



Promising Practices for States in Supporting Teacher Compensation Reform

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Introduction

Aligning compensation with performance can help retain effective teachers. Typical district compensation systems, however, do not base compensation in whole or in part on performance, relying on traditional step-and-lane systems that acknowledge years of experience and highest degree attained. States and districts are developing new evaluation systems that provide both entities with opportunities to better align compensation with performance. While compensation is primarily a district-level function, States can play an active role in supporting teacher compensation reforms among their school systems. To do so, States must define their role clearly and then work with their school districts and key stakeholders to better align compensation with measures of teacher effectiveness. Successfully making this connection between compensation and performance can have a profound impact on the quality and distribution of the State's teaching workforce.

In spring 2013, the Tennessee State Board of Education passed a new policy requiring the Tennessee Department of Education to help school districts design new teacher compensation systems, many of which will take effect in school year 2014–2015. To assist Tennessee in its support of local districts transitioning to differentiated pay plans for teachers, the Reform Support Network organized a virtual peer feedback session in June 2013. The network designed the session to give the Tennessee Department of Education feedback on the draft technical assistance plan it had developed to support districts adopting new compensation systems. During the session, Tennessee education

leaders joined colleagues from peer States and innovative school districts who had led or participated in compensation reform, as well as national educator compensation experts. Participants shared lessons learned and promising practices based on State and school district experiences with compensation reform. The following report summarizes the advice those experts gave Tennessee and broadens it to make it relevant to other States.

Key Takeaways

Early Adopters: Build Consensus Through Peers

Early adopter districts can help States test new reforms and create proof points. To identify districts that could act as early adopters of a new compensation system, the experts suggested that States create an internal rubric of core competencies that include the strength of a district's leadership team, district evaluation results, commitment to reform and completion of Race to the Top milestones. Once cohort participants are selected, States should consider quickly fostering a supportive, innovative environment. "School districts will need encouragement to be bold and innovative. Even the most confident folks that come into a meeting with big ideas can get hung up on how to communicate these ideas, and then they back off quickly on innovation," cautioned Amanda Kocon, TNTP's vice president of emerging services. "The early adopter cohort should support each other. When someone retreats from an idea, the other group members will push them forward. They will become their own voice of reason."

The Reform Support Network, sponsored by the U.S. Department of Education, supports the Race to the Top grantees as they implement reforms in education policy and practice, learn from each other, and build their capacity to sustain these reforms, while sharing these promising practices and lessons learned with other States attempting to implement similarly bold education reform initiatives.

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—Kathy Hebda, Former Deputy Chancellor,
Florida Department of Education

Once early adopters complete their initial draft plans, they can support the remaining school districts by outlining their planning methodologies, giving a firsthand account of lessons learned in the process. Experts speculated that the enthusiasm and candor of this early adopter group could push future cohorts to make changes they might have otherwise been reluctant to consider. “When a district comes forward with an idea and explains it to other school districts, it is so much more powerful than the State making the suggestion,” said Kathy Hebda, Florida’s former deputy chancellor for educator quality. “It does help, however, when the State confirms that the proposed plan is compliant and would be approved,” she added. While the first cohort moves through the planning process, States may want to hire an external evaluator to analyze the work of the early adopters and capture lessons learned to share with other school districts.

Communications: Engage Stakeholders Early and Often

The expert participants agreed that the goals of compensation reform, as well as the technical aspects of new pay plans and systems, can be misunderstood by stakeholders and the media. States can stay ahead of messaging with these groups by developing a thoughtful communications plan in advance. “Early in the process, a local news article incorrectly framed what was happening with our compensation reform,” reported Julia Rafal-Baer, New York State’s executive director of teacher and leadership effectiveness. “I realized how important it was to have all our talking points in place to communicate effectively that these pay plans weren’t a mechanism for firing.” Experts also

suggested that States give school districts an outline of talking points they can use for local media and stakeholder outreach.

In addition to a thorough communications plan, experts encouraged States to solicit early, ongoing involvement from school district stakeholders, including superintendents, principals, teachers, union leadership and finance and human resource officers, as States define the overall objectives for compensation reform. Experts suggested keeping these groups small for discussion purposes and recruiting their members from diverse backgrounds. Feedback sessions could take place in person or virtually.

Experts also stressed that State leaders should not forget that the teachers and principals—those most directly affected by the reform—*must* understand the methodologies of and reasons for the new compensation system. “Teachers trust no one more than other teachers,” stated Phil Gonring of the Reform Support Network, highlighting a common suggestion by the session experts that States identify and work together with enthusiastic teachers and principals to inform the rollout strategy and present the details and benefits of compensation reform to their peers. Experts suggested in-person meetings at schools and virtual video clips to promote communication among teachers. TNTP suggested that States model clips after the Lawrence (Massachusetts) Public Schools [video](#), which features teachers promoting the benefits of the Sontag Prize to other teachers.

The experts agreed that States should give special attention to finance and human resource officers, an influential subgroup that can help set their peers on the right planning path. State leaders might engage these staff members early on to identify problems and sensitivities in proposed differentiated-pay models and processes. And, as early-adopter districts build their plans, States should ask leaders from this cohort to outline their processes and tools, including data and software, so as to pass on these details to their peers in other school districts.

It is equally important, said experts, to frequently engage with school boards, county commissions, school administrator associations, unions and other external stakeholder groups throughout the planning and review process. Massachusetts provided weekly and monthly updates to stakeholders and invited representatives from these groups to participate on advisory boards and task forces. When involving decision-making bodies, such as county commissions, which determine local funding, experts suggested that States harness the power and enthusiasm of engaged, high-performing teachers to explain why a differentiated pay structure will retain talented teachers. They pointed to TNTP's report, "[The Irreplaceables: Understanding the Real Retention Crisis in America's Urban Schools](#)," as a helpful resource for presenting this argument. Shayne Spalten, chief human resource officer for Denver Public Schools, also suggested that States give special consideration to building capacity within State and local teacher associations, so they can co-own the process.

Bold Planning: Provide Pay Models and Opportunities to Collaborate

Experts emphasized the difficulties of creating bold revised pay plans at the school-district level. "It's hard to get school districts to think [in] radically different [ways] about their pay plans. People tend to think incrementally," said Spalten. TNTP suggested that States provide ways to visualize pay plans other than the step-and-lane approach to get school districts thinking about educator compensation. However, the issue is not always how to craft a different pay plan but how to put it into effect. Questions about whether the new pay plan will actually work become the stumbling block, and uncertainty may cause school districts to backtrack quickly to more traditional models that are less likely to change educator effectiveness in the long term. The experts suggested that States provide examples of pay models that will help districts understand both the structure and financial impact of potential scenarios. These models should be made available early in the process so districts can insert their own data, determine fiscal projections from these

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data and have a clear starting point from which to build their own unique plans. Louisiana provided its school districts with example models (accessible [here](#) and [here](#)) that Hannah Dietsch, Louisiana's assistant superintendent for talent, said made the beginning stages of plan development less intimidating. "When we started this work, districts really thought it was logistically and politically impossible to pay teachers and leaders based on performance or demand in a budget-neutral context," Dietsch said. "These example models provided a sense of possibility that helped move districts forward."

To complement these example models, experts suggested that States hire actuaries and legal professionals to assist school districts. "There are so many decision points at the senior leadership level within school districts, and they are going to need a lot of support," said Rafal-Baer. The actuaries can help determine how pay plans match existing resources and legal counsel can handle compliance questions that a school district's permanent counsel may not have the time or expertise to answer. New York hired recent law school graduates as short-term support to its school districts.

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Another key aspect of bold planning identified by the experts is allowing ample time and opportunities for peers to give informal feedback on each other's plans. Florida used an online tool for school districts to post ideas and collaborate on an ongoing basis, which gave districts a chance to think through ideas. "It was a safe space to discuss these ideas before having to negotiate the plans within their districts," said Hebda. "Districts were afraid that as soon as they talked about an idea publicly in their district, stakeholders were going to line up on one side of the issue or the other. It took them a while to talk openly." The Florida Department of Education participated in the peer feedback to answer compliance questions and give advice on plan feasibility.

Training Sessions: Get Specific Right Away

Experts agreed that State-level training sessions, delivered virtually or in person, would provide a solid and consistent foundation for school districts beginning compensation reform. They noted that training sessions would most likely have a mix of participants with differing levels of expertise in compensation design and serving in a variety of district roles. As a result, the experts advised States to take a differentiated approach to training these diverse groups and give special consideration to rural school districts, whose smaller staffs often require that employees take on multiple roles. But, they warned, States need to quickly move all training participants beyond theory to practical details, directly addressing the problems each district wants to solve. They explicitly highlighted two areas for training sessions to focus on early: data and structure.

According to the experts, States should use the first training sessions, in part, to prepare school districts to collect and analyze the relevant data likely to inform a performance-based compensation system and expect districts to report their data analysis by the second training session. Relevant data could include recruitment needs, retention and retirement

information, teacher shortage by subject, educator evaluation ratings, percent of educators falling within each of the value-added categories, teacher performance compared with compensation level and similar metrics. Experts concurred that school districts will have diverse capacities to collect and interpret data. As a result, States may want to consider performing a gap analysis of district-level data systems.

In addition to data analysis, early training sessions should also address the structure of differentiated pay plans. Heather Peske, Massachusetts' associate commissioner of education quality, suggested that States encourage school districts to think through the differentiation of career roles in addition to pay. "I think it's really important that strategic compensation also be about career differentiation," Peske said. "What is appealing to educators about compensation reform is not just the cash that they can earn, but also the new teacher roles it can create. Developing meaningful new roles for teachers through the pay plan system can also move forward initiatives the district has already started."

Review Process: Plan for Continuous Adjustments

To provide clarity to districts about the end goals of this initiative, experts recommended that States take the necessary time to identify and publish from the start their criteria for compliance with State-level regulations. Two such examples are seen in a Website developed for [Minnesota's Q Comp system](#) and the Frequently Asked Questions created for [Louisiana's compensation reform efforts](#). As States review submitted proposals, they might consider monitoring each school district's command of the details of its pay plans, the experts advised. "How a school district describes its plan and how it is actually written can be very different," said Kocon.

Experts agree that differentiated pay plan development will be an iterative process. "We still have a group that meets monthly to address policy

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issues related to compensation structure,” said Spalten, referring to the reformed compensation system that has been in place for more than eight years in the Denver Public Schools. States should allow plenty of time for mid-course adjustments during the design and implementation phases, especially in school districts that have leadership changes during this time. “We set a deadline by which districts should send their

plans to us for approval,” Dietsch explained. “We then went back and forth with some districts for an additional two months, which resulted in thoughtful, positive changes to district plans.”

Tracking plans and changes can be difficult, and State leaders will need to think through how they can best collect and organize multiple school district plans. New York used an online portal (FluidReview) that allows school districts to log on and answer a series of questions about their differentiated pay plans. Each required a short answer and related to sections of the plan evaluation. The questions broke down pay plan development in a straightforward manner for the districts and also made it easier for the State to review.

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