



Strategic Compensation Overview and Model Summaries¹

November 14, 2011

I. Overview

Tennessee Department of Education (TNDE) received three federal grants that support strategic compensation. The innovative compensation models being implemented under these grants link teacher and principal pay to performance in over 100 schools in 14 districts: Bradford Special School District (SSD), Hamilton County, Hollow-Rock Bruceton (SSD), Johnson County, Knox County, Lebanon SSD, Lexington City, McMinn County, Metro Nashville Public Schools (MNPS), Putnam County, Shelby County, South Carroll SSD, Tipton County and Trousdale County.

While participant groups and eligibility rules vary, all fourteen districts are providing performance bonuses to highly effective teachers and principals. Most of the plans support instructional leaders and/or provide incentives for teachers to participate in additional professional development. A few of the plans offer recruitment and retention incentives for hard to staff schools and subjects. In addition, four of the 14 districts (Johnson County, Lexington City, Putnam and Trousdale) are implementing district wide alternative salary schedules. Salary increases in 2012-13 for teachers and principals participating in the alternative salary schedules in the four districts will be based on evaluation scores in 2011-12.

II. TIF, IAF and CSF Grants

The Teacher Incentive Fund (TIF) provides \$36 million to support strategic compensation at 106 high need schools in 12 districts over 5 years. The Innovation Acceleration Fund (IAF) provides \$12 million over four years for the development of district wide compensation initiatives in four districts. In 2010-11, the Competitive Supplemental Fund (CSF) awarded funds to assist planning for and development of strategic compensation plans in five districts. The CSF has been modified to support strategic compensation planning and implementation in 2011-12. These three grants will be the primary source of funding for the strategic compensation plans in the 14 districts during the 2011-12 school year. While some districts will use local funds and other grants to support their programs in 2011-12, most will begin funding their strategic compensation programs in 2012-13. By the end of the grant period, the programs will be sustained entirely by local funds.

III. Planning and Approval

The 2010-11 school was designated as a planning year under all three grants. At the conclusion of the planning year, participating districts submitted strategic compensation implementation plans for 2011-12. After review by an external evaluator, TNDE approved the plans. And as required by legislation enacted

¹ For additional information, please contact luke.kohlmoos@tn.gov or trish.kelly@tn.gov.

in 2010, the State Board of Education (SBE) approved the alternative salary schedules proposed by four districts (Johnson County, Lexington City, Putnam County and Trousdale County).

IV. Model Summaries

While the strategic implementation plans prepared by participating districts addressed strategic objectives, stakeholder engagement, communication, professional development, data systems, feasibility and sustainability, the summaries provided in the next section highlight the principal features of the award models being implemented in the 14 districts including funding, eligible personnel, unit of accountability, award criteria and strengths. The four alternative salary schedules are presented in section A. The ten bonus models are presented in section B.

A. Alternative Salary Schedules

Johnson County

Grants Supporting Payouts in 2011-12

- IAF: TIF: \$189,530 CSF: FTTT:

Eligible Personnel

- All certified staff are eligible for the alternative salary schedule
- Principals and tested teachers are eligible for the bonus

Unit of Accountability

- Individual and school

Model

- Base Pay: Increases ranging between 1.1% and 2.1% for evaluation scores of 3-5
- Bonus:
 - Teacher Achievement - \$1000/\$500 for teachers with TVAAS level 5/4
 - Principal Achievement - \$1000/\$2000 for principals and \$1500/\$750 for assistant principals with school effect scores of 5/4
 - Master Teacher - \$500 funded by FTTT

Strengths

- As a TIF grantee, Johnson County was not required to implement an alternative salary schedule but prepared one that differentiates salary increases and bonuses on performance.
- The plan's simplicity promotes transparency. Participants will readily be able to determine whether they qualify for salary increases and bonuses and amounts earned.

Lexington City

Grants Supporting Payouts in 2011-12

- IAF: \$155,878 TIF: \$76,825 CSF: FTTT: \$35,000

Eligible Personnel

- Teachers and principals

Unit of Accountability

- Individual and school

Model

- Base Pay: Increases of 1%-3% for evaluation scores between 3-5
- Bonus: \$500/\$750/\$1000 for teachers/assistant principals/principals in schools that meet or exceed FTTT reading and math school targets
- Coaches and lead, master and mentor teachers to improve instruction and working conditions (full-time mentor teacher and stipends of \$2000 - \$5,000 for other roles)

Strengths

- The alternative salary structure is well designed – it includes multiple measures and meaningful increases that are differentiated based on performance.
- The plan promotes sustainability by freezing the district's salary schedule at 2011-12 levels for all certified staff and restricting future salary increases for those who opt out of the alternative salary schedule to steps and levels within the 2011-12 salary schedule.

Putnam

Grants Supporting Payouts in 2011-12

- IAF: \$1,033, 333 TIF: \$387,825 CSF: FTTT: \$300,000

Eligible Personnel

- Teachers and principals

Unit of Accountability

- Individual, school and district

Model

- Base Pay:
 - Teachers: Increases of 1%-3% for evaluation scores between 3 and 5
 - Principals: Increases of 1%-2% for evaluation scores between 3 and 5 (delayed one year)
- Bonus: Participants earning evaluation scores of 2 or more are eligible for bonus awards,
 - Participants earn \$100 per bonus point, which is earned for contributions in multiple areas:
 - Achievement - combination of individual (TVAAS or school TVAAS (2.5 -10 depending on grade and score), school (TCAP, ACT or safe harbor (3)) and district (% of proficient/advanced special education, safe harbor or EOC(1))
 - Leadership roles (mentor teacher (5), lead mentor teacher (5) and master teacher (15))
 - High need area (special education behavioral (15))
 - Advanced degrees (advanced content degrees (25), STEM coursework (8.3), any advanced degree (10 – one time only)
 - Professional development (.25 per hour of professional development linked to teacher evaluation up to 18 hours)

Strengths

- The plan rewards performance and provides opportunities to improve instruction through coaching and professional development.
- The plan sets achievement targets for a high need area: special education.
- The plan anticipates participation of senior teachers who no longer receive increases through the state salary schedule (those with 20 or more years of service).
- The plan's communication, professional development and data components integrated state and local activities in a thoughtful and thorough manner.

Trousdale

Grants Supporting Payouts in 2011-12

- IAF: \$140,116 TIF: CSF: FTTT:

Eligible Personnel

- Teachers and principals with 19 or fewer years of service are eligible for the alternative base salary schedule
- All teachers and principals are eligible for the bonus available through the alternative schedule

Unit of Accountability

- Individual and school

Model

- Base Pay: Increases of 1.45% - 2.20% for evaluation scores between 3.5-5
- School –Wide Bonus:
 - All participating teachers are eligible
 - Bonus varies with % of school benchmarks met and teacher TIGER evaluation score (Stage 1 – 50%, Stage 2 – 75%, Stage 3 – 100%)
 - Teacher bonuses range from \$114 (Stage 1 and school met 1 benchmark) to \$2500 (Stage 3 and school met all benchmarks)
 - Principal bonuses are awarded in a similar manner except TIGER evaluation scores range between 1 and 4 and the maximum bonus is \$5,000
- Individual Bonus:
 - \$750/\$1000 for teachers in tested subjects in grades 4-12 with TVAAS level 5/4
 - \$500/\$1000/\$1500 for K-3 Reading teachers with Grade 3 Reading scores of 50/52/54
- Teacher Leaders: High school ELA, Math, Science and Civics department heads, elementary and middle school grade level chairs and Stage 3 coaches earn stipends of \$1000/\$1500
- Hard to Staff Positions: Hiring and retention stipends of \$1000-\$2000 depending on subject (special education (moderate and cognitive needs) and high school math foreign languages, language arts, chemistry/physics)

Strengths

- The plan's innovative approach provides the opportunity to earn sizable awards and differentiates base pay increases and bonuses on individual and school performance.

B. Bonus Models

Bradford

Grants Supporting Payouts in 2011-12

- IAF: TIF: \$45,649 CSF: FTTT:

Eligible Personnel

- Teachers and principals who score within the top 3 levels of the local TIGER/TAP evaluation

Unit of Accountability

- Individual and school

Model

Individual Bonus:

- Tested
 - Grade 3 – \$850/\$425/\$425 for meeting proficient/advanced targets in RLA (53.2%) / MA (55%) / SCI (55%) and \$125/\$125/\$125 for principals in PK – 6 schools that achieve these targets
 - Grades 4-12 -- \$1000/\$750 for TVAAS level 5/4
- Non-Tested
 - Grade PK-2 Core Teacher – \$235/\$235/\$235 for Grade 3 meeting proficient/advanced targets in RLA (53.2%) / MA (55%) / SCI (55%)
 - Non-Core PK-12 -- \$700 for TIGER level 4

School Bonus: available to all teachers and principals in schools meeting targets

- TVAAS and TCAP- \$500 for principals with school composite level 5/4 and \$125 /\$125 /\$125 for principals in PK – 6 schools meeting proficient/advanced targets in RLA (53.2%) / MA (55%) / SCI (55%)
- Explore - \$350 / \$400 teachers / principals in schools in which 50% or more students meet all targets
- Grad Rate - \$200 / \$375 for all teachers / principals in 7-12 schools with graduation rates that are greater than or equal to 98%
- ACT - \$300 / \$400 for teachers / principals in 7-12 schools that score above the predicted score (NDD is not rewarded)
- Writing - \$450 for PK-6 teachers and \$300 for 7-12 teachers and principals in schools that exceed the state average

Strengths

- The plan rewards performance on a variety of achievement measures.

Hamilton

Grants Supporting Payouts in 2011-12

- IAF: TIF: \$523, 298 CSF: FTTT:

Eligible Personnel

- Teachers and principals with effective and highly effective evaluation ratings

Unit of Accountability

- Individual and school

Model

- Tested Teachers: – individual awards for K-12 (\$5000)
 - K-1 - 80% level C/H on Fountas and Pinnell
 - 2-3 – top 20% in local gain in Reading / Math (\$2500 each or \$5000 if teach one all day)
 - 4-5 - level 4 or 5 value-added in Reading/Math (\$2500 each or \$5000 if teach one all day)
 - 6-8 - level 4 or 5 value-added in Reading or Math (\$5000)
 - 9-12 - level 4 or 5 value-added in English II or Algebra I (\$5000)
- Tested and Non-Tested Teachers: earn bonuses of \$500 when school meets achievement benchmark which varies by level
- Principals/Assistant Principals: earn bonuses for value-added gains in top 20% (\$10,000/\$5,000)

Strengths

- The model rewards performance.
- Award sizes are significant for tested-teachers and principals/assistant principals.

Hollow Rock-Bruceton

Grants Supporting Payouts in 2011-12

- IAF: TIF: \$66,804 CSF: FTTT:

Eligible Personnel

- Teachers and principals with evaluation scores that range between 2 and 5

Unit of Accountability

- Individual and school

Model

- Student Performance: varies by assignment
 - \$2500/\$1250 for teachers with TVAAS level 5/4
 - \$1500/\$750 for teachers in non-tested subjects with school effect scores of 5/4
 - \$1500/\$750 for principals in schools with TVAAS scores of 5/4
- Professional Growth – \$1000/\$750 for teachers with evaluation (TAP) scores of 5/4 and \$750 for principals with evaluation scores of 5 or 4
- Environment – 2 measures for teachers and 1 for principals
 - Teacher Attendance – bonus of \$400 if miss only 0-2 days
 - Utility Usage - \$200 for teachers and principals who achieve 25% utility savings

Strengths

- The model includes multiple measures including some innovative ones such as teacher attendance and utility savings that might promote sustainability.
- The professional growth component, which is based on evaluation scores, is performance based.

Knox

Grant Funding

- IAF: \$1,500,000 TIF: \$516,618 CSF: FTTT: \$2,500,000

Eligible Personnel

- Teachers (tested and non-tested), principals, assistant principals, other certified staff (librarians, media specialists, guidance counselors, psychologists, social workers and speech therapists) and acting assistant principals (leadership academy fellows and others serving as assistant principals)

Unit of Accountability

- Individual and school

Model

- District wide bonus program that also includes instructional support positions for all schools and school support for high performing schools
- Individual Bonuses of \$1500 or \$2000 for teachers and principals with index values greater than or equal to 65 and 80, respectively
 - Teachers: 35% Observation (TAP) + 35%(35%TVAAS + 15% Other Student Achievement)+ 20% Leadership (varies with level of leadership (Supporter, Planner, Promoter, Sustainer) + 10% High Needs School (varies with school poverty rate and years employed in school)
 - Administrators: 35% Observation (TAP) + 35% (35%TVAAS + 15% Other Student Achievement)+ 20% Adequate Yearly Progress (AYP) + 10% School Poverty
- School awards \$10,000/\$5,000 for top performing schools at each level (elementary, middle and high) to support equipment, professional development and instruction
- Coaches and lead, master and mentor teachers to improve instruction and working conditions (from \$2,500 to \$6,000 depending on role)

Strengths

- This comprehensive plan integrates strategic compensation initiatives for existing TAP schools, TAP schools funded under a local TIF grant, schools funded under the state TIF grant and IAF district wide funds.
- The model incorporates multiple measures and includes an innovative approach to teacher leadership measures.
- Input was sought from stakeholders in focus groups, which were transcribed and provided extensive feedback.

Lebanon

Grants Supporting Payouts in 2011-12

- IAF: TIF: \$70,405 CSF: FTTT:

Eligible Personnel

- Teachers and principals

Unit of Accountability

- Individual and school

Model

- Teachers: Eligibility limited to participants with 2-4 Tiger evaluation scores
 - Student Performance: \$3000/\$1500 for tested teachers with TVAAS level 5/4 and \$1500 for non-tested teachers in schools with TVAAS level 5 or 4
 - Professional Development: \$25 for up to 10 hours for all teachers participating in pre-approved professional development beyond the required hours
 - Leadership: \$600 for Stage 3 teacher leaders
- Principals: \$3000/\$1500 for principals and assistant principals for 5/4 school effect scores

Strengths

- The plan includes multiple measures – achievement rewards, professional development incentives and mentor teacher support.
- The plan and bonus determination are easy to understand.

McMinn

Grants Supporting Payouts in 2011-12

- IAF: TIF: \$425,319 CSF: FTTT:

Eligible Personnel

- Teachers and principals

Unit of Accountability

- Individual and school

Model

- PLC and Instructional Support: incentives for PLC leaders (\$2000), teacher advisors (\$1000), instructional coaches (\$8000) and tutors (\$1350)
- Professional Development: reimburse expenses of National Board Certification, advanced content coursework and best practice training subject to individual and system caps
- Rewarding Principals: bonuses of \$5000/\$1250 for principals and assistant principals in schools that meet all state and federal benchmarks
- Recruitment and Retention
 - Hard to Staff Subjects: stipends of \$3000 to \$6000 depending on subject
 - Effective Principals: stipends of \$2500 for senior principals who mentor new principals
 - Turnaround Principal: stipend of \$10,000 per year for 3 years

Strengths

- This interesting plan attempts to “grow” teachers and principals through instructional and leadership support.
- The plan contains performance bonuses for principals and recruitment/retention bonuses for hard to staff subjects and turnaround principals.
- The plan rewards high performing teachers by limiting PLC, instructional support and professional development enhancements to teachers with evaluation scores of 4 or 5.
- Award amounts are sizable.

Metro Nashville Public Schools

Grants Supporting Payouts in 2011-12

- IAF: TIF: \$1,748,038 CSF: FTTT:

Eligible Personnel

- Teachers and principals

Unit of Accountability

- Individual, team and school

Model

- Evaluation: all teachers earn a bonus of \$1000 for evaluation scores of 4 or 5
- TEAM: Tested Teachers: earn an additional bonus for meeting TCAP/ACT subject/grade/school benchmarks
- AYP: all teachers earn \$500 bonus if school makes AYP
- Graduate Education: \$600 stipend for tested teachers taking graduate courses
- Principals/Assistant Principals – similar approach but higher maximum awards (\$5500/\$4000)

Strengths

- The model integrates individual, team, and school awards.
- The maximum awards are sizable for tested (\$3600) and non-tested teachers (\$1500).
- The district will use a formal inspection process for TIF schools.

South Carroll

Grants Supporting Payouts in 2011-12

- IAF: TIF: CSF: FTTT/IIA: \$6,000

Eligible Personnel

- Teachers and principals

Unit of Accountability

- Individual and school

Model

- Individual
 - Educator Effectiveness - \$900/\$450 for teachers with level 5/4 from evaluation
 - Professional Growth - \$25 per hour for approved PD beyond required 30 hours
 - Stakeholder Well Being - \$300 for 0-2 absences/ \$150 for 3-5 absences
- School/District - the district is comprised of 32 certified staff in one school
 - Value added - \$450 if 90% of students meet or exceed state average
 - ACT- \$300 if mean score is 19.6 or higher
 - Grad Rate - \$300 for all staff for achieving a rate of 98% or more
 - Student Survey - \$150 for survey results of 5% or more

Strengths

- The plan contains multiple achievement (value-added, ACT, graduation rate) and other measures (evaluation, professional development, attendance, and student survey).
- The maximum teacher award is substantial (\$3000).
- The district prepared the strategic compensation plan even though it did not have implementation funds. The district continues to seek implementation funds.

Shelby

Grants Supporting Payouts in 2011-12

- IAF: TIF: \$862,885 CSF: FTTT:

Eligible Personnel

- Teachers and principals

Unit of Accountability

- Individual and school

Model

- Student growth/achievement:
 - Teachers:
 - Tested - \$1400/\$700 for teachers with teacher effect scores of 5/4 and \$1400/\$700 for AP teachers whose students meet Tier 1 and Tier 2 achievement targets (% of students with 3-5 on AP exam greater than or equal to 25.8% (Tier 1) and between 24.8-25.7 (Tier 2)).
 - Non-Tested - \$500 for school level effect of 5 or 4
 - Tested and Non-Tested
 - TCAP: All teachers in the top two TIF schools in MA and RLA growth at the elementary and middle school levels earn bonuses of \$500/\$300
 - Evaluation: \$500 for all teachers with evaluation scores of 5 or 4
 - Principals and Assistant Principals:
 - TCAP: principals and assistant principals in top two schools at each level earn \$1000/\$750
 - Graduation Rate: \$500 for high school graduation rate of 94.5% or more
 - EOC- \$500 for EOC level 5 or 4
 - Evaluation: \$1000 for principals and assistant principals with evaluation scores of 5/4
- Professional Development - \$25 for up to 10 hours for all teachers participating in pre-approved professional development beyond the required hours.

Strengths

- The plan includes multiple measures – achievement rewards and professional development incentives.
- The plan and bonus determination are easy to understand.

Tipton

Grants Supporting Payouts in 2011-12

- IAF: TIF: \$477,649 CSF: FTTT:

Eligible Personnel

- Teachers and principals

Unit of Accountability

- Individual, school and district

Model

- Student growth/achievement:
 - Tested:
 - \$2200/\$1100 for elementary/middle with teacher effect of 5/4 plus \$1000/\$500 for school effect level 5/4
 - \$2200/\$1100 for high school with teacher effect scores of 5/4 plus \$500 for school ACT above predicted plus \$500 for grad rate of 95% or more plus \$500/\$250 for school effect scores of 5/4
 - Non-Tested:
 - \$1500/\$500 for elementary and middle non-tested teachers for school effect level 5/4
 - \$500 for high school non-tested teachers in schools with ACT above predicted plus \$500 for grad rate of 95% or more plus \$500/\$250 for school effect level/5/4
 - \$1400/\$700 for teachers in alternative schools for district level 5/4 plus \$575 for district graduation rate of 95% or more plus \$575 if district makes AYP
 - Principals and assistant principal bonuses are similar to teacher bonuses but are set at higher levels.
- Professional Development - \$25 for up to 10 hours for all teachers participating in pre-approved professional development beyond the required hours

Strengths

- The bonus model includes multiple measures including achievement rewards of varying types (value-added, ACT, graduation rate) as well as professional development incentives.
- The model complements General Fund compensation initiatives for alternative schools and FTTT incentives for teachers in elementary, middle and high schools that make AYP.