



Performance-Pay: Not Your Father's "Merit Pay"

Melissa Rasberry ~ July 16, 2010

Mid-Atlantic/Southeast Regional TURN

What We Do: An Action (Not Just a Think) Tank

- Published the *TeacherSolutions Pay for Performance: Designing A System That Students Deserve* report
- Facilitating development of the Jeffco Strategic Compensation System
- Researching the conditions necessary for effective teaching
- Launching the New Millennium Initiative for young teacher leaders

How Best to Design a Performance-Pay System Students Deserve

- History of failed merit pay plans
- What matters most for student learning
- What matters most for teacher effectiveness
- The value of value-added and its limitations
- Designing a system that works

History of Failed Merit Pay Plans

Harvard Educational Review

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MERIT PAY AND THE EVALUATION PROBLEM: Why Most Merit Pay Plans Fail and a Few Survive

Richard J. Murnane and David K. Cohen

Richard J. Murnane and David K. Cohen use the framework of microeconomics to account for the short lives of most merit pay plans. They demonstrate that teaching is not 'an activity that satisfies the conditions under which performance-based pay' is an efficient method of compensating workers. They then show that merit pay plans survive in a few school districts, in part because the districts are special and in part because the merit pay plans are quite different from conventional notions of performance-based pay.

Five Common Characteristics of Failed Merit Pay Plans

1. Low reliability of evaluation tools
2. Non-transparency of metrics
3. Inadequate teacher involvement in creating the plan
4. No sustainable funding
5. Weak performance incentives

Texas Educator Excellence Grant (TEEG)

- The state awarded annual grants to 1,000 high-poverty, high-performing schools to implement performance-pay plans.
- The grants were made available from the 2006-07 school year through 2009-10.
- Schools designed their own plans within parameters set by the state.

Springer M., et al. (2009). *Texas Educator Excellence Grant (TEEG) program: Year three evaluation report*. National Center on Performance Initiatives.

Texas Educator Excellence Grant (TEEG)

- Effective performance-pay systems need time to develop.
- Many schools offered weak performance incentives (i.e., small monetary bonuses or participation only 1 or 2 years).
- Research has shown that student gains are volatile for teachers, year by year.
- There were no components that promoted the spread of expertise.

Chicago's Teacher Advancement Program (TAP)

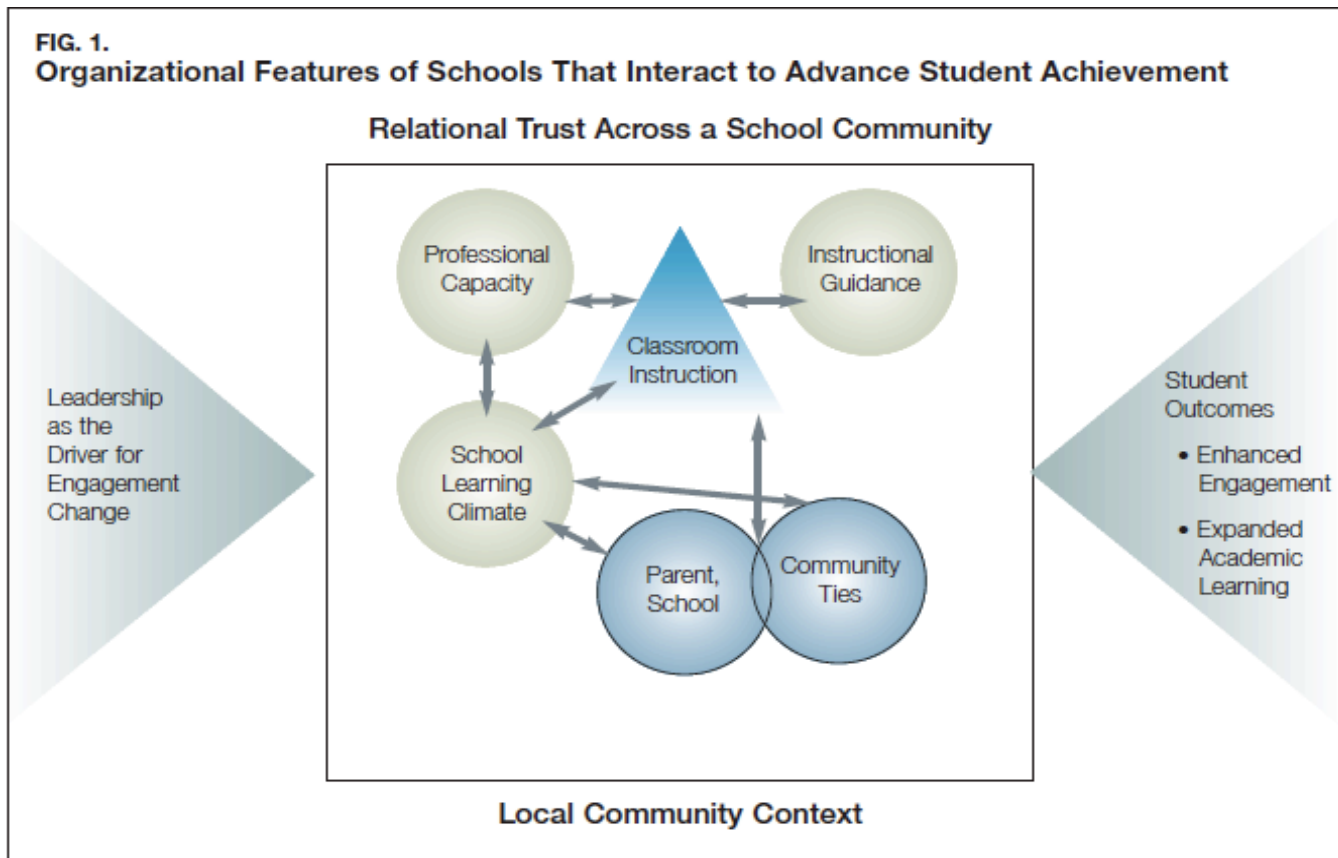
- The Chicago TAP program was designed jointly by CTU and CPS.
- Study revealed no evidence of TAP schools boosting math and reading scores or teacher retention rates, as compared to similar schools.
- Chicago spokesperson stated the district focused mainly on the professional development aspects of TAP, as opposed to the bonus pay.

Performance-pay model shows no achievement edge. *Education Week*, June 1, 2010.

Chicago's Teacher Advancement Program (TAP)

- Bonuses are based on school-wide gains, rather than individual teacher's growth (due to problems linking student data to teachers).
- Incentives are lower than other TAP models across the country. Although the district's targets were \$2,000 and \$4,000 for the first two years of implementation, actual payouts averaged only \$1,100 and \$2,600.

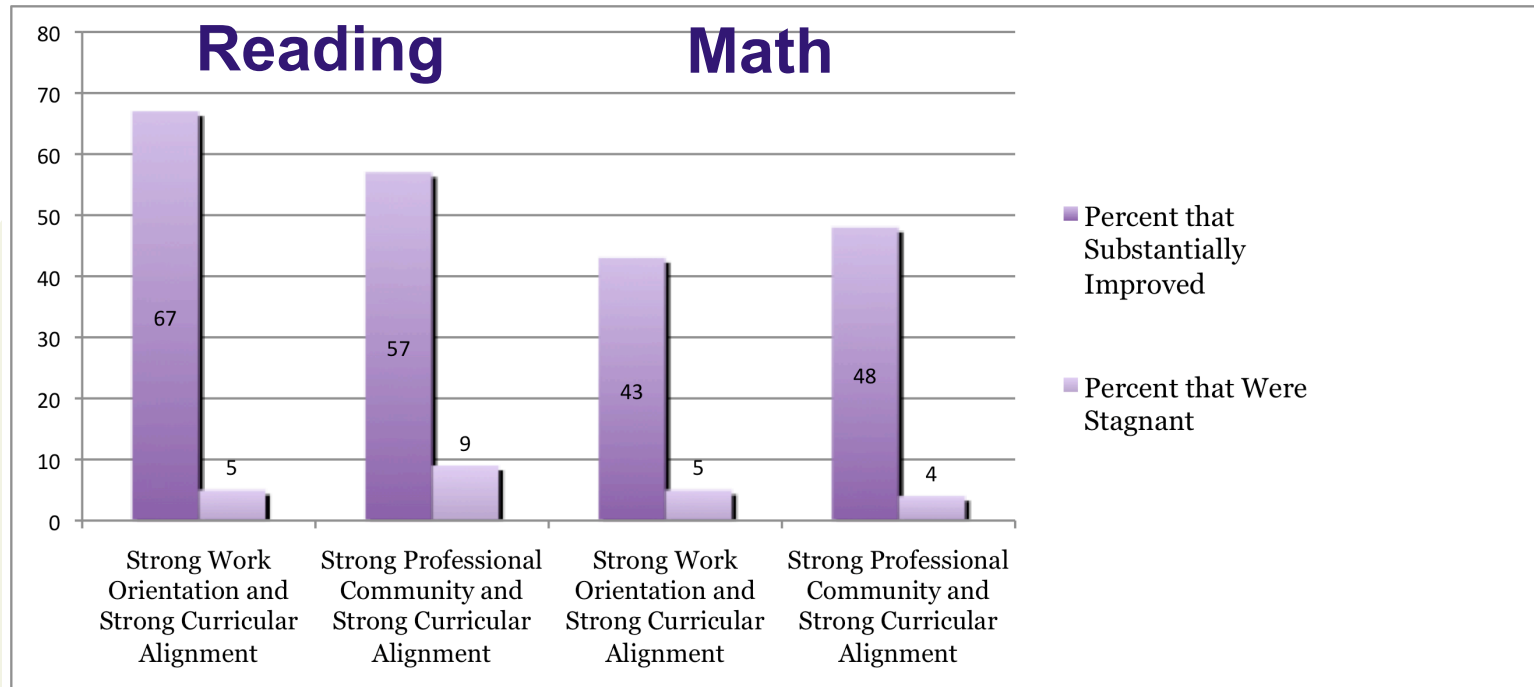
What Matters for Student Learning



Bryk, A. (2010, April). Organizing schools for improvement. *Kappan*, 23-30.

What Matters for Student Learning

Schools with strong teacher cooperative relationships focused on curricular alignment were very likely to show substantial academic improvements.

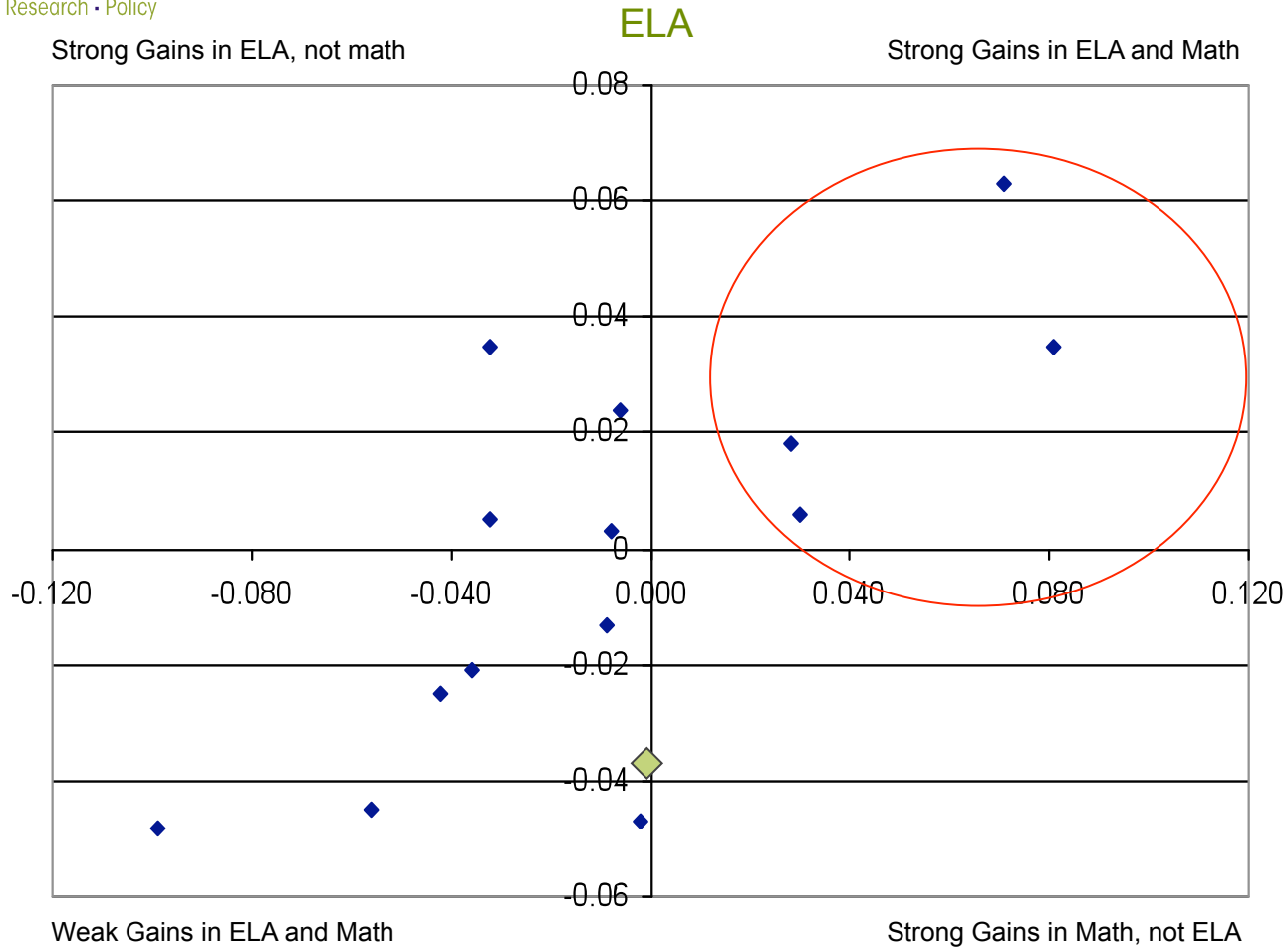


Bryk, A. (2010, April). Organizing schools for improvement. *Kappan*, 23-30.

What Matters for Teacher Effectiveness

- High-quality preparation, certification, and induction
- Experience with effective colleagues
- Strong principals who support teacher leadership

Value-Added Gains of Students Whose Teachers Graduated from Different NYC Teacher Ed Programs



What Matters for Teacher Effectiveness

- Quality of student teaching experience
- Courses in content and content pedagogy
- Focus on learning specific practices and applying them in clinical experience
- Study of local district curriculum
- Portfolio or capstone project tying theory to practice



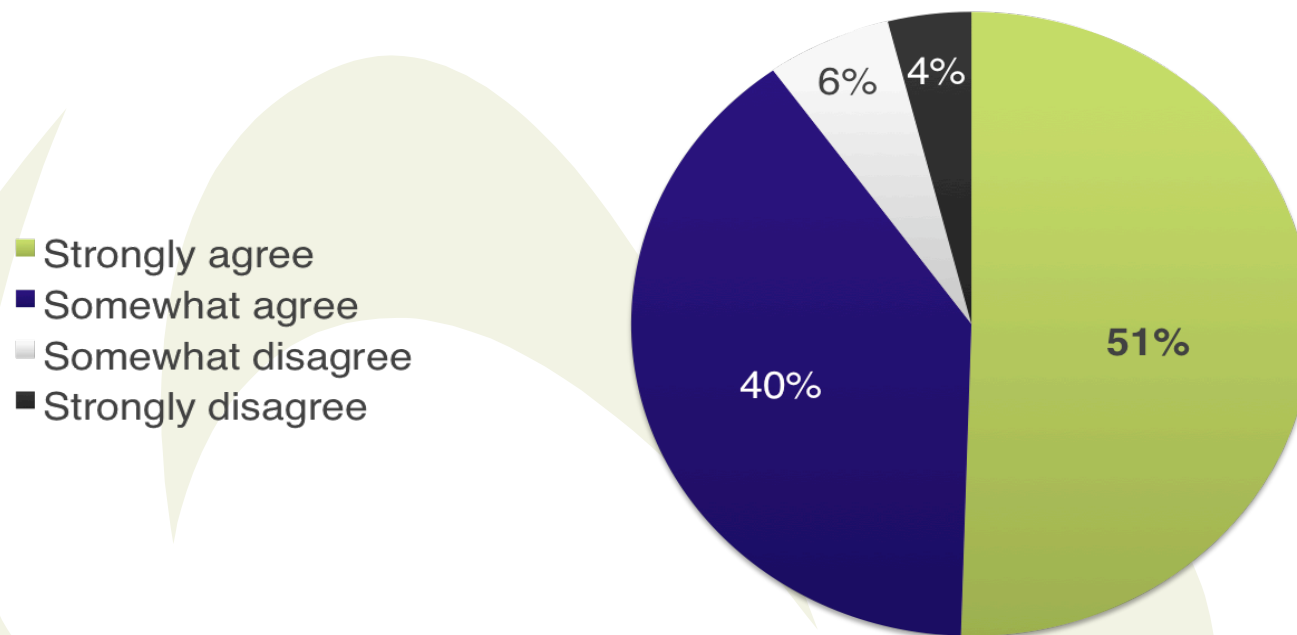
Power of Peer Learning Among Teachers: Where Teachers Share Expertise with Colleagues, Student Achievement Increases

	Reading score impacts (in standard deviations)	Math score impacts (in standard deviations)
As estimated value-added of peers goes up, scores improve.	+ 2.6%	+ 4.0%
Two years later, teachers who benefitted from peers still generate higher test than non-collaborating teachers.	+ 7.2%	+ 7.8%

Jackson, C. K. & Bruegmann, E. (2009, July). *Teaching students and teaching each other: The importance of peer learning for teachers*. NBER Working Paper 15202. Cambridge, MA: NBER.

Collaboration Is Key

91% of teachers agree that “other teachers contribute to my success in the classroom.”



SOURCE: MetLife Survey of the American Teacher, 2009

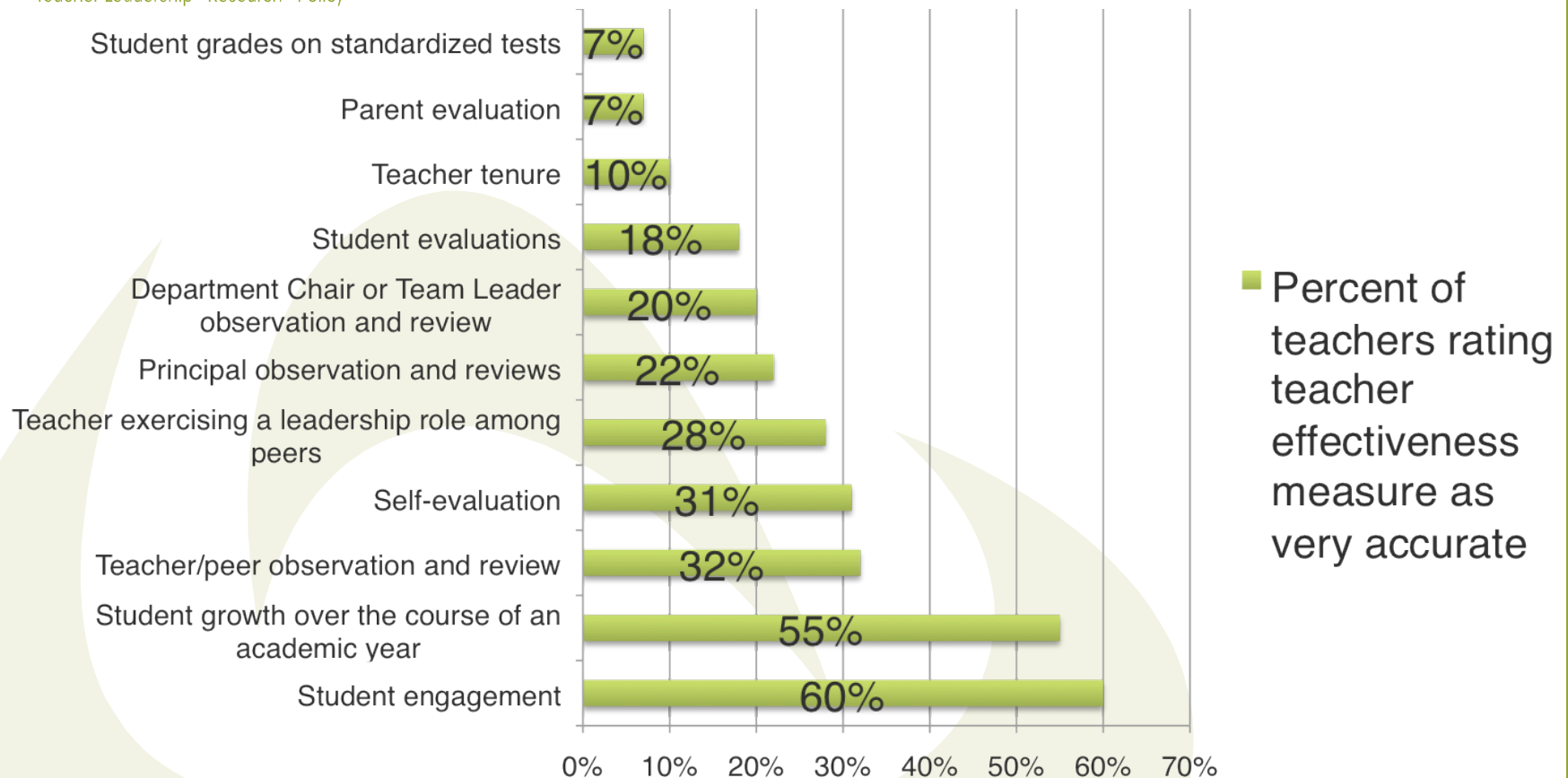
The Value of Value-Added and its Limitations

- Students are not randomly assigned to teachers.
- There is a lack of properly scaled year-to-year tests (e.g., geometry teacher can't be judged on students' previous performance in algebra).
- Student mobility must be factored.
- Many students are taught the same subject by more than one teacher.

The Value of Value-Added and its Limitations

- VAM models are unstable in distinguishing among teachers in the middle ranges of performance.
- Depending on the VAM statistical model a researcher uses, the same teacher can be identified as effective or ineffective.
- The same teacher's effectiveness rating changes depending on the school in which he or she teaches..

Designing a System that Works



Primary Sources: *America's Teachers on America's Schools*. A Project of Scholastic and the Bill & Melinda Gates Foundation.

Conditions for Developing and Supporting Effective Teachers

- Specific preparation for high-needs schools
- Staffing schools to build on collective expertise
- Teacher involvement in staffing decisions and peer observation and review
- Creating time to collaborate (horizontally/vertically)
- Eliminating out-of-field assignments
- Managing student mobility
- Supporting students outside of school

Designing a System that Works: Hillsborough County FL

- Large salary increases based on sustained performance and progress up career ladder, with no caps.
- Performance tied to three-year average of student learning gains.
- Observational evaluations play large role in determining pay. Administrative and peer evaluators trained to differentiate performance effectively.
- Simple system – one salary structure tied to evaluations.
- New teachers enrolled and existing teachers opt in.

Intensive partnerships to empower effective teachers. Hillsborough County Public Schools.

Designing a System that Works

- Student learning: help students learn more
- Teacher learning: develop and spread relevant knowledge and skills
- Teacher leadership: provide school and community leadership for student success
- Market incentives: meet special needs in the local labor market

Questions to Consider

- How can unions initiate conversations about performance-pay with their members, without facing the stigma of failed “merit pay” plans?
- What other obstacles will unions face as they begin these conversations?
- How can teacher leaders become more engaged in these policy discussions?



Teacher Leadership • Research • Policy

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