

Center for American Progress



SPECIAL PRESENTATION

“REFORMING TEACHER COMPENSATION”

MODERATED BY:

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MS. CYNTHIA BROWN: Thank you. Good morning. My name is Cindy Brown, and I'm the director of education policy here at the Center for American Progress. We're very happy that you are here with us this morning. We're expecting more people but it's not fair to you if we don't get started, so these folks who can't get moving on Monday morning will just have to catch up and will probably join us later.

We're pleased that you've joined us today for our discussion of recent programs to reform teacher compensation systems. This is a very hot topic, I'm sure you know that, and we are happy to release two papers today that we believe will make significant contributions to the lively teacher pay debates currently going on. The papers are by Joan Snowden, President of the Education Study Center and former Director of Education Issues at the AFT and Robin Chait of our Center staff. We have two great commenters, both practitioners deeply enmeshed in implementing new teacher compensation programs in Denver and Chicago. We expect a fascinating discussion this morning.

Before we begin, let me just remind you again to turn your cell phones, Blackberries and pagers off. That helps with our microphones here, so that we don't get interference.

We at the Center for American Progress are very concerned about teacher quality generally in our schools, and especially about the distribution of the most effective teachers. Teachers are the most important factor in educational success for most youngsters especially those from low-income families. Examples abound of highly effective teachers in every community, but overall, we are faced with a continuing shortage of good teachers that jeopardizes progress in improving education.

Teacher quality, effectiveness and pay are central issues in the consideration of the re-authorization of the No Child Left Behind Act, which is really the re-authorization of the Elementary and Secondary Education Act of 1965. Many things must be done simultaneously to improve teacher effectiveness. But because of cost implications, education reforms are inextricably tied to the issue of compensation. State and federal policymakers need to invest in and carefully evaluate new ways to attract high-quality candidates to teaching and reward those who are most effective.

We need to begin by acknowledging that job structure and financial rewards are important motivators for employees no matter what their profession. Currently, too little attention is paid to creating the financial incentives necessary to recruit and retain an effective teacher workforce. We need to change that by offering competitive compensation that recognizes and rewards different roles, responsibilities and results. Indeed, we have gotten other important organizations to agree with us. In a joint platform issued last February by the Center and U.S. Chamber of Commerce, we agreed that states and districts need to reform pay and performance structures, including improving starting salaries. Offering competitive salaries and up-front tuition assistance can help to attract talented mid-careerists and young people committed to a career in

education. Our teacher workforce should also receive greater compensation for positive results and a willingness to take on more responsibilities. If a teacher or a principal is taking on more challenging subjects, teaching in tougher schools or delivering positive results, we need to increase their pay.

With support from the Joyce Foundation, we at the Center are giving special attention to the teacher and principal compensation issues. As the Center examines research and experience with extra pay for success and incentive pay, it hopes to promote a more reasoned and visible public discussion about it.

Today, we will explore how to design new teacher pay systems successfully--how to do it well and not so well. We are pleased to present to you Joan Baratz-Snowden's view of this in a paper entitled "The Future of Teacher Compensation: Déjà Vu or Something New." We also have a paper on an examination of pay-for-performance programs in eight states by Robin Chait.

So let's begin. Joan and Robin will present their papers and observations. Then we will get comments from two knowledgeable practitioners who really know the ropes: Brad Jupp and Stacey Hunt. I'm going to briefly introduce all four panelists. You already have their full bios. We'll hear from them, have some exchange, and then open the floor to everyone.

Joan Baratz-Snowden is president of the Education Study Center, an organization devoted to helping organizations and institutions develop policies and implement practices that improve the educational opportunities of poor and minority students. Before that, she was director of the Education Issues Department of the American Federation of Teachers.

Robin Chait is the senior education policy analyst here at the Center for American Progress. Prior to this position, she worked as an independent consultant and was a teacher in the District of Columbia Public Schools.

Brad Jupp is senior academic policy advisor to Denver Public School superintendent Michael Bennet. Before taking that position, Jupp worked for 19 years as a teacher and an activist in Denver's teacher union, the Denver Classroom Teachers Association. From 1999 to 2005, he led the joint district-union effort to develop and implement Denver's professional compensation system for teachers known as ProComp.

Stacey Hunt is the Teacher Advancement Program Manager for Chicago Public Schools. Her primary responsibilities are to provide ongoing professional development, training, coaching and mentoring to school leadership teams and to monitor implementation of the TAP program as part of the Teacher Incentive Fund Grant awarded to Chicago.

So we're going to start with you Joan.

MS. JOAN BARATZ-SNOWDEN: Thank you. Good morning. Despite the fact that we have little evidence to support incentive pay as a way to substantially improve student learning and despite Goldhaber's observation that, "teachers' jobs are complex and multidimensional, and we know very little about how to objectively and accurately quantify their productivity," pay for performance is all the rage these days in education circles. As Cindy mentioned, from the U.S. Congress to state Houses across America to local bargaining tables, everyone is talking about improving teacher quality by abandoning the traditional single salary schedule based on experience and education and moving to pay systems based on student outcomes and/or teacher knowledge and skills, instructional excellence and new roles and responsibilities.

Of course, pay-for-performance proposals aren't new. There's a long and unhappy history of failure regarding attempts to change the current teacher compensation system. But the single salary schedule has had remarkable staying power. It is easy to understand and administer, it is predictable, and teachers believe it is fair and objective. And lest we forget, it replaced a corrupt system that paid white teachers more than black, elementary teachers more than high school teachers, women more than men, so it was seen as a reform in its day. But today we recognize it has limitations. It has not produced competitive salaries in the current job market, it does not respond to market forces, and the evidence linking teacher education and experience to improved student performance is weak at best.

All these limitations suggest that we need to rethink the compensation system for teachers. The question is: will we create something new and useful, or will we repeat the mistakes of the past? As Cindy mentioned, change is in the air. I won't go into the issues of Congress and presidential debates and the reauthorization, and I know Robin will talk about what's going on at the state level. Think tanks on the left and the right -- in fact, you can't tell who's on the left and right -- are calling for changes in compensation systems, as are major philanthropies. Survey results of teachers in the broader public indicate that changing teacher compensation is an idea whose time has come. Indeed, Sandra Feldman, the late president of the AFT, told her members "The current salary schedule had not gotten us the pay we deserve. It is time to explore other options." She also called for pay reforms that included both salary increases and rewards, "for different roles, responsibilities, skills, and yes, results." That was a union president talking.

Why now? There are a number of reasons why it's hot right now. First, there's dissatisfaction with the current outcomes of the education system. Businessmen complain; academics complain; international comparisons show that we're not in the forefront; and the NCLB disaggregation of test scores has heightened awareness of the achievement gap. So there's a paradigm shift in education policy initiatives, from a concern with compliance and inputs to a focus on accountability and outputs. That's one reason.

Another reason is public opinion about teacher compensation. The public in general wants changes to teacher compensation for two reasons: one is they believe teachers are underpaid, and the second is they believe that if you have a harder job or do

a better job, you should be paid more money. There's also a small minority that have punitive motivations for wanting to change teacher compensation. They argue we can't afford across-the-board increases in salaries to attract a better teacher pool, and in any case, such raises would not only reward the worthy but also give the undeserved compensation, to teachers who are not doing their best, or are otherwise unwilling or unable to do the job. They believe the teacher unions are too powerful and that imposing a merit pay system on the schools will not only weed out weak teachers but also weaken the union.

Most importantly, there are new methodologies. One of the big objections to merit pay was that it was seen as unfair. If you worked in a school that had affluent kids, you were more likely to be rewarded than if you didn't. These new gain methodologies have given some credence to the idea that there is some legitimacy to tying student test scores to student performance in a way that might be fair. And importantly, the apparent success of Denver's pay for performance, or ProComp, has given a real impetus to these programs. Politicians who wouldn't have touched this before are willing to talk about pay for performance because they feel here is an example where a union had a major role in the change, and as I'm sure Brad will tell us it was not easy, but the technical and political issues that have plagued attempts to change teacher compensation in the past were addressed with the Denver plan.

I want to talk a little bit about the trends in teacher compensation, but I'm not going to spend a lot of time on them because I'm sure that Robin will talk about what are essentially four major trends: inputs, where you reward for knowledge, extra work, which is pay for responsibility, market pay, which is pay for teaching in shortage areas or hard-to-staff schools, and outputs, or pay for performance.

Now, before I get into the really knotty one there, which is pay for performance – knotty or naughty, I don't know which – I want to say something that's very important. If you're going to talk about how we alter teacher compensation, how you frame the issue is important. In discussing teacher compensation, too often the tone is condescending and suggests that pay for performance will entice the truly talented to flock to high-performing schools and because current teachers who know how to get the job done will make an effort to do so. This suggests that most teachers aren't working very hard, and we need to starve the less than stellar teachers so that they will be forced to leave the system. Such notions are insulting to teachers, a non-starter, and interfere with real discussion about how to use alternative compensation as a lever to build organizational capacity. That is the issue. If you're going to do something new, you have to think about this as a lever to build organizational capacity to improve teacher quality and student performance.

As I said, pay for performance is the most contentious area, particularly when it's tied to individual teachers and their students. Much of this comes from fears that teachers have from earlier experiences. Those systems failed because of the fact that they were underfunded, imposed the system on teachers, used quotas for determining quality and had questionable assessment procedures. As a result, teachers believed that the systems

were based on favoritism rather than merit. And districts didn't budget for them. The minute they had a pinch in the budget, the systems disappeared.

The technical and political problems involved in introducing pay for performance, particularly at the individual level, cannot be ignored. When there has been little support for teachers, money is scarce and the base salary is noncompetitive. I'm sure you can find places where this is true. It is difficult for union leaders to talk about individual student-performance-based teacher incentives. Furthermore, the programs must overcome the concern that rewards will pit teachers against each other, a criticism that is sharply reduced by the absence of quotas or other arbitrary definitions of excellence.

Value added measurement is also a problem. Teachers believe that there's more to teaching than academic success. While they believe academic success is important, they want the other contributions they make to students' lives recognized as well. They also fear that too great an emphasis on testing will skew the system in undesirable ways, the so-called Campbell effect, when you make something important you skew the indicator. These are not phony obstacles thrown in the face of reform by desperate, obstinate old guard reactionary union leaders, but real issues that have been given some credence by the recent research on the side effects of district implementation of adequate yearly progress. Value added methodologies cannot be ignored. There is hardly consensus in the scholarly community as to the validity of value added models and whether they can distinguish teachers' inputs from the effects of student background and school variables.

More importantly, think about it in terms of your own salary being based on these data. Sanders showed that all these value added models aren't equal. Using the same data, but using different models, different teachers got rewarded. Similarly, Sass and Harris used the same data from children taking two reading exams and two math exams and discovered that those who got rewarded depended on which test was used. So even with credible value added methodologies and better tests, many systems lack the technical capacity to track student data to individual teachers. So the bottom line is that the desire for pay for performance can frequently be greater than the district's capacity to implement it. Is it any wonder that teacher leaders are wary? The devil is in the details.

Now, I assume that Brad will say more about it, but Denver is an example of a place that did it right. It is not a model we should just jump to adopt -- and you cannot just take it and put it someplace else, but what is ideal is the process of time and union involvement. Everybody refers to Denver, but few people have actually looked inside and seen how it is implemented. ProComp is not a management tool. It's a system approach to school improvement that focuses on how districts support teaching and learning. The program could not have been accomplished without collaboration between the union and the district, and ultimately without the support of the public that voted to pay for the program, nor could it have been accomplished without outside funding, particularly from the local philanthropy, the Rose Community Foundation.

Creating the plan required experimentation. It takes time to get it right. And as Rob Weil from the AFT, who developed the Douglas County system, has said over and

over again, developing an alternative compensation system is a process, not an event. Time, talent and resources are necessary not only for developing the incentives and identifying the necessary data for teachers to get compensated, but they're necessary to create new systems for tracking students, tracking professional development, tying payroll to ProComp data, developing new organizational structures within the district central office and getting the buy-in of the teachers and the public.

Quickly, I want to say that most people think this is all about pay for performance. ProComp is not a pay-for-performance system for purists gone awry. It is not solely based on student achievement. It's a hybrid program that incorporates a variety of outcomes. And it has four components: student growth, market incentives, knowledge and skills, and professional evaluation. And knowledge and skills ultimately has more money devoted to it than the student outcomes, because the notion is that if you're just going to reward the system you have, you're not going to build greater capacity and improve performance.

So the pay-for-performance aspect has three parts: teachers are accountable most importantly for meeting student learning objectives. I like this because teachers and principals have to sit down together, they look at the data and then they decide what the objectives are. They talk about objectives and about the data that will lead to those objectives. It's not just numbers. And so the emphasis is moved from testing to teaching and learning. All teachers can have student learning objectives so all teachers can earn money through them.

Teachers with students who take the Colorado Student Assessment Tests are eligible for additional compensation if their students make the rate of student learning that's determined by quasi value added methodology, and all faculty in schools identified as distinguished get money. Seventy percent of the money in Denver's old single salary scale schedule goes to base pay and the remainder to education and experience. Under ProComp, 59 percent is base salary and 41 percent is incentive pay. Of that 41 percent of incentive pay, about 57 percent is payout for knowledge and skills such as professional development units directly related to what the system identifies as valuable, and only 30 percent will pay for performance.

Now, even though my mother said always say things that are nice, Cindy said to talk about doing it right and doing it wrong. Not all places that are attempting to put professional compensation in place have followed the Denver example. A particularly egregious example is Florida, which has twice amended its pay-for-performance program, and if I were a betting woman, I would say it's going to amend it a third time. The program has a history of quotas, haste and imposition from on high. Initially, there was no teacher buy-in with the result that it was rejected by teachers and not used in many districts.

The motivation for its imposition was questioned by teachers, and their wariness may have been well founded. Hanushek, who was on one of the committees that studied it, suggested that the motivation was that, "by rewarding those who do well in the classroom, the hope is that most of those who do poorly will choose to exit." At any rate,

Slotnik, who had studied and helped Denver, remarked that Florida took everything that the nation learned over the last 20 years that was bad about merit pay and put it into the law. This includes quotas, over-reliance on tests, lack of teacher buy-in, arcane formulas, and no professional development to speak of.

Perhaps no district is more the poster child for doing compensation wrong in recent times than Houston. Their story is a classic example of haste makes waste. The Houston system put \$14.5 million into a program that did not require teacher buy-in for participation. It was essentially a program designed by the administration with little or no consultation with the teachers and other members of the stakeholder community, and was imposed upon the system over the objection of the union which had wanted, in the absence of across-the-board raises, to see a system that included differentiating staffing and the TAP model.

The Houston system rested on a value added model developed by their research department that was a mystery to most, despite some effort of the district to explain it to teachers and administration. After all was said and done, and the psycho-magicians as I call them, and technocrats did their thing, teachers in the top 50 percent of growth formula – why 50 percent? Why not 75 percent, not 12 percent – but the top 50 percent got money and then the top 25 percent were rewarded even more. Nobody knew how the system worked or what they did with missing data.

The controversies were quick and noisy. There were errors in computing and some teachers were asked to return money. The rewards were published in the newspaper and many teachers were embarrassed about whether or not they received incentives. There was no face validity. At least one teacher of the year was not rewarded, and some teachers with less than exemplary evaluations – which as you know is pretty hard to get – were given bonuses. In some instances, instructional staff other than teachers got more rewards than the teacher. The average reward was less than \$2,000. To put it bluntly, it was a mess. Fallon, who is the local AFT leader, said that on any reasonable criteria for success of a professional compensation system, the district plan failed. The teachers didn't know what they needed to do to be rewarded, the program criteria were not clear and much of the incentives were not available to all teachers. It too violated the most basic elements of implementing a pay-for-performance system.

So what have we learned? What works in teacher compensation? First, reforms cannot be designed as punitive management tools and they cannot be developed as a sorting mechanism to weed out defective teachers. They must be inclusive and part of a systemic effort to build capacity at the district to help all teachers help students. The purpose of the alternative system must be clear. Teacher buy-in is a must. The new system cannot be imposed on teachers, it must be developed with them. Teachers need to be involved in all aspects of the design, implementation and evaluation. The system should eventually be part of collective bargaining or memorialized in a memorandum of understanding.

Again, as Wile said, teacher compensation system change is not an event. It is a process that must be adjusted and refined as experience with the system grows. Ultimately, any new system must meet the APPLE criteria first developed by the National Board. That is, the new system must be administratively feasible, professionally acceptable, publicly credible, legally defensible and economically affordable. If compensation for teachers is based on administrative criteria beyond the current components of education and experience, then the system must have the ability to incorporate all those elements into a record-keeping system or you get the Houston mess.

To be professionally acceptable, teachers must understand the new system and believe that it is fair. An affirmative faculty vote in support of the effort should be established before implementing any performance-based plan. There should be multiple ways to earn additional compensation, multiple measures of achievement, standards and procedures for awarding compensation should be transparent, steps for improving practice with professional development must be clear and other supports to assist teachers must exist. After all, if all we do is reward those who are already outstanding, we won't increase the overall quality of the workforce. Also, rewards should be significant and they should not be based on quotas.

To be publicly credible, the public must understand the system, find it valuable and be willing to pay for it. If we want the public to support the program with the necessary additional tax dollars to go to scale, the goals must be ones that the public values and there must be compelling evidence that the new system will meet those goals.

It must be legally defensible. The elements of the system must meet the professional standards of best practice so that they can withstand legal challenge. The testing data must be valid and reliable and have the psychometric properties necessary for the analyses to which they are subjected so that decisions about salaries cannot be challenged as arbitrary or capricious.

Finally and very importantly, it must economically affordable. Failure to anticipate the additional costs and provide the necessary money has been the Achilles' heel of many past professional compensation reform efforts. At a minimum, money will be needed to secure an adequate base pay for teachers. You can't build it by stealing from Peter to pay Paul. You'll need money to provide meaningful incentives. One problem is you have discussions in all of the researchers' papers that talk about lots of money, and then when the system gets implemented, it turns out to be hundreds, not thousands of dollars, and 1 or 2 percent, not 5 and 10 percent. Research doesn't tell us how much money is sufficient, but past experience does indicate that small sums are not a potent incentive.

Finally, you need money to build the infrastructure to support the new system. Money will be needed to develop, approve or buy new assessment tools, develop the data systems and analytic capacity they will require, create and deliver the professional development to improve teacher and principal performance, expand capacity and support staff in new roles such as mentor coach or assessment specialist, and also to repair and upgrade facilities in hard-to-staff schools.

So we have to take the time and money to do it right. Haste has been the undoing of many efforts to change the compensation system. Redesigning that system is not a question of redirecting existing dollars, but rather it is an attempt at using compensation as a lever for school improvement. This ultimately requires managerial, instructional and cultural change, and that cannot be mandated from on high or done quickly. Changing teacher compensation requires time to develop teacher-management and trust, and to deliberate and design the components, experiment and learn the advantages and pitfalls of various components and to communicate the program so teachers understand the system and rumor doesn't sink it, and build the missing pieces of the system.

The bottom line is it's hard, it takes time, it takes effort, and any new plan must address the issues or the designers will be engaging in a fruitless academic exercise. Thank you.

MS. BROWN: Thank you, Joan. Robin.

MS. ROBIN CHAIT: Hi. I'm Robin Chait, a senior education analyst here at CAP. I'm going to talk briefly about the paper that I wrote: "Current State Policies That Reform Teacher Pay: An Examination of Pay-for-Performance in Eight States." This paper was written to inform the current national debate about performance pay by examining what current state programs look like. It attempts to answer some of the questions posed by both critics and advocates of performance pay. Are current state programs designed in ways that are overly reliant on test scores? How are teachers evaluated within these programs? What other strategies are incorporated within performance pay programs that work to improve teacher skills and performance?

This paper defines five types of differential pay policies, summarizes the research evidence on their efficacy and provides examples of a number of state programs. The report focuses on nine state programs that incorporate pay for performance although they may include other elements as well. A number of the state programs combine elements of more than one of these types of differential pay strategies. The five types of differential pay strategies are: pay for performance, pay for knowledge and skills, career ladders, pay for teaching in high-need subject area, and pay for teaching in high-need schools.

Since the paper focuses on state programs that include pay for performance, I thought it would be helpful to provide a definition. Pay-for-performance programs pay teachers in part for improvements in student achievement generally based on assessment data, and many also reward teachers for demonstrations of knowledge, skills or instructional performance. Bonuses are generally paid on top of the base salary and programs may reward individual teachers, groups of teachers or both.

Nine programs were chosen for examination. Programs were chosen that had begun implementation and that had a significant pay-for-performance component. There's a description of the primary elements of each program in a chart in the report if you're interested in more detail. In analyzing the programs, I used a framework of design

elements for effective programs developed by the Working Group on Teacher Quality. The Working Group is managed by the National Institute for Excellence in Teaching. The Working Group is a network of organizations that work on teacher quality and compensation issues, and CAP is a member. The primary design elements include ongoing job-embedded professional developments, performance-based compensation, and evaluation based on professional standards.

There were some trends among the nine programs. Most of the state programs incorporate professional development to some extent. Minnesota's Q Comp program and the Ohio and South Carolina TAP programs incorporate job-embedded professional development as an integral part of the program. Other programs like the Texas Educator Excellence Grants and Arizona Classroom Site Fund allows some funds to support professional development.

All of the programs base performance rewards in part on objective measures of student achievement, but most also include other criteria. For example, Minnesota's Q Comp program provides performance pay based on student achievement gains on local or state standardized tests and evaluations of teachers conducted by principals and teacher leaders. Teachers may also earn additional pay for taking on leadership responsibilities, such as evaluating, coaching, mentoring and training other teachers. Only the programs that provide school-wide incentives base rewards solely on assessments, and those were North Carolina's ABCs programs and the Alaska Public School Performance Incentive program.

All programs include some type of group performance component. Some programs like North Carolina's ABCs, Ohio's Toledo Review and Alternative Compensation System and Alaska's Public School Performance Incentive Program only provide school-wide incentives. Other programs base part of their performance awards on group performance. For example, South Carolina's TAP requires that 30 percent of performance rewards be based on school-wide value added performance, while Ohio's TAP requires that 20 percent be based on school wide value added performance.

Most of the programs include a teacher evaluation component. For example, Florida's Merit Award Program allows up to 40 percent of a teacher's reward to be based on principal evaluation, the South Carolina TAP program bases 40 percent of performance rewards on evaluations, while the Ohio TAP bases 50 percent of performance rewards on evaluations. Evaluations are generally conducted by lead teachers and by principals.

Most of the state programs have a high-needs component. Several of the state programs are targeted to high-needs districts while others allow districts to increase teachers' pay in high-need schools. The Texas Educator Excellence Grants is an interesting example. It targets schools that are both high achieving and high poverty. Three of the eight states provide for an alternative salary schedule. Florida has a separate statute that requires districts to develop a differentiated pay salary schedule based on a number of criteria including additional responsibilities, critical shortage areas and school demographics. Minnesota requires all districts participating in Q Comp to reform their

salary schedules. Arizona districts that participate in the Career Ladder program have to design an alternative salary schedule as well.

Overall, many of these state programs have the elements that we would expect in effective programs. While many are still too new to have evaluation findings, several of the programs have promising designs based on what we know from research and practice.

Based on this examination and evidence from research and practice, I have four recommendations for state policy.

First, programs should require teacher participation in their development and adoption and should be voluntary for districts. Most of these are relatively new programs, but the ones that seem to be sticking are voluntary for districts and involve teachers in their development. Many of these also started as pilot programs or programs in a few districts and have recently expanded.

Secondly, programs should incorporate differential pay policies within a comprehensive strategy for reforming how teachers are recruited, evaluated, trained, compensated and retained. Several programs examined in this report have addressed teacher compensation divorced from teacher training, improvement, or retention strategies. In order to develop a successful strategy for improving teacher quality, states should develop statewide programs that incorporate all of the elements that research and practice would indicate are necessary for ensuring a high-quality teaching workforce. Performance pay programs should be integrated with strategies for evaluation, professional development and recruitment and retention.

Third, state policy should encourage districts to develop and pilot test alternative salary schedules. Policymakers, researchers and practitioners agree that the single salary schedule is not as effective as we would like, but few districts are testing alternatives as part of their differential pay policies. State policy should encourage, and certainly not prevent, districts from experimenting with alternatives to the single salary schedule.

And fourth, states should develop and pilot test differentiated pay programs in high-need schools. Research suggests that targeting significant bonuses to attract and retain successful teachers in high-need schools might be an effective method of improving teacher quality, yet few states have policies that do so. A number of the performance pay programs are targeted to high-need schools, but few states use recruitment bonuses in combination with the performance-based programs to attract and retain high-quality applicants. States should experiment with different criteria for teacher candidates and different levels of bonuses.

MS. BROWN: Great. Now we're going to hear from the folks who are working on this at the ground level, and we'll start with Brad Jupp and Denver.

MR. BRAD JUPP: Thanks, Cindy. Good morning. It's good to be here. In fact, it's an honor to be here at the Center for American Progress. Because Joan has done a great job of describing what we've done in Denver and because it is a much talked about

system, what I'd rather do than talk about the Denver system is to make a couple of comments on the papers that we're reading today.

Both of these papers are noteworthy, not only because they imagine the possibility of new teacher pay systems, but also because they quietly demand a completely new discourse about the way teachers are going to be paid, and insist, at least in part, that it's fair to say that results for students matter when we pay teachers. Furthermore, they expect this discourse to be one that foregoes the ferocious controversy of the last 25 years. Ultimately, both papers expect that if smart people don't follow this advice that we'll find ourselves in an episode of the movie "Groundhog Day" where over and over again we rehearse the same arguments that we have for the last 25 years. It's pretty easy to imagine it. Just put yourself back in a position about two-and-a-half or three years ago. Governor Schwarzenegger says that he expects teachers to be paid based on the results that are in the California State Standards Test. The teachers union immediately rushes to bar the door against the barbarians and from there the rest of the story is as predictable as any kind of trite debate.

What I'd like to do is to remind ourselves that in 2001, Bryan Hassel writing for the Progressive Policy Institute proposed a grand bargain for teachers and policymakers, one where teachers gave up the traditional 50 to 75-year-old way they were being paid called the single salary schedule, a method that pays teachers for years of service and hours of graduate credit, for an increase in the overall payroll in exchange for being held accountable in part for the results that they get with the students that they teach. Bryan Hassel's grand bargain is one that it's time for us to embrace. It's time for us to drop the partisan political bickering and move on.

What I'd like to do in the short time I've got is to make four quick observations that would help us in re-framing the debate. The first thing I'd like to remind us of is that there's no doubt that incentives work under the current pay systems. Teachers are probably the only professionals in the world that have acquired 60 graduate credits past their master's, and the only reason they do this is because under single salary schedules we award pay increases for 60 graduate credits beyond their master's. There are other forms of incentives than money, but money is a powerful incentive and we should not ignore it. The question we should be asking ourselves is not whether or not we should have an incentive pay system, but rather, are the incentives in our pay system aligned to what we as an organization want to accomplish; namely, improving the learning outcomes of our students.

The second observation that I'd like to make is that our current pay systems are not focused on what we, what moms, what dads, what citizens, what leaders, what teachers want from our schools. Our current pay systems reward teachers almost entirely for three things: years of service, acquired graduate credit, and a little bit of money for extra duties. It's very easy, if we give ourselves permission, to imagine incentives that are lined up with something very different. In Denver, what we did, and Joan has described it well, was to say what are the things that the moms, the dads, the citizens, the leaders, the teachers in Denver wanted those incentives to accomplish? And we said we want to see teachers paid in part based on measured student learning. We want to see

teachers paid in part based on acquiring and demonstrating new knowledge and skills. We want to see teachers paid in part based on their commitment to work in tough schools and in hard-to-staff jobs. And ultimately, we want to see teachers who demonstrate satisfactory or better performance to get paid for that as well.

The third thing I'd like to say is that it's safe to say that the state of the art of measurement in our industry is terrible. But that can't be helped, so let's move on. What I'm going to tell you is that now is not the time to hedge ourselves against the fear that because we do not have psychometrically valid and reliable measures of student learning, that we can't measure student learning, and therefore teachers can't be paid for it. Let us remind ourselves that our current teacher pay systems are in fact using far less valid and far less reliable measures for teacher performance: years of service, hours of graduate credit, and hours of extra duty time as a basis for advancing salary.

In Denver, Colorado we pay teachers about \$7,000 more if they acquire their master's than if they come in with a B.A. If what you do is to simply take that annual salary increase and multiply it over two-thirds of a teacher's career, \$7,000 time 20 years, what you have is \$140,000 career earnings decision based on a master's degree. That master's degree could come from the most excellent university in the country or could come from the back of a matchbook cover. In either case, we make the same pay increase. The point I make here is that a master's degree is not a valid and reliable standard for making a \$140,000 pay increase. Therefore, what I urge us all to do is to get over our fear that student performance measures are not psychometrically perfect, and instead begin to use them for what they can be used to do, to assess whether or not teachers make a difference in the learning of the children that they teach.

Finally, I'd like to remark about collaboration, something that I think is often talked about but very rarely understood. Ultimately, collaboration is the shared will to solve tough problems. What happened in Denver public schools was that the teachers, the school district, the leaders in the foundation community and ultimately the citizens said, it's time for us to roll up our sleeves and make a pay system based on something different. Collaboration is not shared caution in the face of a difficult problem to solve. It is a wiliness to go forward together and a willingness to ensure success, not a willingness to hesitate and a willingness to let somebody else get it right.

We're in an era in public education where results matter. There is no going back. What we have to realize is that this is no longer a matter of professional chattering. Civil rights leaders, economic development leaders, citizens, all realize that if we have successful schools, what we have are successful students, and that if we're going to have successful students we have to use every resource we've got at our fingertips. In public schools today, the single largest expenditure is teacher pay. If we can't line up teacher pay so that it creates incentives to improve the success of our students, then we're leaving the most important tool we have behind. I'd be glad to take questions about Denver, but before we do, let's turn it over to Stacey.

MS. HUNT: Good morning. I would first like to thank the Center for American Progress, and I would also like to say that I am very honored to be sitting on the panel

this morning. I always like to begin with a little story, and not just to ease your anxiety but to ease mine, so I'll start with a story that I shared with some of the lead teachers in Chicago a couple of weeks ago at our lead teacher meeting.

I have a daughter who's in the first grade and I have a son who's in the third grade. My daughter said to me one day right after I had gotten off my treadmill, "Mom, Isaiah thinks you're skinny." I said, "He does? Why do you say that?" And she said, "Because we were in class, and the teacher said if we want to go out for recess everyone has to sit with their hands folded, and I told him to stop talking and sit with his arms folded." And so my husband and I are thinking, "Okay." And so she said to him, "Stop talking so that we can go outside." And he said to her, "No, you stop talking with your skinny mama." And so I said, "And what did you say??" And she said, "What I said to him was, 'You should tell her that.'"

And so as I begin my talk and my remarks, my purpose is to hear the truth with good intentions. When I read both of the papers, I thought that they were very similar in that both of the writers, Joan and Robin, point out what doesn't work and what does work. And then I also had to ask myself, why am I here? And that purpose has become more and more clear to me as I sit and I listen to the panel. And I am here because I sit on ground zero with the Chicago implementation of pay for performance.

What I'm going to talk briefly about is the components of the REAL program, TAP and CPS, the collaboration between the Chicago public schools and the Chicago Teachers' Union, components of the TAP implementation, and some closing remarks. TAP is the Teacher Advancement Program that Robin mentioned in her paper and the Chicago public schools has a partnership with NIET, the National Institute for Excellence in Teaching.

Sylvia M. Flowers, is the manager of REAL, Recognizing Excellence for Academic Leadership, and that is the program that is funded by the Teacher Incentive Fund that you're all very familiar with. Chicago was a recipient of some of that money. The REAL program was designed to implement TAP in 40 high-need schools. Ten of those schools have started implementation this fall, with ten more starting in the spring, and then 20 more following those.

Who was eligible to participate in this program? Any school was eligible to participate who had a 75 percent or more free and reduced lunch rate. Twenty schools were chosen to be the first portion of this pilot, and 40 overall. The first ten schools that we have chosen are very, very different. For example, on the West side of Chicago we have a school called Telpochcalli. Telpochcalli is a dual-language elementary school, grades K through 8 where approximately 85 percent of the children come to school with English as their second language and their first language spoken at home is Spanish. Then we have Multicultural Arts High School which is housed in a high school where there are four high schools. Then we have Westcott Elementary School, which is on the south side of Chicago, and what makes Westcott Elementary School so unique is that it has a very nurturing, warm, community-based environment. And then we have Wells Prep Academy which is near the south side. Wells Prep Academy is an elementary school

housed inside of Phillips High School. All of the schools are different, but all of them have a common purpose: teacher effectiveness to improve student achievement.

Another goal of the TAP program was to decrease the teacher turnover rate to 7.5 percent in participating schools by year three of implementation, and increase students making value added gains by 12 percent by year three of implementation. So again, it's based upon value added gains.

TAP has four basic elements that are outside of the traditional elements. One is multiple career paths where teachers can be career teachers, mentor teachers or lead teachers. I myself was a principal until June of this year before taking this position, and I know that I got out of the teaching profession quickly. Why? One, I wanted to make more money, and two, I wanted to have more of what I thought was power (Laughter.) And that is what I see in a lot of the teachers who take on these lead teacher positions. There are three teachers who come to mind right now and I thought about them this morning as I was reviewing the slides and then again listening to the panelists speak. One is Dr. Katina Tolbert-Cabot who is a lead teacher at Wells Prep. She has her Type 75, which is the Illinois administrative certificate, but she said she wasn't quite ready to go into administration until this just fell into her lap. It was just a perfect fit for her. I can think of another lead teacher, Keisa Thurman who works at McCorkle School. She was ready to go into an administrative position, but she said, "You know what? I'm learning so much being in this position that I probably need to stay here for a few more years before I do anything else." So multiple career paths are keeping teachers, retaining them in the profession, working with children.

I can think of Veronica Griffin who about a month ago, was highlighted on "ABC News Tonight." She works at Westcott School, and she's one of those teachers who came up through the ranks. She started out as a volunteer at her children's school. Then she became a teacher's assistant. Then she got licensed to be a substitute teacher. Then she got her license to become a teacher. And just very recently she was nominated to be a Drive Award teacher for Chicago Public Schools, and she's also nationally board certified. She says she does not want to leave the teaching profession. She is happy doing what she's doing because this has given her an avenue to do what she loves to do, which is to educate children and to teach other educators to do what she has done, which is to help and support children.

The relationship between the Chicago public schools and the Chicago Teachers' Union is very, very collaborative, as some would say, almost kind of cutting edge. The Chicago Teachers' Union and other key constituent groups are playing an important role in shaping the REAL TAP process. Marilyn Stewart, who is the president of the Chicago Teachers' Union, says that what she likes so much about this program is that teachers are the driving force to make it work." I was trained in the TAP model in South Carolina with Dr. Connie Fitch-Blanks who was responsible for the Quest Center, which is the Chicago Teachers' Union's educational facility that trains teachers.

An agreement was reached with the REAL TAP memorandum of understanding in July of this year, and from that memorandum of understanding, the Chicago Teachers'

Union has a liaison that works side by side with me, Mary Hansen. And we always tell this story that about Will Smith and Tommy Lee Jones in “Men in Black,” and we call ourselves the “Women in TAP” – because my primary responsibilities for the last 13-plus years of my career have been building principal, and she has been a pre-school teacher for the past 25 years. And so to see both of us working together, walking into buildings supporting schools, supporting the process, everyone thinks wow, if these two can do it, anyone can do it.

Also, we created a REAL Joint Council. The REAL Joint Council meets every two weeks, and that council is made up of five Chicago Public Schools representatives and five Chicago Teachers’ Union representatives who work inside the TAP schools. So there are career teachers who serve on this committee who are in TAP schools, lead teachers who serve on this committee, myself, Silvia Flowers, Mary McGuire who is the recording secretary for the Chicago Teachers’ Union, and Mary Hansen, the liaison, as well as a building principal.

Again, there are four TAP elements. The first one is the multiple career paths, then there is also performance-based compensation, instructionally-focused accountability and ongoing applied professional growth. There was an application process in Chicago where schools had to apply to become a part of this process. And the schools had to have a 75 percent secret ballot vote to participate, so 75 percent of school staff had to buy in and say, “This is something that I want to do.” It is transparent, honest and has good intentions. Everyone knows we either want to do this or we don’t. Of the 40 schools chosen, ten schools have already started and ten more will start in the spring.

The TAP leadership team consists of the principals or administrators in the school, TAP lead teachers and TAP mentor teachers. This process absolutely will not work, it has been my experience, if everyone is not on the same page. Leadership teams have to lead the process. The principal leads this process along with collaboration from the teachers within that building. There were schools that when the program first started were just heads and tails above everyone else. And these schools had principals that were immersed in the program, attended the training, understood the training and worked with their teachers to develop the plan.

I can think of Mr. Bunton, who’s the principal of Wells Prep and totally immersed in the program. I tell him all the time, “You know, Mr. Bunton, you’re one of these principals who knows when to move out of the way and let the teachers do what they know how to do, but at the same time providing them with support if something happens.” I can think of Principal Monique Dockery, at Westcott Elementary School. She is very collaborative. She’s a good listener. She meets with her leadership team. She has an open-door policy. She kind of reminds me of myself. (Laughs.) But this is what makes the program, because it has to be collaborative. Before anything bad can come of it, you talk about it and you work it out, and you make it work for your own individual school.

I can think of one more example: Dolores Robinson. She has three lead teachers in her building. She has a very large elementary school which has two buildings. You

know those schools that get so big that they have to go to the school that's behind them? That's how her school at Sumner Academy is set up. And with the three leads, I attended three cluster meetings led by three different lead teachers, and all of them were on the same page, had the same purpose, the same focus, the same training, and you could tell that there had been conversations about instruction, that there had been good conversations about student performance, and that in everything that they do, the foundation is based upon the students, and that's what TAP is. And, yes, there's a pay-for-performance, compensation piece attached to it. Had we not gotten the TIF grant, we wouldn't have been able to do this, because it takes money to make these programs work. And it takes a pilot to see if it's going to work. That's why the research isn't out there, because the money is not out there. When you have the money, then you can have the research, and you can see if these programs can really work.

Part of the leadership team's responsibilities are to look at the data and look at the students who you have in your school. The students at one school are different from students at another school, even though they're within the same city. Their responsibilities are to look at and develop individual growth plans. Teachers have a growth plan where they look at what they need to work on, as well as reinforce strategies that they're already good at. They also lead cluster meetings. A cluster is a group of teachers who come together and talk about instruction focused on student achievement, and observe and evaluate what good instruction is in the classroom.

Again, the leadership responsibilities must be led by the leadership team, and supporting instruction is providing ongoing, job-embedded professional support. Everything about this process supports instruction and the outcome of student achievement. And as all of the panelists have said, teachers make the difference. They are the ones standing, talking, teaching our babies everyday, not us. So the resources should be towards teacher improvement, instructional improvement that is going to impact student achievement.

The TAP instructional rubric is used in two ways: it's a summative measure in determining pay-for-performance compensation, and it's also used as a formative measure which identifies instructional areas where lead and mentor teachers can provide support to career teachers to increase student achievement. The career teacher is a teacher that's in the classroom. The mentor teacher is also a teacher in the classroom, but has release time to support other career teachers. And then the lead teachers are those who support what happens in cluster meetings. As you look at the performance indicators in the instructional rubric, 40 percent are teacher skills, knowledge and responsibilities, 30 percent are based on value added student gains, and then 30 percent are based on school-wide gains. All are based upon student achievement.

When you look at the fourth domain, instruction, of the instructional rubric, you'll notice that it's the biggest piece. The four domains are designing and planning, learning environment, responsibilities and instruction. And the instruction piece is what happens in cluster meetings. Think about instruction and teachers having conversations about what good instruction is, and how that instruction impacts students, that's what happens in cluster meetings.

I was at Cameron School last week, and there was a teacher who was talking about a strategy that she was implementing in class, a read-aloud, and the book was called *Olivia*. A lot of people are familiar with the book *Olivia*. I see some heads nodding in the back, because Olivia is a character. The teacher was talking about using questioning as part of the read-aloud, because they had been working on Bloom's Taxonomy, and she had a question that corresponded with every area of Bloom's Taxonomy. The question I had for her was: But what was your purpose for the read-aloud? And she got quiet, and looked at us, and the other teachers looked at us, and so then of course, the other teachers offered, "Well, maybe your purpose was to analyze characters. Well, maybe your purpose was vocabulary development."

And the career teacher is sitting there, not saying a word. And so, then, afterwards, I said, "What happened?" And she said, "You know, I never really thought about what my purpose was other than reading this read-aloud and asking questions that covered the areas of Bloom's Taxonomy." And I said, "That is exactly where you need to be. You need to think about why you are doing what you are doing and how that's going to impact children." You don't just ask questions to ask a question; you ask a question with a purpose. Maybe the purpose of doing *Olivia* was to do a character analysis. So the questions which are part of the instructional rubric, should be geared toward analyzing the characters in a text. You can do that with kindergarten or you can do that with juniors and American literature. And that's what the focus is on here.

I can also think of a story at Lawndale Academy, Sylvia Simpson, she's a lead teacher and she was leading a cluster, and she was teaching an instructional strategy called PALS. And PALS is a paired share program or strategy that teachers use. And she stood up in front of the teachers and she said, "I grouped them and everyone got along. The children loved it and we got a lot of positive feedback." And so, my question was: Well, how did you group the students? And she said, "Well, I grouped them randomly." I said, "Did grouping students have an impact on how they achieved your purpose?" And she said, "I hadn't thought about how I grouped them." Well, that was the critical attribute. And because she realized that there are better ways to group students, that's going to improve her instruction, therefore improving the way that her students achieve.

So how does this all relate? It is that the Teacher Advancement Program in Chicago, underneath the REAL schools, is a job-embedded, professional growth program, and it does have a pay-for-performance incentive. What are teachers saying about it? I've heard teachers say, "This makes sense. We should have been doing this a long time ago. Now I'm receiving a reward for something that I've already been doing." And what happens in cluster meetings is really good conversations about instruction and how what teachers do in the classroom impacts student achievement.

Again, the criteria for the cluster meetings are that they have to meet regularly. Everyone has to support what is going on and have a plan that is focused on accomplishing student learning goals through classroom interventions. Some of you may be teachers in the room, have you ever taught a lesson and you're standing in front

of everyone, and you have your overhead going, and you have all of your activities and materials, and you're going from group to group, bouncing around the room, and then on Friday, when you give the test, half the class bombs it? It gets back to, why do we do what we do? And how is what we do going to have an impact on our children? Rewarding teachers for what they do, and rewarding teachers for improving through a program of job-embedded support just makes sense.

Another thing that happens in the cluster meetings are what we call field tests, which is actually using a strategy with your students who and seeing if that strategy has an impact on student achievement. Have you ever done something that didn't work, but then the next year you did it again? Well, with this program, if it doesn't work, you don't do it again because it may not work in your context with those children at that particular time.

So, I would like to thank you again for inviting me today. In the papers I saw a lot of similarities. Pay-for-performance is something that, as an incentive, is working. I know that we don't have the research to support it yet in Chicago because we're in our first phase of implementation, but I do think that we're definitely headed in the right direction.

MS. BROWN: Great. Thank you all for really rich presentations. I want to open comments and questions to the audience, but I'm going to ask one question first, particularly of Brad and Stacey. Brad talked about the courage of collaboration, and both Denver and Chicago appear to be models of how to go forward, but how did you get started? How did you get that conversation going between educators and the unions in your community so that you could move forward and make the kind of commitments and attempts at progress that are underway now?

MR. JUPP: In Denver it was actually a fairly uncommon solution to a very common problem. In March of 1999, the Board of Education was proposing to do away with our single salary schedule and to replace it with a system where teachers were advanced only if they met student learning expectations. And as a union, we could have easily done what unions do over and over again which is to say no, and if you force us into the position where this is the only offer, we'll protest, and if you continue to demand this over our protest, then we'll go on strike. That's the sort of hackneyed debate that I'm trying to get people to avoid.

Instead, we said, you know what, this is actually something that has never been tried at scale, so what if we were to implement it partially at scale in 16 schools for a short period of time and then see whether or not we can learn from that experience to devise a better pay system. In fact what we did was to resolve a political debate with some common sense and to ask ourselves, is it possible to pay teachers at least in part based on the results they get with the students they teach and this led us to a very different outcome. The answer was yes, but that's probably not the only way you want to pay teachers. You may want to devise a pay system that has incentives to lead teachers to go in other directions as well, not just getting results but improving their knowledge and skills, working in hard-to-serve schools and hard-to-staff assignments, and ultimately

demonstrating satisfactory performance in their classroom. The fact that we used common sense to create a different way to pay teachers became evident when the teachers themselves endorsed our pay system in 2004. Was this an easy job? No. Was it one that was pretty to watch? No. And in fact, it's easy to idealize it in hindsight. One of the things that I would say about Joan's paper is it makes the work of collaboration seem easier than in fact it was to live through.

But what I will tell you is that in the end, common sense prevailed and we replaced an old way of paying teachers with one I think that is decidedly better, one where over half the workforce in Denver Public Schools has voluntarily joined in less than two years.

MS. HUNT: In Chicago, from the very beginning, the Chicago Teachers' Union has been a part of this process. The Chicago Teachers' Union helped to support the application for the TIF grant. So from day one it has been a collaborative effort. Arne Duncan, our CEO, and Marilyn Stewart both worked together to make this happen during a time when the Chicago Teachers' contract was up for negotiation, so they have been a part of this process from day one when the application was written in 2006.

MS. BROWN: Great. Thank you. All right, it's your turn. There are some questions and comments. We'll start in the front row.

Q: I'm Larry Abrams with National Public Radio. One thing that's striking about all these plans is that they're very complicated, and I know a lot of teachers can't figure out how much they're going to get paid when they start their jobs. Are you worried that in five years we're going to have all these different systems with all these different formulas mixed in and we won't be able to come to any conclusions about which ones work because we'll just have a flurry of papers saying, well, you didn't use the 5 percent clause or something like that in order to get where we got?

MS. BARATZ-SNOWDEN: I think it has to be complex. Teaching is complex. And I think that as with Denver and TAP – and by the way, I have to say, TAP is very interesting because you can't even go to their website and see their first report about their program which essentially said that if you take the money you already have and slice it and dice it differently you'll get different results. And unlike most places that go in with an idea about how to make change and then fail, they said, well, maybe we were wrong, not that there's all this resistance. And they built a system and eventually actually changed their program from teacher pay to a school improvement model that uses the compensation as a lever to get to the goal.

So what's important is not that there are a lot of different plans, but that the people who are creating the plans are dealing with real problems, and as Brad said, not saying no. Instead they are saying, let's figure out how to get over these problems so that it's a coherent system and you take the time to make it understandable to those people who are working within it. Am I going to worry if Montgomery County has a different system from me? No. Not if it approaches professional compensation with specific

goals, it's comprehensive, it's geared towards building the capacity of the system and of the teachers. Then I don't think it matters if we have different plans.

MS. CHAIT: And I think it's also important that we have carefully-designed experiments and we do evaluations of them. For instance, the National Center on Performance Incentives is doing a random assignment evaluation, and hopefully we'll have some interesting results from that study.

MS. BARATZ-SNOWDEN: Unfortunately we won't have them until 2011.

MS. HUNT: In the ten schools that have implemented the program so far, there will be a program review that will happen this spring. And again, I think that part of it is working in collaboration with the teachers' unions. That way someone is at ground zero hearing the concerns and keeping communication open. I think that it's a work in progress. I don't think that it's something that you're going to be able to throw a blanket on. I think that just like medicine, it is always evolving and always getting better to remedy the situation.

MS. BROWN: And, Brad, I assume the plan as complex as it is in Denver is pretty well understood by teachers and public.

MR. JUPP: Correct. One of the things that's actually amazing is that if the incentives make sense to the professionals that are moving toward them, they learn them very quickly and they work towards them. The challenge isn't whether they understand them. The challenge is making sure that they're rigorous and that they drive performance for students and teachers. It is possible to make a simpler system. You might want to make a system in which teachers are paid only as a group at the faculty level or you may want to make a system that only rewards people of certain job types to work at hard-to-serve schools. Both of those things are very imaginable. And in fact, what they would do is they would provide compensation for some of the professionals in the workforce.

We decided in Denver though, that the single salary schedule didn't work and to replace it, we needed something comprehensive. I also think it's important to realize that you could do things faster than we did in Denver. We spent five years on an effort that I think was worth it at the time. But now that there are some examples of successful school districts behind us I'm hopeful that we can move more quickly.

Finally, I would say one more thing about complexity, and that is that current teacher pay systems, the status quo pay systems, are in fact themselves very complex and all one needs to do is to look at the special duty roster and a collective bargaining agreement if one wants a model of complex pay systems.

MS. BARATZ-SNOWDEN: And the Denver Classroom Teachers Association spends a lot of time explaining the system to its members, and no teacher shifts from the traditional to the new system without actually sitting down and talking to somebody who knows the advantages of each system for the individual.

Q: Hello. I'm Barbara Tierney with the International Reading Association. I'd like to know how long each of your programs in Denver and Chicago have been in implementation and what you've seen as far as student achievement gains.

MS. HUNT: In Chicago we're in our first few months of implementation. We began implementation in September, but we did have two year-round schools and they started a month earlier in August.

MR. JUPP: We've been operating a program at least in part since the fall of 1999. And we've seen a wide number of results. First and most important, we began testing our student growth objective-setting process, the process that Joan described where individual teachers collaborate with their principals to set measurable learning expectations for their students. And close study by the Community Training and Assistance Center, an independent research organization from Boston, showed us that teachers who set the most rigorous student growth objectives and then pursued those objectives over the course of the school year got better results with their students for measured student learning on independent assessments, including the Iowa Test of Basic Skills, which was in use in Denver Public Schools at the time, and our state standards test, the CSAP. So in effect, what we saw was that teachers who set good objectives got better results with the students that they taught. I think that's important.

Since we began fully implementing ProComp, on January 1 of 2006, we've also seen three or four really important performance outcomes as well. First and most important, over half the workforce has willfully joined ProComp. Over 1,400 teachers joined in the first opt-in window which occurred between November of 2005 and January of 2006. And now we have over 2,400 teachers in a workforce of 4,400 teachers who are in the pay system of their own choice. About 800 of those teachers have joined because they wanted to work in Denver Public Schools, and anybody hired after January 1 of 2006 is automatically in ProComp.

In addition we've seen an increase, at the rate of hundreds per assignment, in the number of teachers who were applying for hard-to-serve school jobs and hard-to-staff assignment jobs. The incentive there is relatively small. The number of additional applications, though, is a good thing for principals. It means that they have a higher number of teachers from which to choose when they fill a vacant assignment at their hard-to-serve school or in that hard-to-staff assignment.

And then finally the teachers in Denver Public Schools are going through the work processes of setting expectations. Every teacher, whether they're in ProComp or not, has to set measurable expectations for student learning with their principal. And in ProComp, when they meet those expectations, they receive relatively small salary increases. What we've seen is that the teachers and principals learn their way through those workflow systems and over the course of two years we've seen a gradual increase in the quality of objectives that were set. This is the kind of increase that we want to see over time because we believe it's going to improve student learning.

A final point: with our Teacher Incentive Fund grant we have a thorough program evaluation by an outside third party, the University of Colorado at Boulder, and frankly, if ProComp doesn't show results in student learning over time, we're going to improve it. The commitment is to student results and improved teacher pay. If we can't do both, then we really are going to have to change the way we do things again.

MS. BARATZ-SNOWDEN: I want to also make it clear that whether the teacher has met the objective or not, the act of setting higher, more rigorous objectives improved learning on the standardized tests. In fact, as an example of how the system evolves, the Teacher Evaluation System for all teachers now includes an evaluation of the objective that's set. This will improve teacher evaluations all around. It will get teachers focused on teaching and learning, and that focus can improve test scores without corrupting the system. I can't say how important that is.

Although the Chicago program is new, there are other schools that have been operating longer, and they recently did an evaluation that showed that there was some student growth that was beneficial from the TAP schools.

Q: I'm Josh Patashnik with the *New Republic* magazine. I have a question about the funding of these programs. Robin, in your report it seems like most of the programs you analyzed are funded through state revenue. Is it feasible to fund it state by state, or is there going to have to be more federal money involved in order to do this on a nationwide basis?

MS. CHAIT: The programs are actually funded by state, federal and district funds. It varies. And I think that we will need an infusion of funds in order to expand these programs.

MS. BROWN: I think you're going to need federal money to get started as an incentive to get communities to do this courageous collaboration. I like this term that Brad uses. But ultimately, these programs are going to have to be funded by their communities, which is what Denver has done.

MS. BARATZ-SNOWDEN: And surveys of the public have asked questions that specifically said, "Would you be willing to spend money to improve teacher quality?" And the public says, "Yes."

But as in Denver you just can't assume that you'll throw out a request for this money and that it will come. The public has to be educated. And in fact, the media has to be educated because they can make or break the story. If you see "Merit pay proposed someplace," right away there's a reaction when there's no need for that. But it is definitely going to cost more money. There's no way that it won't. And it's going to have to come out of state and local budgets.

MS. HUNT: In Chicago, some of our funders are also the Joyce Foundation, the Rhode Foundation and the Chicago Education Fund, in addition to TIF. But the foundation grants alone won't make the program go to scale.

Q: Thanks, Cindy. I'm Tom Toch. I'm co-director of Education Sector here in Washington. I have a question for Brad. Brad, could you respond to a warning that Dan Goldhaber made last year in a paper for the Center for American Progress in which he says an overemphasis on paying teachers on the basis of student test scores might lead to a narrowing of our understanding of what constitutes excellent teaching? This is a quote I took from Joan's paper, by the way.

MR. JUPP: Tom, it's actually nice to see your face. I've read things you've written and I've always been impressed. And I certainly want to respond to a warning by somebody as smart as Dan Goldhaber by heeding it. What we realized in Denver Public Schools was that it is important to make state standards test scores part, but not all, of what we expect teachers to drive. And what we did, therefore, was to put the state standards test scores into our incentive pay package as a part, but not the entire thing. We realize that test scores were things that we had to embrace. We couldn't say to the public, to the moms and dads, that the state standards didn't matter and that the state standards test didn't matter. So what we had to do was to incorporate them in a balanced way.

Now, what's interesting is if you compare Denver Public Schools with other school systems, what you don't see are the kinds of perverse expectations that people say will occur when you ask teachers to have a pay incentive driven by the state standards test. You don't see a curriculum that points to teaching to the test. You don't see teachers cheating in extraordinary numbers. We, in fact, haven't seen any more teachers cheating after ProComp than we saw before. You can catch cheating teachers pretty easily if you just examine your data and see who's got results that completely outpace themselves from the year before or completely outpace their peers.

And ultimately what we see is that with the right balance, the kinds of worst fears that Dan describes are not going to be realized. It's important to create that balance and to spend time locally working on what that balance will be. To do that, we had to reward people in part for acquiring and demonstrating knowledge and skills, in part for making commitment to work in hard-to-serve and hard-to-staff assignments, and in part for being satisfactory or better performers, not just on the state standards test.

MS. BARATZ-SNOWDEN: And again, I can't emphasize enough what I presume that over time will be a much more sophisticated student learning objective system and one that districts all around can learn from, which does not focus on the test, but leads to test improvement. And I think that Brad's statement about balance is important. What you see and what I think Goldhaber was warning about are examples like Florida and Houston, not the Denver example.

MS. CHAIT: And I'd like to add that most of the state programs do not reward teachers based solely on standardized assessments. Only the school-wide incentive programs do. The others generally use a combination of student growth on standardized assessments and evaluations.

MS. BARATZ-SNOWDEN: I have to be a cynic though and say a lot of these state laws are like the implementation of highly-qualified teacher provisions. I mean, sure you have a lot of nice lyrics, but the notes don't exactly fit. I've read as many as I could get of the Teacher Incentive Fund proposals, and I can tell you a lot of them aren't going to pay off, given what they describe and understand about how to implement these systems in terms of how fast they're doing it and what they're ignoring. You can read my paper now and write a wonderful state law, and maybe even get it passed, but that doesn't mean anything is really going to happen on the ground.

Q: I'm sorry. Toni Cortese with the American Federation of Teachers. I think what Joan was just saying is that it is extremely important to take time and that this needs to be a locally-based collaborative effort. I don't think this is something that can be imposed from the top down. But the question is: will lawmakers give us the time? Because as you know, I guess the re-authorization has somewhat slowed down the march to do this. Will the public give people the time to actually do the kind of spadework that's necessary, and will lawmakers give us the time?

Because I feel without that and without the provision that it be done at the local level, because everybody has a different set of needs, that we'll have a lot of cookie cutter approaches to this and that it won't fit the community and there won't really be buy-in because it'll be very superficial.

MS. BARATZ-SNOWDEN: That's why my paper is subtitled "Déjà Vu or Something New?" That is the question.

Q: Hi. I'm Steve Sawchuk with *Education Daily*, and I'm interested in the tension between the school-wide pay programs and those that pay individual teachers. So I'd like a little more information about how your programs decided to work through that tension. And then secondarily, New York City just did a pay plan that includes all school-wide incentives. Do you think that that will affect some of the federal incentives and where do you think the federal government and its incentive programs fit into the school-wide versus individual tension?

MS. BROWN: Brad, why don't you take the first one on individual versus school-wide.

MR. JUPP: Sure. The important thing about incentive pay systems is to realize that what you want to do is to align the incentives with what you will want to accomplish as an organization. And in Denver we decided that individual and group results matter. So we have two individual incentives for student growth and one group incentive for student growth. We realized that school-wide performance matters. That in order to assess school-wide performance we needed to use a market basket of indicators. We used state standards test results, we used results from other assessments and we used student attendance improvement and parent satisfaction all as indicators in a sort of market basket approach to identify which of our schools are the highest-performing schools.

The most important thing we had to do was to make sure that we were taking into account student learning so that schools that served predominantly poor populations were not at an inherent disadvantage. We didn't want teachers at schools that served wealthy students who come well prepared to school to be in a position where they reached their group incentive on the first day of school. And we also didn't want to put schools that serve predominantly poor kids in a position where they'd never reach a group incentive. So what we had to do was to spend a lot of time fine tuning to make sure we were measuring what we wanted our schools to do; namely, make a difference, not do well from the first day.

Now, we also realized when we started to look at school-wide performance, that any assessment of school-wide performance masked the performance of your best and your worst performers. And we wanted incentives that gave individuals rewards for doing a great job, in part because what we wanted was, as Joan described, more teachers to do a great job. So the individual incentive accomplishes something very different than the group incentive.

Finally, we had to make different incentives based on the types of tests we were using. The state standards test produces one type of information that is very useful in identifying the highest-performing teachers overtime, although my colleagues in TAP might say that we could have been a little less cautious and we could have cast a broader net using state standards test results. But we also wanted to make sure that we were rewarding teachers of music for improving music learning, we were rewarding the teachers of autistic children for improving the learning of autistic children. And to that end what we wanted to do was to make sure that there was a fine grained way of setting expectations and then assessing whether or not they were met.

So we have this individual student growth objective-setting process that Joan described that allows you to work at a very close-quartered level with the kids that you're teaching to say this is what we expect people will learn, this is how we're going to measure it, and then to check in a couple of times during the year to check your progress along that path.

MS. BARATZ-SNOWDEN: The New York system is going to be interesting to watch. If it merely pays schools that through some kind of magic happen to hit targets, I don't think it will really make a difference. If it provides, in addition to what's signed in the agreement, support to help teachers meet those goals, I think it will make a big difference. And it will be a natural experiment. They have 200 schools. I imagine that the large majority will sign up the first time. One, it has a very low vote of 55 percent, and two, it's like Denver was at first: What the hell do you have to lose? You can only make money. You can't lose money. So you'll be able to look and see what happened in those schools, to see what was done to make change aside from the financial incentive itself.

The second thing that's going to be interesting to watch there – and I don't want to be the predictor of what happens – is that each school that achieves the goal gets a pot of money based on the number of staff in the school, and then a committee decides how

to give that money out, unlike the school-wide incentive in Denver and elsewhere where everybody gets a piece when the school achieves. So it will be interesting to see what the variation is in committees of teachers and administrators – and by the way, if they can't agree on a way to give it out then they have to give the money back – how many will just say okay, we cut it with all the staff that's there, and how many will do the kind of thing you asked about, Steve, and say “Well, I really think Cindy had her oar in the water and was pushing a hell of a lot more Joan so we'll give her a few more bucks than we give Joan.”

So it's going to be an interesting national experiment to watch.

MS. BROWN: I can't quite remember what your question was about the federal level, but we at the Center have been supportive of the TEACH Act that was introduced by Chairman Miller and Senator Kennedy. Our view is that we need to put money on the table to help people get started. The federal government is never going to fully fund the kind of teacher compensation changes that we've been discussing today. It underwrites too small a portion of our public education expenditures. But we can't just rely on private philanthropy to get these experiments started, which is what happened in Denver. There has been a lot of private money behind the development of the TAP program over a number of years. It's expanded to quite a few places, but not enough.

I think Toni's concerns are appropriate. These things take time. The design of these programs needs to be developed locally. But pretty substantial federal money can help incentivize folks to start with this courage of collaboration that Brad describes. Philanthropies aren't located throughout the country. There are a lot of communities that just can't tap into that kind of money, and a federal program would expand the opportunity to do this. And that's why we think it's important.

MS. BARATZ-SNOWDEN: You did ask whether compensation should be school-wide or individual. Well, I think it should be both. And again, as Brad said, we don't say no to assessment just because it isn't perfect. And we should figure out the amount of the weight for individual and the amount of weight for schools. Even the TAP program has different weights depending on what schools are doing it. And I think we'll see more of that.

MS. CHAIT: I wanted to add quickly that the research isn't conclusive about which is better. We have research that shows that both can work.

Q: Hi. I'm Nicky McKinney, Education L.A. for Senator Susan Collins. As has been recognized, we are at a bit of an impasse in Congress with the re-authorization of ESEA, particularly over the issue of merit pay. And so my question is two-fold: First, how do we get to this point of courageous collaboration between Congress and the many stakeholders who are so embedded in this issue so that we can create a program funded by the federal government that people will support? And second, how much money will the federal government need to put up? They have it. How much really does your data say needs to be in future laws in order to ensure that these programs when they are locally implemented are successful?

MS. BARATZ-SNOWDEN: I think that if you want to get it funded, you have to have in the law the need for union involvement and teacher involvement. You need respect for collective bargaining and you need flexibility as to how much of the rewards go to what kind of achievement outcomes. But you can have achievement as one of the factors. We don't know what the amount of money is. It depends. For example, New York City created the Chancellor's district and it turned out that money alone wouldn't attract teachers. They care about leadership and safety, and those things had to be corrected as well.

The federal government will never have enough money to do it, and what we have to do is get more and more experience and then have the states build better systems so that less affluent communities can build off of those systems.

Q: Mark Simon, Tom Mooney Institute for Teacher and Union Leadership. What's great about this panel is that all of you seem to be cautioning that it's important to get the details right. We've got to do this, but we've got to get the details right. But it strikes me that the details are very different in the different kinds of plans that are in effect. And Joan warned against the potential of alternative compensation pay for performance skewing the enterprise. And I'm just wondering if there's monitoring or studying of how we get the details right. Brad spoke about the evidence in Denver that the pay attached to student results seems not to be skewing things. It strikes me that the TAP model is putting 60 percent, 30 individual in 30 group, onto a single test. Do we have any evidence about where it is skewing, and if not, are we monitoring that?

MS. BARATZ-SNOWDEN: Well, the program has a technical assistance arm that will be learning a lot and helping with the monitoring, and those programs will be evaluated. IES also gave money to Vanderbilt for the National Center on Performance Incentives and we will have more information from that as well. And the more these programs are in place, the more we can learn from them. But while Goldhaber warned against that and I said we should take that into account, I do believe there are lots of ways to prevent that from happening and still use test scores in an appropriate way. I'm the union goon who loves test scores, who was vice president for assessment at the National Board and worked for the Educational Testing Service.

MS. HUNT: And I would like to comment as well. We have an office for research, evaluation and accountability that is looking at that information. And again, it's all about how you interpret the information and which information is going to be used. And of course we use the standardized test because that's how we look at the achievement of our students, but when you use value added gains you're taking children from where they are and making a year's growth. It's not the teacher. If this is the bar for AYP and your children are already here as Sylvia Flowers says a lot – they're here and then you move them here, you've made a gain. What about the teacher who had children who started out here and got them from here to here. So it's about looking at those values added gains.

MS. BARATZ-SNOWDEN: But both the TAP program and the Denver program have teachers talking about student work, and about teaching and learning, and that, my friends, is unique in public schools. And that's what's going to move things forward.

MS. BROWN: On that note, I want to thank you all for coming and I want to thank our panelists. This was a very rich discussion. To be continued.

(Applause.)

(END)