



SPECIAL PRESENTATION

**“MORE BANG FOR THE BUCK: LEVERAGING
COMPENSATION REFORM FOR SCHOOL
IMPROVEMENT”**

MODERATED BY:

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QUALITY, CENTER FOR AMERICAN PROGRESS**

FEATURED PANELISTS:

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MS. ROBIN CHAIT: Good morning. I'm Robin Chait, associate director for teacher quality here at the Center for American Progress and I'd like to welcome all of you to what promises to be an insightful discussion about teacher compensation reforms and how they can be designed to drive improvements in teaching and learning.

There's a strong consensus that the way we pay teachers in this country does little to help districts meet their strategic goals. In fact, the single salary schedule and other ineffectual human resource policies for teachers means that schools – particularly schools serving low income students – have trouble attracting and retaining top teaching talent. Fortunately, an increasing number of states and districts are experimenting with reforms to teacher compensation systems and increased federal investments through the Teacher Incentive Fund make the time ripe for this experimentation.

The Obama administration and Congress provided an additional \$200 million in funding for the Teacher Incentive Fund through the American Recovery and Reinvestment Act. The administration has also proposed a significant increase in funding for the program. It requested \$487.3 million for the 2010 fiscal year, up from \$97 million in funding for the 2009 fiscal year. We don't yet know if this request will be successful, but at CAP we think this investment is incredibly important because it will not be possible to make significant improvements in student achievement without a dramatic overhaul of the teaching profession. That means reforming the way teachers are recruited, trained, evaluated, and compensated. And compensation reforms can drive changes in these other systems. And that's the topic of our event here today.

In order for states and districts to maximize the impact of their investments and compensation reforms, they need to think broadly about how compensation systems can be leveraged to build the capacity of schools and districts. How can compensation systems be aligned with other policy, such as teacher evaluation systems and professional development, to improve teaching and learning? These are some of the questions that we're going to explore.

Our conversation will be informed by two papers that we are releasing today. First, *Aligned by Design: How Teacher Compensation Reform Can Support and Reinforce Other Educational Reforms*, by Craig Jerald, examines how compensation reforms can be aligned with other human resource policies, such as teacher evaluation and professional development. The second, *It's More than Money: Making Performance-Based Compensation Work*, by Bill Slotnik, discusses how compensation reforms can expand the system's overall capacity to support classrooms and improve teaching quality. It offers six cornerstones of an effective performance-based compensation system. Both reports are available at the back table. We're awaiting the official printed copies of the second report, but there are some copies out there. If you didn't get one on your way in, they'll be available on your way out.

And we're fortunate to have a panel of experts with us who've been involved in studying, designing, and implementing compensation reforms.

We're going to start with Craig Jerald. Craig is president of Break the Curve Consulting, which provides expertise to leaders and policymakers on issues related to education policy, communications, research, and practice. His clients have included the Bill and Melinda Gates Foundation, the National Governors Association, and the Education Trust. Craig has also served as a principal partner at the Education Trust and a senior editor at *Education Week*.

We will then hear from Alma Velez, a master teacher and dual language coordinator at Anson Jones Elementary School in Bryan, Texas, a school that's implementing the Teacher Advancement Program. As a master teacher, Alma leads weekly professional development cluster meetings with teachers and field tests teaching strategies to share with other teachers in the school. She's taught for nine years.

Then Bill Slotnik will offer some insights from his paper. Bill is the founder and executive director of the Community Training and Assistance Center or CTAC. CTAC provides technical assistance, conducts research and evaluation, and supports public policy initiatives. In the area of performance-based compensation, Bill has provided assistance to numerous school districts, states, unions, and foundations, including leading the CTAC team which served as the technical assistance provider to Denver's landmark Pay for Performance initiative.

Finally, we will hear from Rob Weil, the deputy director for the Educational Issues Department of the American Federation for Teachers. Rob works in all areas of reform with emphasis on the Elementary and Secondary Education Act, school-focused improvement, professional development, and all issues related to teacher quality. Rob also taught high school in Douglas County, Colorado, for 20 years and was involved in developing the district's performance pay plan for teachers.

So let's begin.

MR. CRAIG JERALD: Great. Well, as some of you might have noticed, if you picked up the hefty tome at the front of the room, this is a pretty long paper. It's going to be challenging to summarize. If I go a little bit quickly, don't worry about taking notes. Everything that I talk about is also in the paper.

First, I'll talk a little bit about the problem the paper addresses. Research on local compensation reforms, in the late 1990s and the early part of this decade, mainly by the Consortium for Policy Research in Education, found that compensation reforms were often implemented in isolation, as stand alone programs, silver bullet programs. In particular, the compensation reforms weren't connected to other human resource elements of a school system –like professional development, teacher evaluation, other things that impact teachers' professional lives. And so that limited the long-term impact and sustainability of the programs. A lot of them didn't last very long.

In the biggest federal program supporting teacher compensation reform, the Teacher Incentive Fund – as you know, this began as a \$99 million program. It's going double in the 2009 fiscal year. It's going to more than quadruple if the current administration has its budget approved. This administration has recognized that the designs that have come in for the Teacher Incentive Fund probably are not as aligned as they could be, right? This is not surprising. There hasn't been a lot of focus on alignment. And the administration has signaled its intention to expect more aligned and comprehensive designs.

So now there's this kind of recognition that compensation reforms haven't been aligned. There's a little bit of an impetus to encourage better and aligned designs. But what does that mean? What is alignment? Well, there hasn't really been a lot of discussion about it. There's not a lot out there that you can look at.

One place that's doing a lot of great work on this I found is again the Consortium for Policy Research in Education. Based on its previous research, CPRE launched the Strategic Management of Human Capital Project last year. One priority of the project is to focus on greater alignment of human resources, including teacher compensation. And using ideas from the private sector, which has looked at this over the last 15 years, they've identified two kinds of alignment. And this gets a little bit wonky, so bear with me here.

The first kind of alignment is vertical alignment. That means there's a good fit between any particular human resource practice – in this case, I'll use compensation – and the school's or the district's strategic priorities – the goals, the plans, the strategies. So for example, all schools and districts have strategic plans, goals for improving student achievement, maybe improving reading comprehension scores. Does teacher compensation support and reinforce that? Does professional development? Does teacher evaluation? CPRE actually recommends that one way to get at that vertical alignment is to develop or adopt a set of teaching competencies? And these are just documents that describe what good teaching looks like. They're a lot longer than those old checklists that teachers are sometimes evaluated by and they include – you've heard of these – Charlotte Danielson's framework, the Class Protocol out of the University of Virginia. Teach for America has one. University of Michigan has one focused on mathematics instruction. And of course, the TAP rubric, which we'll talk about a little bit later.

Horizontal alignment actually looks at the fit between two different human resource practices. So for example– teacher compensation and teacher evaluation – is there a good fit? Do they support and reinforce one another? So for example, you might ask do the evaluation results feed into and influence teacher compensation? Are they related at all? You might ask, do the evaluations and does compensation reward the same set of skills and behaviors from teachers, or does one reward one set of skills and behaviors, the other rewards a different set of skills and behaviors and send really mixed signals to teachers.

Again, one thing that can really help create horizontal alignment is if all of these elements are focused on a common set of skills, a common set of competencies that the system expects of its teachers.

And these are in the report too, but we're talking not just about professional development here and thinking broadly about this and compensation, but everything from recruitment, selection, placement, induction and mentoring, professional development, evaluation, career progression, the basis for promotion – things like that.

So one thing I did in this paper is look at perhaps the most advanced compensation reform that is aligned – intentionally aligned and implemented on a broad scale. And that's the Teacher Advancement Program that was created by the Milken Family Foundation. So bear with me here. This gets – fasten your seatbelts if you've got them because this gets a little crazy. So we're going to take a look at alignment in TAP using this diagram. And this diagram is also on page 31 of the report. It's entirely described there. But if you take a look up here, these are a TAP school's strategic priorities, right? So on the right hand side, you have the goals: improving student achievement and student learning gains. You have the school's improvement planning process. What is our plan for improving the school? Over on the left, you have the TAP teacher competencies, right? There's a long title, teacher standards, but they call up the TAP rubric.

Down below are the human resource practices in a TAP school. So on the left there's differentiated compensation in terms of performance bonuses and teacher evaluation. You have professional development.

So first of all, research has shown – and this is very important – that the teacher competencies, when measured well are correlated with gains in student achievement. So you shouldn't adopt a set of competencies that are not correlated with student achievement goals.

Other kinds of vertical alignment, annual bonuses are based in part on teachers' scores on the rubric based on classroom evaluations. So they're evaluated in the classroom, based on the rubric. Their scores feed into annual performance bonuses. Performance bonuses are also based on school-wide learning gains for students and classroom learning gains for teachers who have classroom learning gains.

Okay. We're getting a little bit complicated here. Teachers are evaluated by the principal, master teachers, and mentor teachers, four to six classroom observations per year against the TAP rubric.

In terms of professional development, cluster meetings of teachers and individual classroom coaching help teachers improve their performance on the TAP rubric.

Another kind of vertical alignment is that master teachers, in a TAP school, lead an effort to identify areas of improvement. They analyze student achievement data.

They create an academic achievement plan, identify instructional strategies that might work, but then they also field test those strategies – and Alma can talk a little bit about this – with real teachers in the school so that they know those strategies actually work with students in the school.

And then, moving to horizontal alignment, that means professional development when they deliver those strategies to teachers that are known to improve student achievement in the school, which means that improves teachers' ability to earn annual bonuses because it's based in part on student achievement gains and on the rubric.

After each classroom observation, teachers receive coaching to help them improve. Scores on the evaluations are actually aggregated. Master teachers can analyze those scores and say, "Hey, here's an area of the rubric where we really need to focus a little bit more attention in professional development, like student grouping." And then finally, of course, results of a teacher's evaluation account for a portion of annual bonuses.

So this diagram is just a way to show that if you have an aligned design, you should be able to draw the arrows of alignment and describe what alignment looks like in your design.

Now, so far this is where most people would stop with the TAP program because most of the focus has been on the annual performance bonuses, but that's not the only kind of teacher pay that teachers receive, obviously, and it's not the only way to differentiate teacher compensation. And there're actually three elements of teacher pay. Base pay, the amount that you can expect in your monthly check, and then base pay progression, what it takes to increase that check year to year. And then also variable pay, which is pay that can't be anticipated. That's often in the form of performance bonuses. And one way to think about this is that base pay is something that you know at the beginning of the year. You can bank on it. You can create your budget around it. Variable pay – you're not sure. So unless you're a gambler or you're just highly confident, you wouldn't want to take it into account in your household budgeting.

And then there're four kinds of differentiated pay. There's pay for performance, pay for knowledge and skills, pay for hard-to-staff schools and positions, and pay for additional roles and responsibilities. Anybody who's read CAP reports on differentiated compensation knows about these.

So far we've talked about the performance bonuses in TAP. There's actually another kind of differentiated compensation in TAP. It affects base pay and base pay progression and it rewards teachers for taking on additional roles and leadership responsibility. So let's add that to the diagram, okay?

Now, watch what happens. Now, that you've differentiated compensation, you've created a team of master teachers and mentor teachers, what do they do? Well, they actually do the very difficult work of improving teacher evaluation so that teachers can be

observed multiple times per year and get feedback and coaching. They improve professional development in the ways that we've discussed – cluster group meetings, field tested strategies, lots of classroom coaching. And master teachers improve the school improvement planning process. So rather than just writing a school improvement plan and putting it on a shelf, they say, "Here's the plan. Now, I'm going to get some strategies that address the plan. I'm going to field test the strategies and feed them right into professional development." And again, that will link to teachers' performance pay.

So you can see this is a highly aligned design. Of course, evaluation and professional development help teachers develop skills eventually to become master and mentor teachers.

And so the TAP example shows that there aren't just two forms of alignment. There are two dimensions of alignment. And I call these in the paper front end alignment and back end alignment because there are no terms to describe these dimensions, so I had to invent a term. Front end alignment is, how can other human resource policies support your teacher compensation reform? So how can evaluation be aligned? How can professional development be aligned? But then the other question is how can your compensation reform improve professional development, improve teacher evaluations? And that's what I call back end alignment. And that's been really neglected in conversations about compensation reform and it's why the title of this paper is perhaps a bit mystifying when you first look at it. How can compensation reform advance other educational priorities? Because typically we think of alignment in terms of supporting compensation reforms.

And so finally, there's a whole chapter on using compensation reform to build leadership capacity. Why is this so important?

And I'll just use an example from teacher evaluation. So consider a school where there's about 30 teachers, five novices, right, so the review span is 30 to one. If the principal's going to do all the reviews that's 30 to one.

Let me just go back and mention teacher evaluations have been criticized, as all of you know, for being infrequent, lacking evidence, and not being reliable. The results are inflated. The results aren't used for performance management. Teachers don't get feedback. Everybody, including the federal government, is now encouraging schools and districts and states to improve teacher evaluation, typically by having multiple classroom observations per year.

So let me go back to the example here. Typical school, 30 teachers, that means the principal's responsible for evaluating 30 teachers. Now, think about it. If every teacher also receives a post-conference to discuss the results of the classroom observation, and new teachers are observed, six times a year, while tenured teachers are observed four times a year, that's 130 observations, 130 post-conference for 260 separate meetings. And it's hard to do the post-conference while the teacher's still teaching the next class. And there're only 180 days in a school year, so this is very difficult.

In fact, research has shown that when systems have tried to implement these more rigorous evaluations with multiple classroom observations, principals don't have the time and they cut corners. In a TAP school, you have salary augmentation to create an instructional leadership team. The job descriptions include evaluating other teachers. So if you have 30 career teachers in a TAP school, you'd have two master teachers and four mentor teachers. And your review span actually drops from 30 to one to five to one. So it becomes a much more manageable system.

So clearly pay for traditional roles and responsibilities is important, but it's been neglected. Out of the four kinds of compensation reform, it's definitely the red-haired stepchild.

And there might be a reason for that. I'm running out of time, so what I'll say is there're a number of challenges to think about – and maybe Alma can talk a little bit about this – in designing additional roles and responsibilities., The norms of the profession includethe privacy of practice and egalitarianism. Teaching has always been a very flat profession. And that's expressed in the norms and what teachers expect. So it's a little bit difficult to create status enhancing roles. And in fact, if you look at some of the old style career ladder programs, they don't create roles like master teacher and mentor teachers. They allow teachers to collect a menu of additional responsibilities, like running a spelling bee, or managing an after-school project, or putting out the parent newsletter. And so this is the challenge that policymakers face.

The recommendations are in the report, but in particular this is important for the TIF program because TIF's authorizing language very prominently requires designs to include additional pay for responsibilities and leadership roles. But the previous administration all but ignored that requirement, did not offer any guidance on it, it wasn't part of the selection criteria, it wasn't part of the competitive priorities. The current administration has signaled that it wants more aligned designs and the question is whether it will also build out pay for additional roles and responsibilities, so that you have not only aligned teacher evaluation and professional development, but improved and aligned professional development and teacher evaluation within these compensation reforms.

MS. CHAIT: Thanks, Craig. TAP is a really helpful example of a program that continuously builds school-level capacity to implement a model and all of the pieces work together to do that. It isn't the only example of alignment, but it is one of the few examples out there. And Alma is going to talk more about how the program works at the school level.

MS. ALMA VELEZ: Thank you, Robin. As Craig mentioned, my role is crucial on my campus. It's something that I have been sort of doing up until this past year, but it was very difficult for me to do what I do now because I had my own classroom to tend to as well. And so although I was seeing benefits and great success within my own classroom, it just wasn't enough for me.

I work at a high-needs campus and therefore I needed to see more. So TAP really provided me the opportunity to have a greater impact on my campus. It has tremendously improved the culture and it has impacted not only my teaching, in spite of the fact that I had already been teaching for eight years, but just the teaching of all of my teachers on my campus. Upon implementing TAP, as Craig mentioned, we began to look at our student data, and then we use that data to devise a school-wide goal. From there, my fellow master teacher and myself then research strategies that have already been used at other campuses or in other states. And then we field test those strategies within our own classroom. And so that's on our campus. And on my campus, we have mainstream classrooms, we have bilingual classrooms, and we also have dual language classrooms. In order to provide buy in for our teachers, they need to know that these strategies have been successful on our campus with our kiddos. Upon seeing results, we then teach those strategies to our teachers at weekly professional development sessions, we call them cluster meetings. They are usually grade-level cluster meetings.

Then the teacher is expected to take those strategies and implement them, apply them within their own classroom, and then we come back every week and follow up on how it went for them. But we don't wait a whole week before we talk about this, but then my fellow master teacher and myself, as well, as mentor teachers, follow up with the teachers. We sometimes go in to observe that strategy being taught. Or I could provide release time for that teacher to go observe another teacher teaching that strategy. It could be me team teaching or model teaching that strategy within the classroom. And so the follow up looks very different, depending on the level of the teacher and the experience that the teacher might have.

One of our mottos that we have at our cluster meetings is that we don't have a Vegas philosophy. What happens at cluster doesn't stay in cluster. It has to go out into the classrooms. And teachers at first struggled especially with the idea of the evaluations, of us being in the classrooms more often because they were so used to that once a year perhaps observation, a few walkthroughs here and there. But once they started to see the feedback that they were getting, they looked forward to the feedback. They wanted to know. They truly wanted to reflect on what they were doing to ensure that our students were going to be successful. And so that provided not only the teachers and administrators a common language, but our students a common language as well because they were all learning pretty much the same strategy that was going to help all of them improve in their instruction. It gave us academic norms on our campus that we didn't have.

It also gave our students strategies that helped them feel successful, which they hadn't felt before in previous years. I really needed to be able to observe, to be able to leave my room, no longer my classroom, to go in and see the impact it was having on our students.

I often compare TAP to the movie *Finding Nemo*. I don't know if you are familiar with the movie but in it, the tuna fish are being caught in a net by the fishermen and

they're all trying to find a way to escape this net. And here comes Nemo and his dad and they're trying to tell the fish, "Swim down, swim down." But it's not until Nemo gets into the net with the fish and actually models and coaches and guides the fish to swim down that they all start swimming down and luckily for them, they actually break the net and they escape freely. So to me TAP is a lot like Nemo in that it doesn't just say, "Here's your goal, go achieve it," but rather it provides us with guidelines to achieve that goal and the consistency in the follow up, the weekly professional development that all of our teachers receive. There's also a collaborative team approach on our campus that was not there before.

And so TAP has really been a life saver for our campus. I've been there for eight years, going on nine years, and we've tried many different things and our goal was always to help our students. Yet nothing seemed to be working. And the problem was that we were all going in different directions. And so TAPhas really helped us.

Also, as Craig mentioned, administrators have a major role on our campus. And before TAP, they were mostly doing observations or they were tied up in meetings or looking at data, trying to come up with different professional development activities for our campus. And so we attended professional development that wasn't geared towards the specific needs of our own classroom or our own campus, and there was little to no follow-up on it. And therefore we were left to go into our classrooms and try to implement this new professional development training without guidance.

Therefore, many times unfortunately what happened is that binder from the professional development would go up on a shelf and we would go about our business. We tried to keep our heads above water, sometimes going under, and that's basically the way it worked. But with TAP, and with the professional development that we provide our teachers on a weekly basis, and then also the follow up, it really does help bring everything together and bring everybody together to go in the same direction. The teacher evaluation piece is tied into that. We spend a lot of time up front going over the rubrics. We have the instructional rubric, the designing and planning rubric, and then the learning environment rubric. So we spend a lot of time up front in the school year going over the rubrics, looking at the descriptors and each indicator so that teachers are fully aware of what is going to be expected in their classrooms.

We also provide them with various examples on what these indicators look like within the classrooms. As we teach the strategy, we also reinforce one of the indicators, perhaps the one that based on our data, we know is becoming a weak area for our campus. And so we focus on those indicators, as well as the strategy on a weekly basis with our teachers, so that when we have that post-conference after the observation, we're able to have a rich discussion and provide evidence. We can say "these are some of the things that I saw in your lesson that exemplify these indicators within our rubric, but these are some areas that we still need to work on. Then we can provide them with evidence as to why we felt that that was an area that they still needed to work on, as well as suggestions specific to that lesson to help them grow within that indicator. Then we also reflect back or reflect forward on how they can see this impacting future lessons?"

How can you use this example that I provided you to impact future lessons so that hopefully, by the next observation that indicator is no longer an area of refinement but an area of reinforcement for you?

So we are having collaborative conversations in which we're focusing on growth and not an "I got you." That's the way it used to be seen. Focusing on growth really helps teachers to open up to the multiple observations and walkthroughs that we conduct throughout the school year. It's been very interesting to see that complete turnaround of attitude on my campus from the beginning. Teachers used to shy away from us coming into classrooms, whereas after mid-year, they were looking forward to the visits because they wanted to find better ways to grow within those indicators, within the TAP rubrics. So it's been a wonderful experience.

One thing that I wanted to add was that I was reflecting on this lately and I came to the realization that my family is a TAP family. My husband is an educator as well and he works at a TAP campus in my district. And my four children are on TAP campuses as well. And so at night we'd be having dinner and it wasn't family talk. Many times, it was TAP talk. We would talk about a common strategy that we used on both campuses and how they were using that within their math classes. And then my husband and I would share how cluster meetings were going.

So it's been a very interesting year and it's provided a common ground for my family. (Laughs.) So I want to thank you for allowing me to speak here.

MS. CHAIT: Thanks, Alma. It sounds like TAP really helped create a common vision for instruction that could then inform coaching and professional development at your school. That's really helpful to hear about.

Bill?

MR. WILLIAM SLOTNIK: Good morning. Let's try that again with a little bit of citizen participation this time. Good morning. All right. Cesar Chaves used to say, "It's always better when we're organized."

The national landscape is changing dramatically. Needs alone no longer drive educational resources. Instead, getting the results the public is interested in is becoming increasingly pivotal to school finance and overall public support of public education.

President Obama, the U.S. Congress, and Secretary Duncan have an excellent opportunity to move the country beyond the misconceptions that caused the demise of earlier efforts to introduce performance-based compensation in America's schools. And bear in mind, historically, when earlier efforts failed in the early '80s, it took us a whole generation to come back to where compensation reform was on center stage.

So here's the key question. Will compensation reform now be done in ways that are helpful to students and helpful to teachers or will it continue to repeat the mistakes of

the past? Tying what teachers earn to what students learn at first glance appears to be simplicity itself, yet it's proven very, very difficult to design and even more difficult to implement.

In essence, connecting compensation to classroom, school, and district effectiveness is a step forward in thinking. And I think the nation has arrived at that point and Secretary Duncan and President Obama have given a lot of visibility to this issue. But it's a step forward in thinking that requires an even more significant leap forward in implementation know-how, institutional change, and policy development if it's going to be effective.

Based on practices emerging in places such as Denver, Austin, Charlotte-Mecklenburg, and others, six key cornerstones of performance-based compensation emerge as being quite pivotal to successful innovation and sustainable innovation at local or state levels. And a key here in looking at the cornerstones is that they particularly involve paying attention to the nuances and complexities of performance-based compensation, rather than dismissing them, due to a lack of understanding or political expediency. And there are numerous examples around the country where lack of understanding and political expediency dovetail. The approaches are taken that are much more simplistic than the things Craig and I are going to be talking about and it consistently led to performance-based compensation falling short of its goals.

First, performance-based compensation is a systemic reform. It's miscast when it's viewed as a financial silver bullet. It's miscast when it's viewed as a human resources magic wand. Its power comes not from the influence of a particular financial incentive. So the national discussion of how much is too much to offer in additional incentives, how much is too little, is a secondary discussion. It's the wrong discussion. The real issue is changing how the workforce will be paid rivets a district's attention. The key is to use that attention as a lever for broader system changes that will benefit the classroom. In other words, the power is when you're changing a compensation system, where is that going to go?

Simply put, you can't change how several thousand people are going to get paid without making changes in the rest of the organization. That is absolutely key to a systemic understanding. As such, this is not another piecemeal reform that we have in education that tinkers around the edges. And it can't be allowed to be yet another iteration of the quick fix that doesn't fix. The repeated programs of the day that we have in education, are like restaurants having vegetables of the day. Nothing demoralizes teachers more than things shifting every two years.

Performance-based compensation cuts to the core of what a district is trying to accomplish instructionally. This is an instructional reform. It has to be highly customized in design and implementation. It requires organizational clarity around why you're doing it. Now, if my nephew, who's 15, would hear me say that, he'd go, "Duh," but lest you think it's easy to come up with the clarity of purpose on these things it took us two years in Denver to come to clarity on what the purpose of pay for performance was.

It's not easily arrived at. And it involves significant changes in a range of district systems, from instruction and assessment to professional development and human resources, so that they're more effective in supporting classrooms.

And bear in mind the following. The recent national track record in school reform shows there are inherent risks when a district takes reform efforts to scale beyond its ability to support them. Participants blame and distance themselves from the reform, rather than attributing the problems to the weaknesses of implementation. So what is really critical with performance-based compensation is on the front end you need to assess the readiness and capacity of the district to head down this path and you have to pay real attention to issues of capacity building.

Similarly, a major reason for piloting before going to scale is so a district can learn to anticipate and address the institutional strains that will result from this reform.

Second cornerstone. It must be done with teachers, not to teachers. This cornerstone is the simplest to state, yet the most consistently undervalued. With teachers, not to teachers. Compensation changes that are going to work to the benefit of students and teachers cannot be imposed from above in the form of management fiat or policy fiat, and it can't be achieved by simply copying models from elsewhere. It involves very intentionally building trust, building collaboration and building capacity so that program designs and problems of implementation can be put on center stage, examined, and addressed.

Now, this means you have to have the extensive engagement of those who're affected by the reform, by teachers in all phases of design, implementation, and evaluation. And the process has to function at a lot of levels – at the design team level, at the steering committee level, and particularly in working groups because the goal here is to help the creative and thoughtful teachers from the school be able to have an impact beyond their individual classroom or beyond their individual role. You want teachers to really have a chance to shape the reform. So this not only includes working groups, but for example, in our work with districts, on an annual basis we survey every school site practitioner and we interview hundreds. So on an ongoing basis – and these aren't satisfaction surveys – but on an ongoing basis, you can hear teachers explain to you what needs to happen in terms of professional development, what needs to happen in terms of instructional support. An awful lot of the credit that CTAC got for our work in Denver came from basically just listening to teachers.

Now, this also has implications for teacher leaders. Teacher leaders should prepare to be the protectors of quality implementation, as well as the protectors of teacher rights. This is a new role and I think when Rob speaks, you'll see that there are many unions that are stepping up and doing this. It also means understanding the role of the contract in performance-based compensation. The contract, rather than being seen as an impediment, we feel should be embraced because the contract essentially becomes the policy document for the reform. And let's be clear: teacher contracts have a tendency to outlast school superintendents, outlast school board presidents, and sometimes even

outlast union presidents as well. So the contract – it seems like everybody’s attacking teacher contracts these days – is actually quite pivotal in this kind of effort.

Cornerstone three. Compensation reform must be organizationally sustainable. From the classroom to the boardroom, the entire district must be focused and aligned to support the initiative. And this means understanding something that is long overlooked. Teacher quality and effectiveness are a function of management quality and effectiveness. Let me repeat that. Teacher quality and effectiveness are a function of management quality and effectiveness. This recognition is missing from most of the policy debates on performance-based compensation and most of the policy debates on teacher effectiveness. And I would argue that the potential impact of human capital reform is trivialized without this recognition.

Now, alignment and quality go together because if all you do is align better – and Craig’s paper describes this in detail – if you align different pieces of the organization better without upgrading the quality, what you’re going to end up with is a more coordinated delivery of ineffective or inconsistent services.

So let’s take a look at what upgrading quality and alignment really mean in a district. I want everybody to think for a moment, think you’re a classroom teacher, okay? Are you with me?

Think of the objectives that you as a teacher set for your classroom or the objectives that your school has that will affect what you do in your classroom. Now think of those objectives, think about the student achievement data you’ll be working with, the quality of the data, the timeliness of the data, the format of the data. Now think of the professional development you’ll receive in support of what you’re trying to accomplish in the classroom. Now think of the supervision you’ll receive from your principal. Now think of the support and supervision the school will receive from the central administration. And now think of the linkage between the student achievement, human resources and financial systems.

Under performance-based compensation, these need to fit together like wood that’s tongue and groove. In most districts, even small districts, they often fit together as though you took seven marbles and threw them in a bath tub. So this is the challenge of alignment and quality. And for this to happen, all key decision-makers need to be at the table and there needs to be direct and ongoing access to executive-level leaders.

At a meeting recently, when those of us who were funded through the Teacher Incentive Fund and working in large urban districts had a meeting, the question was put on the table, how many of you have direct and regular monthly access to the superintendent? Two raised their hands.

And when you look at where these reforms are positioned in the organization, here’s the idea: we’re trying to help teachers be successful with their instruction in the classrooms and then reward them for that success. Very few performance-based

compensation reforms are located, though, in the departments of curriculum and instruction. Indeed, in many districts, C&I doesn't own the reform. They're based in human resources. They're based in professional development. And there are some examples where they're based in nonprofits.

So compensation reform needs to be a bottom line reality. I've just discovered what it's like at the Academy Awards when they hold up the sign and they say you've got a limited amount of time left.

Cornerstone four: it must be financially sustainable. There's perhaps no part of performance-based compensation that's more regularly abused than the approaches taken to long-term financial sustainability. And bear in mind, financial sustainability is interconnected with financial credibility. So if you want the public to buy into this and you want teachers to buy into it, you've got to focus on financial sustainability on the front end.

And this means looking at three types of costs: the cost of transitioning to the new system, the cost of sustaining the new system, and these tend to involve some new monies, and the cost of reallocating existing resources in support of the effort. Some of these are one-time costs. Some of them are expanding costs within a specific timeframe and some are long term. And also, if successful, performance-based compensation will cost more. It means we need more money from the public if this is going to be successful.

For example, in Denver, one of the things we did is we projected cost over a long period of time to see what would really be involved. Finances were projected over a 50-year district timeframe and a 30-year teacher career timeframe. And what characteristically is overlooked; this has to be a transparent discussion. Revenue sources have to be put on the table and understood and discussed by all parties and you have to do all planning in constant dollars meaning purchasing power with inflation factored in.

A broad base of support is required within the district and the community. Constituency building is not a complementary function. It's absolutely pivotal to developing and carrying out a high quality plan. And constituency involves more than just a communication strategy. There are a lot of technical assistance products in this field to say you need a communication strategy. You need a constituency building strategy.

And as President Obama showed the nation during the election, you have to think and function like community organizers to build a broad base of support. Bear in mind, in the election, one party had as its standard bearer somebody who was a community organizer. The other party made fun of community organizing. Who won?

Lastly, performance-based compensation must go beyond politics and finances to benefit students and this has implications for multiple measures of student achievement. And bear in mind, it's not surprising in our work with districts, about 95 percent of the

teachers said more than one measure of student achievement should be used to look at their progress. Well, that makes sense from a teacher's perspective. What's interesting in our surveying is more than 90 percent of the parents agree with them. Basing performance-based compensation on one single high-stakes test is a formula for failure.

It also means positioning research and the use of evidence in the forefront of the reform so that you can understand the results that you're getting because, bear in mind: the goal is to improve student learning not just measure it. And this has tremendous implications for funders as well. We need to go from a funding perspective both at the public sector and private sector that moves away from social engineering and goes to angel investing.

Lastly, the lesson of performance-based compensation is at root a lesson of institutional change. The focus on student learning and the teachers' contribution to it can be a significant trigger for needed change if the initiative also addresses the district factors that affect the schools. When approached thoughtfully with the six cornerstones, we would argue that performance-based compensation has shown more potential for improving entire school systems than any major reform undertaken in the last 25 years. The stakes for students and teachers are very high.

MS. CHAIT: Thanks, Bill. That's a really helpful overview of the complexity of this reform and all of the systems that it affects.

Rob?

MR. ROB WEIL: Thank you. I want to first thank the Center for American Progress for having me here today. I enjoyed reading both these reports. I enjoyed them tremendously. As somebody who has worked on these kinds of programs, in virtually as many places you can think of in the country, it is refreshing that we are turning the corner and looking at these as the complex systems they are and not the simple solutions people perceive them to be. When you go into places and you negotiate and you work these programs, all the issues that were brought up in both the papers are important. I'm going to highlight two of them.

If you take both papers and smash them together, you're going to have a great system because they look at the alignment issue and some of the other issues. But I want to start off by talking about how much the world has changed in just a few years.

In 2002, AFT issued a resolution on professional compensation that talked about many of these issues. By the way, the current president of the AFT, Randi Weingarten, was the chairman of that resolution committee. When that resolution came out, a lot of people looked at the different parts of the alignment and looked at the different changes and other lessons that had to happen systematically as excuses not to do it. And now we're hearing the programs that are most successful, are programs where these changes are happening.

I'm hoping that as we move forward with the new Teacher Incentive Fund and all the other state efforts that they look at these papers and look at the lessons of them because they will not just make it better for teachers and students but it will be sustained because it will be a systematic change of what happens in schools.

I'm sitting here listening to Alma. I want you to listen to how she talked. She was talking about the TAP program, but she didn't talk about pay. Think about that. Everybody, when we were talking about TAP and the Teacher Incentive Fund talked about this as the compensation reform issue. I don't think the teachers in our schools see it that way. That's the issue that we have to get across. If you think that we're going to somehow improve schools by having teachers worry about their compensation every day, you're fooling yourself.

What you have to do is help teachers do better by their kids every day and the compensation should align to those efforts. That's how you improve schools and that's what TAP does and that's what Bill is talking about.

I will say that the papers do a good job. They need to go a little further and I encourage further review of the TAP programs and the successful systematic changes in these school districts. I really encourage that because I think people will see even more lessons. Bill came with six. You know, I actually have eight fatal flaws that I work from. But I think there are some really good lessons there that we can draw from. I'm going to bring out a couple.

First of all was the strategic planning that Bill talked about. How many people in this room know what the original TAP program was? It's not the TAP program that Alma is working with now. That is a huge lesson that Bill talked about, strategic planning – learning as you go along and changing and getting better, not just creating a one size fits all program and dropping it into one place but actually learning from what you're doing from A to B so that when you move from B to C, you're even better.

That's strategic planning. That's what the TAP program has done over the years. In fact, you know, Sandi Feldman, the previous president of AFT, talked about that and issued a statement supporting TAP and their movement and how they're learning and listening to teachers to make the program better. That's a key lesson in these programs.

I designed a program with our school district back in '92. What we designed in '92 changed a little bit because you're not going to think around the table and come up with the best ideas right then. You've got to figure out a process to improve and that's what all these systematic things are about: how do you improve the program? How do you listen to the right people so you make the right decisions? Those are the kind of things that are important.

The next one – and they didn't talk about it directly, but I'm going to bring this up directly because I believe this is a huge issue. Something I call not in the statistical framework but something I call with the quotation marks “causal effect,” meaning that in

order for programs to work, you have to have alignment of what people are doing so they can see the cause of what they do. It's "I did this and this happens."

And when you do this, it isn't an educational idea behind performance-based compensation. It's the basic idea behind performance-based compensation in every business. Whoever is the subject of the system has to understand how they affect the outcomes.

If you don't have that connection, the program will not be as effective as it can be. You could have a rewards program where you reward performance, but you can't repeat it because you don't know what you did. Your organization can't improve. And so what we're talking about here is really when you talk about the TAP program, when you talk about successful programs, they're the ones that put in face validity for teachers.

Teachers understand it works. They think it's right. And then they're willing to do more of it and more of it and what happens is that individual growth, believe it or not, becomes organizational growth and school systems want to hold on to those people because they really know how to help kids learn. That's the kind of system you want to create in your schools. And that's the kind of system that these papers aspire people to move towards.

I think that I want to give a shout out to somebody in the crowd here. Michelle is in the crowd. We worked together at the AFT and when we were working on this, we came up with a teacher quality puzzle. And this puzzle had all the points, Robin, you talked about at the beginning of what is important in human capital.

I wish I could tell you today that this is the way it works in schools and people are looking at these things and these things are aligned in the school districts. They're not. And I wish that people were moving forward, but I'm still dealing with issues where people still don't believe the lessons of these papers. And I'm hopeful, as these papers are released, that people take the time to really read them and understand what's in them.

I will say that I believe they should go a little further. I will put that out there. I think that they're good papers. Somebody made a comment that they're long. I'd like to see them a little longer in some areas, shorter in other places, longer in other places.

But I think it's a good turn of the corner about how compensation can leverage changes in schools and thinking about it in a broader sense and less in a narrow sense because I have said this since the beginning of time: if you think how you cut the paychecks is somehow going to change the way teachers work in the classroom, you're crazy. You have to give the teachers support. You have to help them understand where they have to go. They're dying to get that information. It's just we haven't set up systems to get that information to them.

We've heard a lot and I think it was Craig or somebody mentioned the scandal of teacher evaluation in this country and how poor teacher evaluation is in this country. We

agree. Just as embarrassing or not more embarrassing is how we professionally develop our teachers in this country. And if we leave that out – teacher evaluation doesn't mean anything because just knowing where somebody stands doesn't necessarily move anything. So the scandal of teacher evaluation is a broader scandal of evaluation and also professional development.

So I could go on. But I'm going to stop right there and look forward to your questions. Thank you.

MS. CHAIT: Thanks, Rob.

I'm going to ask a couple of questions of the panelists and then I'll open it to the audience for questions. Rob, you mentioned that the papers should go further in a couple of areas. Can you expand on that a little bit, please?

MR. WEIL: The first one I think I did talk to. Bill's paper talks a little bit about the strategic planning and I think you need to get into that a little deeper about how important it is to set your goals and then go back and make changes. Bill talked about how it took two years to set the goals of Denver's program. People say, well, that's ridiculous. We should know our goals tomorrow. The reality is the goals are the driving force for every single decision you make from then until the end of time, basically. So setting those correctly is so important as you do your strategic planning.

So I think you need to talk about how important it is to set those goals and how those goals go back to become the informers of all the decisions you I have to say that Arne Duncan's done well by himself. He talks about the contract we negotiated in Chicago on performance-based pay all the time. He's done well for himself on that one.

But the whole idea is putting those goals out there so we know where we're trying to get. So when you come back and you have to make changes in your program, you just don't go in and say, what do we do next? The idea is, here's our goals and you align your decisions to reach those goals.

The second thing is I talked about the causal effect. When you develop a performance-based pay system, you must think of the basic idea behind performance-based pay and this does not happen in this country. People who are subject to the system have to figure out how it works and how they influence it.

I'm going to give you a perfect example. I won't call out the name of the school district, but in this school district, – a lot of people know about their performance pay program – the teachers call it “the lottery.” The reason they call it “the lottery,” is because their number came up. They had no idea how it happened. They don't have any idea how they can do it again. It was like the lottery. That's not how you develop these programs. That program's not going to develop organizational growth. And to that organization's credit, they now have done it for three years and they're saying, it's not working. We're not seeing the impact that we hoped to see.

My point is, that when you develop the program originally, you have to come from this causal effect approach to begin with.

MS. CHAIT: Do any of the other panelists want to comment?

MR. SLOTNIK: Well, on the issue of causality, I think that's a key issue because performance-based compensation is a topic that everybody has a strong opinion on, regardless of what the facts might say. In Denver, one of the anchors of the reform was what ended up being what Teddy Kennedy called the \$100 million report because it was finally the report that looked long term at what the impact was of pay for performance on student achievement, teacher quality and systems change.

But decisions really have to be driven by evidence rather than intuitive assumptions about what makes a difference. And when you look at the failings in this field, the same failings keep coming up again and again, the tendency to under-conceptualize the reform due to a lack of evidence so the view becomes that finances alone is all it takes to incentivize changes in the behavior of teachers and a lot more is involved in providing incentives than finances alone.

The second is a lot of these efforts, either by design or just faulty implementation have ended up being punitive and this is why teachers in general and unions in particular have often been oppositional, and rightly so.

And the third point that Craig and I both talk about in our papers is this has been approached as a stand-alone reform and as the results in Denver showed, the real power of pay for performance was that it was a trigger or catalyst for other changes in the system. And that's really the key. And Denver's teachers supported the move to ProComp by a three-to-two vote and it's because they had evidence that it was making a difference. And then the public supported ProComp and voted to increase taxes by \$25 million a year tied to a regional cost of living index by exactly the same three-to-two margin.

So what makes sense to teachers and what makes sense to the broader public is the same thing if you have causal evidence showing that it's having an impact. And this is – it's mind-numbing how much this gets ignored within this field. And so when we start looking at policy, that's one of the pieces that you have to have. I think teachers are willing to support almost anything – as battered as they've been over the years – if they feel they'll be supported, if they feel their voices will be heard and if they think changes are going to be driven by real evidence.

MS. CHAIT: Alma, did you want to comment?

MS. VELEZ: I agree with that. I think that performance pay –it's not the money that we get in the end, but rather the impact it's making in our classroom that matters to us.

One example is in Texas, we have our state accountability test first administration for our third and fifth grade students in March. We had been working on a reading comprehension strategy that was very lengthy and entailed a lot of work on behalf of the students and teachers were leery, but were implementing it with fidelity and the day of our state assessment, we had more than a third of our testers still testing after the end of the school bell time. The state allows us to test until about 6:00 p.m. Our teachers were astonished not because we have all these kids after school but rather that these kids were motivated. They were not fatigued. They weren't just, oh, my gosh, I've got to finish this test.

They were really implementing their strategies that had been taught by the teachers and feeling success at it. It was after seeing their students utilizing these strategies and feeling successful, feeling hopeful that the teachers felt, this is really working. This is really impacting what I'm doing in my classroom with my students.

I think that's what really motivated them. That's what we as teachers in our classrooms want to see.

MR. JERALD: Yes. I'll just quickly add that I agree entirely, but I actually believe that really radically improving professional development and teacher evaluation in schools is going to take building instructional leadership in schools, instructional leadership capacity. And we've been saying that for years and years and we've said principals need to take on that role. But principals don't have time. And think of a high-poverty urban school. Those people are busy. We call it instructional leadership.

Why not let teachers take on those leadership roles, teachers like Alma who have proven their effectiveness, who are great at working with other adults. And that's exactly where the back end of compensation reform comes in. So use compensation reform not just to reward teachers for outcomes but also to reward them for taking on these leadership roles that can improve professional development and teacher evaluation. I really believe after looking at CAP and talking to Alma and other master teachers that that is going to be the engine that drives a lot of this.

MS. CHAIT: And, Alma, how has the opportunity to engage in this instructional leadership affected your thinking about your career?

MS. VELEZ: As a teacher at my campus, I realized at the very beginning that it was not an easy career. It wasn't an easy job, especially working on a campus like mine. Early on, I had an interest in helping other novice teachers. On my campus more than half of our staff was novice every year. We lost a lot of teachers for various reasons.

And so I began to experiment with mentoring, not in the sense of TAP mentoring, but just mentoring new teachers on my campus. But I was always faced with that time constraint because I had a classroom that I did have to tend to. I would mentor during

planning times after school and in the evenings on e-mail. It was very strenuous on myself as well as my family.

I wanted to work with teachers, but I wasn't quite ready to let go of my students as well. When this opportunity came around, it really helped me to make that jump. I was already looking towards the administrative type role, but I just wasn't ready to let go of my students. So this opportunity helped me make that jump.

This first year of working as a master teacher, just really brought it to heart as to what I was called to do and that was not only to serve my students but to have a bigger impact on all of the students on my campus.

TAP has really helped me build the capacity of other teachers on my campus so that then they would want to take on more leadership type roles and hopefully, also, stay on our campus. I know you talked about the stipends that we get. I was already on my campus, but my fellow master teacher came from an affluent, well run campus and that position and stipend attracted her to come to our campus and that has really helped us as well. So this has helped us in attracting and retaining highly qualified teachers on my campus..

MS. CHAIT: Great. Thank you. So we've all talked about the importance of comprehensive approaches and systemic approaches. What do you think are some of the biggest barriers to states and districts implementing comprehensive approaches? You want to start? Go ahead.

MR. WEIL: You know, I will start – I think Bill touched on this. I think Bill understands this as well a lot of people in the country: districts need the capacity to make this kind of change. You know, everybody in the school district, everybody has a job right now. And their job is going to have to totally change. It's going to have to be recast, redone.

Right now, the support that's outside of schools is not aligned to support schools. It's aligned to get other things done in the school district and that's a shame. And when we're talking about this kind of systematic reform, that kind of change in capacity has to happen.

The second thing is – and I think it was Bill that talked about access to decision-makers. These are huge changes in a school district. That means the decision-makers are going to have to be a player in this. When you talk about a systematic change to how the entire school district operates, that requires the decision-makers at the top being involved in that. You run into these hurdles. . That's why you can only change a little bit of the school district or it only becomes this little bit reformed because it's only that person that has control of that part of the school district.

I can say emphatically, and I don't mean to call out this example, but when we were negotiating the TAP system in Chicago with Arne Duncan, one thing we worked

with or I really emphasized with both the union and the school district is Arne and the union president have to talk a lot in order to make these decisions work and to make things move forward.

I know that happened in Denver, too. That access to the people who can make systematic changes in the school district is so important. They have to be players in this. If you have a superintendent that says, or whoever says, I'm going to have somebody over in HR do this, that should send a signal right then and there of where you're going because the capacity issue is a big thing.

MS. CHAIT: Bill.

MR. SLOTNIK: Yes. When we first started working with Denver before our work started expanding and even before the Teacher Incentive Fund, some of the best technical assistance we provided to Denver was helping Denver to learn from 200 years of efforts in the U.S. and U.K. around performance-based compensation, virtually all of which fell significantly short of their intended goals and many of which flat-out failed.

And so the first thing I think a district has to do to get to the answer to Robin's question is to avoid the quick fix that doesn't fix. This is not a quick fix. It's going to put every wart and bruise of the system on center stage. So it also requires political protection, and this is another reason why teacher leaders and management leaders need to be working together on this. This needs to be a protected reform and in some communities we've involved the corporate community and the grassroots community.

It also requires, as Rob was saying, all the key parts of a district and the policy bodies of the district and the operational parts of the districts being in support of this.

To give an example, Charlotte-Mecklenburg, which is one of the nation's 20 largest school districts, has about 130,000 kids now. It's going to be adding 50,000 kids over the next 10 years, so performance-based compensation is a very, very key issue. Every major decision maker in that district meets on a monthly basis with the CTAC – we're the technical assistance provider there – for three hours and advancing performance-based compensation and the systems in support of it is the only agenda item.

This means regular access to the superintendent, the chiefs of human resources, finance, curriculum and instruction, professional development, assessment, all the association leaders, teachers association and principal leaders and also regular access to the board of education. In fact, the level of commitment of the board of education is such that a member of the board of education in Charlotte-Mecklenburg is the board's liaison to the entire reform, so that there is somebody on the board who can work with the rest of the board to make sure that they are on top of it. We meet with this person, Trent Merchant, on a monthly basis.

When we talk about alignment you need to have people at the table who can move departments. For example, virtually every district has many, many assessments in use.

There's one district that we're working with right now that has 63 different assessments in large scale use in the district. Only 20 of them allow you to look at gain and growth.

So, irrespective of the quality of those 20, the vast number of assessments in that district do not allow you to do what you want to be able to do for performance-based compensation and what may be the direction that the nation is moving in with the reauthorization of ESEA.

Lastly, you really need to have some key definitions. It is easier to find Osama bin Laden than to find a district that has a definition of teacher effectiveness or management effectiveness, let alone a definition that is widely understood and widely accepted yet we're predicating any number of reforms on this goal of that kind of effectiveness.

I think you all remember that in his inaugural address, J.F.K. said we will make it to the moon in 10 years. People who weren't even alive at the time he said that know he said it. And it wasn't just because he was speaking to the aspirations of the nation, but everybody knew where earth was, everybody knew where the moon was, and it was a matter of bridging that distance. We need to be able to do the same thing in some of these issues of operating the quality and the alignment of systems within a district.

MS. CHAIT: Thank you. Alma or Craig?

MS. VELEZ: I just wanted to add, at a local district level, I definitely think there's got to be a lot of communication. In my district, not all of our schools are top campuses. And so, the district has to be educated as well as non-TAP as to what we do, what we're about on a TAP campus. And then there's got to be that communication about all the various assessments that districts have to look at growth. Some of those may not coincide with what TAP is requiring us to look at.

And therefore, that's one of the things that my district has done. They've communicated with the TAP campuses and looked at what assessment tools we're using to ensure that we're not testing all 180 days of the school year. Communicating and having a shared vision are key factors, I believe, at the district level in order to continue with this.

MS. CHAIT: Thank you.

MR. JERALD: I think it's also important to keep in mind – I touched on this in the paper – that it's important to work with teachers, obviously, as we all agree on these kinds of reforms. Obviously, that's just absolutely a key component. But it's also important to recognize that there're certain norms in the teaching profession that are kind of a little bit counterproductive and that might need to be addressed, might need to be challenged a little bit.

For example, if you're really going to do comprehensive compensation reform, not just performance bonuses at the end of the year, you're going to provide career ladders and career progression, pay for additional roles and responsibilities. And the teaching profession has always been very flat with these norms of egalitarianism.

And one state department staff member told me, when I asked why districts in Arizona's career ladder programs, didn't have more roles like mentor teacher and master teacher, real leadership jobs for teachers, she said, you know, those high-status jobs really conflict with teachers' sense of equality. They really get sensitive about giving teachers more status and more responsibility for leadership.

And that's a problem. And we need to get over that and we need to include that in some of our conversations about this as we move forward.

MS. CHAIT: Was that an issue at all in your school?

MS. VELEZ: I think initially it was, especially for me since I was already on my campus. And teachers wanted to know what is it exactly that you're going to be doing, as a master teacher, and just the name, "master teacher" raised questions. So I had to really sit down and communicate with my teams and explain that I was being evaluated by the same rubrics that they were going to be evaluated on and that I was expected to perform as well if not better than they were. My job was not to be their administrator, but rather their peer and to help them grow in their career. And so that was something that we had to overcome, not just myself as a master teacher but other mentor teachers on my campus.

MS. CHAIT: Great. So we talked a lot about the barriers. Is there anything that federal policy can do to address some of these barriers, to encourage more comprehensive approaches?

MR. SLOTNIK: Yes. (Laughs.) I think, when we look at federal policy, we have to start by understanding that there are three tools of policy: legislation, regulation, and the role of the bully pulpit. And the federal government really needs to use all three.

And we also have got to say to the Teacher Incentive Fund in particular, but that's not the only vehicle through which you can get at this, is look at ways of leveraging the federal investments specifically around performance-based compensation through the Teacher Incentive Fund with other types of federal, state and local investments, Title Two monies, and school improvement monies. We should be looking at ways to package them.

We also have got to be very careful not to be overly prescriptive in terms of the Teacher Incentive Fund. I mean, the department has really done quite a capable job because when they started out with the Teacher Incentive Fund – there was a very small number of people who have really done this work and advanced it forward. You know,

Rob and I have had discussions sometimes that it would be hard to even have a bridge tournament because there just aren't enough of them.

But when the department was starting out, I think it was a little bit like Erasmus' old line of in the land of the blind, the one-eyed is king. And the department has really grown tremendously in its understanding of what's involved in this reform, but it cannot function like a traditional competitive grants program because this is the land of midcourse corrections. The very basis upon which you might get funded and your grant beats out somebody else's grant application, might need to change because you get about six months to a year into this work and you realize that there were a whole bunch of assumptions you had that were erroneous.

And I think we also need to learn from the standards movement. The twin pillars of reform in any field are support and accountability – not just education, any field. One of the things that I think has undercut the impact of the standards movement is that it has focused on accountability sometimes to the absence of support. That issue of the support, the kind of learnings that are going to be required really is a key, key aspect of federal policy, identifying what those are, identifying some of the processes. Every time there's a breakthrough whether, be it in a TAP program, Denver, Charlotte-Mecklenburg or Austin, it advances the reform.

But every time there's a major foul up, and we've seen some of these unfortunately in some of the other Texas districts– it sets back the potential. We've seen these at the state level, Florida is the poster child for this and they're all trying to learn from these things. The public support in public education in our experience is very, very tenuous. You've all seen it yourselves. The critics of public education are no longer just saying, do better. They're saying get out of the way and let us do it. Until, of course, the study comes out that shows they're not doing it any better than we are.

But we're at a key, key junction. So the legislation has to be enabling. It has to encourage experimentation. It has to encourage experimentation deeper than we are doing right now. The Teacher Incentive Fund is a bonus program. Real compensation reform, as Craig illustrated in his paper, gets into a lot of other things. The issues in compensation are always going to be base compensation and what fits on top of it.

Are we willing to get to that and are we willing to pay more, because compensation reform, done well, particularly if it's tied to student achievement is going to cost more if it's implemented at a level of skill.

MS. CHAIT: Why would it cost more? Can you explain that?

MR. STOLNIK: Sure. Let's take four teachers who come into our district today. The national data suggests that within four years, two of those teachers are likely to leave the district and they in turn will be replaced. And this produces something that I think is common knowledge in this room and the nation, which is we tend to get less experienced

teachers working in the highest need schools. It doesn't work well for the faculties. It doesn't work well for the kids.

But it is one of the ways, in part, that districts have been able to balance their budgets for years. It's a predictable set of costs and it's a low set of costs. Now, by contrast, let's take those same four teachers who come into a system that's using performance-based compensation that has a link to student learning and the performance-based compensation is implemented effectively, meaning these issues of quality and alignment are put on center stage so the teachers are feeling more supported in the classroom, they're more successful with the kids and the kids are learning at higher levels.

Here's what's going to happen. First, those teachers are going to stay longer in the system so instead of half of them leaving 10 years from now, the likelihood is most of them if not all of them are still going to be in the district. And because they're meeting their student achievement targets, they're going to need to get more money, and if you have a system where the compensation plan allows you add to your base compensation, now we're talking about pension implications.

And the way you get at this to project this, to understand these costs, is to do something that school districts really just don't do. School districts largely, except for their bond issues, tend to project finances on a two-year basis. But what you have to do is use human resources and financial models so you can project what your workforce is likely to be over a given period of time.

Now, Denver viewed it over 30 years. It's not the only way to do it. Charlotte-Mecklenburg is looking at 20 years and 30 years. So you project what is your teaching force likely to cost over a period of time. Then they use financial models to project what it is going to cost to support that.

For example, take professional development. Say we're piloting 12 schools. Well, we can figure out what the professional development costs are for those 20 schools. But then we go from 20 schools to 40 schools. That's going to be an increased cost. When we go from 40 schools to all 100 schools in our district, that's another expanding set of costs. But once we hit 100 schools, we know what that's going to cost. You can project that. But the teaching force has accumulating costs so those costs are going to keep getting higher and higher if we retain quality teachers, if we support quality teachers, and if we fund them with real professional compensation.

So really one of the myths of this field – and this is with data in merit pay back in the early '80s – is you can reward the top 10 percent by getting rid of the bottom 10 percent and that will balance out. That's not how it's going to work. The goal is not to just reward teaching excellence. The goal is to increase the level and amount of teaching excellence so more teachers are successful in more classrooms. And if we achieve that, it's going to cost more and that's not going to be made up with philanthropic dollars. And let's face it: most foundations have the attention span of a hummingbird. It's going

to come from more money coming from the public and well beyond the Teacher Incentive Fund.

And we have an opportunity now that a lot of us have waited a long, long time for: a president, a Congress, and a secretary of education who all believe in performance-based compensation. All of them want to see experimentation here and – and this is a big “and” – and who believe in public education. We’ve had previous administrations who supported performance-based compensation. We weren’t always sure that they supported public education. Now we’ve got those pieces in place. So it costs more and we have to plan for that.

MS. CHAIT: Great. Thank you. Does anyone else want to comment on federal policy?

MR. WEIL: Federal policy makes a big difference, there’s no doubt about it. And the competitive parts of the grant, Bill hit it on the head when he talked about how the grants will have to morph over time. But I want to talk about the cost issue and why performance pay costs a little more. Bill went through a way to understand it.

I was asked this way back in the Colorado state legislature in the early ’90s. Here’s why, because the way we pay teachers right now, we take a number and we divide by 12. We asked some assistant in the human resources department that says, this teacher is getting this much money. How much are they going to get a month? We divide by 12. We’re done. We’ve paid that teacher.

If you go to a performance pay program, just the administration alone, let alone all the different things you have to put in place to support that performance will cost more. There’s a lot of issues around the traditional salary schedule. Of course there are. But one of the beauties of the traditional salary schedule is it’s not hard to administer. It’s pretty easy. And when you start to do a performance pay system for, let’s say, Chicago, where you’ve got 40,000 teachers and you’re going to pay 40,000 differently, that requires a huge administrative cost.

So just the cost of administration, let alone the performance incentives or whatever you might put in place, that’s an added cost. Bill’s talking about the added performance cost. I’m just talking about the administrative costs. Performance pay or differentiated pay, whatever you want to call it, has added costs. What the school district has to decide, what the country has to decide – is the benefit worth the cost? That’s what we have to decide.

MS. CHAIT: Great. Now I’d like to open it up to questions from the audience. Let’s take questions from the press first. Any questions from the press? Okay.

Q: My name is Lana Cohen (sp) and I’m a teacher at a public high school here in Washington, D.C. The national focus, especially recently with stimulus funds, has really been on the highest poverty schools and the ones that are giving us the largest proportion

of dropouts in this country, and when we're talking about readiness and capacity for implementing comprehensive reform, it kind of seems to me that the districts that would most be in need of this type of reform are the ones that are least likely to have that type of capacity.

So first part of the question, how do you assess a district's readiness, a district's capacity for implementing something on this scale? And if there's not, at that point, how do you build that capacity to reach that stage?

MR. SLOTNIK: No district is at that level of readiness and capacity to really leap forward. What you want to do is have a starting point of what the district is capable of doing. So you have to analyze and usually this is done by a third party – this is something we do and there are others who do it as well – is you analyze, say, professional development: how much money is being spent on professional development, what impact is it having on student achievement, what impact is it having on instructional practices, how is it affecting teacher perceptions and principal perceptions about the work that they do? And I have a copy here if anybody wants to look at it of how this was done in Duval County, Florida.

It means you have to survey a lot of people, interview a lot of people, analyze the student achievement data because what you're really trying to get at is all the systems – if you saw the chart that I think in this presentation might have appeared complex, but it is really very well done within the publication that Craig wrote. You've got a lot of different moving parts within an organization and you have to take the ones that have the biggest direct or indirect impact on student achievement and analyze them in terms of the impact they're having and it doesn't mean you then don't go forward. It means you then identify which of the ones we most need to address so that we have a foundation for doing this and then you keep building on that.

When we were working in Newark, New Jersey, when it was under state takeover, and this was a district that would be very comparable to Washington, D.C., or others that are identified nationally as dysfunctional, you can do this and you can build on it and over a period of time, we saw increases in student achievement particularly at the elementary and the middle school levels within that district.

But the starting point has to be clear, and this goes back to Robin's question about public policy. What we're trying to do is upgrade the quality of the systems as we move forward. So it's not a matter of just rewarding those who are doing a good or better job, but helping those to understand their starting point and then to build their capacities so the system is functioning systematically on behalf of the classrooms.

And Craig deals with some of the issues and in his paper and in my paper there's a section exactly on assessment of readiness and capacity that explains what's involved in this.

MR .WEIL: I'll take that one on. It is the job of the system itself, the teachers, the people, the community, to say we need to work together. This is where you talk about building capacity. There has to be willingness of all involved, all the different stakeholders to be able to say we're not just looking for change in others, we're looking for change in ourselves. And that's how you start to build the capacity. You have to have that mindset that this whole system needs to change, not just parts of the system. And that's where you have to come in and build.

You know, part of my work at the AFT, is to go in there and help systems understand how everyone needs to change and it's not just looking at change in the teacher contract but change in how the instructor support happens, how all that stuff happens. Bill's absolutely right. It's not in place. This is why this has failed so many times over and over again because that capacity is not there.

Your question is the best question of the day: how do we build that capacity? And the first thing we have to do is like people who need intervention, you have to say we all need help. We all need to work together. It's not, I have the answers. We all have to come together to develop those answers. That first step of the 12-step process or whatever it's going to be is the crucial first step because once you all agree to that – you know, there's a school district in California that calls this finding solutions instead of placing blame. Once you figure out you're all going to work together to find solutions, it can be done. It is very possible. But it's very difficult right now—it has been difficult in the past environment in schools. It really has.

MR. JERALD: I'll just add a little bit. I really liked that you mentioned increased accountability for graduation rates because I think that's really under-thought right now in the policy environment. So what we want to do is we want to hold high poverty urban high schools accountable for higher graduation rates, which we've never done before which is a new job for them that's being put on their plates. We're not talking about the capacity for that.

I mentioned this in the paper that the research actually shows –if you look at scientifically based research, programs that improve graduation rates in schools like that require human resources. They require adults to take on roles as on-track monitors or graduation coaches. They monitor student warning signs. They provide support. They intervene if a student's grades drop or they start to be absent. They keep them on track to graduate.

Who's going to do that job? Overworked principals? Overworked teachers? We always say this, oh, just take on a new responsibility because now we're holding you accountable. Well, in fact, you know, you could use compensation reform to build that human capital in the school to do that. You could have teachers take on roles, could reward them for developing those skills. You could reward them for taking on new roles and responsibilities as on track monitors.

And the problem is that districts and principals really don't have the flexibility around budgeting and staffing to be able to develop those new roles and create that capacity. And so, you were right on when you talked about graduation rates.

MS. CHAIT: Great. So we'll take more questions and let's have them back to back and then you can respond to them in turn. Michele and then in the back.

Q: Michele McLaughlin, Teach for America. So I just want to push a little more on the appropriate role of the federal government in all of this because it seems like the devil's in the details and everything that you've described, for example, like where the person who works on this project is located in the district—is it within the HR department and do they report to the superintendent? These details seems awfully prescriptive at the federal level. So could you – any of the panelists – speak a little bit more about what the federal role should really look like and how maybe TIF should look a little different?

MS. CHAIT: And let's have the next question so we can respond to them at the same time. In the back.

Q: Mark Simon, Mooney Institute for Teacher Union Leadership. Bill, the six cornerstones are tremendous and I think both papers are tremendous in describing the desired state. My question is if a district is putting the cart before the horse and is violating all six cornerstones, would you say that's too bad because the results will fall short of intended goals, which is what I heard, or is there a point at which you would say, if you're not going to do it right, if you're doing it in order to cut costs or whatever, don't do it? Are there districts that are going this route where your advice would be, don't do it?

MS. CHAIT: Rob?

MR. WEIL: Well, I'll take on the cart before the horse. There are school districts that absolutely have money burning holes in their pockets. They set aside a certain amount of money for performance-based compensation and I can speak to a large school district in Texas where they had to get the money out the door before June and so they put together a program. They didn't have to get it right. And so they put it out the door.

And to their credit, to the school district's credit and to the superintendent's great credit, after that happened, they stepped back and said, we did it all wrong. But unfortunately, when that happens, you start what Bill's talking about: this too shall pass. You know, they didn't get it right the first time, they're not going to get it right the second time.

I'm going to be optimistic. The lessons of those school districts are starting to stick a little bit. I'm starting to hear people talk about the lessons of those school districts and so they are looking at the depth of change that they need to have and the support they need to have in place. I'm not saying, Mark, we're there. But I do see school districts

open more to it because with the TIF grants that were out there and the moderate success of those grants and the moderate success of other things, people are saying, why didn't it work?

The second thing about the federal government has – I can speak to the department head. They have increased their capacity in this field over the last year. I absolutely believe that. Do I believe they're there? No. They are not at the point where people making decisions on all these things really understand deeply how to make this happen.

You can't expect those people to do it, but do they have the structure in place to help make those decisions to really move these programs in the field right now? And my answer to you would be, no, they don't have that structure in place right now. And until they actively develop that capacity, we will still see more failures than we see success.

MS. CHAIT: Anyone else want to address the federal policy question?

MR. SLOTNIK: I'd like to address both of those.

MS. CHAIT: Okay. Go ahead.

MR. SLOTNIK: Specifically in terms of Michele's question, no, I don't think the federal government should be overly prescriptive, saying that it has to be in the curriculum and instruction department or things like that.

But I do think you need a different type of RFP because it's got to be one that broadens the potential applicants' understanding of what's involved in the reform. For example, you could spell out what's the strategy to demonstrate ownership of district departments? What's the strategy to demonstrate that the voices of the school would be heard? How are you going to tie compensation reform to the other major reforms that are going on in the district and avoid prescription in some areas?

For example, on the first two cohorts of TIF grantees, people had to identify specifically which schools were going to participate – not the types of schools but the specific schools. And there were good reason for why they wanted that. But with the law of unintended consequences, this meant a lot of schools were designated to participate in the Teacher Incentive Fund before the ideas were ever talked about with the principals and the teachers at those schools. So right off the bat, you've got pushback from teachers at a lot of these schools because they felt it was imposed on them and particularly if this was a district that had a history of past negative experiences with pay for performance, this was reminiscent of that. So I think what you want it to be is enabling and opening up people's ideas as to what could be involved.

Mark, in terms of your question, if virtually all the six cornerstones are missing – and I'm sure Rob can't imagine a district that would fit those criteria, very few districts have all six of those. And even in Denver, many years into the reform, we had to keep

working on those things. I think, what some of you may not know is that Denver, in the first two years of reform, we had five different superintendents or interim superintendents. I mean, some of those people lost their jobs before they know where the men's or lady's room was. We also had a change in union leadership and a change in three members of the school board.

I think there is a pre-reform phase. And to tie the answer to that question to the previous question, part of TIF should be encouraging districts with financial support to start having these kinds of conversations. You know, in a lot of districts, over 30 years, the number of times I've had to urge superintendents, why don't you find a place for breakfast that nobody knows about and sit down with the union president on a monthly basis? It would seem pretty basic, wouldn't it? But it often doesn't happen and that's how tensions get exacerbated, particularly if you have leaders who know how to use the media better than others. You've got to have a place away from the shining lights where people can put their agenda on the table.

And I think we need to be encouraging that. And I don't think that's an empty process. I think that's a process that leads to better results. And in some of these districts, and Rob mentioned one earlier in his comments, people in curriculum and instruction have never owned those reforms and the result of that is when you look at some district's successes, you'll hear about all these different structures that are put in place, but not what's actually made a difference at the classroom level. And I think that's what we need to be encouraging. And I think we should be trying to encourage that kind of innovation.

MS. CHAIT: Do you have anything to add?

MR. JERALD: No, I just want to emphasize again, and I won't go into it because there are some guiding questions that I put into the paper – I mean, things that the department could ask applicants to think about to get them to think harder. It's kind of ridiculous to think about, but I actually don't think it would be a bad exercise to draw a diagram like this and be able to show that you've thought through the connections between all the required elements of TIF. It requires evaluation. It requires professional development. It requires compensation reform around bonuses and roles and responsibilities. Have they thought it through? Can they answer a set of questions? Can they demonstrate that they've got an aligned design, because thoughtfulness and policy design is a kind of capital. I mean, if you don't have that in your program, it's just as damaging as if you don't have enough money in your program.

MS. CHAIT: Great. With that, I'd like to thank all the panelists and thank all of you for coming and hopefully this is just the beginning of a conversation about how to promote systemic approaches to compensation reform.

(Applause.)

(END)

