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Blueprint for Opportunity

No. 1

Implementation Memo

TO: Governor Ritter
Members of the 66th Colorado General Assembly

FROM: The Bell Policy Center – Frank Waterous, Senior Policy Analyst

DATE: January 9, 2006

**RE: Implementing Bell's Blueprint recommendation No. 1
to support quality teaching.**

In the 2006 Blueprint for Opportunity, the Bell Policy Center recommends:

Support quality teaching

We need to encourage our best and brightest to go into teaching, and we need to create more innovative ways to retain and develop that talent. We need to ensure teachers are not just qualified, but get the support, training and recognition to be successful. That includes changing incentives in the system so the best teachers are rewarded for taking on the toughest assignments. (see *Blueprint*, page 8)

This memorandum briefly discusses the issues surrounding this proposal, describes steps for implementing it, outlines some of the factors to consider and lists sources for additional information and resources.

If you are interested in pursuing this issue further, we are prepared to work with you. Please contact the author of this memo directly at (303) 297-0456 or waterous@thebell.org, or Rich Jones, director of policy and research, at (303) 297-0456 or jones@thebell.org.

Overview of the issue

Research shows that quality teaching is the most significant factor affecting student achievement.¹ Yet a recent report on the state of teaching in Colorado concludes there is a widening “teacher gap” in our state that is correlated with student achievement. Specifically, teachers who serve high proportions of minority and low-income students tend to be less qualified, have higher turnover and make less money than their counterparts in other schools.²

Nationally, efforts to support quality teaching for all children have led many states to offer innovative teacher incentive programs. In some cases, these incentives are targeted toward attracting teachers to hard-to-staff schools or subjects. In other cases, increased pay is tied to

improved student performance. Because many state-level incentive programs are new, they remain largely unproven.

While the experiences of other states in developing their incentive programs can be instructive for Colorado, our state's strong tradition of local control must be honored in any approach that we undertake. Although school funding increasingly comes from the state, local districts are still in the best position to decide what will work in their communities.

Developing policies that allow districts to tailor their teacher incentive packages acknowledges the unique nature of each community and allows a broader range of creative approaches and innovative ideas to be tested.



In 2005, the Education Commission of the States found 31 states, including Colorado, had financial incentives to address subject area shortages, 17 states offered incentives for hard-to-staff schools, and 14 states had policies to address both kinds of shortages. Incentives include loan forgiveness programs and scholarships, housing benefits, salary increases and yearly bonuses.³ Examples of some state incentives are:

- **Arkansas:** A \$4,000 bonus to any teacher who signs a contract to work in a high-priority district, and \$3,000 a year for the next two years if the teacher stays employed by that district.
- **Iowa:** The nonprofit Iowa Student Loan company is paying for a new multi-year, \$10 million program that will provide student loans of up to \$9,000 over five years to college students who agree to teach in high-need specialties such as math, science, and special education.
- **Mississippi:** A licensed teacher who buys a home and moves into one of the state's geographical critical-shortage areas can receive a home loan of up to \$6,000.⁴

Another form of incentive that some states have implemented is performance-based pay. Such programs can be controversial because of their connection with student outcomes on "high-stakes" state tests.

Some educators are concerned that tying performance pay to these tests obscures the complexity of issues related to student achievement, such as family circumstances, health and housing.

Additionally, educators fear such plans could have a divisive effect on the teaching community.⁵

Examples of such programs include:

- **Texas:** The legislature approved a \$260 million performance pay program in May 2006, following completion of a \$10 million pilot. In 2006-07, \$100 million will be used to reward teachers at low-income schools who help raise student achievement based on test scores and other measures. Bonuses will

range from \$3,000 to \$10,000. The average teacher salary in Texas is about \$42,000, so the bonus can add 7 to 24 percent of the average salary. In 2007-08, \$160 million will fund a program through which school districts develop local incentive plans.

- **Florida:** The legislature this year funded a \$147.5 million plan. The plan will give bonuses to the top 25 percent of the state's teachers, as determined largely by student test scores. Bonuses will be at least 5 percent of salary.
- **Minnesota:** The state is providing \$86 million over two years for schools and districts participating in a voluntary pay plan. The plan ties teacher pay to student test scores and other measures. So far, 22 districts and schools are participating and 134 have indicated an interest in doing so. The voluntary nature of this program is attracting the attention of other states that are considering performance-based incentives, including Maryland.⁶

Along with states, school districts are also adopting or considering innovative incentive packages for their teachers. Denver's experience with developing and implementing its ProComp program, which has gained national attention, could be an instructive model for other Colorado districts to examine in structuring their own programs. ProComp's goal is to link teacher pay to the school district's instructional mission and reward teachers for their professional accomplishments related to student achievement.⁷

Implementation steps

In order to support quality teaching, create innovative ways to retain and develop talent, and encourage excellent teachers to seek out opportunities to serve those students and communities with the highest needs, several incentive-related policy actions could be taken.

- **Enact legislation and appropriate \$50 million of state funds annually to support the creation of effective teacher incentive packages and professional development programs** by local school districts throughout the state. These funds should represent new state funding, not realignment of existing resources. School districts should match the state’s annual investment with \$33 million, to be consistent with the state’s current school funding mix. Such a state-supported and locally-designed approach would allow for flexibility and creativity in these programs, and would let school districts make decisions regarding which incentives are best suited to attracting and retaining quality teachers. Each district could select from a broad range of incentives, including bonus pay for teachers who take on the toughest assignments, performance pay tied to improved student performance, housing subsidies, loan forgiveness and scholarships.
- **If the state is unable at this time to make the annual investment noted above, a smaller amount of money could be provided through grants to school districts interested in piloting incentive package demonstrations.** As with district programs developed through the broader investment approach suggested above, pilot programs that prove effective could be expanded to other parts of the state in the future.
- **Pass legislation to extend and expand Colorado’s current teacher loan forgiveness program.** Colorado already has a state teacher loan forgiveness pilot program. The Colorado Loan Incentive for Teachers (LIFT) is funded by CollegeInvest and is codified in state statute. Students can get up to \$2,000 a year toward college loan

repayment for up to four years. The LIFT program will sunset July 1, 2013. Legislative action could be taken in the meantime to determine the effectiveness of the program, extend its reach and time frame and/or expand its funding.

[CollegeInvest info page](#)

[Colorado Revised Statute 23-3.9-101 to 104](#)

Factors to consider

Structuring bonuses and requirements in incentive-pay programs is important for success. A large lump sum of money may not be the best answer. For example, a 1999 program in Massachusetts that offered \$20,000 bonuses to attract new teachers to the state for positions primarily located in high-need districts failed to achieve its goals. Overall, after one year, 20 percent of the teachers who had taken the bonuses left the classroom. Of those placed in the state’s high-need districts, 31 percent left teaching or moved to non-high-need areas.⁸

Similarly, performance-pay programs can fail if not carefully designed. For example, California started a plan in 1999-2000 that gave nationally board certified teachers who committed to teach in low-performing schools for four years bonuses of up to \$20,000 for higher student test scores. Funding for the program ceased in 2001, however, due to the state’s budget crisis and because of concerns about “educator-led cheating.”⁹

As an important note, any policy or legislation on teacher incentives should include explicit reference to and provisions for attracting and retaining teachers in order to avoid some of problems experienced by other states. Additionally, legislation should require the collection of enough data to determine the effectiveness of incentive programs.



Information and resources

- ☞ 📞 A knowledgeable contact on the state of teaching in Colorado, and efforts to support quality teaching throughout the state, is Jacqueline Paone, executive director, The Alliance for Quality Teaching. jacki@qualityteaching.org, (303) 839-8400
- ☞ 📞 Denver's "ProComp" performance pay program is online, <http://denverprocomp.org/>. A valuable contact on ProComp is Brad Jupp, senior academic policy advisor, Denver Public Schools, (720) 423-3629 or brad_jupp@dpsk12.org.

End notes

- ¹ Teacher Quality: Research, National Conference of State Legislatures.
☞ <http://www.ncsl.org/programs/educ/Research.htm>
- ² *Shining the Light: The State of Teaching in Colorado, Fall 2006*, The Alliance for Quality Teaching,
☞ <http://aqt.civicore.com/Modules/Resources/Resources/65.pdf>
- ³ Jeremiah Johnson, "State Financial Incentive Policies for Recruiting and Retaining Effective New Teachers in Hard-to-Staff Schools," Teaching Quality/Recruitment and Retention State Notes, Education Commission of the States, May 2005.
☞ <http://www.ecs.org/clearinghouse/61/61/6161.pdf>
- ⁴ Linda Jacobson, "Teacher-Pay Incentives Popular But Unproven," *Education Week*, Sept. 27, 2006,
☞ <http://www.edweek.org/ew/index.html> (subscription required for access to article); *Quad-City Times*, Sept. 15, 2006, "Program would forgive teachers' student loans," by Dan Gearino,
☞ <http://www.qctimes.net/articles/2006/09/15/news/state/doc450b7cb18508f617787727.txt>
Iowa Student Loan: Teacher Educational Loan Forgiveness Program.
☞ <http://www.studentloan.org/loan-forgiveness-programs/teacher/index.asp>
- ⁵ *Orlando Sentinel*, Oct. 18, 2006, "Teachers, some districts balk at merit pay," by Dana Weber.
☞ <http://tinyurl.com/v4nmw>, Free abstract, full text available for a fee.
- ⁶ *The Dallas Morning News*, June 12, 2006, "Incentive pay enters classroom," by Holly K. Hacker and Terrence Stutz.
☞ <http://tinyurl.com/ecp4z>
Texas Legislature Online, History, HB 1, Legislative Session 79(3).
☞ www.legis.state.tx.us/BillLookup/History.aspx?LegSess=793&Bill=HB1
Florida Department of Education, Special Teachers Are Rewarded information page.
☞ <http://www.fldoe.org/STAR/>
Minnesota Department of Education Q Comp information.
☞ http://education.state.mn.us/mde/Teacher_Support/QComp/index.html
Baltimore Sun, Sept. 4, 2006, "States turn to teacher bonuses. Md., others signing on to trend, but critics call such programs unproven," by Sara Neufeld.
☞ <http://tinyurl.com/y8vmuk> Free summary, full text available for a fee.
- ⁷ "About ProComp," Denver Public Schools ProComp web site.
<http://denverprocomp.org/generalinformation>
- ⁸ R. Clarke Fowler, Salem State College, "The Massachusetts Signing Bonus Program for New Teachers: A Model of Teacher Preparation Worth Copying?" Education Policy Analysis Archives, Vol.11, No.13, April 22, 2003.
☞ <http://epaa.asu.edu/epaa/v11n13/>
News release: "Massachusetts Signing Bonus Program for New Teachers Begins Nationwide Recruiting Campaign in San Diego," Massachusetts Department of Education, Jan. 13, 1999.
☞ <http://www.doe.mass.edu/news/news.asp?id=849>
- ⁹ "Teacher Incentive Award Program," The California Arts Project.
☞ <http://csmp.ucop.edu/tcap/nbpts/about/incentive.html>
"Examining Teacher Performance Incentives," House Research Organization, Texas House of Representatives Focus Report, April 21, 2004.
☞ <http://www.hro.house.state.tx.us/focus/incentive78-17.pdf>;
The Dallas Morning News, "Incentive pay enters classroom."