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Performance-based Compensation: Focus on Special Education Teachers

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INTRODUCTION

The purpose of this document is to describe states' work in the area of performance-based compensation with a focus on special educators, including how teacher evaluation informs compensation decisions, support given to local education agencies (LEAs), variables used to make compensation decisions and how performance-based compensation is funded.

This analysis was conducted by Project Forum at the National Association of State Directors of Special Education (NASDSE) as part of its cooperative agreement with the U.S. Department of Education's Office of Special Education Programs (OSEP).

BACKGROUND

One component included in many education reform proposals is "performance-based compensation" for teachers. This idea has been controversial for many reasons, including a long-standing debate about the accuracy of measuring "performance." Some people submit that performance-based compensation is the best way to keep excellent teachers, while others believe that this method of teacher incentives alone will, in the long term, become a disincentive due to morale problems (e.g., setting numerical goals without giving educators a method for reaching them creates frustration, [Deming, 1993]) and factors beyond teachers' control (e.g., no control over who is assigned to their classes). Either way, performance-based compensation will continue to be debated as changes in methods of teacher evaluation are proposed and measurements become more valid and reliable.

Teacher evaluation becomes a high stakes endeavor for teachers when it is linked to pay. One method of measuring teacher effectiveness is value added modeling, a statistical method used to determine a summary score of teacher effectiveness by comparing expectations for future student achievement based on past performance with actual student achievement and attributing the difference in achievement to a teacher. There is no evidence that value added modeling can accurately measure teacher performance when more than one teacher works with a student.¹ Therefore, experts agree that teacher evaluation, including performance

¹ Information about value added modeling was received through e-mail from Lindsay Jones, Esq. on March 1, 2011. More information about this topic can be found from *Roundtable Discussion on Value-Added Analysis of Student Achievement: A Summary of Findings* at http://www.tapsystem.org/pubs/value_added_roundtable_08.pdf.

reviews or value-added evaluations of any type (i.e., evaluation based on the value teachers contribute to their students' learning), should not be used alone when making important decisions about monetary awards or continued employment (Glazerman, 2010). The Obama administration's plan for reauthorization of the Elementary and Secondary Education Act, *A Blueprint for Reform: The Reauthorization of the Elementary and Secondary Education Act*, proposes statutory changes that would require states to develop statewide definitions of 'effective' and 'highly effective' teachers and principals that are based in significant part on student growth measured by test results.

According to a study by the New Teacher Project (2010), most districts are using binary evaluations (i.e., satisfactory/unsatisfactory) and 99% of teachers receive a satisfactory rating. This type of evaluation clearly is not sensitive enough to make important decisions such as salary changes. Teacher evaluations linked to student achievement reveal other issues such as how to evaluate the approximately 69% of teachers who do not teach a tested subject or grade level (Prince, et. al., 2009) or defining the teacher of record (i.e., the teacher(s) who is accountable for each student's achievement). Teacher of record and a high-quality teacher-student data link are key to linking evaluation and/or compensation to student achievement and assigning accountability for student achievement.

Specific evaluation challenges exist for special education teachers. Evaluation challenges for special educators are consistently related to a variety of roles and responsibilities special educators are assigned. This includes working in consulting roles, with teams of teachers, in co-teaching roles, or all of the above at the same time. Other challenges include the range of student ability and academic attainment assigned to one teacher during one class. In order to quantify special educators' performance and develop a performance-based compensation process, these challenges must be addressed. The National Comprehensive Center for Teacher Quality's research on teacher evaluation models and teacher quality found that few evaluation models have addressed the challenges associated with evaluating specialty area teachers (i.e., special educators and teachers of English language learners), particularly the challenges in accurately measuring achievement for these students and linking student achievement to teachers (July 2010).

DATA COLLECTION

Project Forum, in collaboration with the National Comprehensive Center for Teacher Quality, the Center for Educator Compensation Reform and the Council for Exceptional Children, developed a survey instrument designed for state education agency (SEA) staff. Project Forum conducted this survey of all states, including the District of Columbia and outlying territories (hereafter referred to as states), during the months of December 2010 and January 2011 using Zarca Interactive[®] (an online survey management program). Project Forum received responses from 35 states. Respondents were state directors of special education or members of their staffs. Data were analyzed using Zarca and the survey findings are reported in the remaining sections of this document.

SURVEY FINDINGS

State Performance-based Compensation Systems

Eleven of the 35 responding SEAs reported playing a role in a performance-based compensation system for some teachers. Responses from states that are currently involved in implementation or have decided not to implement such a system are as follows:

- Eight of the 11 states (*Delaware, Florida, Georgia, Massachusetts, Nevada, North Dakota, Utah and Virginia*) described their stage of implementation as being in the exploration stage.
- Three of the 11 states (*Louisiana, Minnesota and South Carolina*) are in initial or full implementation.
- Four other states (*Connecticut, Idaho, Kansas and Wyoming*) have either considered and rejected, or ended, involvement in performance-based compensation.

When asked at what stage of development each state was in the design of a teacher-student data link, responses were as follows:

- Fourteen states are in the exploration stage of designing a teacher-student data link.
- Four (*Nebraska, North Dakota, Rhode Island and Tennessee*) are in the installation stage.
- Nine (*Connecticut, Florida, Idaho, Indiana, Maryland, Pennsylvania, South Carolina, Utah and Wyoming*) are in the initial implementation phase.
- Four states (*Louisiana, Mississippi, Missouri and West Virginia*) are fully implementing this linkage.

Sixteen states have adopted a definition of “teacher of record” (i.e., an educator who is responsible for a specified proportion of a student’s learning activities that are within a subject/course and aligned with performance measures). Both teacher-student data links and identification/use of “teacher of record” are essential to assigning accountability for student achievement to teachers, including special educators.

Twenty-two states have changed or are considering changing their teacher evaluation system to implement performance-based compensation.

Inclusion of Special Education Teachers in the System

Of the 11 states that have a role in performance-based compensation, only three currently include special education teachers in their system (*Louisiana, Minnesota, and South Carolina*). These states are in the developmental stages or initial or full implementation. All eight of the other states with compensation for some teachers expect that special educators will be included in their system (*Delaware, Florida, Georgia, Massachusetts, Nevada, North Dakota, Utah and Virginia*).

Criteria for awarding compensation

States described a variety of means for determining the criteria used for awarding compensation in each of the three states that are currently including special education teachers in their systems (*Louisiana, Minnesota and South Carolina*):

- *Louisiana* included higher education representatives, administrators, teachers, community members, business people, professional organizations, superintendents and personnel directors in the process of determining criteria.
- *Minnesota’s* LEAs have control over the components of their own applications to participate in the state’s compensation system, but must follow guidelines for the program established by the *Minnesota* legislature. Applications are developed by LEA-level teams that usually consist of teaching staff and building and LEA administrators.
- *South Carolina’s* criteria were developed by a collaboration between the Milken Family Foundation’s National Institute on Excellence in Teaching; the SEA; LEA

administrators, principals and teachers (all levels and content areas) and the state legislature.

Louisiana's system provides special educator compensation through rewards for groups of teachers, whereas *Minnesota* and *South Carolina* provide special educator compensation both individually and through group awards. All three of these states award compensation to groups of teachers, including special educators based on student's growth on large-scale standardized achievement tests.

Minnesota awards performance-based compensation to individual special educators based on the following criteria:

- taking on additional responsibilities (e.g., mentoring, peer assistance, after-school work);
- student achievement toward individualized education program (IEP) goals;
- formative teacher observations;
- students' growth on standard measures of performance such as curriculum-based measures in grades and content areas not tested with large-scale standardized achievement tests; and
- students' proficiency levels on large-scale standardized achievement tests.

Minnesota's compensation system allows for differences in these criteria for special education teachers. Criteria for special education teachers to be included in the compensation system is decided at the local level as long as the compensation is based on three of the payout elements of the state system: schoolwide student achievement goals; measures of student achievement (individual or small group goals based on student achievement); and the level of proficiency as demonstrated during three formal observations.

South Carolina awards compensation to individual special educators based on the following criteria:

- graduate degrees and/or advanced credentials;
- years of experience and/or National Board Certification;
- taking on additional responsibilities;
- formative teacher observations; and
- students' growth on large-scale standardized achievement tests (e.g., value added or other growth models).

Performance-based compensation funding

Louisiana funds its performance-based compensation system for special educators using a variety of federal funds (e.g., Individuals with Disabilities Education Act [IDEA] and Elementary and Secondary Education Act [ESEA] Title I and Title II), as well as state and foundation funds. LEAs are able to use the federal Teacher Incentive Fund to supplement state support. *Minnesota* uses a combination of state and potential local levy funds to support its compensation system for special educators. *South Carolina* uses ESEA Title II funds and its LEAs use the Teacher Incentive Fund to finance their systems.

Plans for states not yet including special education teachers

As mentioned above, although only three states are already including special education teachers in their performance-based compensation systems, eight other states (*Delaware, Florida, Georgia, Massachusetts, Nebraska, North Dakota, Utah* and *Virginia*) plan to include

them in the future. Few of these states had plans for how to fund this inclusion, but two expect that LEAs might use the Teacher Incentive Fund, three states might use Race to the Top funds and three might use state funds.

While most states planning to include special education teachers in their performance-based compensation system are too early in the development, three states (*Utah, Florida, and North Dakota*) have considered some criteria for how they will compensate individual educators. At least two of these states will look at each of the following:

- whether special educators are teaching in 'hard -to-staff schools';
- possession of National Board Certification;
- taking on additional responsibilities;
- student achievement on IEP goals;
- goal-driven professional development completion;
- students' growth on standard measures of performance, such as curriculum-based measures in grades and content areas not tested with large-scale assessments;
- students' growth on a large-scale standardized achievement test (e.g., value added or other growth models); and
- students' proficiency levels on a large-scale standardized achievement test.

In the area of awarding compensation to groups of teachers, including special educators, four of the eight states that are planning to include special educators in their systems are at such an early stage of development that they have not considered these criteria. Four states (*Delaware, Florida, North Dakota and Utah*) have considered some criteria. These states will likely review students' growth on a large-scale, standardized achievement test (e.g., value added or other growth models) in their compensation award for groups of teachers. *Delaware* mentioned that it had a taskforce working to develop the criteria and will use a percentage of the state assessment as one portion of the formula to compensate groups of teachers. Only *Utah* indicated that it is likely to consider students' growth in grades and content areas not assessed with large-scale, standardized achievement tests. *Utah* and *Florida* are likely to consider students' proficiency levels on standardized achievement tests.

Florida and *Utah* plan to involve parents, building administrators, LEA administrators and special education teachers in the development of a performance-based compensation system for special educators. *Virginia* has already been involving a variety of stakeholders in this planning. *Nevada* believes that roles of stakeholders will vary depending on the LEA. In *Delaware*, special education teachers, speech pathologists, school psychologists and social workers will identify the multiple measures to be considered for each of their specific groups.

Additional State Information

As a result of legislative action, *Maryland* is developing requirements for a model of linking teacher evaluation to student performance. The governor has appointed a council that is looking at the issues and will make recommendations. The regulations are pending. LEAs will be required to use a model linking teacher evaluation to student performance. A portion of that model will be locally determined so LEAs will have flexibility in how teacher evaluation and teacher compensation are linked. *Maryland* is also conducting focus groups around the issues of non-tested subject areas and assessment of English language learners and students with disabilities to identify recommendations for input into the Maryland Council on Educator Effectiveness.

In *Nevada*, collective bargaining exists as a legislative mandate at the LEA level, so no detailed work on performance-based compensation exists at the state level. Throughout the state, there is leadership for development of legislation to address educator effectiveness that could be used for performance-based compensation. Two specific counties, Clark County and Washoe County, are engaging in 'pay for performance' discussions.

In *Colorado*, Denver Public Schools has been implementing a performance-based compensation system for all teachers, including special educators. This system focuses on group goals and professional development surrounding achievement and will be moving in the direction of directly tying compensation to student achievement. *Minnesota* has 104 LEAs implementing performance-based compensation programs and they all must include special educator teachers in their systems.

CONCLUDING REMARKS

Performance-based compensation has been a topic in education in general, and special education specifically, for decades (Houston & Howsam, 1972). It appears that the topic will continue as a reform proposal for the upcoming reauthorization of ESEA and possibly IDEA. Possibly because issues around this topic are many and profound, few states are involved in performance-based compensation in any way (e.g., policy or training). Even fewer states include the complex concept of how to ensure equity in performance-based compensation for special educators. As states begin implementing these types of compensation systems and unveil how successful they are with their inclusion of special educators in them, other states and school districts will be able to learn from their initiatives and be better situated to develop their own policies and practices with respect to performance-based compensation systems.

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