Compensation Reform and the Federal Teacher Incentive Fund

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Summary

Congress has historically recognized the importance of teacher quality in improving the academic performance of elementary and secondary school students; however, federal policy has only recently begun to address the impact of teacher compensation systems on both quality and performance. Growing concern about the dominant feature of these systems—the single salary schedule—has led to a variety of compensation reform efforts around the country. These efforts include pay-for-performance incentives that attempt to align teacher compensation more closely with student achievement, as well as other reforms that link increased pay to improved teacher competency or to service in hard-to-staff positions.

Congress provided significant support to several existing compensation reform efforts by enacting the Teacher Incentive Fund (TIF) through the Labor-HHS-Education Appropriations Act of 2006 (P.L. 109-149). The concise passage that provides program authority for TIF states that funds are intended to "develop and implement performance-based teacher and principal compensation systems in high-need schools." Little additional guidance has been provided with respect to how these reforms are to be implemented.

Subsequent congressional action to extend the TIF has left the authorizing language largely unchanged. Prior to the TIF, federal education policy had not significantly addressed the nature of teacher compensation. Nevertheless, significant amounts of funding from several federal programs support the salaries of specific kinds of teachers, including teachers and paraprofessionals serving educationally disadvantaged students, newly hired teachers, and special education teachers.

As Congress moves to reauthorize the Elementary and Secondary Education Act (ESEA), proposals to leverage federal education spending to reform teacher compensation systems may receive serious consideration. Beyond recent increases in TIF appropriations through the American Recovery and Reinvestment Act (P.L. 111-5) and the Omnibus Appropriations Act of 2009 (P.L. 111-8), Congress may also consider altering and expanding the federal role in this area. Some proposals that would make changes to the federal effort in this area received attention in recent congressional sessions. These include a *discussion draft* for ESEA reauthorization circulated by the leadership of the House Education and Labor Committee as well as legislation to create *Innovation Districts* as part of the Obama Administration's education agenda.

This report is intended to discuss a variety of issues that relate to compensation reform and the proposals Congress may consider during ESEA reauthorization. The report provides background on the teacher pay system, discusses the basic elements of compensation reform, and describes several reform efforts that are currently underway around the country. The report concludes with a discussion of recent legislative action and issues for ESEA reauthorization.

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Overview

Congress has historically recognized the importance of teacher quality in improving the academic performance of elementary and secondary school students. The latest amendments to the Higher Education Act (HEA) align with past efforts to improve quality through support and accountability for teacher preparation programs. The Elementary and Secondary Education Act (ESEA) has long sought to improve quality by supporting better professional development, effective recruitment and retention, and smaller class sizes. In perhaps its most direct effort to improve teacher quality, the 107th Congress established new federal highly qualified teacher requirements through the No Child Left Behind Act of 2001 (NCLB, P.L. 107-110). In recent years, researchers and policy-makers have begun to consider and implement ways to use compensation reform to improve teacher quality; however, federal policy up to this point has not been heavily focused on the issue of teacher pay.

There is growing concern that the single salary schedule currently in place in nearly all of the nation's schools may be a barrier to improving quality. Many believe that teachers' pay should be used to leverage changes in behavior, knowledge, and skills, and make teaching more financially attractive to successful teachers and to highly able individuals outside of teaching. The recent policy focus on student academic achievement has led some reformers to advocate for various systems of pay-for-performance based on achievement gains, including the use of value-added methods. Others argue that pay differentiation should reward a broader set of factors. These reforms include incentives based on such things as teacher evaluations, advanced credentials, career ladders, and service in hard-to-staff schools or high-need subject areas.

Apart from the recently enacted Teacher Incentive Fund (TIF), federal education policy has not significantly addressed the nature of teacher compensation. Nevertheless, significant amounts of funding from several federal programs support the salaries of certain kinds of teachers, including teachers and paraprofessionals serving educationally disadvantaged students under the compensatory education program (ESEA, Title I-A), newly hired teachers under the continuation of activities provided by the Class Size Reduction program (antecedent to ESEA, Title II-A) and special education teachers (under the Individuals with Disabilities Education Act).

As Congress moves to reauthorize the ESEA, proposals to leverage federal education spending to reform teacher compensation systems may receive serious consideration. Congress could scale up the current federal role in compensation reform through continued expansion of the TIF program; which is basically providing funding for promising programs that already exist (mainly) at the local level. However, Congress may also consider alternative approaches that would alter or expand the federal role. An example of such a proposal would be to strengthen current language supporting pay reform under ESEA Title II (Sections 2113 and 2123).

This report is intended to discuss a variety of issues that relate to compensation reform and the proposals Congress may consider during ESEA reauthorization. The report first provides background on the teacher pay system, including the history behind the development of the dominant feature of this system—the single salary schedule. Second, the report discusses the basic elements of compensation reform, namely performance-based pay, competency-based pay, and service-based pay. The third section of the report describes several reform efforts that are currently underway around the country at the national, state, and local levels. Finally, the report concludes with a discussion of recent legislative action and issues for ESEA reauthorization.

Background on Teacher Compensation

The origins of the current system of teacher compensation can be traced to the turn of the 20th century and the labor movement's drive to improve pay equity in public education and the civil service at large. Prior to that time, "room and board" and "grade-based" compensation models allowed large discrepancies to develop, particularly along racial and gender lines.[1] By the 1920s, new systems of uniform pay steps were taking hold to ensure teachers with the same years of experience and education level would receive the same salary.[2] These systems came to be known as the single salary schedule and have been nearly universal in public schools since the mid-20th century; adopted in 97% of all schools by 1950 and operational in 96% of schools in 2000.[3]

Teacher salary schedules are primarily determined at the level of the individual school district.[4] They are often the subject of negotiation between local school boards and teacher unions where applicable. This salary schedule bases a teacher's pay primarily on two factors—the number of years of teaching experience the individual has and the number of educational credits and degrees the individual has earned. Increases in both teaching experience and credits/degrees lead to increases in salary, up to absolute limits imposed by the applicable pay schedule.

Critics view the single salary schedule as largely rewarding longevity and the accumulation of college credits, not classroom effectiveness. Some researchers have found that the schedule's main factors—experience and level of education—have relatively little beneficial impact on classroom effectiveness as measured by the achievement of a teacher's students. Hanushek and Rivkin have concluded: "The results [of a review of the available research] are startlingly consistent in finding no strong evidence that teacher-student ratios, teacher education, or teacher experience have an expected positive effect on student achievement."[5] Other research challenges these conclusions. For example, based on their analysis of the literature, Rob Greenwald et al. concluded: "[R]esource variables that attempt to describe the quality of teachers (teacher ability, teacher education, and teacher experience) show very strong relations with student achievement."[6]

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[1] Protsik, J. (1995). History of teacher pay and incentive reform. Washington: Educational Resources Information Center. Guthrie, J.W., Springer, M.G., Rolle, A.R., Houck, E.A. (2007). Modern Education Finance and Policy. Mahwah, New Jersey: Allyn & Bacon.

[2] Moehlman, A.B. (1927). Public School Finance. New York: New York: Rand McNally & Company. During this period, salary schedules for all civil service workers were developed to combat the "spoils" system. More information on these developments can be found in Phil Gonring, Paul Teske, and Grad Jupp, *Pay-for-Performance Teacher Compensation: An Inside View of Denver's ProComp Plan*, (Cambridge: Harvard Education Press, 2007), p. 8.

[3] Sharpes, D.K. (1987). Incentive pay and the promotion of teaching proficiencies. The Clearinghouse, 60, 407-410. Podgursky, M. (2007). Teams versus Bureaucracies: Personnel Policy, Wage-Setting, and Teacher Quality in Traditional Public, Charter, and Private Schools. In M. Berends, M.G. Springer, and H. Walberg (Eds.), Charter School Outcomes. Mahwah, NJ: Lawrence Erlbaum Associates.

[4] Twenty-one states have a statewide salary schedule that generally sets minimum salary levels. Usually, local districts can exceed these minimum levels when fashioning salary schedules for their teachers. (Education Commission of the States. Statewide Teacher Salary Schedules. ECS Information Clearinghouse. July 2005.) http://www.ecs.org/clearinghouse/62/43/6243.htm

[5] Handbook of the Economics of Education, Volume 2, 2006, Pages 1051-1078 Chapter 18 Teacher Quality, Eric A. Hanushek and Steven G. Rivkin.

[6] Rob Greenwald et al. "The Effect of School Resources on Student Achievement," *Review of Educational Research*, (Fall 1996) p. 384.

Regardless of the strength of the relationship between teacher quality and student achievement, the single salary schedule (and perhaps low overall pay, see box below) is argued by some to fail to draw the highest caliber of potential teachers into the field; to fail to reward teachers who are exceptionally productive; or to fail to allocate the supply of teachers to fields where they are most needed (like math and science). Criticism of the single salary schedule has undergirded efforts to implement performance-based pay plans in elementary and secondary education.

Are Teacher Salaries Low?

The answer to this question is hotly debated among education researchers. Complicating this debate are thorny methodological issues concerning how to calculate the number of days per year or hours per week teachers actually work as well as how to factor non-monetary benefits like sick leave, health care, and pensions into total compensation. Research comparing teachers' salaries to those earned by individuals with similar skill sets or similar jobs produce a range of estimates. On the low end of this range is research by the Economic Policy Institute[7] which shows that teachers earned 12% less per week in 2002 compared to accountants, reporters, registered nurses, computer programmers, clergy, personnel officers, and vocational counselors and inspectors. On the other end, according to a Manhattan Institute study of 2005 teacher salaries,[8] public school teachers at that time were paid 11% more than the average professional worker in a similar list of occupations.

Elements of Compensation Reform

Teacher compensation reform efforts have a long history and have fallen into and out of favor in public schools repeatedly throughout the 20th century.[9] Throughout this history there has been a consistent tension in the balance between rewarding *inputs* versus *outputs*. Put simply, should teachers be given additional pay for improving the skills and abilities they bring into the classroom or should they get additional pay for improving the skills and abilities their students carry away from school? Reflecting this debate, a recent review of the history of compensation reforms described the two classic approaches as (1) knowledge-based pay and (2) merit-based pay.[10]

Many writing in this area conflate these two reforms (among other reforms) under terms like "performance-based pay" and "pay-for-performance." To avoid confusion, in this report, the term *performance-based pay* is used to refer strictly to output-based compensation reforms that reward teachers for improving student performance. Input-based incentives (such as rewards for improving a teacher's knowledge) are referred to as *competency-based pay*. In addition to these two types of reform, there exists a third category that will be called *service-based pay*. These reforms include financial rewards for those teaching in hard-to-staff schools and hard-to-staff subject areas, but can also include rewards for those who move up the career ladder to serve in

[7] Sylvia A. Allegretto, Sean P. Corcoran, and Lawrence Mishel, *How Does Teacher Pay Compare?*, Economic Policy Institute, August 2004.

[8] Jay P. Greene and Marcus A. Winters, *How Much Are Public School Teachers Paid?*, Manhattan Institute for Policy Research, Civic Report, No. 50, January 2007.

[9] Murnane, Richard J., and David K. Cohen. Merit Pay and the Evaluation Problem: Understanding Why Most Merit Pay Plans Fail and a Few Survive. Institute for Research on Educational Finance and Governance. Stanford University. November 1985.

[10] Podgursky, Michael J. and Matthew G. Springer, *Teacher Performance Pay: A Review*, Working Paper 2006-01, Nashville, TN: National Center on Performance Incentives, November, 2006.

more advanced roles (e.g., team leadership) and take on additional responsibilities (e.g., mentoring).

Performance-Based Pay

In the labor market generally, performance-based pay policies attempt to correlate employee pay directly with employee output and take the form of either individual incentive plans or group incentive plans. Performance-based pay is consistent with widely held beliefs that employees should be rewarded based on effort and with theories of human motivation which contend that effective motivation is predicated on a close relationship between performance and rewards.[11]

Most employers rely principally on time-based pay (paying employees on an hourly or salaried basis) but incorporate some form of performance-based pay on an adjunct basis. Implementation of performance-based pay requires supervisory time and, consequently, entails costs for employee monitoring among other managerial problems.[12] However, it is presumed that because of the additional incentives to individual performance, less supervision will be required than under strictly time-based pay. These performance incentives may reward productive workers with larger annual wage increases (or one-time bonuses) on an individual basis.

As an alternative to supporting individual performance, group incentive plans reward organization-wide effort. Because group incentive plans ideally foster cooperation and teamwork rather than competition among coworkers, they overcome one of the potential limitations of individual incentive plans. On the other hand, group incentive plans are sometimes criticized for not sufficiently recognizing individual effort. In practice, many employers rely on both group and individual incentives to try and enhance individual performance and teamwork. Gain-sharing plans, which tie part of pay to some measure of group effort, often include some components of individual performance plans, thereby potentially enhancing group and individual effort. Gain-sharing rewards are tied to improvements in organizational performance attributable to factors controllable by employees. Thus, gain-sharing plans affect performance by influencing employee motivation and organizational culture.

Merit Pay for Teachers

The first wave of performance-based pay reforms for teachers mainly took the form of so-called *merit pay*. Merit pay is a, "system that hinges on student outcomes attributed to a particular teacher or group of teachers rather than on 'inputs' such as skills or knowledge."[13] Following the release of *A Nation at Risk*[14] in 1983, a significant number of public school districts began considering merit pay as a supplement to the single salary schedule.[15] These merit pay systems

[11] Portions of this section were originally published in CRS Report RL30217, *Performance-Based Pay for Teachers*, by James B. Stedman and (name redacted) (out of print; available from the author).

[12] Michael Beer, Mark D Cannon, James N Baron, Patrick R Dailey et al., "Promise and Peril in Implementing Pay-for-performance," *Human Resource Management*, Spring 2004, vol. 43-1.

[13] Ibid.

[14] David Pierpont Gardner et al., *A Nation at Risk: The Imperative For Educational Reform*, National Commission on Excellence in Education, Washington, DC, April 1983, http://www.ed.gov/pubs/NatAtRisk/index.html.

[15] Podgursky, Michael J. and Matthew G. Springer, *Teacher Performance Pay: A Review*, Working Paper 2006-01, Nashville, TN: National Center on Performance Incentives, November, 2006.

provided bonuses to individual teachers, groups of teachers, or schools based on any number of factors including student performance, classroom observations, and teacher portfolios.

A 2002 report by the Progressive Policy Institute found that the most common form of merit pay were school-based performance awards.[16] These bonus awards were based on the aggregate performance of schools that may include a wide range of possible measures. Student-related measures may include achievement levels, attendance rates, dropout rates (for secondary schools), participation rates in advanced placement courses (for secondary schools), and college going rates (for secondary schools). Measures of school performance need not be student-based. For example, they may include the extent of parental and community involvement in school activities, or whether the schools have developed and implemented new curricula. The awards are made to individual schools for use at the school level. Some, but not all, of the initiatives being implemented that include school-based performance awards require the distribution of these awards to individual teachers as additional compensation.

Early pay reform efforts demonstrate that measuring teacher performance is quite difficult. Many highly valued activities by teachers are qualitative, and as a consequence, hard to measure:

> One key problem in predicting teacher quality is that managers using the criteria demand quantitative measurements, while the factors that actually relate to classroom performance are typically qualitative and vague. Even if the factors important in producing a good teacher were known, specifying true quality and implementation standards would still be exceedingly difficult.[17]

Historically, merit pay reforms foundered frequently on the evaluation portion of the plans which often involved subjective assessments of teacher performance by principals, teachers, or others. In many instances, teachers considered this process to be ill-defined, overly subjective, or basically biased. Measuring performance remains one of the biggest obstacles to these reforms. Heneman et al. point out that teachers do not necessarily object to merit pay itself, "but the way in which plans were designed, implemented, and administered."[18]

Measuring Performance and Value-Added Modeling

In recent years, much has changed in the area of measuring teacher performance. With the growth of student assessments and related data systems, student test scores are increasingly used as a measure of teacher effectiveness. To many advocates, test scores are viewed as a more quantitative and less subjective way of gauging teacher performance than traditional evaluation procedures. Debate over the use of student test scores for this purpose focuses on the attribution of changes in student test scores to the effectiveness of an individual teacher, given the multitude of other factors, including family background and the quality of previous teachers, that are known to influence achievement. In addition, issues arise concerning the validity and reliability of the testing instruments, and whether such assessment instruments measure the full range of student

[16] Hassal, B., *Better Pay for Better Teaching: Making Teacher Pay pay off in the age of accountability*, PPI Policy Report, Washington, DC, 2002.

[17] Hanushek, Eric. Making Schools Work. Washington. The Brookings Institution, 1994. p. 79.

[18] Herbert Heneman III, Anthony Milanowski and Steven Kimball.(RB-46, 2007). Teacher Performance Pay: Synthesis of Plans, Research and Guidelines for Practice. Philadelphia, PA: University of Pennsylvania, Graduate School of Education, Consortium for Policy Research in Education.

outcomes that policymakers and others desire. Goldhaber summarizes the debate this way, "while such research has taught us valuable lessons about the appropriate ways to measure teacher effectiveness, it is an overstatement to suggest that debates about how precisely to measure teacher contributions to student learning are anywhere close to settled."[19]

One avenue of research that has attempted to address the debate over the use of student assessments for teacher evaluation has come to be known as *value-added modeling* (VAM). Most notably tied to the work of William Sanders at the University of North Carolina and later at the SAS Institute, Inc.,[20] VAM attempts to estimate the improvement in student achievement that can be attributed to teachers' interventions net of the effect of all other factors. In its pure form, these procedures use linked student-teacher unit records to identify teacher effects; however, at the present time such data systems exist in only a handful of states.[21] A recent comprehensive review of VAM research undertaken by the RAND corporation declared the lack of these data systems to be "among the greatest challenges facing VAM" and concluded that "the research base is currently insufficient to support the use of VAM for high-stakes decisions."[22]

Competency-Based Pay

In contrast to performance-based pay incentives that attempt to reward teacher output, other pay reform programs reward teachers for improving inputs thought to lead to better student performance. In the private sector, such reforms are often referred to as "competency pay" in which employees receive pay increases or bonuses for obtaining skills needed by the employer.[23] Odden and Kelley have identified several ways in which competency-based pay reforms have been implemented in public schools including financial incentives for obtaining additional licensure or certification, such as National Board Certification, and teacher performance as measured by a standards-based teacher evaluation system.[24]

Advanced Certification

Obtaining additional formal training leading to an advance degree is built into the current salary schedule; however, teachers are increasingly being offered financial incentives to obtain additional certification. Teachers may receive extra pay for obtaining certification in a second or third subject area or for earning advanced certification. Probably the best known and most widespread example of the latter is additional compensation awarded to teachers who become certified by the National Board for Professional Teaching Standards (NBPTS). Such certifications are growing in popularity among a significant number of states and school districts, with many of

[19] Dan Goldhaber, *Teacher Pay Reforms: The Political Implications of Recent Research*, Center for American Progress, December 2006, p. 19.

[20] http://www.sas.com/govedu/edu/bio_sanders.html

[21] National Center on Teaching Quality, *2008 State Teacher Policy Yearbook*, February 2008.

[22] Dan McCaffrey et al., *Evaluating Value-Added Models for Teacher Accountability*, RAND Corporation: Santa Monica, CA, 2003.

[23] Heneman, Robert L.; Ledford, Gerald E., Jr., "Competency Pay for Professionals and Managers in Business: A Review and Implications for Teachers," *Journal of Personnel Evaluation in Education*, v12 n2 p103-21, Jun 1998.

[24] Odden, Allan, and Carolyn Kelley. *Paying Teachers for What They Know and Do: New and Smarter Compensation Strategies to Improve Schools*. 2002.

them adopting incentives designed to reward teachers for becoming NBPTS-certified, and in some cases these rewards are quite large.[25]

Teacher Evaluation

In standards-based teacher evaluation systems, teachers' performance is evaluated against a set of standards that define a competency model of effective teaching.[26] Such systems replace the traditional teacher evaluation system and seek to provide a more thorough description and accurate assessment of teacher performance. A popular competency model of teacher performance intended to apply to all grade levels and subjects is the so-called "Framework for Teaching," developed by Charlotte Danielson. The framework attempts to describe the full range of teacher performance, from beginner to expert. It defines four performance domains: planning and preparation, the classroom environment (classroom management), instruction, and professional responsibilities. For each domain there is a set of specific performance components, each of which has one or more elements (a total of 66). Each element has four performance levels/standards, defined by specific behavioral rubrics.

Service-Based Pay

This section discusses two teacher compensation reforms that involve increased pay for teachers who fill *hard-to-staff* positions or take on advanced responsibilities. Compared to the reforms described above, these reforms have a relatively short history. The notion of hard-to-staff teaching positions was recognized recently as a turnover and distributional problem rather than a result of a labor shortage.[27] Thus, recruitment policies have been tailored to encourage teachers to move into schools and subjects which are experiencing the greatest demand. Meanwhile, retention policies often seek to keep veteran teachers by providing them with incentives to advance their educational roles.

Hard-to-Staff Positions

Teaching jobs can be deemed "hard-to-staff" for several reasons. For one, the position may be in a school that presents undesirable working conditions. Second, the subject area or academic background required for the position may be in a field that commands higher pay in non-teaching professions. Finally, the population of students served by the position may require special skills or may be otherwise difficult to teach.

Hard-to-staff schools might be most directly identified by human resource data such as unfilled vacancies at the start of the school year and the rate of teacher turnover; however, often proxy measures are used such as poverty rates, school lunch subsidies, crime statistics, and Medicaid enrollment. Incentive pay is provided for teachers willing to work in these hard-to-staff schools

[25] Dan Goldhaber, *Teacher Pay Reforms: The Political Implications of Recent Research*, Center for American Progress, December 2006.

[26] Herbert G. Heneman III et al., "Standards-Based Teacher Evaluation as a Foundation for Knowledge- and Skill-Based Pay," Philadelhphia: Consortium for Policy Research in Education, RB-45, 2006.

[27] Richard M. Ingersoll, "Teacher Turnover and Teacher Shortages: An Organizational Analysis," American Educational Research Journal, Vol. 38, No. 3 (Autumn, 2001), pp. 499-534.

even though research suggests that money alone is insufficient to attract and retain them in such schools.[28]

Pay for high-need subject areas can be thought of as an attempt to meet the "market demand" for a particular set of skills (e.g., additional pay for teachers with math degrees who could earn more in the private sector). While this can be considered a type of knowledge-based pay system, it fits more in the service-pay category because, unlike pay systems for knowledge and skills (which are generally designed to be consistent from year-to-year), pay systems for high-need subjects areas may shift as the needs of a given school change from year-to-year. The same can be said for those teaching high-need student populations such as students with disabilities and migratory students.

Advanced Responsibilities

Professional development has traditionally been provided to teachers through in-service workshops, conferences and training sessions. Over 90% of teachers participate in some professional development activities in this manner.[29] In many cases, an outside consultant or curriculum expert is brought in on a staff-development day to give teachers a one-time training seminar on a general pedagogic or subject-area topic. Criticism of this model has led to more ongoing and intense professional development activities. One of the new delivery methods for ongoing professional development has been for veteran teachers to take on mentoring roles as "master" teachers.[30] Teachers that assume such expanded responsibilities may be offered additional pay and release time to assist in the development of new teachers. Initiatives like these that provide incentives for teachers to take on advanced roles are often referred to as *Career Ladder* programs.

Current Teacher Incentive Pay Efforts

The teacher compensation reforms discussed above have not been implemented on a widespread basis. Two surveys conducted by the National Education Association (NEA) found that fewer than one in ten teachers receive some form of "performance-based or incentive pay (e.g., merit pay, stipends for teaching in critical shortage areas, incentives for National Board Certification, etc.)." More specifically, the NEA found that 5% of teachers surveyed during the 1995-1996 school year and 8% of those surveyed during the 2000-2001 school year were receiving this type of pay.[31] Data from a more recent survey conducted by the Department of Education suggest that compensation reforms may be spreading. The 2003-2004 Schools and Staffing Survey (SASS) found that 14% of teachers reported receiving a "merit pay bonus [or a] state supplement" to their regular salary.[32]

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[28] Berry, Barnett, *Performance Pay for Teachers*, Center for Teaching Quality, March 2007.

[29] Ruth Chung Wei, Linda Darling-Hammond, Alethea Andree, Nikole Richardson, and Stelios Orphanos, *Professional learning in the learning profession: A status report on teacher development in the United States and abroad*, (Dallas, TX: National Staff Development Council, 2009), p. 31.

[30] Some states, such as Massachusetts and Illinois, require NBPTS certification to obtain master teacher status.

[31] National Education Association. *Status of the American Public School Teacher 2000-2001*, Washington, DC, 2003 and *Status of the American Public School Teacher 1996-1997*, Washington, DC, 1997. The survey has not been administered since 2001.

[32] U.S. Department of Education, *Characteristics of Schools, Districts, Teachers, Principles, and School Libraries in the United States, 2003-2004 Schools and Staffing Survey*, NCES 2006-313.

The Federal Role

As with educational expenditures in general, the federal government plays a somewhat limited role with respect to teacher compensation. Federal education appropriations have historically accounted for less than 10% of all education spending. In the 2005-2006 school year, a total of $529 billion was spent on public elementary and secondary education; $39 billion (7.4%) of these funds came through ED.[33] That same year, $274 billion of the total was spent on instruction and nearly all ($246 billion) of that amount was used for staff salaries and benefits.[34] A recent ED study found that roughly half of the major sources of federal K-12 education funds are used by schools and districts for instructional staff (e.g., 59% of Title I funds, 63% of Title II funds, and 55% of Title III funds).[35] Even with these large shares of the federal effort going to instructional staff, it is still a very small proportion of all spending on teacher salaries and benefits. With respect to Title I, the ED report concluded that, "In an average-size Title I school of 500 students, Title I resources added a total of 3.5 full-time equivalent (FTE) staff, including 1.9 teachers, 1.2 teacher aides, and 0.4 non-instructional staff."[36]

Until recently, the federal role has also been limited in terms of the *way* in which teachers are compensated. Prior to the creation of the Teacher Incentive Fund (TIF), this role was limited to the inclusion of pay reforms among a list of allowable uses of funds under the two main federal teacher programs. The HEA, Title II-A, Teacher Quality Enhancement Grants program (enacted through the 1998 HEA amendments) authorized participating states to develop "performance-based compensation systems."[37] Although the 2008 amendments to the HEA eliminated the Title II grants to states, the retained Title II partnership grant program contains support for activities that may include "bonus, differential, incentive, or performance pay" for mentor teachers.[38] The ESEA, Title II-A, Improving Teacher Quality State Grants program (enacted through the NCLB amendments of 2001) allows grantees to use these funds for, among many other activities, "merit pay programs" to promote teacher retention.[39] According to a recent study, only 4% of ESEA, Title II-A funds were used for "scholarships, signing bonuses, or other financial incentives, such as differential pay" or "merit pay programs."[40]

The establishment of the TIF represents a notable change in the federal stance on teacher compensation. Rather than simply allowing states and districts to use federal funds for incentive

[33] Thomas D. Snyder, Sally A. Dillow, and Charlene M. Hoffman, *Digest of Education Statistics 2008*, U.S. Department of Education, NCES 2009-020, Washington, DC, March 2009, p. 258 & p. 540, http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2009020.

[34] Ibid, p. 260.

[35] Stephanie Stullich et al., *State and Local Implementation of the No Child Left Behind Act, Volume VI—Targeting and Uses of Federal Education Funds*, U.S. Department of Education, Office of Planning, Evaluation and Policy Development, Policy and Program Studies Service, Washington, DC, January 2009, p. 94, http://www.ed.gov/rschstat/eval/disadv/nclb-targeting/index.html.

[36] Ibid, p. 89.

[37] For a discussion of this program, see CRS Report RL31882, *Teacher Quality Enhancement Grants (Title II, Part A of the Higher Education Act): Overview and Reauthorization Issues*, by (name redacted).

[38] For more information on the 2008 amendments to the HEA, see CRS Report RL34654, *The Higher Education Opportunity Act: Reauthorization of the Higher Education Act*, by (name redacted) et al.

[39] For more information on this program, see CRS Report RL30834, *K-12 Teacher Quality: Issues and Legislative Action*, by (name redacted) (out of print; available from the author).

[40] U.S. Department of Education, *Findings From the 2007-08 Survey on the Use of Funds Under Title II, Part A*, June 2008.

pay (as is the case under the ESEA and HEA, Title II programs), the TIF actively seeks out and supports promising pay reform efforts. Though limited in scope, this program establishes a targeted federal role in supporting compensation reforms. Funding has always been one of the major barriers to the development of pay reform. The merit pay reforms of the 1970s and 1980s came in the form of bonuses (instead of salary increases) that did not outlive periodic budget shortfalls.[41] Unlike that previous wave of reforms, current efforts depend heavily on outside financing such as foundation support to supplement funds from state and local budgets.[42]

The Teacher Incentive Fund

The TIF represents the paramount federal effort to reform teacher compensation. This program was first funded through the FY2006 Labor-HHS-Education Appropriations Act (P.L. 109-149) which provided $261 million for activities authorized under Title V, Part D of the ESEA. A portion of these funds ($99 million) was reserved for activities under Subpart 1 which gives the Secretary general authority to award discretionary grants "to support nationally significant programs to improve the quality of elementary and secondary education."

The act stipulates that these $99 million are to be used for five-year grants competitively awarded to local education agencies (including charter schools) or states individually or in partnership with each other or with a non-profit organization. According to the act, the goal of these projects is to "develop and implement performance-based teacher and principal compensation systems in high-need schools."

The act further requires that TIF project compensation reforms "must consider gains in student academic achievement as well as classroom evaluations conducted multiple times during each school year" among other factors and provide educators with incentives to take on additional responsibilities and leadership roles. The Secretary is given a 5% set-aside to support the Center for Educator Compensation Reform[43] which raises national awareness about alternative and effective strategies for educator compensation reform and provides technical assistance to TIF grantees.

Beginning in 2007, the FY2006 appropriation was used to fund 34 TIF projects; no funds were appropriated for TIF in FY2007. Program funds may be used to pay the costs of developing and implementing performance-based compensation systems for the benefit of teachers and principals in high-need schools. For example, in addition to costs associated with the incentives given to teachers and principals, other project costs could include professional development activities for those teachers in high-need schools, evaluation and analysis tools, project staff salaries at the applicant level, and reasonable travel necessary for project development and implementation.

The FY2008 Consolidated Appropriations Act (P.L. 110-161) contained the same authorizing language that was in the FY2006 Appropriations Act and provided $97.3 million to continue

[41] Richard J. Murnane and David K. Cohen. "Merit Pay and the Evaluation Problem: Understanding Why Most Merit Pay Plans Fail and a Few Survive," Institute for Research on Educational Finance and Governance, Stanford University, November 1985.

[42] Andrew J. Rotherham, *Achieving Teacher and Principal Excellence: A Guidebook for Donors*, Philanthropy Roundtable, 2008. http://www.philanthropyroundtable.org/files/TeacherExcellence.pdf

[43] http://cecr.ed.gov/

funding for all 34 projects.[44] The Omnibus Appropriations Act of 2009 (P.L. 111-8) appropriated $97.3 million to support the 34 continuation awards. These FY2009 funds were supplemented with an additional $200 million under the American Recovery and Reinvestment Act (P.L. 111-5). These additional funds were used to award 60 new TIF grants. The Consolidated Appropriations Act of 2010 (P.L. 111-117) provided $400 million to support 94 continuation awards and 65 new TIF grants.[45]

National Programs

CRS was able to identify four fairly sizable non-federal national-level efforts to reform teacher compensation currently in existence. In keeping with the TIF approach of funding promising pay reforms, each of these four efforts receives financial support from the TIF as well as from private sources. The most prominent of these is the Teacher Advancement Program (TAP).

Teacher Advancement Program

The Teacher Advancement Program (TAP) grew out of the Milken Family Foundation's earlier support for the Milken Educator Awards. TAP was launched in 1999 as a comprehensive strategy to find and reward excellent teachers. In 2005, TAP began operating under the National Institute for Excellence in Teaching (NIET), an independent 501(c)(3) public charity. Under the NIET, TAP currently receives support from over a dozen major foundations as well as through a federal TIF grant.[46] The TAP model of reform has four components: (1) multiple career paths; (2) on-going applied professional growth; (3) instructionally focused accountability; and (4) performance-related compensation.

Multiple Career Paths. TAP's multiple career paths allow high quality teachers to pursue a variety of positions, advance professionally, and earn higher salaries without leaving the classroom. If teachers demonstrate consistent success, they have the opportunity to become career, master, or mentor teachers and earn salary increases of up to $15,000.

Ongoing Applied Professional Growth. The program allocates time during the instructional day for teachers to meet and collaborate on instructional and curricular issues. These meetings are either group- or individual-focused and often scheduled with a TAP-identified mentor or master teacher.

Instructionally-focused Accountability. Instructionally-focused accountability refers to TAP's mechanism for evaluating teachers. In an effort to assess teacher performance appropriately, TAP employs a grading rubric to measure systematically a teacher's content knowledge, instructional methods, and student learning gains. These evaluations are ultimately used to determine a teacher's career ladder advancement within the school.

Performance-related Compensation. TAP's performance-related compensation scheme rewards teachers across three dimensions: (1) student performance; (2) increased roles and

[44] U.S. Department of Education, *Fiscal Year 2009, Justifications for Appropriation Estimates to the Congress*, vol. 1.

[45] U.S. Department of Education, *Fiscal Year 2011, Justifications for Appropriation Estimates to the Congress*, vol. 1.

[46] Information about TAP and its funders can be found at http://www.talentedteachers.org.

responsibilities; and (3) classroom teaching performance. High-performing teachers can earn salary increases of up to $4,000 annually.

TAP currently operates in more than 125 schools in 9 states and 50 districts. Another 10 states presently are pursuing program implementation in routinely low-performing schools. In the aggregate, there are approximately 3,500 teachers and 56,000 students in TAP schools across the country.

Other National Programs

Three other national programs exist, but on a much more limited scale compared to TAP. The *Institute for Compensation Reform and Student Learning*, operated by the Community Training and Assistance Center (CTAC), assists in the implementation of performance pay initiatives in about 16 locations including a TIF-funded project in the Charlotte-Mecklenburg, North Carolina school district. The *Partnership for Innovation in Compensation for Charter Schools*, coordinated by the Center for Educational Innovation (CEI), received a TIF grant to implement performance pay in 10 charter schools in New York City and also provides support to other charter schools around the country. The *Effective Practice Incentive Community*, established by New Leaders for New Schools (NLNS), received a TIF grant to implement performance pay in 66 charter schools affiliated with the National Charter School Consortium. NLNS is also partnered with three other TIF grantees in the Memphis, Denver, and District of Columbia school systems.

State Programs

CRS was able to identify seventeen states that currently have teacher compensation reform efforts underway. This section discusses initiatives in three states – Minnesota, Arizona, and Texas – these are among the more prominent efforts underway. An **Appendix** at the end of this report provides a table which identifies the main components of all of the aforementioned state-level programs.

Minnesota Quality Compensation Program

In 2005, the Minnesota legislature approved the Quality Compensation (Q-Comp) program.[47] Q-Comp incorporates both career ladder and traditional professional development for teachers, while compensating teachers according to state approved measures of student achievement. The program was funded at $13 million in FY2006, $76 million in FY2007, and $64 million in FY2008. Under Q-Comp guidelines, 60% of any compensation increase must be based on district professional standards and on classroom-level student achievement gains.

School districts wishing to participate in the program must submit a Q-Comp proposal to the state department of education. Districts with approved plans are awarded up to $260 per student to support implementation and sustenance of their compensation plan. The number of participating districts has grown from 22 in 2005-06 to 43 in 2008-09; the state's 15 TAP schools (all located in the Minneapolis school district) receive Q-Comp funds.

[47] Minnesota Office of the Legislative Auditor, "Q Comp: Quality Compensation for Teachers," February 2009.

Arizona Career Ladder Program and Classroom Site Fund

Since 1993, 28 of Arizona's 200 school districts have participated in the state's Career Ladder Program (which began as a pilot program in 1985).[48] As of 2006, the same 28 districts continued to participate. At that time, these districts enrolled 31% of the state's 865,000 students and employed 40% of the state's 43,000 teachers. Roughly seven in ten of all eligible teachers participate in the program. Arizona Revised Statute 15-918 requires that participating districts must provide for: (1) increasingly higher levels of pupil academic progress as measured by objective criteria; (2) increasingly higher levels of teaching skills; (3) increasingly higher levels of teacher responsibility; (4) professional growth; and (5) equal teacher pay for equal teacher performance.

In 2000, Proposition 301 was passed by 53% of Arizona voters. This initiative established the Classroom Site Fund which provides funding, from a dedicated sales tax, for districts to participate in some form of pay-for-performance plan for teachers. Career Ladder districts, as well as districts with other forms of diversified compensation programs in place, already meet this requirement. In FY2007, sales tax collections plus other sources of revenue for this fund totaled more than $400 million. Districts are required to direct 20% of the funds received toward increasing teachers' base pay and another 40% toward performance pay.

Texas Educator Excellence Award Programs

In 2006, the Texas Legislature enacted the three Educator Excellence Award programs, creating one of the largest state-level performance-related pay program in the nation.[49] For FY2008, these programs were appropriated $340 million including (1) $10 million for the Governor's Educator Excellence Grant, (2) $100 million for the Texas Educator Excellence Grants, and (3) $230 million for a district-level grant yet to be named.

Governor's Educator Excellence Grants (GEEG). Under this program, funds are distributed through formula grants to schools that are in the top third of Texas schools in terms of percentage of economically disadvantaged students. To be eligible, schools must also meet certain performance criteria on the state's pupil assessment, the Texas Assessment of Knowledge and Skills. Approximately 100 schools qualified in 2008 and individual campus-award amounts varied according to student enrollment, ranging from $60,000 to $220,000. GEEG schools are required to use 75% of these funds for direct incentives to full-time teachers based both on improvement in student achievement and on teacher effectiveness in collaborating with colleagues. The other 25% may be spent on (1) direct incentives to other school employees (including principals) who contribute to improved student achievement, (2) professional development, (3) teacher mentoring and induction programs, (4) stipends for participation in after-school programs, (5) signing bonuses for teachers in hard-to-staff subjects, and/or (6) programs to recruit and retain effective teachers.

Texas Educator Excellence Grants (TEEG). The eligibility criteria, purposes, and activities supported under this program are nearly identical to those of the GEEG program; however, schools must be in the top half of Texas schools in terms of percentage of economically

[48] Information available at http://www.ade.state.az.us/asd/CareerLadder/.

[49] Matthew G. Springer et al., *Texas Educator Excellence Grants (TEEG) Program: Year Two Evaluation Report*, National Center on Performance Incentives, Policy Evaluation Report, December 1, 2008.

disadvantaged students. GEEG grantees are not eligible for TEEG grants. TEEG grantees must reapply annually, while GEEG grants are awarded for a period of three years. For the 2006–07 school year (the most recent data available), 1,163 campuses were eligible for grants and award amounts ranged from $40,000 to $295,000.

District-Level Grants. All districts in the state are eligible for funding under this program and they may apply for funds for all campuses or for selected campuses. Districts are required to use at least 60% of funds to directly reward classroom teachers based on improvements in student achievement. The remaining funds may be used: (1) as stipends for mentors or teacher coaches, teachers certified in hard-to-staff subjects, or teachers who hold post-baccalaureate degrees; (2) as awards to principals based on improvements in student achievement; or (3) to implement components of the TAP.

State Program Inventory

Table A-1 (in the **Appendix** to this report) displays information for all state-level teacher compensation reform programs CRS was able to identify as of December of 2008. These programs were identified through three main sources: (1) the National Center on Performance Incentives (NCPI) based at Vanderbilt University, (2) the U.S. Department of Education, Office of Academic Improvement and Teacher Quality Programs, and (3) the Education Commission for the States, Teacher Quality and Leadership Institute. Detailed information on these programs was collected through a variety of secondary sources, including (1) an extensive review of the academic literature and educational press, (2) a thorough search of the internet for project websites, (3) a review of documentation made available by state education departments, policy centers, associations and commissions, and (4) numerous discussions with experts and practitioners in the field. The table lists the project name for each program in the left-hand column, while the remaining columns provide program information including the method of program funding, the criteria used to award performance incentives, and the extent of district or school eligibility and/or participation.

At the present time, CRS has identified 20 teacher compensation reform programs in 17 states. Every program uses student performance as a criteria for rewarding teachers with incentive pay. At least 7 of the 20 programs also base incentive pay on some form of teacher evaluation. As many as eight programs provide additional pay for teachers who move up the career ladder. At least nine offer extra pay to those who teach in high-need schools and/or hard-to-staff subjects. Programs vary in terms of school and district eligibility—some offer incentives to just a few schools or districts, others make all LEAs eligible, still others *require* all LEAs to participate. Programs also vary in the amount and type of incentive awarded—some offer a school-wide increase of a few hundred dollars per student, others give individual teachers as little as $1,000 or as much as $11,000.

At least 10 of the state programs deliver funds for incentive awards through a formula. These programs provide supplemental formula funding (often on a per pupil basis) to schools or districts that apply to be included in the program. Such funding strategies exemplify an alternative to the TIF approach of awarding competitive grants to a select set of promising reform efforts.

Local Programs

CRS has identified over 80 teacher compensation reform efforts that exist at the local level in 25 states and the District of Columbia. This section discusses initiatives in three locations—Denver, CO; Guilford County, NC; and Hamilton County, TN—these are among the more prominent local efforts and are profiled to provide a sense of how local efforts are structured. An **Appendix** at the end of this report provides a table (**Table A-2**) which identifies the main components of all identified local-level programs.

Denver Professional Compensation Systems for Teachers

In 1999, the Denver Classroom Teachers Association and the Denver Public Schools reached agreement on an alternative teacher pay plan that linked pay to student achievement and professional evaluations.[50] Following refinement of the pilot model by teachers, principals, administrators, and community members, the Professional Compensation Systems for Teachers (ProComp) was adopted in 2004 by the Board of Education and members of the Denver Classroom Teachers Association.

Passage of a 2005 ballot initiative provided $25 million in dedicated tax funds for the program. In 2007, the Denver public school district was awarded a Federal TIF grant. Together, these funds will be used to expand ProComp to nearly 90% of the district's 150 K-12 public schools. The district has also created the ProComp Teacher Compensation Trust; with a balance of $44 million in 2007, the fund is projected to last for many years.

ProComp has four components that enable teachers to increase their salary by as much as 18%, including (1) knowledge and skills; (2) professional evaluation; (3) market incentives; and (4) student growth. Teachers may get up to a 9% increase for completing an advanced degree or certification, 2% for professional development, and 3% for a satisfactory evaluation. Student achievement growth, which includes both teacher and school-wide growth awards, can generate up to a 6% increase. Filling a hard-to-staff position or teaching in a hard-to-staff school can each return a 3% salary increase.

Mission Possible—Guilford County, NC

In 2006, Guilford County Schools launched the Mission Possible program—a comprehensive teacher incentive plan that combines multiple components to keep and attract highly effective teachers and administrators.[51] Twenty high-need schools were initially selected to participate in the program; an additional eight schools were added in 2007 following receipt of a TIF grant. The addition of a $2 million grant from the University of North Carolina system and Action Greensboro to support a math incentive pilot program, called Cumulative Effect, brought the total number of participating schools up to 30 for the 2007-2008 school year.

In addition to a variety of teaching supports (including ongoing training and collaboration and reduced class sizes), Mission Possible teachers and administrators receive recruitment incentives

[50] Phil Gonring, Paul Teske, and Grad Jupp, *Pay-for-Performance Teacher Compensation: An Inside View of Denver's ProComp Plan* (Cambridge: Harvard Education Press, 2007).

[51] Information available at http://gcsnc.com/depts/mission_possible/index.htm.

and performance incentives. Mission Possible financial incentives are based on grade levels and subjects that are part of state and national accountability requirements. Teacher performance bonuses are based on student achievement in math and English and range from $2,500 to $4,000. Bonuses are paid the following school year in late November after the NC Department of Public Instruction releases student data. Guilford County Schools conducts a student-teacher linkage verification, and SAS, Inc. generates value-added data for each teacher.

Benwood Initiative—Hamilton County, TN

In 2001, the Benwood Foundation agreed to spend $5 million over five years and the Chattanooga-based Public Education Foundation added another $2.5 million to establish a performance incentive program in the nine lowest performing schools in the Hamilton County School District.[52] In 2006, the two groups added another $7 million and $1 million, respectively, for another five-year phase to expand, what came to be known as the Benwood Initiative, to 16 additional schools.

In addition to several activities to support effective teaching, the program provides salary bonuses of up to $2,000 per teacher based on school-wide improvement in student achievement on the Tennessee Value-Added Assessment System.[53] Principals may receive up to a $10,000 bonus for school-wide student improvement. Teachers may also receive a $5,000 bonus after three years of growth in student achievement. The program also offers recruitment and retention incentives including a forgivable loan that can be used by staff to purchase a home near their schools.

Local Program Inventory

Table A-2 (in the **Appendix** to this report) displays all 82 identified local-level teacher compensation reform programs known to exist as of December of 2008. These programs were identified through the same sources as the state-level programs discussed above. Every program used student performance as a criteria for rewarding teachers with additional compensation and most programs also included a teacher evaluation component. In addition to these incentives, many programs incorporate service-based incentives.

Tying teacher compensation to student performance is the one element every performance pay initiative has in common. Although achievement is measured in a wide variety of ways and factored into teachers' pay differently across programs, generally speaking, it is gauged through school-wide improvement in student performance on academic assessments and accounts for at least half of the overall incentive award. Some programs apply *value-added modeling* (VAM) techniques that link student achievement to teacher performance and provide individual teacher awards based on these data; however, VAM-based incentives are more commonly awarded on a school-wide basis. Roughly three-quarters (59) of the programs complement school-wide awards with individual teacher awards based on traditional teacher evaluation systems. Roughly three-quarters (58) of the programs also incorporate career ladder incentives for teachers and about one-quarter (21) of the programs provide pay incentives to those who agree to serve in high-need schools or teach hard-to-staff subjects.

[52] Elena Silva, "The Benwood Plan: A Lesson in Comprehensive Teacher Reform," Education Sector Reports, April 2008. See also http://www.pefchattanooga.org/tabid/64/Default.aspx.

[53] http://www.shearonforschools.com/TVAAS.html.

Of the 82 pay reform initiatives, most (72 programs) are influenced by either TIF funding or TAP assistance (or both). TIF funds support 30 of these programs; the smallest of the five-year TIF grants provides $1.6 million for two schools that comprise the Mare Island Technology Academy's "New 3Rs" program in Vallejo, California, while the largest provides $29.2 million for 11 schools participating in "Project EXCELL" in Tucson, Arizona's Amphitheater Unified School District #10. More typical of TIF grantees, the Mission Possible program (discussed above) received an $8 million award. According to Amy Holcombe of Guilford County Schools, this grant doubled the $4 million the district recieved from foundation and local funds.[54] Information on whether this proportion of federal to non-federal funds is typical of TIF grantees is not available; however, grantees are required to meet 75% of their costs through non-federal funds by the final (5th) year of the grant.

Forty-seven of the 82 local programs included in **Table A-2** are affiliated with the TAP program. According to Kristan Van Hook, TAP's Senior Vice President, the funds used to support incentive awards under these programs come from non-TAP sources.[55] Van Hook further indicated that districts working with TAP often use their federal Title II funds to support their performance pay activities. Results from ED's most recent survey on the use of Title II funds suggests that nationally this is a rare occurrence. The Department's report states that among the districts surveyed only, "Four percent of Title II, Part A funds were spent on mechanisms and strategies to help schools recruit and retain highly qualified teachers, principals and specialists in core academic areas, such as scholarships, loan forgiveness, signing bonuses or *differential pay* for teachers" [emphasis added].[56] Still, it is quite possible that the small fraction of the nation's 14,000 school districts which are working with TAP may use their Title II funds very differently than the typical district. At the same time, anecdotal evidence collected in this research suggests that, apart from TIF support, a great deal of the funds used to award performance incentives may come from private sources—such as grants and donations received from foundations.

Reconsidering the Federal Role

As Congress considers education legislation, including bills to reauthorize the ESEA, proposals to leverage federal education spending to reform teacher compensation systems may receive serious attention. The debate over expansion of the federal involvement in this area will likely raise questions about what role the federal government should play in reforming teacher compensation given that most funding for teacher compensation is provided at the local and state levels. Recent legislative action has mostly involved proposals that simply would expand the TIF approach of funding a limited number of promising reform efforts already underway, mainly at the local level. Although bills to expand TIF funding were not passed in the 109th Congress and the 110th Congress kept program funding level, the 111th Congress tripled TIF appropriations for FY2009. Meanwhile, the program authority continues to provide only minimal guidance as to how these funds should be used.

In recent sessions, Congress has considered alternative approaches that would have begun to alter or expand federal support for teacher incentives and compensation reform. During the last two

[54] Presentation at the Alliance for Excellent Education, Washington, DC, December 10, 2008.

[55] Based on a phone conversation with Ms. Van Hook, January 2009.

[56] U.S. Department of Education, "Findings From the 2007-08 Survey on the Use of Funds Under Title II, Part A," June 2008.

Congresses, debate over this issue occurred both within efforts to amend the TIF and also around broader legislative activities. This section will discuss these recent congressional actions including two bills that were introduced to reauthorize the HEA and would also have amended the TIF program authority; two bills that would have established a new program, for so-called *Innovation Districts,* in which performance incentives for teachers were to play a major role; and several hearings in which a broader debate over the federal role in teacher compensation reform occurred. Following a review of recent congressional action is a discussion of some of the issues that may be raised as the process for reauthorizing the ESEA continues to unfold.

Recent Congressional Action

Amending and Extending TIF

During the 109th Congress, three bills were introduced to amend or increase funding for the TIF. Two of the bills simply would have increased funding, while the third bill (H.R. 609) would have moved TIF authority from Title V-D of the ESEA to Title II-D of the HEA. The latter bill also further specified eligible entities and program activities, and would have required new non-federal matching funds as well as a program evaluation. During the 110th Congress, this HEA reauthorization bill was reintroduced as H.R. 3746 and retained the TIF provisions; however, action on the bill stopped with committee referral. The HEA was eventually reauthorized by the Higher Education Opportunity Act (HEOA, P.L. 110-315); neither the HEOA nor the House and Senate-passed bills (H.R. 4137 and S. 1642) contained the TIF provisions of the earlier reauthorization proposals.

Three other TIF-related bills were introduced during the 110th Congress. The Teacher Incentive Fund Act (H.R. 1761) would have clarified and expanded the program's provisions, similar to the H.R. 3746, and would have codified TIF authority in ESEA, Title II, Part C; the same provisions were included in a bill introduced in the Senate (S. 1775). Action on both of these bills stopped with committee referral. Finally, the 110th Congress reauthorized TIF through the FY2008 Consolidated Appropriations Act (P.L. 110-161) using the same authorizing language that was initially passed in the FY2006 appropriations act.

The FY2006 authorizing language was again used to appropriate funds for TIF under the American Recovery and Reinvestment Act (P.L. 111-5), the Omnibus Appropriations Act of 2009 (P.L. 111-8), and the Consolidated Appropriations Act of 2010, (P.L. 111-117).

Incentive Pay Legislation

Apart from the TIF bills just discussed, few bills related to teacher performance pay have been introduced in Congress. One notable exception was the Innovation Districts for School Improvement Act (introduced in the 109th Congress as S. 2441 and reintroduced in the 110th as S. 114) that would have required participating districts to establish metrics to evaluate teacher effectiveness and, "develop a differentiated pay scale to provide incentives for effective teaching, teaching specific subject areas, and teaching in specific schools, including hard-to-staff schools." The bills' provisions regarding these incentives were more specific than either the existing TIF language or the bills to amend the TIF, particularly with regard to district cooperation with teachers, union representatives, and the community. Another bill, the Teacher Excellence for All Children (TEACH) Act (introduced in the 109th Congress as H.R. 2835 and S. 1218 and reintroduced in the 110th as H.R. 2204 and S. 1339) would have required participating districts to

award "premium pay" to those teaching "shortage" subjects in high-need schools and deemed exemplary "based on strong learning gains for students." Neither the Innovation Districts bill nor TEACH Act legislation moved beyond committee referral; although some non-performance pay provisions in the TEACH Act were enacted through the HEA reauthorization bill (P.L. 110-315).[57]

ESEA Reauthorization Hearings

Early in the 110th Congress, both the House and Senate held hearings on the quality of K-12 teaching in which issues related to teacher incentives and performance pay figured prominently. Intended as early steps in the ESEA reauthorization process, testimony at these hearings often raised issues regarding compensation reform and several members asked specific questions about performance pay and other incentives. On March 6, 2007, the Health, Education, Labor, and Pensions Committee held a hearing entitled, "NCLB Reauthorization: Strategies for Attracting, Supporting and Retaining High Quality Educators" (S. Hrg. 110-154). On May 11, 2007, the Education and Labor Committee held a hearing entitled, "ESEA Reauthorization: Boosting Quality in the Teaching Profession" (Serial No. 110-34).

The overarching sentiment among the education experts tapped for these panels was in favor of providing incentives to promote teacher quality. Several spoke in support of the pay incentive components of TIF and TAP; some comments were in response to committee members questions about the issue and several mentioned the need to use a variety of evaluation methods in addition to measures of student performance. One witness on the Senate panel submitted additional material following the hearing in which she argued against the use of value-added modeling for measuring the performance of individual teachers.[58]

In September 2007, the majority and minority leadership of the Education and Labor Committee released a discussion draft of proposed legislation to reauthorize the ESEA. Title II of the draft proposed the establishment of a discretionary grant program (similar to the TEACH Act proposal) which would have awarded "premium pay" to "exemplary teachers" serving in high-need schools. The draft required that LEAs, in collaboration with local teacher organizations, develop a system to identify "exemplary teachers" that must be

> (1) based on strong learning gains for students;
> (2) based on classroom observation and feedback at least four times annually;
> (3) conducted by multiple sources, including master teachers and principals; and
> (4) evaluated against research-validated rubrics that use planning, instructional, and learning environment standards to measure teaching performance.[59]

The Committee held an all-day, six-panel hearing on September 10, 2007, for comments on the discussion draft. The "Teaching and School Leadership" panel included representatives from the Nation's two largest teacher unions – the National Education Association (NEA) and the American Federation of Teachers (AFT). Both representatives spoke out strongly against the premium pay provisions. In his prepared statement, Reg Weaver, President of the NEA, stated his

[57] The HEA reauthorization bill (P.L. 110-315) also contained "performance pay" for mentor teachers; however, these incentives are to be "based on the mentor's extra skills and responsibilities," rather than teaching performance.

[58] Additional material submitted by Linda Darling-Hammond, U.S. Congress, Senate Committee on Health, Education, Labor, and Pensions, *NCLB Reauthorization: Strategies for Attracting, Supporting and Retaining High Quality Educators*, 110th Cong., 1st sess., March 6, 2007, S.Hrg. 110-154 (Washington: GPO, 2008), p. 93.

[59] Miller/McKeon Discussion Draft of ESEA Reauthorization, pp. 7-8; available from the author.

organization's position plainly, "The NEA opposes federal requirements for a pay system that mandates teacher pay based on student performance or student test scores."[60] The AFT opposition was less blunt; Vice-President, Antonia Cortese, expressed concern about the proposal's "top-down" approach which "jeopardizes buy-in" from teachers.

Other members of the panel spoke favorably of the proposal's potential to remedy inequities in the distribution of quality teachers. Specifically, both Kati Haycock, President of the Education Trust, and Kristan Van Hook, of the National Institute for Excellence in Teaching, praised the use of premium pay to encourage teachers to work in hard-to-staff schools and career ladders to reward professional advancement. Ms. Van Hook discussed her support for performance pay at great length; emphasizing the importance of implementing such incentives as part of a "comprehensive approach, such as that that is taken in the bill before you today."[61]

Issues for ESEA Reauthorization

Staying the Course with TIF

Should the 112th Congress consider compensation reform and teacher incentive pay proposals, it will inevitably be thinking about whether to stay the course with TIF. As it stands, the program is very broadly defined and has been implemented at the local level in varying ways. Should the federal role in this area continue to be a supporter of local pay reform experimentation and provider of seed money to encourage financial commitments from local, state, and other sources for these reforms? In light of recent appropriations and accompanying non-federal matching requirement, it appears this view may hold sway in future deliberations. If TIF remains an experimental approach to finding out what works, Congress may consider how long and in how many settings to continue to support this type of effort.

Expanding the Federal Role Beyond TIF

Alternatively, Congress may consider whether the federal role should be expanded beyond TIF. Should this role be greater than funding a limited set of reform efforts designed to meet a few broadly defined objectives? If the federal role is to expand, Congress may need to consider (or set up a process to consider) what elements of teacher compensation reform can or should be written into federal law. Recently considered legislation and testimony before the authorizing committees (mentioned in the previous section) provide some potential avenues for development and also point to potential areas of difficulty. Competency-based and service-based incentives appear to have much support, but some may feel they don't do enough to reward performance. On the other hand, performance-based incentives may be too controversial and may be difficult to enact on a large scale and in a manner that would achieve intended goals.

[60] U.S. Congress, House Committee on Education and Labor, *Reauthorization of the Elementary and Secondary Education Act of 1965*, hearing on the Miller/McKeon Discussion Draft of ESEA Reauthorization, 110th Cong., 1st sess., September 10, 2007, Serial No. 110-61 (Washington: GPO, 2008), p. 238.

[61] Ibid., pp. 259-260.

State or Local Reform?

Another element of the debate over pay reforms may occur around what level of the educational system these reforms are best applied. That is, either under TIF or through a different program, Congress may consider whether it wants federal involvement in this area to focus on state reforms or local reforms. Programs reviewed in the previous section of this report show reforms occurring at both levels in numerous locations throughout the country. Should future federal policy development encourage states to be more involved in compensation reform or instead provide direct support to local efforts? Scaling up federal support for TIF may be easier to implement at the local level, while an expanded federal role that includes more specified program activities may be better suited to the state level.

Leveraging ESEA Title II-A

The debate over local versus state reform may also involve proposals to amend the ESEA Title II-A state formula grant program. Currently, most of these funds go through state education agencies to local school districts and are mainly used for class size reduction and professional development; however, "merit pay" is also included in the program's authorized activities. Congress could consider placing greater priority on addressing compensation reform through ESEA Title II-A by strengthening current language (Sections 2113 and 2123).

Measuring Teacher Performance

Performance measurement may be the most hotly contested issue in the compensation reform debate. Current federal law governing TIF requires that teacher performance be based on student achievement and teacher evaluation, but does not provide any detail as to how this should occur. Traditional teacher evaluation has been common for decades, while, performance evaluation tied to student achievement is a more recent development. Significant improvements have been made in the effort to connect student achievement to teacher performance, particularly in certain subjects like math. Still, the research in this area provides reason for Congress to give serious thought to issues such as the use of value-added methods for high-stakes decision-making for individual teachers. One reason these methods are hard to apply to individual teachers is that, to produce reliable results, the statistical modeling employed requires large amounts of data. For example, an elementary school teacher with an average class size of 15 students assessed twice a year would produce too few data points on which to reliably estimate teacher effects apart from non-teacher effects.[62]

Individual Versus School-wide Incentives

The problems associated with measuring individual teacher performance explain much of why school-wide incentives are the dominant mode for delivering performance rewards. Simply put, measuring a school's performance is easier than measuring an individual teacher's performance. Critics of school-wide awards point out that they fail to incentivize individual effort and defeat the purpose of compensation reform. The counter-argument holds that school-wide awards encourage cooperation and collegiality which are critical to the success of broad-based, systemic

[62] Based on a phone conversation with Dr. Dale Balou of the National Center on Performance Incentives, March 2008.

reform. Congress may wish to consider the extent to which school and individual performance goals can or should be collectively targeted by pay incentive programs.

Developing Data Systems

Data systems for both student achievement and teacher performance have greatly improved in recent years; however, these systems have by no means reached universal or consistent application. In addition to the many technical obstacles that remain when it comes to compiling the data many feel are needed to measure and reward teacher performance, there are also political barriers to linking teacher and student records; some states have moved to prohibit this practice. Congress should be award of the data limitations and obstacles and may want to consider basing performance incentives on data elements and linkages that can be expected to be consistently available.

Appendix. Inventory of State- and Local-Level Incentive Pay Reforms, as of May 2009

CRS has constructed inventories of state and local programs, which are presented below. It is important to emphasize that these inventories are not comprehensive. Ideally, compiling complete inventories of all pay incentive programs would involve a proactive, investigative approach such as surveying all school districts or conducting a nationwide sample of school personnel.[63] Given the limitations on our resources, however, CRS has collected information through somewhat less systematic methods based on secondary sources. These methods include (1) an extensive review of the academic literature and educational press, (2) a thorough search of the Internet for project websites, (3) a review of documentation made available by state education departments, policy centers, associations, and commissions, and (4) numerous discussions with experts and practitioners in the field. These inventories are provided to offer a sense of the landscape of programs in operation in states and localities. CRS believes this is useful in conveying basic information about the structure of programs and the range of characteristics programs feature. The inventories are not all-inclusive, and CRS can not be certain about the extent to which they reflect the actual universe of programs. On the following pages, **Table A-1** contains the inventory of state-level incentive pay reforms and **Table A-2** contains the inventory of local-level reforms.

[63] The only nationally representative survey of school personnel, the Schools and Staffing Survey conducted by the National Center for Education Statistics, provides little information beyond estimates of how many teachers receive incentive awards.

Table A-1. State-Level Teacher Incentive Pay Reforms

State	Project Name	Funding Method and/or Supplement	Incentive Criteria: Student Performance	Incentive Criteria: Teacher Evaluation	Incentive Criteria: Advanced Responsibility	Incentive Criteria: High-Need/ Hard-to-Staff	Eligible or Participating Schools/ LEAs	Incentive Range or Maximum Amount	Source
AK	Alaska School Performance Incentive Program		Y				All LEAs	$2,500-5,500	NCPI, ECS
AZ	Arizona Career Ladder	Formula	Y	Y	Y		28 LEAs		NCPI, ECS
AZ	Classroom Site Fund	Sales Tax	Y	Y			All LEAs		NCPI, ECS
AR	Comprehensive Testing and Accountability Program	Formula	Y						NCPI, ECS
FL	Merit Awards Program (replaced STAR in 2007)	Formula	Y						NCPI, ECS
GA	Georgia Salary Structure Components	Discretionary	Y		Y	Y		5%	NCPI, ECS
ID	Idaho State Teacher Advancement and Recognition System		Y		Y	Y		$1,200-3,600	NIET
MN	Quality Compensation Program	Formula	Y	Y	Y		22 LEAs	$260/ Student	NCPI, ECS
MS	Mississippi Performance Based Pay Plan		Y			Y	All LEAs		ECS
NC	ABCs of Public Education	Formula	Y			Y		$1,500	NCPI, ECS
OH	Ohio Teacher Incentive Fund	TIF	Y	Y	Y		4 LEAs	$2,000-6,000	ED, NCPI
OK	Academic Achievement Awards	Discretionary	Y				43 Schools		NIET
OR	Creative Leadership and Student Success	Formula	Y	Y	Y		3 LEAs	$200-400/ Student	NCPI
SC	South Carolina Teacher Incentive Fund	TIF	Y	Y	Y	Y	23 Schools	$2,000-10,000	ED, NCPI
SD	Technology and Innovations in Education	TIF	Y				11 Schools		ED, NCPI

State	Project Name	Funding Method and/or Supplement	Student Performance	Teacher Evaluation	Advanced Responsibility	High-Need/ Hard-to-Staff	Eligible or Participating Schools/ LEAs	Incentive Range or Maximum Amount	Source
TX	Governor's Educator Excellence Grant	Formula	Y			Y	99 Schools		NCPI, ECS
TX	Texas Educator Excellence Grant	Formula	Y			Y	1,200 Sch.		NCPI, ECS
TX	District Awards for Teacher Excellence	Formula	Y	Y	Y	Y	All LEAs		NCPI, ECS
UT	Utah Performance Plan	Formula	Y				All LEAs	$1,000	NCPI
VA	Incentives for Hard-to-Staff Schools		Y			Y		$3,000	ECS
State Total			**20**	**7**	**8**	**9**			

Source: CRS synthesis of available information based on a review of the literature on pay for performance programs including academic publications, educational press, government documentation, and other sources of information made available by policy centers, associations, and commissions.

Key: NCPI = National Center on Performance Incentives, Policy Information Resource, http://www.performanceincentives.org/statebystate_resources/index.asp;

NIET = National Institute for Excellence in Teaching, Teacher Advancement Program website, http://www.talentedteachers.org/;

ED = Department of Education, Teacher Incentive Fund grantee profiles, http://cecr.ed.gov/initiatives/grantees/profiles.cfm;

ECS = Education Commission for the States, Teacher Compensation Database, http://www.ecs.org/html/educationissues/teachingquality/NCLB-HQTP/t_comp.asp.

Note: Information current as of December 2008. An empty cell indicates data were not available in the materials reviewed for this inventory.

Table A-2. Local-Level Teacher Incentive Pay Reforms

State	Project Name and Location	TIF/TAP Support	Incentive Criteria: Student Performance	Incentive Criteria: Teacher Evaluation	Incentive Criteria: Advanced Responsibility	Incentive Criteria: High-Need/ Hard-to-Staff	Eligible or Participating Schools / LEAs	Incentive Range or Maximum Amount	Source
AL	Transformed Schools Program, Mobile County		Y	Y			5 Sch.	$4,000-12,000	NCIP, ECS
AK	Alaska Teacher and Principal Incentive Project - Chugach School District, Anchorage	TIF	Y				4 LEAs		ED, NCPI
AR	Lincoln Consolidated School District	TAP	Y	Y	Y			$2,000-6,000	NIET
AR	Little Rock School District	TAP	Y	Y	Y			$2,000-6,000	NIET
AZ	Project EXCELL - Amphitheater Unified School District, Tucson	TIF	Y	Y	Y	Y	11 Sch.		ED, NCPI
AZ	University Public Schools, Mesa	TAP	Y	Y	Y			$2,000-6,000	NIET
CA	Quest for Success - Lynwood Unified School District	TIF	Y		Y	Y	17 Sch.		ED, NCPI
CA	The New 3Rs: Rigor, Results, and Rewards - Mare Island Tech. Academy, Vallejo	TIF	Y				2 Sch.		ED, NCPI
CA	Vaughn Next Century Learning Center, Los Angeles		Y		Y		1 Chrtr.	$2,000-14,700	NCPI, ECS
CO	Performance-Based Compensation Program - Eagle County School District RE 50J	TIF+TAP	Y	Y	Y	Y	13 Sch.	$2,000-6,000	ED, NCPI
CO	Recognizing Engagement in the Advancement of Learning - Harrison School District 2, Colorado Springs	TIF	Y	Y	Y	Y	21 Sch.		ED, NCPI
CO	Professional Compensation w/ NLNS, Denver	TIF	Y	Y	Y	Y			ED, NCPI, ECS
CO	Douglas County		Y	Y	Y			$4,800-7,300	
CO	Fort Lupton Teacher Incentive Fund - Weld County School District	TIF	Y			Y	4 Sch.		ED, NCPI

State	Project Name and Location	TIF/TAP Support	Student Perfor-mance	Teacher Evaluation	Advanced Respon-sibility	High-Need/ Hard-to-Staff	Eligible or Participating Schools / LEAs	Incentive Range or Maximum Amount	Source
CO	Academy School District 20, Colorado Springs	TAP	Y	Y	Y			$2,000-6,000	NIET
DC	Washington, DC Charter Schools	TAP	Y	Y	Y			$2,000-6,000	NIET
DC	Washington, DC Public Schools w/ NLNS	TIF	Y						ED, NCPI
FL	Lake County School District w/ NIET	TIF+TAP	Y	Y	Y		10 Sch.	$2,000-6,000	ED, NCPI
FL	Performance Outcomes with Effective Rewards - Hillsborough Co. PS	TIF	Y	Y		Y	116 Sch.		ED, NCPI
FL	Rewards and Incentives for School Educators - Miami-Dade Co. PS	TIF	Y	Y	Y	Y	36 Sch.		ED, NCPI
FL	Recognizing Excellence in Achievement and Professionalism, Orlando	TIF	Y					$4,000-5,000	ED, NCPI
FL	Gadsden County School District	TAP	Y	Y	Y			$2,000-6,000	NIET
IL	Recognizing Excellence in Academic Leadership - Chicago Public Schools	TIF+TAP	Y	Y	Y	Y	40 Sch.	$2,000-6,000	ED, NCPI
IN	Archdiocese of Indianapolis	TAP	Y	Y	Y			$2,000-6,000	NIET
LA	Algiers Charter Schools Assoc. w/ NIET, New Orleans	TIF+TAP	Y	Y	Y		7 Chrtr.	$2,000-6,000	ED, NIET
LA	Ascension Public Schools, Donaldsonville	TAP	Y	Y	Y			$2,000-6,000	NIET
LA	Caddo Public Schools, Shrevesport	TAP	Y	Y	Y			$2,000-6,000	NIET
LA	Desoto Parish Schools, Mansfield	TAP	Y	Y	Y			$2,000-6,000	NIET
LA	East Baton Rouge Parish School System	TAP	Y	Y	Y			$2,000-6,000	NIET
LA	Jefferson Parish Public Schools, Marrerro	TAP	Y	Y	Y			$2,000-6,000	NIET
LA	Natchitoches Parish School Board	TAP	Y	Y	Y			$2,000-6,000	NIET

State	Project Name and Location	TIF/TAP Support	Student Performance	Teacher Evaluation	Advanced Responsibility	High-Need/ Hard-to-Staff	Eligible or Participating Schools / LEAs	Incentive Range or Maximum Amount	Source
LA	Rapides Parish School Board, Greensboro	TAP	Y	Y	Y			$2,000-6,000	NIET
LA	Recovery School District, New Orleans	TAP	Y	Y	Y			$2,000-6,000	NIET
LA	St. Barnard Parish Public Schools	TAP	Y	Y	Y			$2,000-6,000	NIET
MD	Financial Incentive Rewards for Supervisors and Teachers, Upper Marlboro	TIF	Y			Y			ED, NCPI
MA	Teacher Excellence Incentive Project, Roslindale	TIF	Y			Y	1 Chrtr.		ED, NCPI
MN	Minneapolis Public Schools	TAP	Y	Y	Y			$2,000-6,000	NIET
MN	Minneapolis Charter School	TAP	Y	Y	Y			$2,000-6,000	NIET
NV	Las Vegas Charter School	TAP	Y	Y	Y			$2,000-6,000	NIET
NM	Performance-Based Compensation Program, Rio Rancho	TIF	Y			Y	4 LEAs		ED, NCPI
NY	NYC Partnership for Innovation in Compensation for Charter Schools w/ CEI, New York	TIF	Y	Y		Y	10 Chrtr.		ED, NCPI
NY	Admin. Pay Incentive - Elmira City		Y				1 LEA		NCPI
NC	Leadership for Educators' Advanced Performance - Charlotte-Mecklenburg Schools w/ CATC	TIF	Y	Y		Y	16 Sch.	$1,400	ED, NCPI, ECS
NC	Charlotte-Mecklenburg County Schools		Y	Y	Y	Y			ECS
NC	Teacher Compensation Plan - Winston-Salem/Forsyth County Schools		Y						NCPI
NC	Cumberland County Schools, Fayetteville	TIF	Y			Y			ED, NCPI
NC	Wake County Schools	TAP	Y	Y	Y			$2,000-6,000	

State	Project Name and Location	TIF/TAP Support	Student Perfor-mance	Teacher Evaluation	Advanced Respon-sibility	High-Need/ Hard-to-Staff	Eligible or Participating Schools / LEAs	Incentive Range or Maximum Amount	Source
NC	Mission Possible - Guilford County Schools, Greensboro	TIF	Y					$4,000-5,000	ED, NCPI, ECS
OH	Cincinnati Public Schools	TAP	Y	Y	Y			$2,000-6,000	NIET
OH	Columbus Public Schools	TAP	Y	Y	Y			$2,000-6,000	NIET
OK	System to Motivate and Reward Teachers, Beggs	TIF	Y	Y			8 LEAs		ED, NCPI
PA	Principal Incentive Program, Pittsburgh	TIF	Y				64 Sch.		ED, NCPI
PA	School District of Philadelphia (public charters)	TIF+TAP	Y	Y	Y		6-12 Chrtr.	$2,000-6,000	ED, NCPI, NIET
SC	Anderson School District Four, Pendleton	TAP	Y	Y	Y			$2,000-6,000	NIET
SC	Beaufort County School District	TAP	Y	Y	Y			$2,000-6,000	NIET
SC	Dillon School District Two	TAP	Y	Y	Y			$2,000-6,000	NIET
SC	Darlington County School District	TAP	Y	Y	Y			$2,000-6,000	NIET
SC	Florence School Districts 1 & 3 and Laurens School District 56, Lake City	TIF+TAP	Y	Y	Y	Y	6 Sch.	$2,000-6,000	ED, NCPI, NIET
SC	Georgetown County School District	TAP	Y	Y	Y			$2,000-6,000	NIET
SC	Hampton School District 2	TAP	Y	Y	Y			$2,000-6,000	NIET
SC	Marlboro County School District	TAP	Y	Y	Y			$2,000-6,000	NIET
SC	Pickens County School District	TAP	Y	Y	Y			$2,000-6,000	NIET
SC	Richland School District 2		Y					$7,500-15,000	.
SC	Spartanburg School District 7	TAP	Y	Y	Y			$2,000-6,000	NIET
SC	Sumter School District 17	TAP	Y	Y	Y			$2,000-6,000	NIET
TN	Benwood Initiative - Hamilton County Schools, Chattanooga		Y				9 Sch.	$7,000-10,000	ECS
TN	Memphis City Schools w/ NLNS	TIF	Y				17 Sch.		ED, NCPI

State	Project Name and Location	TIF/TAP Support	Student Perfor-mance	Teacher Evaluation	Advanced Respon-sibility	High-Need/ Hard-to-Staff	Eligible or Participating Schools / LEAs	Incentive Range or Maximum Amount	Source
TN	Knox County School District	TAP	Y	Y	Y			$2,000-6,000	NIET
TX	Principal and Teacher Incentive Pay Program, Dallas	TIF	Y		Y	Y			ED, NCPI
TX	Aldine Independent School District, Houston		Y			Y		$500-18,000	NCPI, ECS
TX	Austin Independent School District		Y	Y	Y				NCPI, ECS
TX	Strategies for Motivating and Rewarding Teachers, Houston	TIF	Y				27 Sch.	$7,000	ED, NCPI
TX	Teachers and Principals Awarded for Student Achievement, San Antonio	TIF	Y		Y	Y	6 Sch.		ED, NCPI
TX	University of Texas, Austin	TIF	Y			Y	27 Sch.		ED, NCPI
TX	Hays Consolidated Independent School District, Kyle	TAP	Y	Y	Y			$2,000-6,000	NIET
TX	Judson Independent School District, Live Oak	TAP	Y	Y	Y			$2,000-6,000	NIET
TX	Lancaster Independent School District	TAP	Y	Y	Y			$2,000-6,000	NIET
TX	Lytle Independent School District	TAP	Y	Y	Y			$2,000-6,000	NIET
TX	Manor Independent School District	TAP	Y	Y	Y			$2,000-6,000	NIET
TX	Richardson Independent School District	TAP	Y	Y	Y			$2,000-6,000	NIET
WY	Laramie County School District #2	TAP	Y	Y	Y			$2,000-6,000	NIET
WY	Sheridan County School District #2	TAP	Y	Y	Y			$2,000-6,000	NIET
Local Total			**82**	**59**	**58**	**21**			

Source: CRS synthesis of available information based on a review of the literature on pay for performance programs including academic publications, educational press, government documentation, and other sources of information made available by policy centers, associations, and commissions.

Key: NCPI = National Center on Performance Incentives, Policy Information Resource, http://www.performanceincentives.org/statebystate_resources/index.asp;

ED = Department of Education, Teacher Incentive Fund grantee profiles, http://cecr.ed.gov/initiatives/grantees/profiles.cfm;

NIET = National Institute for Excellence in Teaching, Teacher Advancement Program website, http://www.talentedteachers.org/;

ECS = Education Commission for the States, Teacher Compensation Database, http://www.ecs.org/html/educationissues/teachingquality/NCLB-HQTP/t_comp.asp;
TIF = Teacher Incentive Fund;
TAP = Teacher Advancement Program.

Note: Information current as of December 2008. An empty cell indicates data were not available in the materials reviewed for this inventory.

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