✓ **Model is consistent with efforts to recruit and retain math and science teachers.**

The model should make it more likely that schools will be able to recruit qualified individuals into high-need fields like math, science and special education — or whatever a given district’s most pressing needs may be. This can be accomplished by providing additional or enhanced incentives for teachers of hard-to-staff subjects.

#### **Implementation Recommendation #5: Include a Program Evaluation and Monitoring System**

- ✓ **Model should include evaluation and regular feedback.**

The model should have a plan for ongoing, internal evaluation that will encourage mid-course corrections. To accomplish this, capacity for data collection by schools must be included in the plan. Independent external evaluation of the system and its impact is also essential.



## **Implementation Recommendation #6: Integrate and Align Other Systems to Compensation System**

Performance-pay systems cannot be imposed on teachers without their consent if they are to be successful and sustainable. These systems are one part of a much larger coordinated strategy for improving teaching and learning. They require careful planning and will evolve and mature over time.

If they are to succeed, they need to

- Include teachers, administrators and other key stakeholders in all stages of the development, implementation and evaluation of the plan.
- Have an affirmative faculty vote to support the effort before beginning implementations.
- Provide substantial support at the district level. This support—professional development systems, meaningful evaluations systems, career ladders—should be incorporated into school and district budgets and operating procedures, and where appropriate in contract negotiations.

## APPENDIX 1

### Lake County Schools (Florida) Teacher Advancement Program (TAP): objective measures of student achievement

A teacher's impact on student achievement can vary greatly. To help quantify this influence, value-added assessment is used to measure academic gain or "value-added" gain for students above a predicted target over a specified time. This statistical model shows how educators add to student knowledge, over and above what students' families and neighborhoods contribute. By using students' past test scores in a statistical formula, "value-added" is calculated to predict what scores students should get if they continue achieving on the same trajectory (Sanders, 1998). This means that regardless of where their students start the year academically, teachers are evaluated and rewarded based upon how much their students improve. Projected growth in the current year is determined by actual growth of two or more previous years.

The Lake County schools implementing the Teacher Advancement Program (TAP) under a Teacher Incentive Fund grant are using objective measures of student achievement. These schools use the measures to determine 50% of teachers' performance bonuses. This is broken into two segments and a "value-added" model is applied: (1) 20% is based on school-wide value-added growth and (2) 30% is based on a teacher's individual classroom valued-added gains.

The Florida Comprehensive Assessment Test (FCAT) will be used as the primary indicator of teacher and principal effectiveness for the project. The test was designed to assess student achievement of the Sunshine State Standards (Florida's state standards). Several measures of the technical quality of FCAT show that scores from the test are both valid and reliable (Florida Department of Education, 2004).

The schools will ensure that data is both reliable and valid. Both teacher and school effectiveness are measured by the value-added growth of each teacher's students using the FCAT compared to what is achieved on average by a reference or control group. At least three years of test scores for each student are required in order to form a more precise estimate of each student's achievement. This requirement also allows each student to serve as his or her own control, because other covariates to achievement such as socio-economic status, previous achievement and other personal characteristics remain the same from year to year for each student.

In order to qualify for an individual bonus, teachers are required to have scores for at least ten students who have been in their classroom for the full school year. Each teacher's final estimate is a combination of a weighted individual teacher point estimate and a weighted average for all teachers.

For more information:

<http://www.ed.gov/news/pressreleases/2007/05/05312007b.html>

<http://www.ed.gov/programs/teacherincentive/awards.html>

<http://www.talentedteachers.org/tap.taf?page=sanders>

**APPENDIX 2**  
**Minnesota Q-Comp: objective measures of student achievement**

In July 2005, Minnesota enacted Quality Compensation for Teachers (Q-Comp), an \$86 million teacher compensation reform package to better align teacher compensation with student achievement. Q-Comp provides funding for teacher compensation systems that include the creation of multiple career paths, a rigorous evaluation and review system with specific performance and accountability goals, professional development directly aligned to school and student needs, and enhanced compensation tied to growth in student achievement and demonstration of teaching knowledge and skill.

The Q-Comp model enables schools and districts to put in place objective measures of student performance that reflect input from teachers and administrators. Fairly and accurately measuring student performance gains is a critical foundation of performance pay systems. Q-Comp tackles this difficult challenge by establishing rigorous standards for measuring student academic achievement and teacher quality, while allowing schools and districts flexibility in determining the measures for student achievement and teacher quality.

For more information:

[http://children.state.mn.us/mde/Teacher\\_Support/QComp/index.html](http://children.state.mn.us/mde/Teacher_Support/QComp/index.html)

### APPENDIX 3

## South Carolina Teacher Advancement Program (TAP): credible, agreed upon standards of practice

Schools in a number of districts in South Carolina are using an evaluation system that was developed with input from teachers, and that provides clear, agreed-upon standards for the evaluation of teachers' classroom skills and knowledge. These are codified in an evaluation rubric also used to outline growth plans for each teacher to help them to continually improve their teaching skills. Teachers are evaluated using this rubric four times each year by certified evaluators at their schools. Pre- and post- conferences enable teachers to more fully understand the strengths and weaknesses in their teaching and apply this knowledge to their professional growth. An overview of the indicators on the TAP Rubric appears below.

### TAP Teaching Skills, Knowledge, and Responsibility Performance Standards Overview

<p><b>Designing and Planning Instruction</b></p> <ol style="list-style-type: none"> <li>1. Instructional Plans</li> <li>2. Student Work</li> <li>3. Assessment</li> </ol>	<p><b>The Learning Environment</b></p> <ol style="list-style-type: none"> <li>1. Expectations*</li> <li>2. Managing Student Behavior*</li> <li>3. Environment*</li> <li>4. Respectful Culture*</li> </ol>
<p><b>Instruction</b></p> <ol style="list-style-type: none"> <li>1. Standards and Objectives*</li> <li>2. Motivating Students*</li> <li>3. Presenting Instructional Content*</li> <li>4. Lesson Structure and Pacing*</li> <li>5. Learning Activities and Materials*</li> <li>6. Questioning*</li> <li>7. Academic Feedback*</li> <li>8. Grouping Students*</li> <li>9. Teacher Content Knowledge*</li> <li>10. Teacher Knowledge of Students*</li> <li>11. Thinking*</li> <li>12. Problem Solving*</li> </ol>	<p><b>Responsibilities</b></p> <ol style="list-style-type: none"> <li>1. Staff Development</li> <li>2. Instructional Supervision</li> <li>3. School Responsibilities</li> <li>4. Mentoring</li> <li>5. Community Involvement</li> <li>6. Growing and Developing Professionally</li> <li>7. Reflecting on Teaching</li> </ol>
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\* Indicates criteria that are evaluated during classroom observations.

For more information: <http://www.scteachers.org/tadvance/advance.cfm>

**APPENDIX 4**  
**Calcasieu Parish, Louisiana Teacher Advancement Program (TAP): commitment to financial sustainability**

District leaders in Louisiana's Calcasieu Parish School District identified funding for a system of teacher performance compensation and related professional development led by master and mentor teachers, by redirecting existing federal, state and local funds, as well as foundation and private support. A summary of the potential funds to implement TAP appears below.

<b>Potential Funds to Implement TAP</b>		
<b>Fund</b>	<b>Part</b>	<b>Application of Funding</b>
<b>Title I</b>	<b>Part A</b> Section 1114 School-wide Program	In a school-wide Title plan any aspect of TAP
	<b>Part A Set Aside "Off the Top" Professional Development</b> 5 percent of Title I Set Aside should be reserved for Professional Development. In addition to the 5% noted above, LEAs with a school(s) identified for improvement must reserve at least 10 percent of their Title I allocation for PD. See Section 1116(c)(7)(A)(iii) at <a href="http://www.ed.gov/policy/elsec/leg/esea02/pg2.html#sec1116">http://www.ed.gov/policy/elsec/leg/esea02/pg2.html#sec1116</a>	All aspects of TAP except Performance Award
	<b>Financial Incentives and Rewards</b> An LEA may reserve such funds as are necessary for Title I Subpart 2, to provide financial incentives and rewards to teachers serving in Title I schools and identified for School Improvement II, corrective action, and restructuring under section 1116(b) for the purpose of attracting and retaining qualified and effective teachers.	In a school-wide Title plan identified for School Improvement II, Corrective Action or Restructuring any aspect of TAP
<b>Title II</b>	<b>Part A</b> Improving Teacher Quality State Grant	Any aspect of TAP
<b>Title V</b>	<b>Innovative Program</b> Per the provisions of the State and Local Transferability Act, an LEA may transfer up to 50 percent of each fiscal year's Title II and Title IV funds to Title V, Innovative Program. An LEA identified for improvement under section 1116 (c)(3) may transfer up to 30 percent and an LEA identified for corrective action under 1116(c)(10) may not transfer any funds. Final guidance on Transferability is available at <a href="http://www.ed.gov/programs/transferability/finalsummary04.doc">http://www.ed.gov/programs/transferability/finalsummary04.doc</a>	Any aspect of TAP
<b>IDEA Part B</b>	<b>Early Intervening Services</b> Any District identified under Section 618(d)(1), must reserve the maximum amount of funds (15 percent) to provide comprehensive coordinated early intervening services to children in the LEA, particularly children in those groups that were significantly over identified under paragraph 618(d)(1)(A).	All aspects of TAP except Performance Award
<b>K-3 Reading and Math Initiative</b>	<b>Allowable Expenses</b> Professional development expenses related to Whole Faculty Study Groups focusing on K-3 reading and mathematics instruction. Any activities or materials that impact or support the SIP to improve reading or mathematics achievement or conform to guidelines for effective teaching, intervention, or staff development.	All aspects of TAP except Performance Award
<b>Education Excellence Fund (EEF)</b>	Monies appropriated...shall be restricted to expenditures for pre-kindergarten through 12 <sup>th</sup> grade that support excellence in educational practice.	Any aspect of TAP

**APPENDIX 5**  
**Denver ProComp: communication and teacher buy-in**

ProComp was designed by the Denver Public Schools (DPS) and Denver Classroom Teachers Association (DCTA) Joint Task Force on Teacher Compensation. The task force included five teachers, five administrators and two citizens appointed by DCTA and DPS. ProComp grew out of a four-year performance-pay pilot program that included 16 schools. In November 2005, Denver voters approved a \$25 million mill levy increase to fund Pro Comp district-wide. Communication and teacher buy-in were critical elements of the success of Denver's plan, and the ultimate approval of funding by taxpayers. The plan included regular outreach to teachers, principals and other district personnel through direct communication as well as online resources. The goal was to provide as much information as possible about the impact of the new system on educators, and to answer questions in a timely manner. Communication with community members was also a priority, and a key part of the lead up to the voter approval of new funding through a referendum.

Professional Compensation for Teachers (ProComp) rewards and recognizes teachers for meeting and exceeding expectations, links compensation more closely with instructional outcomes for students, and enables Denver Public Schools to attract and retain the most qualified and effective teachers by offering uncapped annual earnings in a fair system.

For more information: <http://denverprocomp.org>

## APPENDIX 6

### **Benwood Initiative (Hamilton County Schools, Tennessee): high-need schools receiving priority**

Nine of the 20 lowest performing elementary schools in Chattanooga, Tennessee were located in the Hamilton County School District. These schools were urban, poor and largely minority. Teacher turnover rates were high; the faculties were made up of young, inexperienced, and, in some cases, marginal teachers. The first day of school often found numerous classrooms with no teacher at all, with staffing sometimes incomplete until 2-3 weeks into the school year. Student performance was abysmal, where on average only 12% of third-graders in these schools could read at or above grade level.

The primary focus of the Benwood Initiative was to attract quality teachers to the city's nine most troubled schools. Market incentives to attract these teachers included a \$5,000 annual bonus, free tuition toward a master's degree, a \$10,000 loan toward a down payment on a house around one of the schools, forgivable if teachers teach at the school for at least five years, and \$2,000 per teacher in a school that boosts its overall test scores by a significant degree. This bonus plan was accompanied by changes in school leadership, additional training for teachers and more sophisticated use of data to measure student progress.

For additional information: <http://www.pefchattanooga.org/www/docs/1/benwood>

## APPENDIX 7

### **Mission Possible, Guilford County Schools (Greensboro, North Carolina): high-need schools should receive priority**

“Mission Possible” is a district-based comprehensive teacher incentive program that was launched in the 2006-2007 school year in the Guilford County Schools in Greensboro, North Carolina.

The program combines multiple components to attract and retain highly effective teachers in high-poverty, low-performing schools in the district. District administrators initially selected 20 schools to participate that were not meeting the educational needs of their students. The school selection was based on multiple criteria, including the percentage of students on free- or reduced-price lunch; the school’s Adequate Yearly Progress (AYP); the state accountability status; and the rate of teacher turnover.

The financial incentives include recruitment and retention incentives for teachers and administrators. For example, a qualified 9-12<sup>th</sup> grade algebra I teacher can earn \$10,000 for teaching in this shortage area. The program also includes performance-based incentives that are in addition to base salaries and vary depending upon the level of performance. A highly effective teacher can earn up to \$4,000, while a principal whose school makes AYP can earn \$5,000. In addition to these financial rewards, Mission Possible teachers and administrators receive ongoing specialized training, support for collaboration, and smaller class sizes.

The program is funded by an \$8 million grant from the U.S. Department of Education’s Teacher Incentive Fund and a \$2 million grant from the University of North Carolina system and Action Greensboro, a coalition of local foundations.

For more information: [http://www.gcsnc.com/mission\\_possible/index.htm](http://www.gcsnc.com/mission_possible/index.htm)