

STRATEGIC COMPENSATION GRANTS (SCG) INITIATIVE UPDATE

House Appropriations Committee

November 20, 2013

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Background – Virginia Performance Pay Initiative (VPPI)

- Prior to the adoption of the Strategic Compensation Grant program, the Virginia Performance Pay Incentives (VPPI) pilot was created as a first step in developing and testing effective teacher evaluation models
- The new initiative required pilot schools to implement a comprehensive evaluation system for making decisions about teacher performance that were aligned to the revised *Guidelines for Uniform Performance Standards and Evaluation Criteria for Teachers that had been approved by the BOE in April 2011*
 - The revised guidelines were incorporated into: 1) SOQ Standard 5 – which addresses the quality of classroom instruction and educational leadership; and 2) the Employment of Teachers, § 22.1-295, *Code of Virginia*
- Divisions with schools that were identified as Hard-to-Staff or had received federal School Improvement Grant funds were eligible to participate -- had to apply by June 15, 2011

Background – Virginia Performance Pay Initiative (VPPI)

- Submitted applications had to include a complete description of the VPPI model and specify how eligible teachers, those who had earned an exemplary evaluation rating, would receive a performance-pay award -- up to \$5,000
 - Similar to the strategic compensation initiative, the VPPI grants required administrators and teachers to assist in the development of each division's proposal
- In July 2011, DOE selected 25 pilot locations (9 Hard-to-Staff & 16 Schools Improvement Grant schools) from 13 divisions
 - A total of the 782 teachers participated, of which 225, (29%), earned an exemplary rating and received a bonus
- You may recall, that the 2011 General Assembly had approved \$3.0 million GF in the FY 2012 budget for the VPPI pilot but during the next year's session, the initiative's budget was reduced to about \$600,000 GF and \$300,000 NGF to reflect actual grants awarded

VPPI Grants Awarded in FY 2012

	School Division	LCI (FY10-12)	ADM (FY2012)	# of Teachers Receiving Bonus	Actual Grant Amount
State Funded: Hard-to Staff (HTS) Schools					
1	Accomack	0.3753	4,762	11	\$41,984
2	Caroline	0.3580	4,116	44	\$230,909
3	Dinwiddie*	0.2566	4,461	6	\$32,295
4	Greensville	0.1998	1,466	13	\$69,973
5	Patrick	0.2439	2,495	22	\$103,021
6	Roanoke City*	0.3582	12,106	29	\$119,492
				125	\$597,673
Federal Funded: School Improvement Grant (SIG) Schools					
1	Colonial Beach	0.3785	543	8	\$24,000
2	Fluvanna*	0.3867	3,664	22	\$66,000
3	Franklin City	0.3047	1,157	4	\$12,000
4	Hopewell	0.2285	3,864	3	\$9,000
5	Petersburg	0.2255	4,104	5	\$15,000
6	Richmond City	0.4945	21,362	23	\$69,000
7	Roanoke City*	0.3582	12,106	35	\$105,000
				100	\$300,000

*Also received Strategic Compensation Grant award

Overview of Strategic Compensation Grants

- During the 2013 Session, the General Assembly adopted the Strategic Compensation Grants initiative through the state's budget and in *Code of Virginia*
- The adopted Appropriation Act budget included \$7.5 million in FY 2014 to provide the first year funding for the implementation of the Strategic Compensation Grants (SCG) Initiative
- Legislative action passed HB 2083, patroned by Delegate Cox, created a new non-reverting special Strategic Compensation Grant Fund and prescribed that the money in the fund would be available to school divisions that submitted an application to the Department of Education (DOE) for potential grant funding
- The initiative is designed to award grants, on a competitive-basis, to school divisions that develop and implement a teacher-based compensation system that had been tailored to the individual division's strategic goals & objectives
- Grants can be used for incentive payments of up to \$5,000 awarded to eligible teachers who meet the system's designed criteria
- In addition to the incentive payments, divisions may use up to 5% of their grant toward the design and implementation of compensation system or for related on-going administrative costs

Eligibility Requirements for Divisions

- Department of Education (DOE) developed the initiative's application based on the language adopted in statute and made available to interested divisions if they chose to participate
- **School Divisions:** Each division's submitted application had to include detailed information about how they would develop and implement a compensation system and the application had to address the following specific criteria:
 - Designate incentive payments as either a range or tier levels for target groups -- such as distinguishing between a teacher of record and a teacher in support position
 - Ensure that payments up to \$5,000 per year would be awarded only to eligible teachers
 - Prorate payments if taught for less than a full school year
 - Complete performance evaluations for participating teachers on a timeline such that it provides enough time to pay incentives and submit reimbursement requests to DOE no later than June 1, 2014

Eligibility Requirements for Teachers

- **Teachers:** Eligibility teachers had to meet the following criteria as well as any other requirements established by their school division:
 - Employed by the local school board and provide or support direct instruction
 - Employed under a teacher contract (substitute teachers, hourly employees, or teacher aides are not eligible for an award)
 - Licensed to teach in Virginia and endorsed in the subject or grade level of the assignment
 - Designated as a highly qualified teacher for federal program areas such as reading or mathematics
 - Rated as a successful teacher, which shall be defined as “proficient or above” in performance evaluation ratings

Overview of Strategic Compensation Grant Evaluation Criteria

- Interested school divisions had to submit their FY 2014 proposal to DOE by July 15, 2013
- Each proposal had to address the following key criteria:
 - A significant component of each model had to include measureable and appropriate achievement goals for student academic progress
 - An evaluation plan of all participating teachers that used a system with quality measurements that were consistent with the Board of Education's performance evaluation standards and criteria, including a 40% weight value for student academic progress
 - Inclusion of professional development as a primary component of the model, including how a teacher would be supported to expand their school's philosophy for improving effective teaching methods relative to learning and to increase student achievement
 - Demonstrate stakeholder involvement in the development and implementation of the division's strategic compensation model

Overview of Strategic Compensation Grant Evaluation Criteria

- School divisions' submitted proposals were reviewed and evaluated by DOE and rated on a 100-point scale for five criteria categories:
 - How well did the application show a clear nexus between the compensation system and the division's goals and objectives? (20 points)
 - How thorough was the development and implementation of the system relative to the components for student academic progress and professional development (30 points)
 - How comprehensive was the description of groups or types of teachers targeted for incentives in the system? (20 points)
 - Completeness in the submitted application's budget plan: focus on how the incentives would be awarded, use of administrative funds, number of schools and teachers participating (10 points)
 - System's self-evaluation and accountability: description of how it would evaluate whether the division's goals and objectives were met during the school year; measures used to link teacher effectiveness with student performance (20 points)
- Lastly, in scoring the applications and determining the awards, DOE should take into consideration the geographic distribution of school divisions and the percentage of students attending hard-to-staff schools

Summary of Applications

- The 13 participating divisions, split between 7 cities and 6 counties, have about nine percent of the state's enrollment
- All divisions that submitted an application were awarded a grant for FY 2014 and received the amount that was requested
 - There is no local match requirement for the grant
- The individual grant award budgets are divided into two sub-categories for spending – incentive payments and administrative costs
 - \$4.3 million, or 96%, is earmarked for teacher incentives
 - \$0.2 million, or 4%, is set aside for administrative costs associated with managing the divisions' compensation system

Summary of Applications

- While the range of awards granted varied from just over \$25,000 up to \$850,000, all of the submitted applications designed their plans to give incentive to eligible teachers who either had:
 - A primarily focus in the classroom to improve student academic performances
 - Served as coaches, mentors, in leadership roles, or
 - Would teach in a hard-to-staff school or one that had been identified as a targeted school with low SOL test results
- Most divisions will award incentives based on individual teacher performance outcomes and evaluations
- A few divisions will give incentive payments based on total teacher participation levels and allocated the payments based on earned merit points for accomplished goals and objectives

SCG Grants Awarded in FY 2014

	School Division	LCI (FY12-14)	ADM (FY 2014)	# of Teachers Proposed to Receive Incentives	Award Amount
1	Amelia	0.3473	1,686	95	\$536,904
2	Chesapeake	0.3678	38,665	14	\$39,638
3	Cumberland	0.2971	1,258	20	\$107,650
4	Dinwiddie*	0.2850	4,411	344	\$471,783
5	Fluvanna*	0.3924	3,636	65	\$212,920
6	Gloucester	0.3798	5,331	73	\$331,874
7	Goochland	0.8000	2,237	135	\$450,000
8	Harrisonburg	0.4274	5,101	159	\$432,011
9	Lynchburg	0.3727	8,024	5	\$26,250
10	Portsmouth	0.2755	14,253	24	\$72,340
11	Roanoke City*	0.3728	12,623	125	\$706,307
12	Salem	0.3628	3,702	302	\$850,000
13	Suffolk	0.3530	13,804	46	\$259,975
			114,731	1,407	\$4,497,651

*Also received a Virginia Performance Pay Initiative grant



House Appropriations Committee Retreat
November 20, 2013