



An Employee-Owned
Research Corporation

Performance-Based Compensation

History & Context

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President Obama on Incentive Pay

It's time to start rewarding good teachers, stop making excuses for bad ones....

Good teachers will be rewarded with more money for improved student achievement, and asked to accept more responsibilities for lifting up their schools.

--President Obama, March 10, 2009, Remarks to the Hispanic Chamber of Commerce.

What's in a name?

Alternative compensation??

Incentive Pay??

Merit Pay??

Differentiated pay??

Performance-based compensation??

A Brief History

- Single salary schedule introduced in the 1920s
- Merit pay of the 1980s
- Knowledge– and skills-based pay of the 1990s
- Performance-based compensation of today

Types of Incentives

- Recruitment and retention
- Knowledge and skills
- Student achievement

Measuring Teacher Effectiveness

- Observations
- Portfolios
- Student achievement
 - Growth
 - Value-added models

Challenges

- Funding
- Technology and data systems
- Value-added modeling assumptions
- Level of reward (school vs. classroom)
- Buy-in