

WSIPP's Take on Pay-for-Performance: Lessons Learned From Other States' Experiences

Source: <http://www.leg.wa.gov/documents/joint/bef/Mtg04-14-08/PayInitiatives.pdf>
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The empirical evidence on paying educators for performance, knowledge, and skills is limited, but some rigorous studies have been recently completed. Dr. Dan Goldhaber, a consultant to the Institute on this project, offers the following overview of teacher pay reforms and current research:

“Even though the research on teacher compensation reform is hardly definitive enough to recommend the use of specific pay reforms to reach specific goals, the few quantitative studies that do exist suggest that a more strategic use of teacher compensation could lead to both a more equitable allocation of teachers among students and increased student achievement.”¹²

Lessons learned from experiences in other states indicate that to recruit and retain teachers where they are needed most, pay reform policies should at a minimum include hard-to staff school incentives. Hard-to-staff school incentives have better support among teachers than other pay reforms¹³ and can reduce the tendency for more effective teachers to gravitate to better working conditions in more affluent schools.¹⁴

¹² Goldhaber (2006), p. 26.

¹³ A recent survey of teachers in Washington State found that substantially more teachers support hard-to-staff school pay compared with pay for certain subject areas or for performance. D. Goldhaber, M. DeArmond, & S. DeBurgomaster. (2007). *Teacher attitudes about compensation reform: Implications for reform implementation*. Seattle: University of Washington, Center for Reinventing Public Education, School Finance Redesign Project. A recent report on a survey of Florida teachers recommended that the state increase support for pay reform by providing monetary incentives for teachers to work in hard-to-staff schools. B. Jacob & M. Springer. (2007). *Teacher attitudes on pay for performance: A pilot study*. Nashville, TN: Peabody College of Vanderbilt University, National Center for Performance Incentives.

¹⁴ Recent research from North Carolina indicated that without special consideration for hard-to-staff schools, pay for performance, knowledge, and skills policies can have the unintended consequence of increasing teacher migration to higher performing (in most cases, more affluent) schools. J. Vigdor. (2008). *Teacher salary bonuses in North Carolina*. Nashville, TN: Peabody College of Vanderbilt University, National Center for Performance Incentives.

Pay for performance, knowledge, and skills policies are usually better received by educators when they include:

- Multiple measures of teachers' performance (i.e., a combination of the following: school-wide test score gains, individual student test score gains, standards-based classroom observation, principal or peer evaluations);
- Knowledge- and skills-based pay (e.g., for NBPTS certification or career ladder advancement);
- Incentive pay for teachers outside of core subject areas, as well as for principals and other instructional administrators;
- Relatively substantial monetary rewards (e.g., at least 5 percent of base pay);¹⁵ and
- Opt-in or opt-out policies.¹⁶

Most incentive pay systems include professional development components to help teachers increase their effectiveness. The capacity to do extensive data collection and analysis is a critical consideration for states weighing pay incentive policies. Administering differentiated pay systems is inherently more complex than single salary schedules, and longitudinal student data linked to individual teachers is needed not only to calculate test score gains but also to evaluate the impacts of pay reforms.¹⁷

¹⁵ A related cost consideration is whether bonuses or base salary increases are included in pension determinations.

¹⁶ R. Chait. (2007). *Current state policies that reform teacher pay: An examination of pay for performance programs in eight states*. Washington, DC: Center for American Progress; H. Heneman, A. Milanowski, & S. Kimball. (2007). *Teacher performance pay: Synthesis of plans, research, and guidelines for practice*. Philadelphia: University of Pennsylvania, Consortium for Policy Research in Education.

¹⁷ For a review of Washington's data system, see: D. Goldhaber. (2008). *Making connections for youth in Washington State: The role of data in shaping state policy*. Seattle: University of Washington, Center for Reinventing Public Education; and Center for Strengthening the Teaching Profession. (n.d.). *Creating a comprehensive teacher data system*. Seattle, A: Author.