

Performance-based compensation must go beyond politics and finances to benefit students

Performance-based compensation focuses on improving the levels of student learning and rewarding teachers’ contributions to that learning. Some segments of the performance pay discussion focus almost exclusively on measuring the effects of teacher performance, often using a single measure, but measuring effects is not sufficient. A district needs to understand the causal factors that are contributing to the effects so that it can increase the levels and amount of teacher and managerial excellence and improve student achievement.

Multiple measures of student achievement

The goal of benefiting students has significant implications for assessment practice and policy within a district. While all districts have a range of assessments, they consistently lack a *system* of multiple measures. The challenge in performance-based compensation is to take several valid measures of student learning and use them together to more effectively identify student progress and ascertain the contributions of classrooms, programs, and schools to that progress. Linking these assessments is what is meant by multiple measures. The continuing failure to move in this direction is handicapping compensation reform as well as other instructional initiatives underway in most districts.

Multiple measures help a district meet a higher standard of fairness and accuracy when examining a teacher or a school’s contribution to student achievement. They also enable a district to achieve a broader understanding of each student’s achievement. Converting the current collection of assessments in a district to a system of multiple measures serves several purposes. It benefits the compensation reform; supports all of a district’s reform efforts; promotes buy-in from teachers, principals, and parents; and moves a district toward the dual goal of understanding and improving the achievement of all children.

When examining a district’s assessment practices and policies, it is necessary to recognize that challenges introduced by the compensation reform may also pertain to a district’s pre-existing assessments and assessment practices. If the assessments and assessment practices in use in the district are inadequate to measure student learning objectives or school performance for compensation, they are likely to be insufficient for other purposes for which they are being used.

Development of multiple measures is another area where ideologues dismiss issues of nuance and substance. Moving toward multiple measures necessarily leads a district to focus attention on some of the most critical challenges that have to be addressed to improve student achievement, including:

- Reaching agreement on the goals and suitability of assessments for measuring student growth.
- Ensuring alignment of standards, curriculum, instruction, and assessment.
- Determining which assessments are used fairly to gauge a teacher's contribution to student achievement and which are used for the purpose of comparability.
- Ensuring that assessments are valid and reliable, both statistically and perceptually.
- Avoiding the unintended consequence of teaching to the tests.
- Ascertaining the frequency and consistency of implementation so that assessments used for comparative purposes are conducted at all schools under the same conditions.

The transformative potential of performance-based compensation comes alive when a district puts these issues on center stage. They provide the basis for making meaningful improvements in practice and policy.

Yet this potential is regularly undercut when districts and policymakers trivialize the institutional challenge and focus on what is trendy rather than on what is substantive. For example, simply applying a value-added metric—no matter how sophisticated—to determine the worth of a teacher not only undermines the application and acceptance of a powerful effect methodology, but also leads to a piecemeal examination of teacher effectiveness. This approach is going to produce a backlash over time because it is short-sighted and fails to link teacher quality and management quality.

The role of a comprehensive study

Compensation reform focuses far too frequently on the “what” and “how” of reform rather than the “why.” The rush to “what are we going to do?” and “how are we going to do it?” obscures the understanding of the causal factors that are producing or impeding improvements in student learning. Yet this understanding is basic to making informed mid-course corrections. A research component needs to be a core element of performance-based compensation so that a district can base improvements on evidence of what is benefitting students rather than intuitive and often politically charged assumptions about what is working and what is not.

The role of research in the area of performance-based compensation is considerably more than an after-the-fact function or something that can be added well into the reform. This is also not a case of “let’s have more experimentation and more studies.” When the high-stakes universes of money and performance dovetail, improvements in implementation

need to be based on data about what is making a difference for students and teachers. Both the district and union should demand research that is credible, has a basis in science, and provides causal evidence to guide the compensation reform.

This is a very different role for research. It requires positioning research in the very fabric of reform right from the start. Doing so requires transparency, which in turn must be protected by a broad constituency supportive of the reform, so that problems of implementation can be highlighted and addressed. Mandates are not a substitute for evidence and understanding.

The power of this approach is indicated by field-proven practice. CTAC, as lead technical assistance provider and researcher for Denver's Pay-for-Performance initiative, conducted the multi-year analysis of the impact of the initiative. This analysis involved more than 177,000 student records—linked to 25 student, teacher, and school variables—multiple measures of student achievement, more than 2,870 survey responses, more than 600 interviews, hundreds of hours of observations—from classrooms to boardrooms—and the detailed review of more than 4,000 teacher-set student learning objectives.

The Denver evaluation served as the first comprehensive, longitudinal analysis of performance-based compensation in a school district in the United States. It provided the third party analysis that guided mid-course corrections; proved pivotal to union, board, and public votes in favor of a new compensation system; and also provided a research base to inform Congress' launch of the Teacher Incentive Fund.

A far-sighted district and union will make a comprehensive study a linchpin of compensation reform. They will commission a third-party examination of both the substance and impact of teacher incentives and the correlation between teacher performance and actual increases in student achievement. This component of the reform effort provides information that will be valuable for classroom and school improvements, for teacher evaluation, and for providing instructional supports to teachers. It will also frame understanding of the relationship between compensation and student learning.

Site-level factors. There is an inherent danger in any compensation reform when financial decisions are based on what may be short-term results. It is therefore essential to understand the site-level factors, in addition to compensation, that influence student achievement, such as school, teacher, and student factors. A district will want to explore whether financial incentives have varying degrees of success in schools with particular conditions or attributes. These factors may include specific school programs; leadership mobility; size or population; teacher attributes including the number of years taught, level of licensure, subject taught, or grade level; and student attributes such as age, background, socioeconomic status, or initial academic status.

Compensation exists in a broader school context. A district needs to identify those site-level factors that contribute to, and may prove to enhance, the achievement of students or

the effectiveness of the pilot. It should also pinpoint those factors that are associated with lower levels of success for students or teachers.

Changing systems. A district should also examine the relationship between systems changes and actual results in student achievement. Just because people are behaving differently doesn't mean that results have improved. This means probing how changes in data quality and access, professional development, curricular and instructional supports, and assessments affect student achievement in the schools. It also means exploring whether these changes affect some schools, classes, or students more than others. This component of a study will provide a detailed analysis of how system changes affect student achievement and the impact of teacher incentives in the district. Again, this information is critical for shaping and sustaining long-term compensation reform that will work to the benefit of students and teachers.

The role of external funders

Performance-based compensation's potential to benefit students is increasingly drawing attention and support from both public- and private-sector philanthropy. The cornerstones can be used to help maximize these efforts, as well.

Districts function beside and, at times, within larger systems of state and federal agencies. These agencies have in the past had a lateral position of providing resources, support, and accreditation. However, states and the federal government have more recently provided start-up funding with parameters that guide or limit districts in designing and implementing pay-for-performance schemes. These agencies perform an invaluable service to districts by acting as a source of start-up funds and encouragement. The growing federal commitment to the Teacher Incentive Fund is the most well-resourced effort to build on this emphasis.

The challenge for these agencies is to avoid inhibiting district and teacher leaders in carrying out the creative thinking and systemic planning that will make compensation reform work in their community. Even when a district adopts a design that has worked somewhere else, it has to be carefully analyzed, customized, and translated into a new setting.¹² Further, there needs to be a greater recognition from public funding sources that performance-based compensation is a reform that evolves. It involves extensive planning through all phases of implementation and numerous mid-course modifications. Original designs often need to change significantly over time. Therefore, from the RFPs to the proposal review process to the monitoring, performance-based compensation requires different methodologies and changes in traditional practice from public-sector donors.

Several foundations around the country have also taken up the banner for performance-based compensation and become a key source of funds for districts going down this path. Such foundations merit commendation because performance-based compensation is on

the cutting edge of educational reform. It can be costly and politically risky for a foundation to take on. For these reasons, some foundations approach compensation reform with prescriptions or even models that they would like to see implemented. What a foundation has researched and designated as a best practice is a great starting point, but it should only be used to start the discussion in the district.

A better approach for private funders is a partnership where openness and two-way, honest critique are the basis of the grantor-grantee relationship. This approach is rooted in angel investing rather than social engineering; it is not top-down. The performance pay initiative in Denver benefited from resources as well as a close working partnership with several foundations, spearheaded by the Rose Community Foundation.¹³ A large part of the success in Denver came from foundations that kept informed and continually asked what they could do to help. Reflecting the cornerstones, they understood that compensation reform that benefits students and teachers is best done with people and not to them.

Bottom line

Serious efforts to improve student achievement and teacher compensation systems must be guided—both in practice and in policy—by evidence and analysis of what is working and what changes need to be made to continually improve the district. Simply providing awards based on a single year of comparative test results, without paying attention to the broader institutional challenge of providing more effective instructional support to the classrooms, will continue to result in a misuse of public money, a trivialization of human capital support, and a failure to sustain progress in student achievement.