Recognizing and Rewarding Great Results in the Classroom: Act 1 Compensation Training

October 2012

What will we do today?

- **Understand** the requirements of Act I

- **Explore** the supporting materials and resources

- **Practice** using two Act 1-compliant approaches that can achieve your vision of rewarding your most effective teachers

- **Plan** next steps

How we will spend our time?

Review materials → Practice using materials → Develop a plan to continue this work

TOPIC	TIME
Introduction and review of Act I	20 min
Sample compensation modeling process, materials and tools	10 min
Overview and discussion of workforce analysis	30 min
Break	15 min
Explore the two compensation models	15 min
Practice using the compensation models	75 min
Next steps	15 min

Agenda

- **Introduction and Review of Act I**

- Compensation Modeling Process

- Overview of the Models and Practice

- Timeline and Key Resources

If *Louisiana Believes* that all students can achieve, then we have to believe in the adults who work with them.

With Act 1 of 2012 in place, districts have the flexibility to design compensation systems that respond to local school needs, allowing them to recruit, reward and retain effective, in-demand teachers.

The Old Approach to Compensation

- Rigid, quality-blind salary schedules dictated by statewide mandates.

Act 1 Compensation

- Districts set their own targets for increasing achievement and reward teachers who make the biggest difference in classrooms.

Act 1 allows districts to design compensation systems that recruit, recognize, and retain effective teachers.

Demand

Based on high-need and/or hard-to-staff subjects and schools

Effectiveness

Based on student achievement and professional practice

Experience

Based on years of locally defined experience

Smart Compensation

*See attachments for **Legislative Overview Memo***

MINIMAL ACT 1 REQUIREMENTS:
- None of the three criterion above can account for more than 50% of the salary formula.
- Teachers or administrators who receive an "Ineffective" Compass rating do not receive a higher salary in the year following the evaluation.
- Any current teacher's or certified school employee's salary can not be reduced below the salary amount for the previous school year or at any time during a school year.

How will we define effectiveness, demand and experience?

Effectiveness

- Summative Compass rating

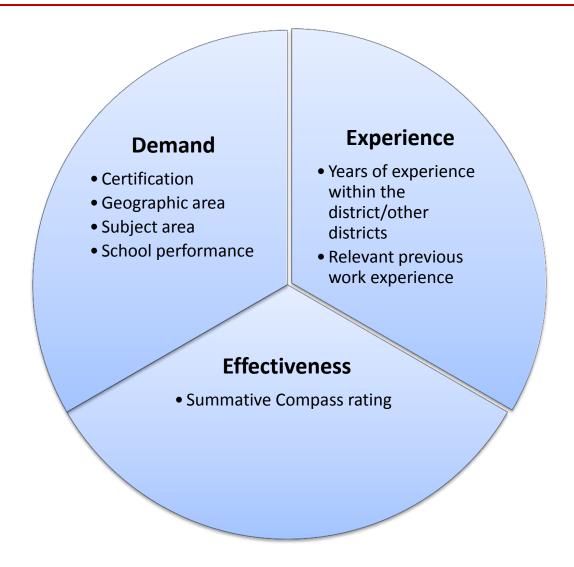**Demand**

- Certification
- Geographic area
- Subject area
- School performance

Experience

- Years of experience within the district/other districts
- Relevant previous work experience

How will we define effectiveness, demand and experience?

Demand
- Certification
- Geographic area
- Subject area
- School performance

Experience
- Years of experience within the district/other districts
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Effectiveness
- Summative Compass rating

How will we define effectiveness, demand and experience?

Experience
- Years of experience within the district/other districts
- Relevant previous work experience

Effectiveness
- Summative Compass rating

Demand
- Certification
- Geographic area
- Subject area
- School performance

No criteria worth more than 50% of total formula for salary increases

Learning from our colleagues

Discussion

We know conversations around this work have already begun.

Would anyone be willing to share the factors you have considered?

What is most important to you in this process?

Agenda

- Introduction and Review of Act I

- **Compensation Modeling Process**

- Overview of the Models and Practice

- Timeline and Key Resources

Compensation tools and resources can support your local design process.

Review

This presentation includes embedded documents to support your district's compensation design process.

1 **Data Collection and Workforce Analysis:** Gathering and analyzing workforce data on recruitment, retirement, etc. will help your district better understand needs and challenges. An analysis can inform your decisions about how to factor demand, performance, and experience into your salary system. Much of the data will be used in the modeling and sustainability testing.

2 **Compensation Modeling:** This presentation includes two, sample ,Act 1-compliant compensation models with detailed instructions; your district may choose to customize one of these models based on local priorities or use another model altogether.

3 **Sustainability Testing:** These materials provide key considerations and a process to ensure that compensation structures are sustainable under a variety of funding scenarios for a 10-year period.

Workforce analysis: How will we decide how to recognize performance, demand, and experience?
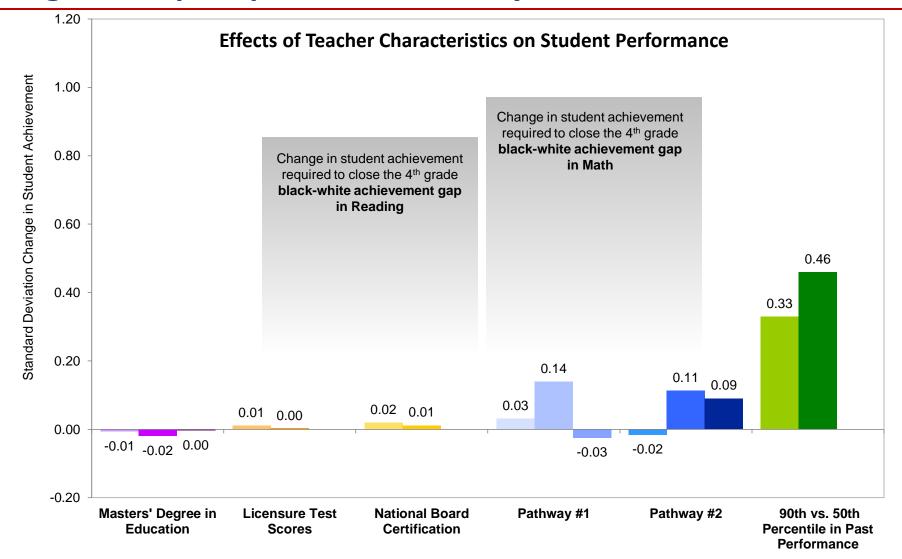
Overview

A workforce analysis will:

1) Help you identify the data you need to make decisions. Data might include:
   - ➤ **Teacher recruitment data**
   - ➤ **Teacher retirement**
   - ➤ **Salary data**
   - ➤ **Budget data**
   - ➤ **Teacher performance data**
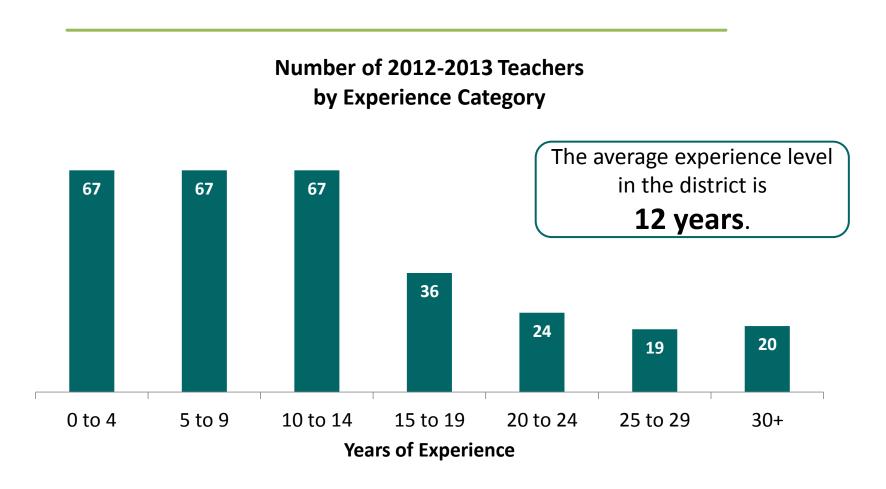
*See attachments for **Data Request** and **Database***

2) Help you to identify your local priorities and challenges

3) Align your priorities to compensation design decisions

4) Provide you the data you will need to test your model for sustainability

When searching for effective teachers, qualifications provide insight, but past performance is by far the best indicator.

Effects of Teacher Characteristics on Student Performance

Y-axis: Standard Deviation Change in Student Achievement

Change in student achievement required to close the 4th grade **black-white achievement gap in Reading**

Change in student achievement required to close the 4th grade **black-white achievement gap in Math**

Data values by category:
- Masters' Degree in Education: -0.01, -0.02, 0.00
- Licensure Test Scores: 0.01, 0.00
- National Board Certification: 0.02, 0.01
- Pathway #1: 0.03, 0.14, -0.03
- Pathway #2: -0.02, 0.11, 0.09
- 90th vs. 50th Percentile in Past Performance: 0.33, 0.46

Note: Results depicted above are limited to those that are statistically significant.

Example: Using workforce analysis data to make decisions

Examine this data slide. What kind of information do you see here? Do you have similar information for your district? Share out.

Number of 2012-2013 Teachers by Experience Category

The average experience level in the district is **12 years**.

Years of Experience	
0 to 4	67
5 to 9	67
10 to 14	67
15 to 19	36
20 to 24	24
25 to 29	19
30+	20

How will your district make decisions about how to factor in performance, demand, and experience?

Take 10 minutes to discuss the following questions with members of your team or table:

1) What are some workforce needs or challenges that you're already aware of? Think about both recruitment and retention. Think about challenges you might experience at specific schools or with specific subjects.

*See attachments for **Decisions and Discussion Guide** and **Sample Report***

2) How could you address those in your compensation system through the performance, demand and experience factors?

Share out.

Agenda

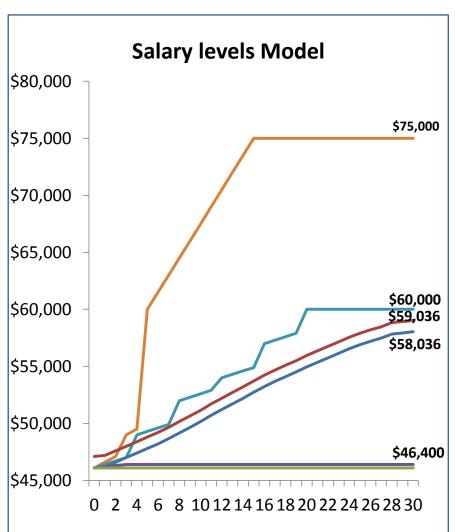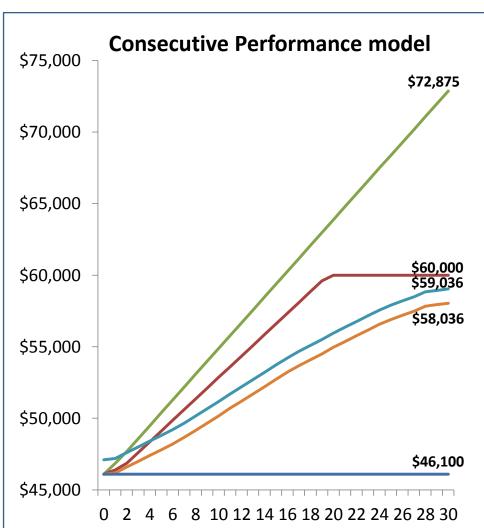- Introduction and Review of Act I

- Compensation Modeling Process

- **Overview of the Models and Practice**

- Timeline and Key Resources

We will look at two models. Both include significant monetary rewards for highly effective teachers.

Salary levels Model

- $75,000
- $60,000
- $59,036
- $58,036
- $46,400

Consecutive Performance model

- $72,875
- $60,000
- $59,036
- $58,036
- $46,100

Salary amounts are illustrative and fully adjustable.

Model #1: Salary Levels Model

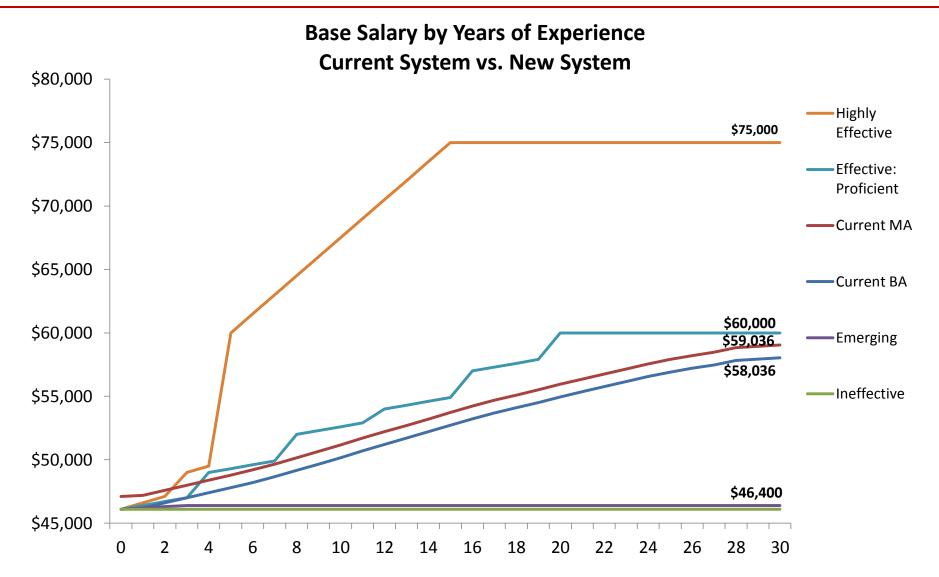| Highlights of the Salary Levels Model |
|---|

BASE SALARY INCREASE: Teachers receive an annual base salary increase for every year they receive an Effective: Emerging, Effective: Proficient, or Highly Effective rating.

DEMAND: A district may choose to recognize the Demand component through a base salary increase or a non-base building stipend.

MOVING SALARY: Under this approach, teachers move to the next "salary level" when they receive 3 Highly Effective ratings OR 4 ratings of at least Effective: Proficient.

STIPEND: A district may choose to create a one-time stipend to further recognize Highly Effective teachers.

Salary Levels Model Trajectories

Base Salary by Years of Experience
Current System vs. New System

Legend:
- Highly Effective
- Effective: Proficient
- Current MA
- Current BA
- Emerging
- Ineffective

Labeled values: $75,000 · $60,000 · $59,036 · $58,036 · $46,400

Salary amounts are illustrative and fully adjustable.
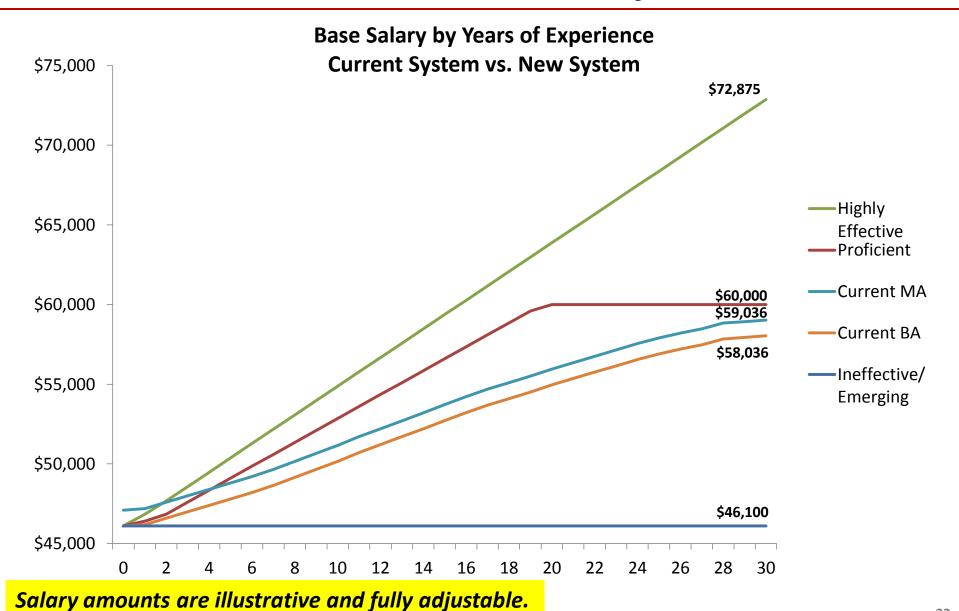
Model #2: Consecutive Performance Model

Highlights of the Consecutive Performance Model

SALARY CAN VARY YEARLY: In this model, compensation varies yearly depending on a teacher's effectiveness ratings.
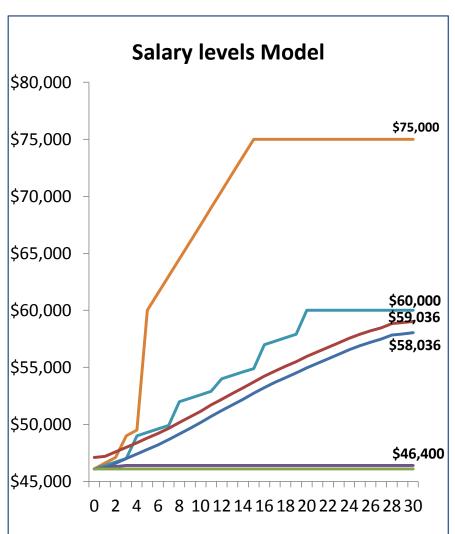
REWARDS CONSISTENT EFFECTIVE PERFORMANCE: Teachers with consecutive Highly Effective or Effective: Proficient earn growing annual base-building increases. Effective: Emerging teachers receive non-base building, one-time stipend payments (with limitations).

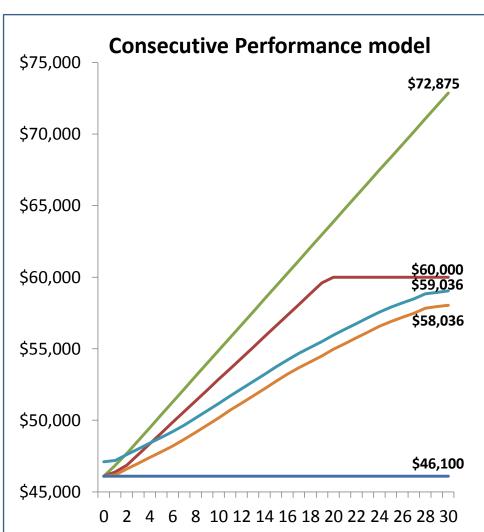**FLEXIBILITY TO DIFFERENTIATE BY PERFORMANCE:** In this model, the district has the flexibility to decide how much base salaries are differentiated by performance and should consider the message they want to send teachers regarding their performance in the classroom.

The Consecutive Performance Model Trajectories

**Base Salary by Years of Experience
Current System vs. New System**

Legend:
- Highly Effective
- Proficient
- Current MA
- Current BA
- Ineffective/Emerging

Labeled values: $72,875; $60,000; $59,036; $58,036; $46,100

Salary amounts are illustrative and fully adjustable.

We will look at two models. Both include significant monetary rewards for highly effective teachers.

Salary levels Model

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Consecutive Performance model

- $72,875
- $60,000
- $59,036
- $58,036
- $46,100

Salary amounts are illustrative and fully adjustable.

The Consecutive Performance Model: Inputs

Open the Excel document titled "Consecutive Performance Model Template." Click on the tab titled "Inputs" and you will see:

USERS ENTER VALUES IN GREEN CELLS ONLY

Enter District Starting Salary:	$46,100

Enter Pay Increase Amounts:

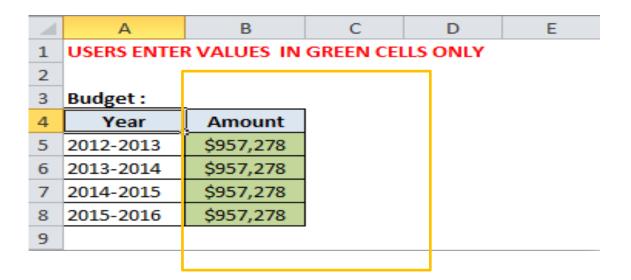| Category Number	Name	Effectiveness	Experience	Demand 1	Demand 2	Demand 3	
1	Ineffective	$0	$0	$0	$0	$0	
2	Emerging (1st Year)	$50	$50	$50	$0	$0	MEETS 50% RULE
3	Emerging (2nd Year)	$50	$50	$50	$0	$0	MEETS 50% RULE
4	Emerging (3rd Year)	$50	$50	$50	$0	$0	MEETS 50% RULE
5	Proficient (1st Year)	$200	$100	$100	$0	$0	MEETS 50% RULE
6	Proficient (2nd Year)	$300	$150	$150	$0	$0	MEETS 50% RULE
7	Proficient (3rd Year)	$400	$200	$200	$0	$0	MEETS 50% RULE
8	Highly Effective (1st Year)	$400	$200	$200	$0	$0	MEETS 50% RULE
9	Highly Effective (2nd Year)	$500	$250	$250	$0	$0	MEETS 50% RULE
10	Highly Effective (3rd Year)	$600	$300	$300	$0	$0	MEETS 50% RULE

From this tab, you can enter data to make decisions about:
- **starting salaries**
- **the amount of compensation increase for each rating**
- **adjust the weighting of each criteria**

Let's explore the model together: Budgets

Click on the tab titled, "Budget Inputs" and you will see:

	A	B	C	D	E
1	USERS ENTER VALUES IN GREEN CELLS ONLY				
2					
3	Budget :				
4	Year	Amount			
5	2012-2013	$957,278			
6	2013-2014	$957,278			
7	2014-2015	$957,278			
8	2015-2016	$957,278			
9					

From this tab, you can input the total amount of money available for teacher salaries (this figure does not include benefits) in each year of the model.

Let's explore the model together: Salary and rating

Click on the tab titled, "Salary and Rating" and you will see:

	A	B	C	D	E	F
1	USERS ENTER VALUES IN GREEN COLUMNS ONLY					
2						
3					Ratings	
4	Teacher ID	Teacher Name	Starting Salary	Rating SY 2012-13	Rating SY 2013-14	Rating SY 2014-15
5	1	Teacher 1	$48,031	3	0	0
6	2	Teacher 2	$47,743	4	0	0
7	3	Teacher 3	$57,211	3	3	0
8	4	Teacher 4	$51,852	2	2	0
9	5	Teacher 5	$55,162	3	4	3
10	6	Teacher 6	$57,184	4	4	4
11	7	Teacher 7	$57,805	1	2	3
12	8	Teacher 8	$55,116	3	2	3
13	9	Teacher 9	$57,690	4	3	4
14	10	Teacher 10	$53,410	1	1	1
15	11	Teacher 11	$53,155	2	1	2
16	12	Teacher 12	$47,362	3	3	3
17	13	Teacher 13	$54,104	3	3	3
18	14	Teacher 14	$50,636	4	3	3
19	15	Teacher 15	$54,634	4	4	4
20	16	Teacher 16	$47,234	3	3	3
21	17	Teacher 17	$46,100	0	3	3
22	18	Teacher 18	$46,100	0	3	3
23	19	Teacher 19	$46,100	0	0	2
24	20	Teacher 20	$46,100	0	0	4
25	0	0	$0	0	0	0
26	0	0	$0	0	0	0

From this tab, you can enter individual teacher data, including ratings.

Let's explore the model together: Look across summary tabs

To view how effectiveness ratings change total salary view the "2012 – 2013" tab. Toggle between summary tabs to view changes as you manipulate the data.

"2012-2013" tab

eacher ID	Teacher Name	Salary	In Role Current Year	In Role Next Year	Met Demand 1	Met Demand 2	Met Demand 3	New Base Final	New Total Final
1	Teacher 1	$48,031	1	0	1	0	0	$0	$0
2	Teacher 2	$47,743	1	0	0	0	0	$0	$0
3	Teacher 3	$57,211	1	1	1	0	0	$57,511	$57,611
4	Teacher 4	$46,950	1	1	1	0	0	$46,950	$47,000
5	Teacher 5	$55,162	1	1	0	0	0	$55,462	$55,462
6	Teacher 6	$57,184	1	1	0	0	0	$57,784	$57,784
7	Teacher 7	$57,805	1	1	0	0	0	$57,805	$57,805
8	Teacher 8	$55,116	1	1	0	0	0	$55,416	$55,416

Columns AG and AH give you an immediate check on whether the total teacher funds are within your salary budget.

Teacher Pay Funds	$957,278
Money Remaining	$110,615
Within Budget	YES

Note: Funds not spent in Year 1 are rolled over into Year 2 and likewise Into Year 3

Let's explore the models together

The links for both models are here. Let's begin by opening the Consecutive Performance model.

*See attachments for **Consecutive Performance Model and instructions**, and **Salary Levels Model and instructions***

Activity #1: Setting rules within a model

1) In the Consecutive Performance model, **click on the "Inputs" tab and simulate the following data**:
   - **Starting salary**
   - **Pay increase amounts**
   - **Pay increase types (stipend vs. base building)**
   - **Salary caps**

2) Compare notes: **What impact will salary caps have** on your compensation system?

1) Discuss: **What will you use to set salary benchmarks** for the new compensation model? Will you consider teacher salaries as compared to administrators and other professionals in the community?

Activity #2: Making predictions within a model

Practice

1) In the Consecutive Performance model, **click on the "Budget" tab and** enter **a simulated teacher compensation budget for the next five years**.
   - Note: This is the amount allocated for teacher salaries only, and does not include benefits or fringe costs.

2) Compare notes: What **current budget allocation and other data can you use to forecast a teacher compensation budget over the next five years**?

3) Next, **click on the "Salary and Rating" tab and enter teacher ratings** for the current school year. Play with the ratings by first making most teachers "Highly Effective" and then entering less stable performance ratings.

4) Discuss: **What data will you use to generate predicted teacher ratings** in your compensation model?

How will you decide what's right for your teachers?

Discussion

1) Which elements of each model did you like and why?
2) What questions does this raise for you?
3) What percentage are you considering for Effectiveness? Why?
4) How are you thinking about defining the Demand?
5) How are you thinking about defining Experience?

Test your model for over time

Review your model regularly. There may be shifts before you present your budget to your board.

Test your model for sustainability over a 3-year period.

Revisit your model as new and updated data comes available.

*See attachments for **Sustainability Training***

Agenda

- Introduction and Review of Act I

- Compensation Modeling Process

- Overview of the Models and Practice

- **Timeline and Key Resources**

Act 1 Compensation District Implementation Timeline

In the **fall of 2012,** districts will **a**dopt and publish a locally relevant, Act 1-compliant compensation plan.

By **January 1**, districts will establish and publish local compensation plans, rewarding their most valuable educators according to measures of effectiveness, demand, and experience.

Teachers, administrators, and other certified school personnel will receive salary increases based on their performance during **the 2012-2013 school year** at the start of **the 2013-2014 school year.**

The LDOE is offering guidance and support to implement the compensation requirements of Act 1.

The Department will support you r work to design and adopt compensation plans that meet local priorities <u>and</u> satisfy the requirements of Act 1.

Available resources include:

- A legislative overview and introduction to Act 1's compensation requirements

- Guidance on how to assess district workforce needs and priorities, and how to address those in a new compensation model

- Two customizable, Act 1-compliant compensation models with instructions

The LDOE will continue to provide:
- Ongoing support, individual consultation, and feedback in order to ensure that all decisions support the State's efforts to increase rigor and improve educational outcomes for every student in Louisiana.
- Future support sessions if desired
- Please contact Gary Jones (gary.jones@la.gov) for general support.
- If you have questions about the compensation models, please email act1@la.gov. We will connect you with TNTP for one-on-one support.

Did we meet our objectives and what's next?

- Discuss how a new compensation approach can accomplish key district priorities around the recruitment and retention of teachers

- Become familiar with compensation materials and resources, including one-on-one support

- Discuss ways to use performance, demand and experience as factors in a new compensation model

- Gain a basic understanding of two models that districts could choose to adapt or adopt

MOVING FORWARD:

✓ Begin your data collection and the modeling process

✓ Test for sustainability

✓ Connect with colleagues from today and reach out for feedback on the process
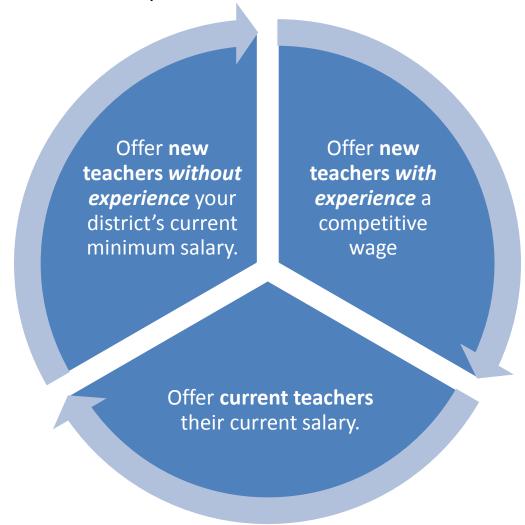
✓ Complete satisfaction survey you'll receive via email

Appendix

Resources Key

- Slide 5:
    - **Legislative Overview of Act 1 Compensation Requirements** with full detail on the compensation requirements of Act 1
- Slide 10:
    - **Workforce Analysis and Sustainability Testing Data Request** with a complete list of data fields required to complete a compensation diagnostic
    - **Workforce Analysis Database Tool**
- Slide 15
    - **Workforce Analysis Results Discussion and Decisions Guide**
    - **Sample Workforce Analysis Report**
- Slide 22
    - **Salary Levels compensation model** and instructions
    - **Consecutive Performance compensation model** and instructions

FAQ: How do I know at what salary to <u>start</u> my teachers?

Act 1 says existing teachers' salaries cannot be reduced from their current amount when your district transitions to a new compensation model. We recommend:

Offer **new teachers *without experience*** your district's current minimum salary.

Offer **new teachers *with experience*** a competitive wage

Offer **current teachers** their current salary.

FAQ: How do I predict teachers' Compass ratings?

Consider

1 **Examining your value-added data:** Consider examining VAM data and extrapolating for an overall district effectiveness distribution prediction

2 **Looking at HCIS or evaluation tracking tools:** Report on your initial observation data to determine effectiveness trends early on in the school year

3 **Asking your principals:** Survey principals on early evaluation ratings in their schools

Salary Increases: Base-Building vs. Stipends

Base Salary Increases

- **Pro:** Has a direct impact on a teacher's financial decisions and quality of life

- **Con:** More costly to the district over the long term than one-time stipends

One-Time Stipends

- **Pro:** Useful for rewarding or recognizing teachers while also ensuring a sustainable compensation system over the long term

- **Con:** Only provides teachers a non-guaranteed, one-time salary increase