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*Pay for Performance in the Pittsburgh
Public Schools:
Will it Pay Off?*

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Key Findings

- Pay for performance for teachers—a device that adjusts salaries or provides compensation to reward higher levels of performance—is becoming more widespread across the nation. There are Federal, state, and/or local incentive programs for educational personnel in 25 states.
- Two programs in Pennsylvania, one in Philadelphia and one in Pittsburgh, have used Federal money from the Teacher Incentive Fund to spur pay for performance.
- A pay for performance program in the Pittsburgh Public Schools for principals has been in place for several years and last year handed out \$385,000 in bonus pay.
- The establishment of the incentive program for principals led the school board to ask to extend performance pay to teachers.
- The District's successful proposal to the Gates Foundation mentioned pay for performance as an integral part of improving teacher effectiveness, but noted that the Pittsburgh Federation of Teachers would have the final say through collective bargaining.
- The negotiated five year contract between the District and the teachers' union contains several programs through which teachers can boost their pay by improving student achievement. Individual pay for performance is voluntary for current teachers, and there is a school based pay plan where bonus money would be distributed equally amongst the staff.
- Newly hired teachers have opportunities to make additional money after four years in the District, with student achievement as the primary driver.

Introduction

November 18, 2009 will be recalled as quite an important date for the Pittsburgh Public School District (PPS). It was on that evening that the School Board's Committee on Education met in a special legislative meeting to accept a \$40 million grant from the Bill and Melinda Gates Foundation to support implementation of its plan to improve the District's teachers.

A key component of the teacher improvement plan is the concept of tying teacher pay to student achievement, known as pay for performance or merit pay. A radical concept that faces stiff opposition from national and local teacher unions, the PPS board and administration raised the possibility of pay for performance a year before it won the foundation grant. Now with a new five year contract agreement with the Pittsburgh Federation of Teachers (PFT) in place we can see how the proposal looks.

This report examines the concept of pay for performance, its prevalence nationally, and how it has been adopted in the PPS.

What is Pay for Performance?

As described by the Education Resources Information Center, pay for performance is “in the broadest sense a generic term for any device that adjusts salaries or provides compensation to reward higher levels of performance”. This is expanded upon by the National Center on Performance Incentives which notes “pay-for-performance diverges from [the] traditional compensation system by rewarding educators for performance.”¹

Teachers can be measured on the “input” side of the equation—how well they manage a classroom, lesson prep, instructional techniques, and can often make differential pay by taking on additional duties, including mentoring new teachers—or on the “output” side of the equation, which correlates the compensation of the teacher with student achievement.

Proponents of pay for performance models note that “in the short term, it will motivate current educators to adapt their professional practice to address performance criteria...[and] in the long term, incentive pay may attract to the profession a new set of talented individuals”. Opponents note that “incentive pay systems may be harmful to the collaborative culture of the teaching profession or encourage undesirable instructional practices, such as teaching to the test”.²

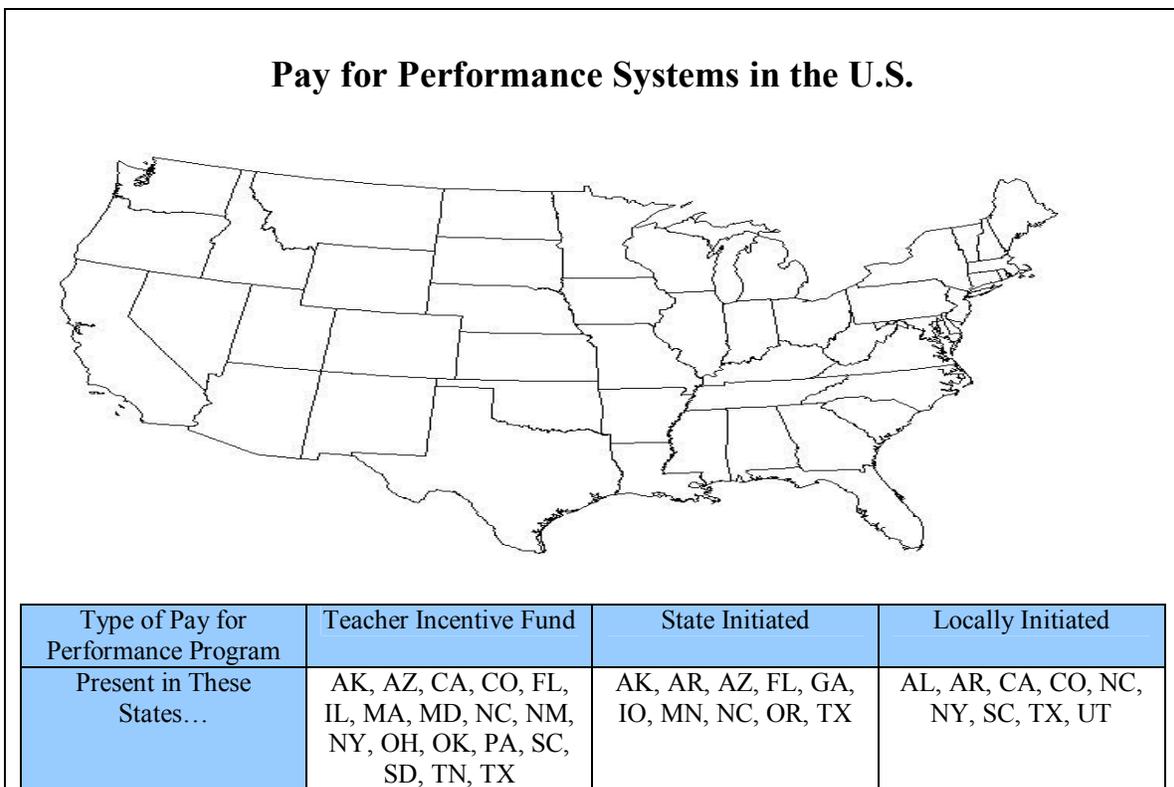
¹ Thomas Ellis “Merit Pay for Teachers” ERIC Clearinghouse on Educational Management (www.ericdigests.org/pre-922/merit.htm). National Center on Performance Incentives “Frequently Asked Questions” (http://www.performanceincentives.org/about_ncpi/faq.asp)

² Sara Hayburn, Jessica Lewis, and Gary Ritter “Compensation Reform and Design Preferences of Teacher incentive Fund Grantees” National Center on Performance Incentives (http://www.performanceincentives.org/news_events/detail.asp?pageaction=ViewSinglePublic&LinkID=526&ModuleID=25&NEWSPID=1)

How Widespread are Pay for Performance Programs?

At the forefront of the pay for performance movement in recent history is the Teacher Incentive Fund (TIF) which began in 2006 by the U.S. Department of Education and is now a \$600 million program that aims to improve student achievement by increasing the effectiveness of principals and teachers, to reward personnel for improving student achievement, and to increase the quality of teaching in hard to staff schools and subject areas.³

In addition to the TIF there are a variety of state initiated and state funded pay for performance plans that can be targeted statewide, for certain districts, or even certain schools. There are also locally initiated district level plans that draw upon local tax money or foundation grants to fund pay for performance.⁴



Two school districts in Pennsylvania are recipients of money from the TIF: the Philadelphia School District for a program called Promoting Excellence in Philadelphia Schools, and the Pittsburgh Public Schools for the Principal Incentive Program, which acts as a starting point for our discussion on pay for performance in the PPS.⁵

³ Ibid

⁴ National Center on Performance Incentives, State by State Resources. Phone conversation with Cate Gardner, Research Coordinator. (http://www.performanceincentives.org/statebystate_resources/index.asp)

⁵ Ibid. The Philadelphia program is for 11 schools during the 2009-10 school year. The TIF program provides bonus awards to teachers, administrators, and other instructional personnel based on student performance, acquisition of knowledge and skills, and extra responsibilities. The School District of

Pay for Performance in the PPS

The City School District has a pay for performance program for principals that has been in place for several years and has provisions contained in the new collective bargaining agreement with the PFT. How strong is the connection between the pay for the employee and student achievement in these programs? The section below details the programs and attempts to build a schematic to classify them.

Principals

In order to achieve the goal of paying more for better results and getting better principals into lower performing schools, the PPS rolled out a pay for performance plan for principals in 2006, beginning with those at the District's eight accelerated learning academies.

Following an across the board raise in March of 2007, the pay for performance plan was extended to all principals. This moved the District's nearly 70 elementary, middle, and high school principals from "annual 'across the board' increases or a 'salary step' system, where principals receive pay increases for time on the job or movement through the system". A performance increment of up to \$2,000 annually is awarded if the principal is assessed as proficient and becomes part of base salary. An achievement bonus of up to \$10,000 can be earned annually based on demonstrated growth in student achievement. This is quite a change for a group of employees whose base salary ranges from the high \$90,000s to the mid \$100,000s.⁶

At the time of the initial expansion the president of the District's principals' association (not a union) said "if done correctly, it will reward principals that are going the extra mile". In the 2007-08 school year \$318,000 in pay for performance bonus money was handed out to 66 principals. On average that translated to \$4,800 per principal, and the range of bonuses went from \$1,800 to over \$11,000. In the 2008-09 school year the total was \$302,000 (\$385,000 altogether when seven central office administrators are added to the total) in bonuses handed out to 68 principals. The average was just over \$4,400 and the range went from \$420 (lower than the previous school year) to over \$13,000.⁷

The superintendent said that "when the District has a good year, it's because the principals have a good year". It was at this program that generated the idea of extending pay for performance to teachers in the PPS.⁸

Philadelphia also uses funds for teacher recruitment and retention efforts. In 2009-10, the district's TIF grant provides approximately \$7.1 million.

⁶ Pittsburgh Public Schools, Principal Incentive Program "Performance Based Compensation" (<http://www.pps.k12.pa.us/14311043013230450/blank/browse.asp?a=383&BMDRN=2000&BCOB=0&c=62428&14311043013230450Nav=|&NodeID=4964>)

⁷ Ibid

⁸ Joe Symdo "Performance Pay Slated for City Principals" *Pittsburgh Post-Gazette* March 23, 2007 and "City Schools Dishing Out \$385,000 in Merit Bonuses" *Pittsburgh Post-Gazette* October 15, 2009

Teachers

Not long after the PPS began the principal incentive program the idea of possibly extending pay for performance to teachers and other employees was put forth. Noting that “people need to see the reward because it gives them the incentive to do more” the president of the PPS board described the extension as a goal for the superintendent.

Specifically, the board’s language, contained in the 2008-09 superintendent goals under long range planning was to “work towards a plan to extend performance based system to other PPS employees, especially to teachers”. It was acknowledged that such a change would be subject to collective bargaining and, at the time, the teachers’ contract had more than a year left on it⁹

Note that the board’s goal did not have a specific target attached to it, so what exactly the end purpose that was to be accomplished is unknown. Did they just want to see an effort towards developing a plan? Did they want all teachers to be included, just existing teachers, or new hires after a certain date? Did they want 10 percent by a certain date in time? Again, it is not known what the board specifically wanted.

Two critical events followed the establishment of the goal. The first was the District’s receipt of a \$40 million grant from the Gates Foundation to work toward its teacher effectiveness plan. As outlined in a board resolution from the November 2009 meeting, the Gates Foundation money “will support the District’s plan to dramatically improve student achievement and college-readiness rates by making changes in policies and practices to ensure that all students have an effective teacher throughout their academic career”¹⁰.

The winning proposal—a document titled “Empowering Effective Teachers in the Pittsburgh Public Schools”—contained the vision that “Pittsburgh’s teachers will be empowered as effective leaders to do whatever it takes to foster a culture of striving, resilience, and college readiness so that over 80 percent of all students complete a post-secondary degree or workforce certification”. It also noted that

With the goal of improving the academic achievement of all students, and recognizing the importance of rewarding teachers for their efforts to achieve that goal, the district and the PFT commit to developing a valid and equitable performance pay plan that encourages teachers to achieve consistently strong student achievement results. *The plan will correlate teacher compensation with demonstrated student achievement...This is an important step for Pittsburgh, as nearly all of*

⁹ Pittsburgh Public Schools, Superintendent’s Goals for 2008-09. Joe Symdo “City Schools to Look at Teacher Incentive Pay” *Pittsburgh Post-Gazette* November 24, 2008

¹⁰ Pittsburgh Public Schools, Committee on Education Special Legislative Meeting, November 18, 2009. Resolution #1, “Intensive Partnership for Effective Teaching Grant Acceptance” (<http://www.pps.k12.pa.us/143110127101918110/lib/143110127101918110/Board%20Minutes/2009/11-18-09.pdf>)

*PPS teacher compensation (97% in 2008) is driven by salary schedule, which is based on factors that research demonstrates are not linked to student achievement: teachers' educational attainment and years of service. (emphasis added)*¹¹

In addition to an unclear PPS board goal of just how expansive or widespread the pay for performance system for teachers was to be was the fact that, unlike principals, the PFT would have to ratify any pay for performance proposal through collective bargaining.¹²

The second critical event came with the announcement of the tentative contract agreement between the District and the PFT and its ratification in June of 2010. There are a variety of contract stipulations for current teachers and those teachers hired after the effective date of the five year agreement, which is July 1, 2010.¹³

For current teachers, there are school-based programs tied to student achievement (STAR) in which teachers can earn a \$6,000 bonus and other PFT represented personnel can earn a \$2,000 bonus if the school ranks in the top 15 percent of all Pennsylvania schools for student achievement; pay for performance for individual teachers in a voluntary, pilot program (VIEW) in which the teacher can earn up to \$8,000 as a bonus if student achievement goals are met, and team teaching targeted at results for 9th and 10th graders (PRC) and bases incentive pay on student results and distributes it on a proportional basis.¹⁴

There are other programs for current teachers that can result in differential pay but are not explicitly tied to student performance: programs aimed at getting effective teachers to assist other teachers (Clinical Resident Instructors (CRI), Instructional Teacher Leaders (ITL), and Learning Environment Specialist (LES)) and paying them a differential for it; a program that gets effective teachers into troubled elementary and middle school classrooms (Turnaround Teachers (TT)); programs that award bonuses to teachers at the top of the salary scale if the District achieves Adequate Yearly Progress and incentive pay for those teachers willing to take on enrichment periods. Even new teachers hired after July 1, 2010 are placed on a new career ladder system but there is no connection between pay and student achievement until the teacher undergoes his first evaluation in the fourth year of employment. After that there are opportunities for higher pay linked to

¹¹ Pittsburgh Public Schools “Empowering Effective Teachers in the Pittsburgh Public Schools” (http://www.pps.k12.pa.us/143110824102116477/lib/143110824102116477/downloads/PPS_Empowering_EffectiveTeachers_FINAL090731_1500.pdf)

¹² Ibid. For instance the plan notes “although PPS and PFT leadership support the initiatives contained in this proposal, the PFT membership will be the final voice on collective bargaining issues” and “...the district and the PFT have agreed to move forward with the development of a performance-based pay system. The elements of the plan, particularly the financial components, must be agreed upon in a process that fulfills collective bargaining requirements...PPS and PFT feel confident of success because of their common goal to elevate teacher compensation so it recognizes and rewards teachers who contribute to student growth. However, while PPS and PFT leadership support the initiatives related to collective bargaining measures here, the PFT membership will be the final voice on these initiatives”.

¹³ Pittsburgh Federation of Teachers, “Teachers/Professionals Tentative Collective Bargaining Agreement between the Pittsburgh Federation of Teachers and the Pittsburgh Board of Education”

¹⁴ Ibid

student achievement and additional roles that are offered as part of being an effective teacher under the value added model to be designed by the PPS. Because of their weaker link between teacher pay and student achievement they are not considered as examples of pay for performance.¹⁵

There are drawbacks to the programs that do have the strongest connection to pay for performance—STAR, VIEW, and PRC. STAR rewards all teachers at a given school, even though all the teachers may not have been the drivers behind gains in enrollment. This means that a strong teacher who may have contributed the most to student achievement is rewarded the same as an underperforming teacher who happens to teach at the same school. Also, the contract notes that the goal of STAR is to have eight schools receive a reward each year; however, if eight PPS schools are not in the top 15 percent of all Pennsylvania schools (ranked by grade) then the STAR program will allow the ranking to expand to the top 25 percent of all Pennsylvania schools in order to get to the desired goal of eight.

VIEW is entirely voluntary, but there is a goal to have up to 75 teachers enroll in the program in the 2011-12 school year, growing to 225 by 2014-15. If the pilot program achieves this top level it will mean that only 10 percent of the District's current teachers will be on a pay for performance plan that awards individual achievement. In addition there is no distribution of which grades, which step on the salary scale, or which schools will eventually see participation in the program.¹⁶

PRC ties a team of teachers to a specific cohort of 9th grade students who they then follow through 10th grade, but the exact criteria for how to determine who will participate and how those participants will cover the student population (the contract envisions a team of 6-8 teachers to 100-120 9th and 10th graders) is yet undetermined.

The table below attempts to create a classification for the existing pay for performance programs in the PPS, including those created in the PFT contract. Programs are classified as to whether they are voluntary or mandatory participation, and what the pay seems to be linked to the most: seniority, additional teaching duties, or how well the student or group of students performs.

¹⁵ Ibid. Phone conversation with Jody Spolar, Chief of Performance Management, Pittsburgh Public Schools.

¹⁶ See Community Technical Assistance Center "Catalyst for Change: Pay for Performance in Denver, Final Report" (<http://static.dpsk12.org/gems/newprocomp/RptCatalystChangeFull2004.pdf>) and phone conversation with William Slotnik of CTAC. The pilot program there—which grew into a full fledged program after a referendum authorized an additional property tax levy to fund pay for performance initiatives—involved 16 schools that had to vote to opt in and covered about 650 teachers.

Classifying Pay for Performance Programs in the PPS

Pay is Linked to...				
Participation in the Program is...	Seniority	Duties Related to Mentoring Teachers	Duties Related to Taking on Additional or Special Circumstances	Student Achievement
Voluntary		CRI ITL LES	TT Enrichment	VIEW
Mandatory	\$1,000 Bonus for Teachers at Top Step when District makes AYP			PIIP STAR

It is quite clear that the programs with the strongest link between compensation and student achievement appear to be the principal incentive program (PIIP) and the school based incentive program (STAR), though, as was pointed out, there are drawbacks to an incentive program where an individual teacher or a few teachers at a given school drive achievement and are rewarded with a bonus that is the same as those that may have had very little to do with growth in student results.

Conclusion

Thinking back to another date, November 19, 2009—which was the day after the announcement of the Gates Foundation grant—the Allegheny Institute asked “will teachers in fact approve a meaningful performance based pay system?”¹⁷

Clearly the agreement has not produced a new system for all teachers—current or new hires—that makes a clean break with the traditional salary step system that is the norm.

Rather, current teachers are largely detached from having their pay linked with student achievement. If individual teachers opt in, they do so voluntarily; schools share equitably in any performance bonuses, meaning that the performance of a few could result in bonuses for all that don't differentiate between great and mediocre performers, and schools face no penalty under the program if they fail to make adequate rank; teachers rated as effective have opportunities to make more money by taking on additional duties; and newly hired teachers will advance on a career ladder system that will present opportunities for additional pay for those rated exceptional after a certain number of years, though there is no differential pay for someone rated very exceptional to another teacher that is better than average.

Only time—and further evaluation down the line—will determine the effectiveness of the pay for performance model in the schools.

¹⁷ Allegheny Institute for Public Policy “Bulletin: Teacher Union Head Agrees to Performance Pay” (<http://www.alleghenyinstitute.org/component/content/article/9/251.html>)