

2008

Alabama

State Teacher Policy Yearbook

What States Can Do To Retain
Effective New Teachers

Acknowledgments

STATES

State education agencies remain our most important partners in this effort, and their extensive experience has helped to ensure the factual accuracy of the final product. Every state formally received a draft of this edition of the *State Teacher Policy Yearbook* in August 2008 for comment and correction; states also received a final draft of their reports a month prior to release. All but four states graciously responded to our inquiries. While states do not always agree with our approach, the willingness of most states to acknowledge the imperfections of their teacher policies is an important first step toward reform.

We also thank the many state pension boards that reviewed our drafts and responded to our inquiries.

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About the *Yearbook*

The 2008 edition of the *State Teacher Policy Yearbook* provides an in-depth analysis of a critical piece of the teacher quality puzzle: **the retention of effective new teachers.**

Unlike the more comprehensive analysis of all aspects of states' teacher policies provided in the 2007 *Yearbook*, this year's edition focuses on a particular policy issue. The 2009 *Yearbook* will revisit and evaluate the states' progress in meeting the full set of goals first analyzed in 2007, as well as the new goals examined this year.

The third through fifth years of teaching represent an opportunity lost for the health of the teaching profession. Many new teachers leave at this juncture, just at the time that they are becoming consistently effective. Concurrently, school districts confer permanent status — more commonly understood as tenure — at this juncture, absent either the reflection or evidence that this important decision merits.

While school districts are certainly key players in teacher retention, do not underestimate the state's role. Without exception, the state controls virtually every aspect of the teaching profession, particularly licensing and tenure. This edition of the *Yearbook* analyzes what each state is doing to identify teachers' effectiveness; support the retention of valuable, early career teachers; and dismiss those found to be ineffective, with each of these factors measured against a realistic blueprint for reform.

The process used to develop the policy goals that appear in this edition has stayed the same. We began to develop these goals with our own distinguished advisory board, and then sought feedback from more than 100 different policy groups, academics, education think tanks and national education organizations, some of which have perspectives that are quite different from ours. Most importantly, we also consulted with the states themselves. Their feedback was invaluable.

This year's goals meet NCTQ's five criteria for an effective reform framework:

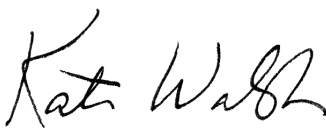
1. They are supported by a strong rationale, grounded in the best research available. (A full list of the citations supporting each goal can be found at www.nctq.org/stpy.)
2. They offer practical, rather than pie-in-the-sky, solutions for improving teacher quality.
3. They take on the teaching profession's most pressing needs, including making the profession more responsive to the current labor market.
4. They are for the most part relatively cost neutral.
5. They respect the legitimate constraints that some states face so that the goals can work in all 50 states.

As is now our practice, in addition to a national summary report, we have customized the *Yearbook* so that each state has its own report, with its own analyses and data. Users can download any of our 51 state reports (including the District of Columbia) from our website at www.nctq.org/stpy. Since some national perspective is always helpful, each state report contains charts and graphs showing how the state performed compared to all other states. We also point to states that offer a "Best Practice" for other states to emulate.

This year we are giving each state an overall grade, as well as "sub-grades" in each of the three areas organizing the goals. These grades break down even further, with an eye toward giving a full perspective on the states' progress. We rate state progress on the individual goals using a familiar and useful graphic: ○●●●●●.

We hope this edition of the *Yearbook* serves as an important resource for state school chiefs, school boards, legislatures and the many advocates who press hard for reform. In turn, we maintain our commitment to listen and learn.

Sincerely,



Kate Walsh, President

Executive Summary: **Alabama**

Welcome to the Alabama edition of the National Council on Teacher Quality's 2008 *State Teacher Policy Yearbook*. The 2008 *Yearbook* focuses on how state policies impact the retention of effective new teachers.

There is no shortage of data that show a significant percentage of teachers leave just when they are becoming consistently effective. However, at the same time, too many teachers who have *not* become consistently effective achieve permanent status, also referred to as tenure. It is our hope that this report will help focus attention on areas where state policymakers could make improvements that would affect teacher quality and student achievement.

Our policy evaluation is broken down into three areas that encompass 15 goals. Broadly, these goals examine the impact of state policy on 1) identifying effective teachers, 2) retaining those deemed effective and 3) exiting those deemed ineffective.

Overall, Alabama has done a good job in meeting some of our goals; however, significant room for improvement remains in several others. The state completely missed six goals, partially met five, nearly met one and fully met three.

Alabama's best performances are in its effective induction for new teachers, its support of performance pay and its requirement of multiple formal evaluations for

new teachers. The state has the most work to do in making tenure decisions meaningful, ensuring only factors that advance teacher effectiveness are required for permanent licenses and strengthening some policies regarding teacher compensation issues.

Alabama's progress toward meeting these goals is summarized on the following page. The body of the report provides a more detailed breakdown of the state's strengths and weaknesses in each area.

Overall Performance: C

How is **Alabama** Faring?

Area 1: **D+**

Identifying effective teachers

Alabama's efforts to identify teacher effectiveness often fall short. Although the state has all the elements of a student- and teacher-level longitudinal data system, Alabama does not use this system to provide value-added evidence of teacher effectiveness. Its teacher evaluation system uses classroom observations but fails to require evidence of student learning through objective measures such as standardized test scores. Alabama's probationary period for new teachers is just three years, and the state lacks any meaningful process to evaluate cumulative effectiveness in the classroom before teachers are awarded tenure.

Area 2: **C-**

Retaining effective teachers

Although Alabama's policies for new teacher induction are commendable, the state's requirements for permanent licenses are burdensome and have not been shown to advance teacher effectiveness. With the exception of its pilot performance pay program, the state's policies regarding teacher compensation are sorely lacking. Alabama neither gives districts full authority for how teachers are paid nor supports retention bonuses, compensation for relevant prior work experience, or differential pay for teachers working in high-needs schools or shortage subject areas. In addition, the state provides only a defined benefit pension plan for teachers. Its pension policies are not portable, flexible or fair to all workers; for example, teachers must have 10 years of service to vest. Further, retirement benefits are determined by a formula that is not neutral, meaning that pension wealth does not accumulate uniformly for each year a teacher works.

Area 3: **B**

Exiting ineffective teachers

Alabama's policies regarding the exiting of ineffective teachers are stronger than many states yet still leave room for improvement. The state requires three observations of new teachers annually, with the first occurring in the fall; however, the state fails to insist that teachers who do not improve on a professional development plan after multiple unsatisfactory evaluations be considered automatically eligible for dismissal. In addition, although Alabama issues nonrenewable emergency certificates, it still allows teachers who have not passed licensing tests to teach for up to one year.

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Area 1: Identifying Effective Teachers

Goal 1 – State Data Systems

The state should develop a data system that contributes some of the evidence needed to assess teacher effectiveness.

GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. The state should establish a longitudinal data system with at least the following key components:
 - A unique statewide student identifier number that connects student data across key databases across years;
 - A unique teacher identifier system that can match individual teacher records with individual student records; and
 - An assessment system that can match individual student test records from year to year in order to measure academic growth.
2. Value-added data provided through the state's longitudinal data system should be considered among the criteria used to determine teachers' effectiveness.

RATIONALE

- See appendix for detailed rationale.
- Value-added analysis connects student data to teacher data to measure achievement and performance.
- There are a number of responsible uses for value-added analysis.

SUPPORTING RESEARCH

- Research citations to support this goal are available at www.nctq.org/stpy/citations.

Figure 1

How States are Faring in the Development of Data Systems



Goal 1 Alabama Analysis

 State Partly Meets Goal

ANALYSIS

Alabama has a data system with the capacity to provide evidence of teacher effectiveness.

Alabama has all three necessary elements of a student- and teacher-level longitudinal data system. The state has assigned unique student identifiers that connect student data across key databases across years and has assigned unique teacher identifiers that enable it to match individual teacher records with individual student records. It also has the capacity to match student test records from year to year in order to measure student academic growth.

However, Alabama does not currently use this data system to provide value-added evidence of teacher effectiveness.

SUPPORTING RESEARCH

Data Quality Campaign: www.dataqualitycampaign.org

RECOMMENDATION

Alabama meets this goal in part. Having all the necessary elements in place, the state should support the use of value-added data to provide part of the evidence of teacher effectiveness, particularly for decisions about granting teachers tenure. Value-added data are also important and necessary for local districts adopting performance pay plans to reliably measure individual teacher and overall school performance.

ALABAMA RESPONSE TO ANALYSIS

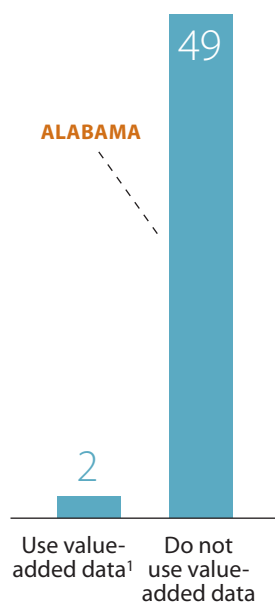
Alabama was helpful in providing NCTQ with the facts necessary for our analysis.

☀️ EXAMPLES OF BEST PRACTICE

Tennessee not only has all three elements of a student- and teacher-level longitudinal data system—unique student identifiers that connect student data across key databases across years, unique teacher identifiers that enable the state to match individual teacher records with individual student records, and the capacity to match student test records from year to year to measure student academic growth—it is also the only state that uses this value added data to measure teacher effectiveness by isolating each teacher’s impact on individual students’ academic growth. It translates this impact into a “teacher effect” score, and then uses it as part of a teacher’s evaluation.

Figure 2

Do states use value-added data as a criterion for assessing teacher effectiveness?



1 Ohio uses value-added data to “improve classroom instruction”, but it is unclear whether the information plays any role in teacher evaluations. Tennessee uses value-added data to measure teacher effectiveness by isolating the impact each teacher has on individual students’ academic growth, which can be used as part of a teacher’s evaluation.

Figure 3

Do state data systems have the capacity to reliably assess teacher effectiveness?

	Unique student identifier that connects data across databases	Unique teacher identifier system	Test records match over time	Individual student records match with teacher records
ALABAMA	☒	☒	☒	☒
Alaska	☒	☒	☒	☐
Arizona	☒	☐	☒	☐
Arkansas	☒	☒	☒	☒
California	☒	☐	☒	☐
Colorado	☒	☒	☒	☐
Connecticut	☒	☒	☒	☐
Delaware	☒	☒	☒	☒
District of Columbia	☒	☐	☐	☐
Florida	☒	☒	☒	☒
Georgia	☒	☒	☒	☒
Hawaii	☒	☒	☒	☒
Idaho	☒	☒	☐	☐
Illinois	☒	☒	☒	☐
Indiana	☒	☒	☒	☐
Iowa	☒	☒	☒	☐
Kansas	☒	☒	☒	☐
Kentucky	☒	☒	☒	☒
Louisiana	☒	☒	☒	☒
Maine	☒	☒	☒	☐
Maryland	☐	☐	☐	☐
Massachusetts	☒	☒	☒	☐
Michigan	☒	☒	☒	☐
Minnesota	☒	☒	☒	☐
Mississippi	☒	☒	☒	☒
Missouri	☒	☒	☒	☒
Montana	☒	☒	☒	☐
Nebraska	☒	☒	☒	☐
Nevada	☒	☒	☒	☐
New Hampshire	☒	☒	☒	☐
New Jersey	☒	☒	☒	☐
New Mexico	☒	☒	☒	☒
New York	☒	☒	☒	☐
North Carolina	☐	☒	☒	☐
North Dakota	☒	☒	☒	☐
Ohio	☒	☒	☒	☒
Oklahoma	☒	☒	☒	☐
Oregon	☒	☒	☒	☐
Pennsylvania	☒	☒	☒	☒
Rhode Island	☒	☒	☒	☒
South Carolina	☒	☒	☒	☒
South Dakota	☒	☐	☒	☐
Tennessee	☒	☒	☒	☒
Texas	☒	☒	☒	☐
Utah	☒	☒	☒	☒
Vermont	☒	☒	☒	☐
Virginia	☒	☒	☒	☐
Washington	☒	☒	☒	☐
West Virginia	☒	☒	☒	☒
Wisconsin	☒	☒	☒	☐
Wyoming	☒	☒	☒	☒
	49	46	48	19

Area 1: Identifying Effective Teachers

Goal 2 – Evaluation of Effectiveness

The state should require instructional effectiveness to be the preponderant criterion of any teacher evaluation.

Figure 4

How States are Faring in Evaluating Teacher Effectiveness



GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. The state should either require a common evaluation instrument in which evidence of student learning is the most significant criterion or should specifically require that student learning be the preponderant consideration in local evaluation processes. Evaluation instruments, whether state or locally developed, should be structured so as to preclude a teacher from receiving a satisfactory rating if found ineffective in the classroom.
2. Evaluation instruments should require classroom observations that focus on and document the effectiveness of instruction.
3. Teacher evaluations should consider objective evidence of student learning, including not only standardized test scores, but also classroom-based artifacts such as tests, quizzes and student work.

RATIONALE

- See appendix for detailed rationale.
- Teachers should be judged primarily by their impact on students.

SUPPORTING RESEARCH

- Research citations to support this goal are available at www.nctq.org/stpy/citations.

Goal 2 Alabama Analysis

State Partly Meets Goal

ANALYSIS

Alabama requires that local districts use either the state evaluation system (Professional Education Personnel Evaluation) or a locally developed system with all of the components of the state program. The evaluation program that the state has designed utilizes classroom observations and structured interviews between the teacher and the evaluator to assess that teacher's performance in light of eight competencies. These competencies range from effective communication to demonstrating effective use of student achievement data in classroom planning. The state does not specify that actual student outcomes be considered in the evaluation, except as a small part of its professional development plan.

Alabama's professional development plan is scored as one of the eight competencies. The professional development plan is revised annually to measure teachers' progress on three goals, one of which is improvement on the lowest scoring competency of their most recent teacher evaluation. A second area for improvement is "student achievement." Teachers select a specific area of student improvement to address. When measuring progress on this goal, teachers present evidence of student outcomes, which might be standardized assessment data or a portfolio of student work. The third component is a "personal/professional" objective that the teacher sets.

Guidelines for the professional development plan's student achievement goal are fairly comprehensive and emphasize measuring the teacher's ability to improve student learning in specific areas of weakness in the classroom. Yet when the teacher undergoes a full evaluation, this emphasis loses its significance because progress on one's professional development plan is only one of eight competencies on which the teacher is scored.

SUPPORTING RESEARCH

Code of Alabama (1975), 16-13-231

Alabama State Board of Education, State Department of Education Administrative Code, Chapter 290-1-4-01

Alabama Professional Education Personnel Evaluation: <http://www.alabamapepe.com/teacher/altchrnml050108.pdf>

RECOMMENDATION

Alabama meets this goal in part. Alabama should consider adopting a policy that requires districts to use evidence of student learning garnered through objective measures such as standardized test results, in addition to subjective measures, as the *preponderant* criterion of a teacher evaluation. Whether the evaluation instrument is state or locally designed, it should not permit teachers to receive satisfactory ratings if found ineffective in the classroom.

ALABAMA RESPONSE TO ANALYSIS

Alabama recognized the factual accuracy of our analysis. The state pointed out that student achievement data are used in the professional development plan component of the current state evaluation process. "The teacher evaluation process and instruments are currently being redesigned to align with the state-adopted standards. The [Alabama State Department of Education] Evaluation Section will present the NCTQ recommendations to the Quality Teaching Task Force so that the task force can consider those recommendations as the evaluation process and/or instruments are redesigned."

Figure 5

State efforts to consider classroom effectiveness

	Requires evaluation to include classroom observation	Requires evaluation to include any objective measures of student learning	Requires evidence of student learning to be the preponderant criterion for teacher evaluation
ALABAMA	☒	☒	☐
Alaska	☒	☐	☐
Arizona	☒	☐	☐
Arkansas	☐	☐	☐
California	☒	☐	☐
Colorado	☐	☐	☐
Connecticut	☒	☒	☐
Delaware	☒	☒	☐
District of Columbia	☐	☐	☐
Florida	☒	☒	☒
Georgia	☒	☒	☐
Hawaii	☒	☐	☐
Idaho	☐	☐	☐
Illinois	☒	☐	☐
Indiana	☐	☐	☐
Iowa	☒	☒	☐
Kansas	☐	☐	☐
Kentucky	☒	☐	☐
Louisiana ¹	☐	☐	☐
Maine	☐	☐	☐
Maryland	☒	☐	☐
Massachusetts	☐	☐	☐
Michigan	☒	☐	☐
Minnesota ²	☐	☐	☐
Mississippi	☒	☒	☐
Missouri	☒	☒	☐
Montana	☐	☐	☐
Nebraska	☒	☐	☐
Nevada	☒	☐	☐
New Hampshire	☐	☐	☐
New Jersey	☒	☒	☐
New Mexico	☒	☒	☐
New York	☐	☐	☐
North Carolina	☒	☒	☐
North Dakota	☐	☐	☐
Ohio	☐	☐	☐
Oklahoma	☒	☒	☐
Oregon	☐	☐	☐
Pennsylvania	☒	☐	☐
Rhode Island	☐	☐	☐
South Carolina	☒	☒	☒
South Dakota	☐	☐	☐
Tennessee	☒	☒	☒
Texas	☒	☒	☒
Utah ³	☐	☐	☐
Vermont	☐	☐	☐
Virginia	☐	☐	☐
Washington	☒	☐	☐
West Virginia	☒	☐	☐
Wisconsin	☒	☐	☐
Wyoming	☐	☐	☐
	29	15	4

EXAMPLES OF BEST PRACTICE

Florida explicitly requires teacher evaluations to be based primarily on evidence of student learning. The state requires evaluations to rely on classroom observations as well as objective measures of student achievement, including state assessment data. **South Carolina, Tennessee** and **Texas** also structure their formal evaluations so that teachers cannot get an overall satisfactory rating unless they also get a satisfactory rating on classroom effectiveness.

Figure 6

Sources of Objective Evidence of Student Learning

Many educators struggle to identify possible sources of objective student data. Here are some examples.

- Standardized test scores
- Periodic diagnostic assessments
- Benchmark assessments that show student growth
- Artifacts of student work connected to specific student learning standards that are randomly selected for review by the principal or senior faculty, scored using rubrics and descriptors
- Examples of typical assignments, assessed for their quality and rigor
- Periodic checks on progress with the curriculum coupled with evidence of student mastery of the curriculum from quizzes, tests and exams

Figure 5

¹ Louisiana has an *optional* teacher evaluation system that does not make explicit the need to include objective measures of student learning as part of the teacher evaluation.

² Although Minnesota does not have policies regarding teacher evaluations, the state has implemented an *optional* teacher evaluation system based on evidence of student learning as measured by observations and objective measures, such as student achievement data.

³ For teachers participating in Utah's career-ladder program, in which teachers earn incentives for taking on additional responsibilities, teacher evaluations must include evidence of student achievement gains.

Figure 7

Do states direct how teachers should be evaluated?

	All districts must use state-developed instrument	Districts must use state-developed instrument OR local equivalent approved by state	State approves locally developed instruments	State provides guidance but does not approve locally developed instruments	State has no role in evaluation instrument
ALABAMA	☐	☒	☐	☐	☐
Alaska	☐	☐	☐	☐	☒
Arizona	☐	☐	☐	☐	☒
Arkansas	☐	☐	☐	☐	☒
California	☐	☐	☐	☒	☐
Colorado	☐	☐	☐	☐	☒
Connecticut	☐	☐	☐	☒	☐
Delaware	☒	☐	☐	☐	☐
District of Columbia	☐	☐	☐	☐	☒ ¹
Florida	☐	☐	☐	☒	☐
Georgia	☒	☐	☐	☐	☐
Hawaii	☒	☐	☐	☐	☐
Idaho	☐	☐	☐	☐	☒
Illinois	☐	☐	☐	☐	☒
Indiana	☐	☐	☐	☐	☒
Iowa	☐	☐	☐	☒	☐
Kansas	☐	☐	☐	☐	☒
Kentucky	☐	☐	☒	☐	☐
Louisiana	☐	☐	☐	☐	☒
Maine	☐	☐	☐	☒	☐
Maryland	☐	☐	☐	☐	☒
Massachusetts	☐	☐	☐	☒	☐
Michigan	☐	☐	☐	☐	☒
Minnesota	☐	☐	☐	☐	☒
Mississippi	☒	☐	☐	☐	☐
Missouri	☐	☐	☐	☒	☐
Montana	☐	☐	☐	☐	☒ ¹
Nebraska	☐	☐	☒	☐	☐
Nevada	☒	☐	☐	☐	☐
New Hampshire	☐	☐	☐	☐	☒
New Jersey	☐	☐	☐	☒	☐
New Mexico	☒	☐	☐	☐	☐
New York	☐	☐	☐	☒	☐
North Carolina	☒	☐	☐	☐	☐
North Dakota	☐	☐	☐	☐	☒
Ohio	☐	☐	☐	☒	☐
Oklahoma	☐	☐	☐	☒	☐
Oregon	☐	☐	☐	☒	☐
Pennsylvania	☐	☒	☐	☐	☐
Rhode Island	☐	☐	☐	☐	☒ ¹
South Carolina	☒	☐	☐	☐	☐
South Dakota	☐	☐	☐	☐	☒ ¹
Tennessee	☐	☒	☐	☐	☐
Texas	☐	☒	☐	☐	☐
Utah	☐	☐	☐	☐	☒
Vermont	☐	☐	☐	☐	☒
Virginia	☐	☐	☐	☒	☐
Washington	☐	☐	☐	☒	☐
West Virginia	☐	☐	☐	☒	☐
Wisconsin	☐	☐	☐	☐	☒
Wyoming	☐	☐	☐	☐	☒
	8	4	2	15	22

Figure 7

¹ The District of Columbia, Montana, Rhode Island and South Dakota have no state policies regarding any aspect of teacher evaluations.

Area 1: Identifying Effective Teachers

Goal 3 – Tenure

The state should require that tenure decisions be meaningful.

Figure 8

How States are Faring on Tenure



GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. A teacher should be eligible for tenure after a certain number of years of service, but tenure should not be granted automatically at that juncture.
2. The state should articulate a process, such as a hearing, that local districts must administer in considering the evidence and deciding whether a teacher should receive tenure.
3. Evidence of effectiveness should be the preponderant criterion in tenure decisions.
4. The minimum years of service needed to achieve tenure should allow sufficient data to be accumulated on which to base tenure decisions; five years is the ideal minimum.

RATIONALE

- See appendix for detailed rationale.
- Tenure should be a significant and consequential milestone in a teacher's career.

SUPPORTING RESEARCH

- Research citations to support this goal are available at www.nctq.org/stpy/citations.

Goal 3 **Alabama** Analysis

☐ State Does Not Meet Goal

ANALYSIS

Alabama does not require any process to ensure that tenure decisions are meaningful.

Alabama has a three-year probationary period for new teachers, but there is no indication that at the conclusion of this period any additional process evaluating cumulative evidence of teacher effectiveness is required for tenure. The awarding of tenure appears to be virtually automatic.

SUPPORTING RESEARCH

Alabama Code 16-24-2:
<http://www.alabamapepe.com/teacher/altchrnml050108.pdf>

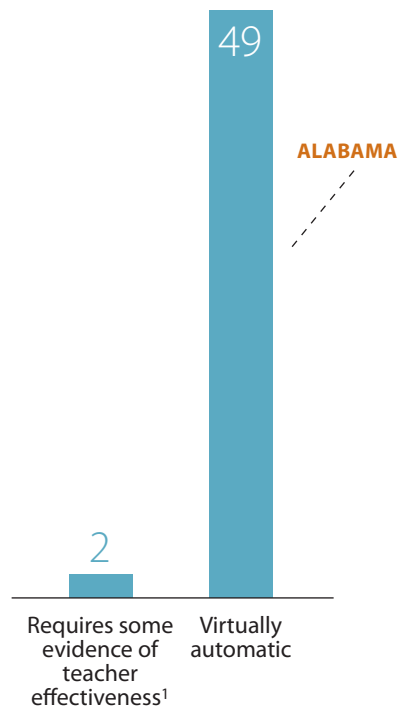
RECOMMENDATION

Alabama does not meet this goal. The awarding of tenure is a milestone in every teacher's career and should be afforded the respect it deserves, regardless of whether the state is bestowing a lifetime or limited-term position. The state should consider extending the minimum probationary period for tenure to five years, which would allow for the accumulation of sufficient data on teacher effectiveness to support meaningful tenure decisions. Although it is appropriate for teachers to achieve tenure after a certain number of years, tenure should not automatically be granted at this juncture. To justify this leap in professional standing, most notably a tremendous advantage in due process, the state should identify a process, such as a hearing, that districts would be required to administer, where the cumulative evidence of teacher effectiveness would be considered for each teacher and a determination made of whether to award tenure. Teacher effectiveness in the classroom, rather than years of experience, should be the *preponderant* criterion in tenure decisions.

ALABAMA RESPONSE TO ANALYSIS

Alabama recognized the factual accuracy of our analysis. The state pointed out it is in the process of designing an evaluation process to align with the state-adopted standards. Currently, the evaluation of all nontenured teachers is mandatory.

Figure 9
How are tenure decisions made?



¹ Iowa and New Mexico. However, teacher effectiveness based on multiple years of data is not preponderant criterion.

 EXAMPLES OF BEST PRACTICE

Unfortunately, no state has an exemplary policy that NCTQ can highlight as best practice for granting tenure. Only **Iowa** and **New Mexico** consider evidence of teacher effectiveness when making tenure decisions, although it is not the preponderant criterion. **New York City**, however, has taken some significant steps that could serve as a model for both states and districts.

In February 2008, the New York City Department of Education launched its Principals’ Portal, allowing the city’s 1,500 principals access to a Tenure Toolkit, designed to ensure that the city’s teachers achieve a certain level of effectiveness prior to being granted what should be a meaningful title. To achieve this objective, principals are encouraged to work with their teachers throughout the entire three-year probationary period and to utilize the Teacher Development Toolkit, which offers resources for improvement. The city’s criteria for granting tenure include “significant professional skill,” evidenced by lesson plans and observations, and “a meaningful, positive impact on student learning,” measured by a broad range of possible student work products, including reports, projects and test scores. Interestingly, initial tenure numbers indicate a trend toward discretion. The number of teachers denied tenure, as well as those placed on an extended probationary period, has doubled from the previous school year, before the Toolkit was implemented on the Portal.

Figure 10

How long before a teacher earns tenure?

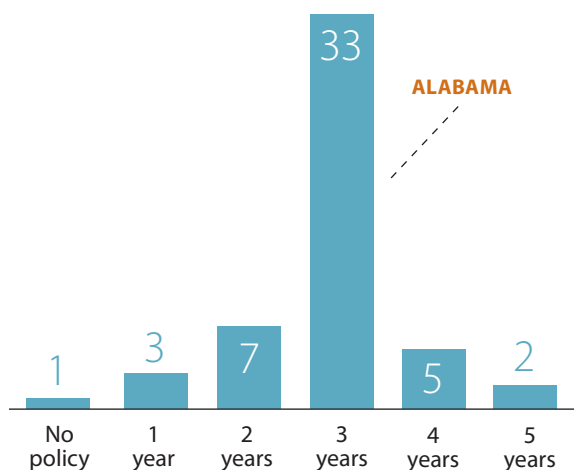


Figure 11

How long before a teacher earns tenure?

	No policy	1 year	2 years	3 years	4 years	5 years
ALABAMA	☐	☐	☐	☒	☐	☐
Alaska	☐	☐	☐	☒	☐	☐
Arizona	☐	☐	☐	☒	☐	☐
Arkansas	☐	☐	☐	☒	☐	☐
California	☐	☐	☒	☐	☐	☐
Colorado	☐	☐	☐	☒	☐	☐
Connecticut	☐	☐	☐	☐	☒	☐
Delaware	☐	☐	☐	☒	☐	☐
District of Columbia	☒	☐	☐	☐	☐	☐
Florida ¹	☐	☐	☐	☒	☐	☐
Georgia	☐	☐	☐	☒	☐	☐
Hawaii	☐	☒	☐	☐	☐	☐
Idaho	☐	☐	☐	☒	☐	☐
Illinois	☐	☐	☐	☐	☒	☐
Indiana	☐	☐	☐	☐	☐	☒
Iowa	☐	☐	☐	☒	☐	☐
Kansas	☐	☐	☐	☒	☐	☐
Kentucky	☐	☐	☐	☐	☒	☐
Louisiana	☐	☐	☐	☒	☐	☐
Maine ²	☐	☐	☒	☐	☐	☐
Maryland ³	☐	☐	☒	☐	☐	☐
Massachusetts	☐	☐	☐	☒	☐	☐
Michigan	☐	☐	☐	☐	☒	☐
Minnesota	☐	☐	☐	☒	☐	☐
Mississippi	☐	☒	☐	☐	☐	☐
Missouri	☐	☐	☐	☐	☐	☒
Montana	☐	☐	☐	☒	☐	☐
Nebraska	☐	☐	☐	☒	☐	☐
Nevada ⁴	☐	☐	☒	☐	☐	☐
New Hampshire	☐	☐	☐	☒	☐	☐
New Jersey	☐	☐	☐	☒	☐	☐
New Mexico	☐	☐	☐	☒	☐	☐
New York	☐	☐	☐	☒	☐	☐
North Carolina	☐	☐	☐	☐	☒	☐
North Dakota	☐	☒	☐	☐	☐	☐
Ohio	☐	☐	☐	☒	☐	☐
Oklahoma	☐	☐	☐	☒	☐	☐
Oregon	☐	☐	☐	☒	☐	☐
Pennsylvania	☐	☐	☐	☒	☐	☐
Rhode Island	☐	☐	☐	☒	☐	☐
South Carolina	☐	☐	☒	☐	☐	☐
South Dakota	☐	☐	☐	☒	☐	☐
Tennessee	☐	☐	☐	☒	☐	☐
Texas	☐	☐	☐	☒	☐	☐
Utah	☐	☐	☐	☒	☐	☐
Vermont	☐	☐	☒	☐	☐	☐
Virginia	☐	☐	☐	☒	☐	☐
Washington	☐	☐	☒	☐	☐	☐
West Virginia	☐	☐	☐	☒	☐	☐
Wisconsin	☐	☐	☐	☒	☐	☐
Wyoming	☐	☐	☐	☒	☐	☐
	1	3	7	33	5	2

Figure 11

- 1 Period may be extended to four years if prescribed by district and agreed to by employee.
- 2 Period may not "exceed" two years.
- 3 District may extend period to three years on individual basis.
- 4 New teachers with three consecutive satisfactory evaluations may qualify after one year.

Area 2: Retaining Effective Teachers

Goal 1 – Induction

The state should require effective induction for all new teachers, with special emphasis on teachers in high-needs schools.

GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. The state should require that new teachers be provided with a high-quality mentoring experience.
2. The state should ensure that new teachers receive mentoring of sufficient frequency and duration, especially in the first critical weeks of school.
3. Mentors should be carefully selected based on evidence of their own classroom effectiveness and subject-matter expertise. Training should be provided to mentors, and their performance as mentors should be evaluated.
4. Induction programs should include only strategies that can be successfully implemented even in a poorly managed school. Such strategies include intensive mentoring, seminars appropriate to grade level or subject area, a reduced teaching load and frequent release time to observe other teachers.

RATIONALE

- ▶ See appendix for detailed rationale.
- Too many new teachers are left to “sink or swim” when they begin teaching.
- Vague requirements simply to provide mentoring are insufficient.
- New teachers in high-needs schools are particularly in need of quality mentoring.

SUPPORTING RESEARCH

- ▶ Research citations to support this goal are available at www.nctq.org/stpy/citations.

Figure 12

How States are Faring on Induction



Goal 1 Alabama Analysis

● State Meets Goal

ANALYSIS

Alabama requires that all new teachers receive mentoring. As of the 2007-08 school year, Alabama began implementing its “Teacher Mentoring Program.” The state requires districts to ensure that each new teacher receives one-to-one mentoring within the first month of school for a minimum of two years with an option of a third year based on mastery of competencies. Mentors and mentees are required to have at least 2.5 hours of contact time during each week of the school year. Mentors, who must have a minimum of three years’ teaching experience and subject-area expertise, are chosen by a committee comprised of teachers and administrators and must complete a training course; they receive a \$1,000 stipend per year for each new teacher they mentor. Mentored new teachers are required to complete regularly scheduled assessments of the program’s effectiveness.

SUPPORTING RESEARCH

<ftp://ftp.alsde.edu/documents/66/Supts%20re%20Alabama%20Teacher%20Mentoring%20Program.pdf>

RECOMMENDATION

Alabama meets this goal. The state is commended for requiring that new teachers are provided with a high-quality, intensive mentoring experience.

ALABAMA RESPONSE TO ANALYSIS

Alabama recognized the factual accuracy of our analysis.

Figure 13

*Does **Alabama** policy articulate the elements of an effective induction program?*

Mentoring for all new teachers	YES
Mentoring of sufficient frequency and duration	YES
Mentoring provided at beginning of school year	YES
Careful selection of mentors	YES
Mentors must be trained	YES
Mentors must be evaluated	YES
Use of a variety of effective induction strategies	YES
Mentor is compensated	YES

☀️ EXAMPLES OF BEST PRACTICE

South Carolina requires that all new teachers, prior to the start of the school year, be assigned mentors for at least one year. Districts carefully select mentors, who must undergo additional training, based on experience and similar certifications and grade levels. Adequate release time is mandated by the state so that mentors and new teachers may observe each other in the classroom, collaborate on effective teaching techniques and develop professional growth plans. Mentor evaluations are mandatory and stipends are recommended.

Figure 14

Do states have policies that articulate the elements of effective induction?

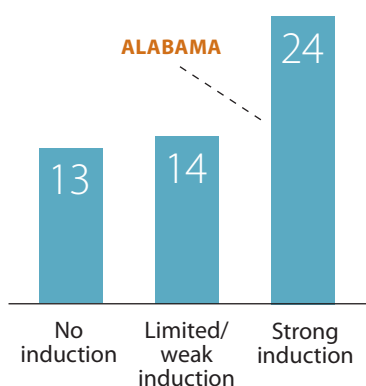


Figure 15

Do states have policies that articulate the elements of effective induction?

	No induction	Limited/weak induction	Strong induction
ALABAMA	☐	☐	☒
Alaska	☒	☐	☐
Arizona	☐	☒	☐
Arkansas	☐	☐	☒
California	☐	☒	☐
Colorado	☐	☐	☒
Connecticut	☐	☐	☒
Delaware	☐	☐	☒
District of Columbia	☒	☐	☐
Florida	☐	☒	☐
Georgia	☒	☐	☐
Hawaii	☒	☐	☐
Idaho	☐	☒	☐
Illinois	☒	☐	☐
Indiana	☐	☐	☒
Iowa	☐	☐	☒
Kansas	☐	☐	☒
Kentucky	☐	☐	☒
Louisiana	☐	☐	☒
Maine	☐	☐	☒
Maryland	☐	☒	☐
Massachusetts	☐	☐	☒
Michigan	☐	☐	☒
Minnesota	☒	☐	☐
Mississippi	☐	☐	☒
Missouri	☐	☒	☐
Montana	☒	☐	☐
Nebraska	☐	☐	☒
Nevada	☒	☐	☐
New Hampshire	☒	☐	☐
New Jersey	☐	☐	☒
New Mexico	☐	☒	☐
New York	☐	☐	☒
North Carolina	☐	☐	☒
North Dakota	☒	☐	☐
Ohio	☐	☒	☐
Oklahoma	☐	☐	☒
Oregon	☒	☐	☐
Pennsylvania	☐	☒	☐
Rhode Island	☐	☐	☒
South Carolina	☐	☐	☒
South Dakota	☐	☒	☐
Tennessee	☐	☒	☐
Texas	☐	☒	☐
Utah	☐	☐	☒
Vermont	☒	☐	☐
Virginia	☐	☐	☒
Washington	☐	☒	☐
West Virginia	☐	☐	☒
Wisconsin	☐	☒	☐
Wyoming	☒	☐	☐
	13	14	24

Area 2: Retaining Effective Teachers

Goal 2 – Licensure Advancement

The state should ensure that the only factors required when moving from a probationary to a nonprobationary license are those known to advance teacher effectiveness.

Figure 16

How States are Faring on Licensure Advancement



GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. The state should base advancement from a probationary to a nonprobationary license on evidence of classroom effectiveness.
2. The state should not require teachers to fulfill general, nonspecific coursework requirements to advance from a probationary to a nonprobationary license.
3. The state should not require teachers to have an advanced degree as a condition of permanent licensure.

RATIONALE

- See appendix for detailed rationale.
- The point of the probationary licensure period should be to determine teacher effectiveness.
- Most state requirements for achieving permanent certification have not been shown to impact teacher effectiveness.

SUPPORTING RESEARCH

- Research citations to support this goal are available at www.nctq.org/stpy/citations.

Goal 2 Alabama Analysis

○ State Does Not Meet Goal

ANALYSIS

Alabama's requirements for moving from a probationary to a nonprobationary license include factors that have not been shown to advance teacher effectiveness.

The state provides three levels of licenses: Bachelor's Professional Educator Certificate (Class B), Master's Professional Teacher License (Class A), and Sixth Year Professional Teacher License (Class AA). To advance to a Class A license, a teacher must earn a master's degree "to help the teacher develop higher levels of competence than is possible in the Class B program." To advance to a Class AA license, a teacher must meet the requirements of the Class A license as well as complete an approved sixth-year teacher education program. It is not required that a teacher advance beyond the Class B license.

All three licenses are valid for five years and can be renewed based on the following requirements: three years of "satisfactory" educational experience and either five continuing education units or three semester hours of credit; five continuing education units and three semester hours of credit; or six semester hours of credit.

SUPPORTING RESEARCH

Alabama Administrative Code 290-3-2-.01, 290-3-2-.03(1), 290-3-2-.04, 290-3-3-.42

RECOMMENDATION

Alabama does not meet this goal. The state's licensure requirements are not based on factors that measure or advance teacher effectiveness. While targeted requirements may potentially expand teacher knowledge and improve teacher practice, general, nonspecific coursework requirements, in this case required at every stage of license renewal or advancement, merely call for teachers

to complete a certain amount of seat time. These vague requirements clearly do not correlate with teacher effectiveness and should be clarified for specificity.

Also, although teachers are not *required* to advance to Class A and Class AA licenses, the state should reconsider its mandate of a master's degree for advancement, as research is conclusive and emphatic that master's degrees do not have any significant correlation to classroom performance. Rather, advancement should be based on evidence of teacher effectiveness.

ALABAMA RESPONSE TO ANALYSIS

Alabama recognized the factual accuracy of our analysis. The state added that in January 2006, its governor convened the Governor's Commission on Quality Teaching. "The mission of the Commission was and is to examine, recommend and work to implement laws, policies and practices affecting teachers and teaching effectiveness to ensure student success in Alabama." A subcommittee is currently designing a "Professional Pathways" matrix, which is designed to require that teachers demonstrate teaching and/or leadership competence to advance licensure. If adopted, classroom effectiveness "will be the basis for moving from Beginning Teacher to Professional Teacher. In addition, a person who does not achieve Professional Teacher status within a short period of time will not be able to continue teaching."

SUPPORTING RESEARCH

http://ti_sp.alsde.edu/qt/default.aspx

LAST WORD

Alabama is commended for its plans to connect evidence effectiveness to teacher licensure.

Figure 17

Do states require teachers to show evidence of effectiveness before conferring permanent licensure?¹

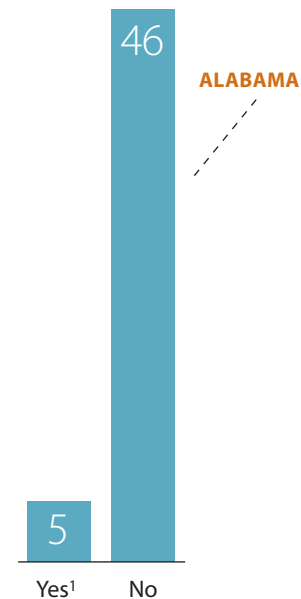
	No evidence of effectiveness	Some evidence of effectiveness	Preponderant evidence of effectiveness
ALABAMA	☒	☐	☐
Alaska	☒	☐	☐
Arizona	☒	☐	☐
Arkansas	☐	☒	☐
California	☐	☒	☐
Colorado	☒	☐	☐
Connecticut	☒	☐	☐
Delaware	☒	☐	☐
District of Columbia	☒	☐	☐
Florida	☒	☐	☐
Georgia	☒	☐	☐
Hawaii	☒	☐	☐
Idaho	☒	☐	☐
Illinois	☒	☐	☐
Indiana	☐	☒	☐
Iowa	☐	☒	☐
Kansas	☐	☒	☐
Kentucky	☒	☐	☐
Louisiana	☐	☒	☐
Maine	☐	☒	☐
Maryland	☒	☐	☐
Massachusetts	☒	☐	☐
Michigan	☒	☐	☐
Minnesota	☒	☐	☐
Mississippi	☒	☐	☐
Missouri	☒	☐	☐
Montana	☒	☐	☐
Nebraska	☒	☐	☐
Nevada	☒	☐	☐
New Hampshire	☒	☐	☐
New Jersey	☒	☐	☐
New Mexico	☐	☐	☒
New York	☒	☐	☐
North Carolina	☐	☒	☐
North Dakota	☒	☐	☐
Ohio	☐	☒	☐
Oklahoma	☒	☐	☐
Oregon	☒	☐	☐
Pennsylvania	☒	☐	☐
Rhode Island	☒	☐	☐
South Carolina	☐	☒	☐
South Dakota	☒	☐	☐
Tennessee	☐	☒	☐
Texas	☒	☐	☐
Utah	☐	☒	☐
Vermont	☐	☒	☐
Virginia	☒	☐	☐
Washington	☐	☒	☐
West Virginia	☒	☐	☐
Wisconsin	☐	☒	☐
Wyoming	☒	☐	☐
	35	15	1

EXAMPLES OF BEST PRACTICE

In addition to three years' teaching experience and completing the mentoring requirement, **New Mexico** requires new teachers to submit a professional development dossier to advance from the probationary to nonprobationary certificate. The dossier is divided into five strands, including evidence of teacher effectiveness and evidence of student learning, and teachers must meet or exceed the standards in all strands to advance.

Figure 18

Do states require teachers to earn advanced degrees before conferring permanent licensure?



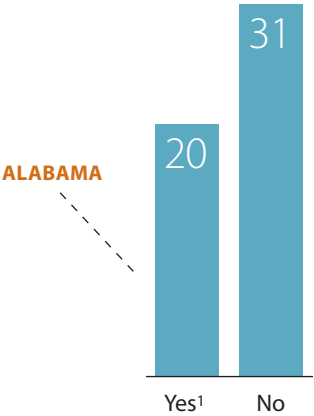
¹ Connecticut, Kentucky, Maryland, New York and Oregon.

Figure 17

¹ Permanent licensure refers to the right to practice; permanent status, or tenure, is a condition of employment. In most states, the conferral of each is separate and unrelated.

Figure 19

Do states require teachers to take additional, nonspecific coursework before conferring permanent licensure?



¹ Alabama, Alaska, Connecticut, District of Columbia, Idaho, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, North Dakota, Pennsylvania, South Dakota, Texas, Virginia, West Virginia and Wyoming.

Area 2: Retaining Effective Teachers

Goal 3 – Pay Scales

The state should ensure that the only factors required when moving from a probationary to a nonprobationary license are those known to advance teacher effectiveness.

Figure 20

How States are Faring on Pay Scales



GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. While the state may articulate teachers' starting salaries, it should not require districts to adhere to a state-dictated salary schedule that sets minimum pay for every level.
2. The state should discourage districts from tying additional compensation to advanced degrees. The state should eliminate salary schedules that establish higher minimum salaries or other requirements to pay more to teachers with advanced degrees.
3. The state should discourage salary schedules that imply that teachers with the most experience are the most effective. The state should eliminate salary schedules that require that the highest steps on the pay scale be determined solely by seniority.

RATIONALE

- ▶ See appendix for detailed rationale.
- Compensation reform can be accomplished within the context of local control.
- There is an important difference between a state setting the minimum teacher salary and setting a salary schedule.

SUPPORTING RESEARCH

- ▶ Research citations to support this goal are available at www.nctq.org/stpy/citations.

Goal 3 Alabama Analysis

○ State Does Not Meet Goal

ANALYSIS

To determine teachers' salaries, Alabama provides districts with a Minimum Salary Schedule. Because the salary schedule provided by the state is based on years of experience and earned advanced degrees, the state effectively mandates how districts will pay teachers. The inclusion of advanced degrees in the state schedule is particularly problematic, as this sends a clear message to both districts and teachers that attaining an advanced degree is desirable and should be rewarded, although exhaustive research has shown unequivocally that advanced degrees do not impact teacher effectiveness. Further, by establishing a guideline for teachers' salaries that includes advanced degrees, the state limits the ability of districts to structure their pay scales in ways that do emphasize teacher effectiveness.

SUPPORTING RESEARCH

State Minimum Salary Schedule
http://www.alsde.edu/html/sections/doc_download.asp?section=68&id=8846&sort=5

RECOMMENDATION

Alabama does not meet this goal. While the state may articulate the starting salary that a teacher should be paid, it should not require districts to adhere to a state-dictated salary schedule. It should also discourage districts from tying compensation to advanced degrees and eliminate salary schedules that establish higher minimum salaries for those teachers with such degrees. The state should also discourage salary schedules that assume teachers with the most experience are the most effective and ensure that the highest steps on the pay scale are not determined solely by seniority.

ALABAMA RESPONSE TO ANALYSIS

Alabama recognized the factual accuracy of our analysis. The state added that "since the rationale states that '...different communities have different resources, needs and priorities ...,' can NCTQ provide 'exhaustive research' on Alabama school districts that shows 'unequivocally that advanced degrees do not impact teacher effectiveness' in Alabama schools?"

LAST WORD

In light of the magnitude of studies showing that advanced degrees do not impact teacher effectiveness, it is unrealistic for Alabama to believe it is the exception. The question the state should ask is why it would continue to put considerable resources into rewarding teachers for having advanced degrees, absent research evidence that such degrees *do* have an impact.

Figure 21

What role does the state play in deciding teacher pay rates?

	Sets minimum salary schedule	Sets minimum salary	Gives full authority to districts
ALABAMA	☒	☐	☐
Alaska	☐	☐	☒
Arizona	☐	☐	☒
Arkansas	☒	☐	☐
California	☐	☐	☒
Colorado	☐	☐	☒ ¹
Connecticut	☐	☐	☒
Delaware	☒	☐	☐
District of Columbia	☐	☐	☒
Florida	☐	☐	☒
Georgia	☒	☐	☐
Hawaii	☒	☐	☐
Idaho	☐	☒	☐
Illinois	☐	☒	☐
Indiana	☐	☒	☐
Iowa	☐	☒	☐
Kansas	☐	☐	☒
Kentucky	☒	☐	☐
Louisiana	☒	☐	☐
Maine	☐	☒	☐
Maryland	☐	☐	☒
Massachusetts	☐	☒	☐
Michigan	☐	☐	☒
Minnesota	☐	☐	☒
Mississippi	☒	☐	☐
Missouri	☒	☐	☐
Montana	☐	☐	☒
Nebraska	☐	☐	☒
Nevada	☐	☐	☒
New Hampshire	☐	☐	☒
New Jersey	☐	☒	☐
New Mexico	☐	☒	☐
New York	☐	☐	☒
North Carolina	☒	☐	☐
North Dakota	☐	☐	☒
Ohio	☒	☐	☐
Oklahoma	☒	☐	☐
Oregon	☐	☐	☒
Pennsylvania	☐	☐	☒
Rhode Island	☐	☐	☒ ²
South Carolina	☒	☐	☐
South Dakota	☐	☐	☒
Tennessee	☒	☐	☐
Texas	☒	☐	☐
Utah	☐	☐	☒
Vermont	☐	☐	☒
Virginia	☐	☐	☒
Washington	☒	☐	☐
West Virginia	☒	☐	☐
Wisconsin	☐	☐	☒
Wyoming	☐	☐	☒
	17	8	26

EXAMPLES OF BEST PRACTICE

Unfortunately, NCTQ cannot highlight any state's policy in this area. Twenty-six states do not require districts to adhere to salary schedules or minimum salary requirements, giving them full control of teacher pay rates. No state has yet articulated a policy that discourages tying compensation to advanced degrees or basing salary solely on years of experience.

Figure 22

What role does the state play in deciding teacher pay rates?

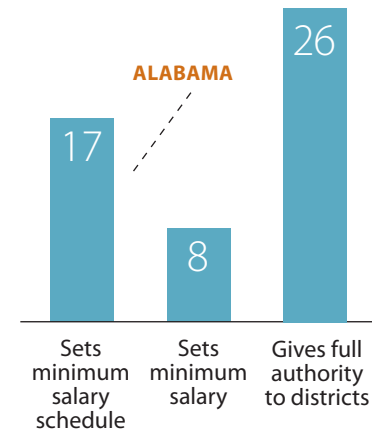


Figure 21

¹ Colorado gives districts option of a salary schedule, a performance pay policy or a combination of both.

² Rhode Island requires that local district salary schedules are based on years of service, experience and training.

Figure 23

Do states require districts to pay more to teachers who have earned advanced degrees?

	Yes	No
ALABAMA	☒	☐
Alaska	☐	☒
Arizona	☐	☒
Arkansas	☒	☐
California	☐	☒
Colorado ¹	☐	☒
Connecticut	☐	☒
Delaware	☒	☐
District of Columbia	☐	☒
Florida	☐	☒
Georgia	☒	☐
Hawaii	☒	☐
Idaho ²	☐	☒
Illinois	☒	☐
Indiana	☒	☐
Iowa	☐	☒
Kansas	☐	☒
Kentucky	☒	☐
Louisiana	☒	☐
Maine	☐	☒
Maryland	☐	☒
Massachusetts	☐	☒
Michigan	☐	☒
Minnesota	☐	☒
Mississippi	☒	☐
Missouri	☒	☐
Montana	☐	☒
Nebraska	☐	☒
Nevada	☐	☒
New Hampshire	☐	☒
New Jersey	☐	☒
New Mexico	☐	☒
New York	☐	☒
North Carolina	☒	☐
North Dakota	☐	☒
Ohio	☒	☐
Oklahoma	☒	☐
Oregon	☐	☒
Pennsylvania	☐	☒
Rhode Island ³	☐	☒
South Carolina	☒	☐
South Dakota	☐	☒
Tennessee	☒	☐
Texas	☐	☒
Utah	☐	☒
Vermont	☐	☒
Virginia	☐	☒
Washington	☒	☐
West Virginia	☒	☐
Wisconsin	☐	☒
Wyoming	☐	☒

18 33

Figure 23

1 If districts choose to have salary schedules, one variable must be teachers' education.

2 Idaho refers to "education index" in district-determined schedules.

3 Rhode Island requires local district salary schedules to include teacher "training."

Area 2: Retaining Effective Teachers

Goal 4 – Retention Pay

The state should support retention pay, such as significant boosts in salary after tenure is awarded, for effective teachers.

Figure 24

How States are Faring on Retention Pay



GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. The state should encourage districts to provide a significant pay increase to teachers awarded tenure, provided tenure is based on sufficient data to determine effectiveness.
2. The state should not support longevity bonuses, which are awarded at the end of teachers' careers and do not provide effective retention strategies.

RATIONALE

- ▶ See appendix for detailed rationale.
- Connecting additional compensation to the awarding of tenure would help teacher retention.

SUPPORTING RESEARCH

- ▶ Research citations to support this goal are available at www.nctq.org/stpy/citations.

EXAMPLES OF BEST PRACTICE

Unfortunately, NCTQ cannot highlight any state's policy in this area.

Goal 4 **Alabama** Analysis

☐ State Does Not Meet Goal

ANALYSIS

Alabama does not support retention pay for effective teachers, such as significant boosts in salary after tenure is awarded. The state does not have any policies that encourage retention pay. Alabama requires districts to follow a state salary schedule (see Goal 2.3) that shows minimal increases in pay throughout a teacher's first five years in the classroom, not indicating any sort of significant financial incentive around the time of tenure award.

SUPPORTING RESEARCH

State Minimum Salary Schedule
http://www.alsde.edu/html/sections/doc_download.asp?section=68&id=8846&sort=5

RECOMMENDATION

Alabama does not meet this goal. The state should encourage local districts to provide a significant pay increase to teachers awarded tenure, provided tenure is based on sufficient data to determine effectiveness. Offering financial incentives for classroom performance is a valuable tool for keeping effective new teachers in the school system, rather than more commonly employed incentives such as longevity bonuses, which are awarded toward the end of teachers' careers and are not connected to teachers' effectiveness.

ALABAMA RESPONSE TO ANALYSIS

Alabama asserted that through its analysis of the state salary schedule, the largest increase (10 percent) occurs at the attainment of tenure, beginning with the fourth year of employment, and then "the increase is less for each subsequent increment."

LAST WORD

Alabama is correct in that its largest incremental increase occurs in the fourth year of employment; however, both the incentive and the difference between that increase and others on the salary schedule are so small that it does not appear that this is intended to serve as a retention bonus.

Area 2: Retaining Effective Teachers

Goal 5 – Compensation for Prior Work Experience

The state should encourage districts to provide compensation for related prior subject-area work experience.

Figure 25

How States are Faring on Compensation for Prior Work Experience



GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. The state should encourage districts to compensate new teachers with relevant prior work experience through mechanisms such as starting these teachers at an advanced step on the pay scale. Further, the state should not have regulatory language that would block such strategies.

RATIONALE

- See appendix for detailed rationale.
- Districts should be allowed to pay new teachers with relevant work experience more than other new teachers.

SUPPORTING RESEARCH

- Research citations to support this goal are available at www.nctq.org/stpy/citations.

Goal 5 **Alabama** Analysis

☐ State Does Not Meet Goal

ANALYSIS

Alabama does not encourage local districts to provide compensation for related prior subject-area work experience. However, the state does not seem to have regulatory language blocking such strategies.

SUPPORTING RESEARCH

State Minimum Salary Schedule
http://www.alsde.edu/html/sections/doc_download.asp?section=68&id=8846&sort=5

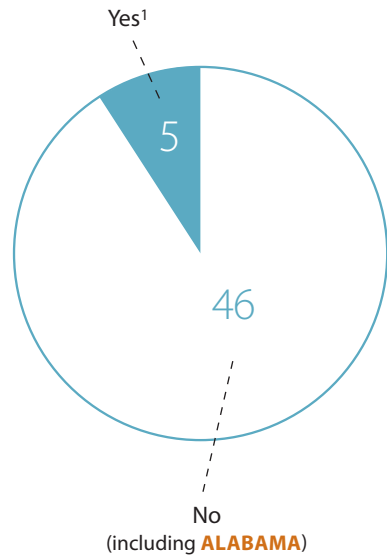
RECOMMENDATION

Alabama does not meet this goal. The state should encourage local districts to compensate new teachers with relevant prior-work experience, through mechanisms such as starting these teachers at an advanced step on the pay scale.

ALABAMA RESPONSE TO ANALYSIS

Alabama recognized the factual accuracy of our analysis.

Figure 26
Do states direct districts to compensate teachers for related prior work experience?



¹ California, Delaware, Georgia, North Carolina and Texas.

 EXAMPLES OF BEST PRACTICE

North Carolina compensates new teachers with relevant prior-work experience by awarding them one year of experience credit for every year of full-time work, after earning a bachelor’s degree, that is related to their area of licensure and work assignment. One year of credit is awarded for every two years of work experience completed prior to earning a bachelor’s degree.

Area 2: Retaining Effective Teachers

Goal 6 – Differential Pay for Shortage Areas

The state should support retention pay, such as significant boosts in salary after tenure is awarded, for effective teachers.

GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. The state should support differential pay for effective teaching in shortage subject areas.
2. The state should support differential pay for effective teaching in high-needs schools.
3. The state should not have regulatory language that would block differential pay.

RATIONALE

- See appendix for detailed rationale.
- States should take the lead in addressing chronic shortages and needs.

SUPPORTING RESEARCH

- Research citations to support this goal are available at www.nctq.org/stpy/citations.

Figure 27

How States are Faring on Differential Pay for Shortage Areas



Goal 6 Alabama Analysis

○ State Does Not Meet Goal

ANALYSIS

Alabama does not support differential pay in which a teacher can earn additional compensation by teaching certain subjects, nor does the state offer incentives to teach in high-needs schools. It does not have regulatory language that would directly block local districts from providing differential pay, and in fact, the state's Equity Plan, submitted to the U.S. Department of Education in 2006, outlined its intentions to create differential pay initiatives. However, at present, no incentives have been instituted.

Teachers who are National Board Certified are eligible to receive a \$5,000 annual salary supplement, although this type of differential pay is not tied to high-needs schools or subject-area shortages.

SUPPORTING RESEARCH

Alabama's Equity Plan: <http://www.ed.gov/programs/teacherqual/hqtplans/alep.doc>
http://www.nbpts.org/resources/state_local_information/AL

RECOMMENDATION

Alabama does not meet this goal. The state should refer to its Equity Plan and implement differential pay initiatives for effective teachers in both shortage subject areas and high-needs schools, as a way to more closely link teacher compensation to district needs and achieve a more equitable distribution of teachers.

ALABAMA RESPONSE TO ANALYSIS

Alabama recognized the factual accuracy of our analysis.

EXAMPLES OF BEST PRACTICE

Seventeen states meet this goal, and although NCTQ has not singled out one state's policy for best practice honors, **Louisiana, Nevada, New York** and **Texas** are commended for not only supporting differential pay for teaching in shortage subject areas and in high-needs schools but also for offering meaningful incentive amounts.

California, Georgia and **Hawaii** are also noteworthy because these states provide incentives for National Board Certified teachers to work in high-needs schools.

Figure 28

Do states provide incentives to teach in high-needs schools or shortage subject areas?

	High-needs schools		Shortage subject areas		No support
	Differential pay	Loan forgiveness	Differential pay	Loan forgiveness	
ALABAMA	☐	☐	☐	☐	☒
Alaska	☐	☐	☐	☐	☒
Arizona	☐	☐	☐	☐	☒
Arkansas	☒	☐	☒	☐	☐
California	☒	☐	☒	☐	☐
Colorado	☒	☒	☐	☐	☐
Connecticut ¹	☐	☐	☐	☐	☐
Delaware	☐	☐	☐	☐	☒
District of Columbia	☐	☐	☐	☐	☒
Florida	☒	☐	☒	☐	☐
Georgia	☒	☐	☒	☐	☐
Hawaii	☒	☐	☒	☐	☐
Idaho	☐	☐	☐	☐	☒
Illinois	☐	☒	☐	☐	☐
Indiana	☐	☐	☐	☐	☒
Iowa	☐	☐	☒	☐	☐
Kansas	☐	☐	☐	☐	☒
Kentucky	☒	☐	☒	☐	☐
Louisiana	☒	☐	☒	☐	☐
Maine	☐	☐	☐	☐	☒
Maryland ²	☒	☐	☐	☐	☐
Massachusetts	☒	☐	☒	☐	☐
Michigan	☐	☐	☐	☐	☒
Minnesota	☐	☐	☐	☐	☒
Mississippi	☒	☐	☒	☐	☐
Missouri	☐	☐	☐	☐	☒
Montana	☐	☒	☐	☒	☐
Nebraska	☐	☒	☐	☒	☐
Nevada	☒	☐	☒	☐	☐
New Hampshire	☐	☐	☐	☒	☐
New Jersey	☐	☐	☐	☐	☒
New Mexico	☐	☐	☐	☐	☒
New York	☒	☐	☒	☐	☐
North Carolina	☒	☐	☐	☐	☐
North Dakota	☐	☐	☐	☐	☒
Ohio	☒	☐	☒	☐	☐
Oklahoma	☒	☐	☒	☒	☐
Oregon	☐	☒	☐	☐	☐
Pennsylvania	☐	☒	☒	☒	☐
Rhode Island	☐	☐	☐	☐	☒
South Carolina	☐	☒	☐	☒	☐
South Dakota ³	☐	☐	☐	☐	☐
Tennessee	☒	☐	☒	☐	☐
Texas	☒	☐	☒	☐	☐
Utah	☐	☐	☒	☐	☐
Vermont	☐	☐	☐	☒	☐
Virginia	☒	☐	☒	☒	☐
Washington	☒	☐	☐	☒	☐
West Virginia	☐	☐	☐	☐	☒
Wisconsin	☒	☐	☐	☐	☐
Wyoming	☒	☐	☒	☐	☐
	22	7	20	9	17

Figure 28

- 1 Connecticut offers mortgage assistance and incentives to retired teachers.
- 2 Maryland offers tuition reimbursement for retraining in the areas of mathematics and science, if the teacher agrees to teach in the public school system for at least two years following certification. It also offers a stipend to alternate route candidates who agree to teach math, science or special education in a state public school for at least three years.
- 3 South Dakota offers scholarships and signing bonuses.

Area 2: Retaining Effective Teachers

Goal 7 – Performance Pay

The state should support performance pay, but in a manner that recognizes its infancy, appropriate uses and limitations.

Figure 29

How States are Faring on Performance Pay



GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. The state should support performance pay efforts, rewarding teachers for their effectiveness in the classroom.
2. The state should allow districts flexibility to define the criteria for performance pay; however, the state should ensure that districts' criteria are connected to evidence of student achievement.
3. Any performance pay plan should allow for the participation of all teachers, not just those with students who take standardized tests.

RATIONALE

- See appendix for detailed rationale.
- Performance pay is an important retention strategy.
- States should set guidelines for districts to ensure that plans are fair and sound.

SUPPORTING RESEARCH

- Research citations to support this goal are available at www.nctq.org/stpy/citations.

Goal 7 **Alabama** Analysis

● State Meets Goal

ANALYSIS

Alabama does not currently support performance pay statewide; however, it is in its second year of a three-year pilot program “awarding teachers additional compensation for their effectiveness by supporting a performance pay plan.” The program has the capability to track student achievement, teacher quality and compensation rate. All local districts were given the opportunity to participate.

SUPPORTING RESEARCH

http://ti_sp.salsde.edu/qt/Shared%20Documents/Performance%20Pay%20Report-CTQ.pdf

RECOMMENDATION

Alabama meets this goal. The state is commended for instituting its pilot program and is encouraged to, upon completion, review the assets of its program and incorporate those elements that recognize the appropriate uses and limitations into a statewide policy supporting performance pay.

ALABAMA RESPONSE TO ANALYSIS

Alabama was helpful in providing NCTQ with the facts necessary for our analysis.

Figure 30

Do states support performance pay?

			Characteristics of program	
	Supports performance pay	Does not support performance pay	Connects performance pay to evidence of student achievement	Open to all teachers
ALABAMA	☒ ¹	☐	☒	☐
Alaska	☒ ¹	☐	☒	☐
Arizona	☒	☐	☒	☒
Arkansas	☒	☐	☒	☒
California ²	☒	☐	☒	☐
Colorado	☐	☒	☐	☐
Connecticut	☐	☒	☐	☐
Delaware	☐	☒	☐	☐
District of Columbia	☐	☒	☐	☐
Florida	☒	☐	☒	☒
Georgia	☐	☒	☐	☐
Hawaii	☐	☒	☐	☐
Idaho	☐	☒	☐	☐
Illinois	☐	☒	☐	☐
Indiana	☐	☒	☐	☐
Iowa	☒	☐	☒	☒
Kansas	☐	☒	☐	☐
Kentucky	☒	☐	☐	☒
Louisiana	☒	☐	☐	☐
Maine	☐	☒	☐	☐
Maryland	☐	☒	☐	☐
Massachusetts	☐	☒	☐	☐
Michigan	☒	☐	☐	☒
Minnesota	☒	☐	☒	☒
Mississippi	☐	☒	☐	☐
Missouri	☒	☐	☐	☒
Montana	☐	☒	☐	☐
Nebraska	☐	☒	☐	☐
Nevada	☐	☒	☐	☐
New Hampshire	☐	☒	☐	☐
New Jersey	☐	☒	☐	☐
New Mexico	☐	☒	☐	☐
New York	☐	☒	☐	☐
North Carolina	☒	☐	☒	☐
North Dakota	☐	☒	☐	☐
Ohio	☒ ¹	☐	☒	☐
Oklahoma	☒	☐	☒	☒
Oregon	☐	☒	☐	☐
Pennsylvania	☐	☒	☐	☐
Rhode Island	☐	☒	☐	☐
South Carolina	☒	☐	☒	☒
South Dakota	☒ ¹	☐	☒	☐
Tennessee	☒	☐	☒	☒
Texas	☒	☐	☒	☒
Utah	☒	☐	☒	☒
Vermont	☐	☒	☐	☐
Virginia	☐	☒	☐	☐
Washington	☐	☒	☐	☐
West Virginia	☐	☒	☐	☐
Wisconsin	☐	☒	☐	☐
Wyoming	☐	☒	☐	☐
	20	31	16	13

EXAMPLES OF BEST PRACTICE

Tennessee requires differentiated pay plans, which may include performance pay. If districts choose to include a performance component, it must be based on student achievement gains and be criterion-based so that all teachers meeting the standard, not just those with students who take standardized tests, are eligible for the reward. Although the state does not dictate specific incentive amounts, it requires that the awards be significant enough to make a difference to teachers.

Figure 30

¹ Alaska, Alabama, Ohio and South Dakota fund pilot programs.

² California only offers incentives to teachers in underachieving schools.

Area 2: Retaining Effective Teachers

Goal 8 – Pension Flexibility

The state should ensure that pension systems are portable, flexible and fair to all teachers.

GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. Participants in the state's pension system should have the option of a defined contribution plan as their primary pension plan.
2. Participants in the state's pension system should be vested no later than the third year of employment.
3. Mandatory employee and employer contribution rates should not be unreasonably high. Excessively high employee contribution rates are particularly problematic for teachers with lower salaries, while excessive employer contributions commit district resources that could otherwise be spent on salaries or incentives.
4. Defined benefit plans should offer the option of a lump-sum withdrawal upon employment termination. This option at minimum should include employee contributions and accrued interest at a fair interest rate. In addition, withdrawal options from either defined benefit or defined contribution plans should include funds contributed by the employer.
5. Defined benefit plans should allow participants to purchase time for unlimited previous teaching experience at the time of employment. Teachers should also be allowed to purchase time for all official leaves of absence, such as maternity and paternity leave.

RATIONALE

- See appendix for detailed rationale.
- Anachronistic features of teacher pension plans disadvantage teachers early in their careers.
- Pension plans also disadvantage teachers early in their careers by overcommitting employer resources to retirement benefits.

Figure 31

How States are Faring on Pension Flexibility



SUPPORTING RESEARCH

- Research citations to support this goal are available at www.nctq.org/stpy/citations.

Figure 32 on page 42 provides a glossary of pension terms.

Goal 8 Alabama Analysis

 State Partly Meets Goal

ANALYSIS

Alabama does not offer defined contribution pension plans as options for teachers' mandatory pension plans. The only mandatory plans available to teachers are defined benefit plans. However, teachers in Alabama also participate in Social Security, so they must contribute to the state's defined benefit plan in addition to their Social Security contributions. Although retirement savings in addition to Social Security are good and necessary for most individuals, the state's policy results in mandated contributions to two inflexible plans, rather than permitting teachers options for their secondary savings plans.

Alabama is commended for offering an optional supplementary defined contribution plan, known as RSA-1, which is a deferred compensation plan. Teachers pay federal and state income taxes on contributions and their earnings only when they withdraw the money from their accounts. However, there is no employer contribution to these accounts.

Because of the low mandatory employee contribution rate to the defined benefit plan of 5 percent, teachers should be able to also contribute meaningfully to the state's optional defined contribution plan. This rate is reasonable, even though teachers must contribute 6.2 percent to Social Security. The current employer contribution rate of 8.17 percent to the defined benefit plan is too high, in light of the fact that local districts must also contribute 6.2 percent to Social Security. Lower employer contributions would allow districts to spend funds on more immediate means to retain talented teachers, particularly because teachers who withdraw their funds will not receive any employer contribution.

Vesting is a key component of defined benefit plans because it guarantees a teacher's eligibility to receive lifetime monthly benefit payments and be fully entitled to all other additional benefits. When vested

teachers stop working in a particular system, they may leave their funds in the system and later receive benefits when they reach the defined retirement age, or they may withdraw some or all of the funds according to the plan's guidelines. Nonvested teachers may only withdraw funds; they may not receive retirement benefits. Alabama's defined benefit plan does not vest until year 10. This is a significantly long time to wait to vest and may be a deterrent to teacher retention. However, in the state's optional supplementary defined contribution plan, teachers are immediately vested in the complete account balance.

Teachers who withdraw their funds when they stop teaching in Alabama only receive their contributions plus a percentage of interest earned, which is based on years of service ranging from 0 percent for less than three years of service to 80 percent for 26 or more years of service. Teachers are never allowed to withdraw 100 percent of the interest earned by their contributions, which means those who withdraw their funds accrue lesser benefits than what they might have earned contributing to basic savings accounts. Further, teachers who remain in the field of education but enter another pension plan (such as in another state) will find it difficult to purchase the time equivalent to their prior employment in the new system because they are not entitled to any employer contribution.

The ability to purchase time is important because defined benefit plans' retirement eligibility and benefit payments are often tied to the number of years a teacher has worked. Alabama's plan allows teachers to purchase up to 10 years of prior out-of-state teaching experience, which is a disadvantage to any teacher transferring with more years of experience. The state's plan also allows for the purchase of up to one year for each maternity leave taken without pay.

SUPPORTING RESEARCH

<http://www.rsa-al.gov/TRS/Pubs%20and%20forms/TRS%20Pubs/TRS%20Member%20Handbook%202007.pdf>

<http://www.publicfundssurvey.org/publicfundssurvey/contributionrates.asp>

RECOMMENDATION

Alabama meets this goal in part. The state should offer teachers the option of participating in defined contribution plans as part of their mandatory pension plans, especially considering teachers also participate in Social Security. Alabama should also consider requiring employer contributions to this plan or allowing teachers to choose to which plan they want their mandatory employer contribution applied. The portability of defined contribution plans is attractive to an increasingly mobile teacher workforce. If the state maintains its defined benefit option, it should consider allowing vesting after year three instead of year 10, and lowering the mandatory contribution rates for local districts.

Because purchasing time can be structured as generally cost neutral to the fund, teachers should be allowed to transfer unlimited time from previous teaching experience, and this purchase should be allowed on the first day of employment in the new school system.

ALABAMA RESPONSE TO ANALYSIS

Alabama was helpful in providing NCTQ with facts that enhanced our analysis. The state explained that its benefits package to teachers includes four components:

1. The defined benefit plan “has a fiscal history and reputation that attracts and maintains new teachers by protecting future benefits unlike the defined contribution plans and Social Security that exhaustive research show a potential failure.”
2. The DROP plan is a voluntary-participation program that allows teachers of at least 55 years of age and with 25 or more years of service to have their retirement benefits placed in an interest-bearing account while continuing to be paid a salary as a teacher for up to five years of teaching beyond age 55, thus allowing them to receive a lump-sum benefit at retirement plus continued retirement benefits until death.

3. The voluntary 457 plan provides tax-free contributions by the teacher to a savings plan that provides additional retirement benefits to participants.
4. Medical benefits provide lower retiree insurance premiums for each year of service beyond 25 years.

Alabama also contended that districts would be hampered in recruiting and maintaining effective teachers without the stability offered by the “inflexible” defined benefit plan, and its state NEA affiliate can provide survey results that confirm this statement of fact.

LAST WORD

The option of being able to *choose* a defined contribution plan is inherently better than being *mandated* into a defined benefit plan. While defined contribution plans are not without their risks, the option allows teachers to decide for themselves whether or not they find those risks acceptable. As discussed in the rationale for this goal, states have a responsibility to educate their employees on their options and how to invest at different stages in life.

Even if all teachers would opt for the “stability” of a defined benefit plan, these plans disadvantage teachers who move into or out of the state, or enter teaching later in life, both of which are becoming increasingly more common. Defined contribution plans may provide less than defined benefit plans to those who spent their entire careers in one system, but the payouts to career teachers are at the expense of mobile teachers, career switchers and taxpayers. Offering a supplemental defined contribution plan is currently only marginally beneficial. Teachers would be able to make greater use of these plans if they could opt out of the mandatory defined benefit plan or otherwise direct their mandatory employer or employee contribution to this plan. Employers are obligated to make large contributions to the defined benefit plan and are unlikely to have available funds to also contribute to the supplemental plan.

As for the state’s DROP program, it is only a temporary fix to the structural problem of allowing early retirement without reduced benefits. This is discussed further in the rationale for Goal 2.9.

Figure 32

Glossary

Benefit Formula:

Formula used to calculate the amount teachers will receive each month after retirement. The most common formula used is *years of service x final average salary x benefit multiplier*. This amount is divided by 12 to calculate monthly benefits.

Benefit Multiplier:

Multiplier used in the benefit formula. It, along with years of service, determines the total percentage of final average salary that a teacher will receive in retirement benefits. In some plans, the multiplier is not constant, but changes depending upon retirement age and/or years of service.

Defined Benefit Plan:

Pension plan that promises to pay a specified amount to each person who retires after a set number of years of service. Employees contribute to them in some cases; in others, all contributions are made by the employer.

Defined Contribution Plan:

Pension plan in which the level of contributions is fixed at a certain level, while benefits vary depending on the return from the investments. Employees make contributions into a tax-deferred account, and employers may or may not make contributions. Defined contribution pension plans, unlike defined benefit pension plans, give the employee options of where to invest the account, usually among stock, bond and money market accounts.

Lump-sum Withdrawal:

Large payment of money received at one time instead of in periodic payments. Teachers leaving a pension plan may receive a lump-sum distribution of the value of their pension.

Pension Wealth:

The net present value of a teacher's expected lifetime retirement benefits.

Purchasing Time:

A teacher may make additional contributions to a pension system to increase service credit. Time may be purchased for a number of reasons, such as professional development leave, previous out-of-state teaching experience, medical leaves of absence or military service.

Service Credit/Years of Service:

Accumulated period of time in years or partial years, for which a teacher earned compensation subject to contributions.

Supplemental Retirement Plan:

An optional plan to which teachers may voluntarily make tax-deferred contributions in addition to their mandatory pension plans. Employees are usually able to choose their rate of contribution up to a maximum set by the IRS; some employers also make contributions. These plans are generally in the form of 457 and 403(b) programs.

Vesting:

Right an employee gradually acquires by length of service to receive employer-contributed benefits, such as payments from a pension fund.

FOOD FOR THOUGHT

West Virginia's Cautionary Tale

Education and individual retirement planning advice is a critical aspect of any state's pension plan, as evidenced by the tribulations of West Virginia's teacher pension system. In 1991, facing financial troubles, West Virginia closed its defined benefit Teachers' Retirement System (TRS) to new members and opened the Teachers' Defined Contribution plan (TDC). However, after widespread dissatisfaction with TDC account balances, it was closed to new members in 2005, and TRS was reopened. In 2008, the state legislature gave TDC participants a one-time option to switch their account balances from TDC to TRS in order to receive retirement payments according to the defined benefit formula. Over 78 percent of teachers elected to transfer.

While these events may appear to argue against states' offering defined contribution plans, West Virginia's experience should be viewed as a cautionary tale of the need for proper investment education. The implementation of the defined contribution plan was not handled well. In fact, some teachers believe they were so poorly advised that they have filed suit against the investment firm managing the plan. About three-fourths of teachers invested solely in low-yield, low-risk annuities that performed only slightly better than some savings accounts. For example, the Associated Press found that from May 2005 to May 2008, these annuities provided only their guaranteed 4.5 percent annual return. Over this same time period, the S&P 500 had an average rate of return of over 7 percent per year.

Defined contribution plans provide teachers flexibility in their retirement savings, but such plans are not without risk. States have a responsibility to educate teachers on their financial options and how to invest at different stages in life.

Figure 32
Sources: Barron's Dictionary of Finance and Investment Terms, Seventh Edition and California State Teachers' Retirement System's glossary, <http://www.calstrs.com/Members/Defined%20Benefit%20Program/glossary.aspx>.

Figure 33

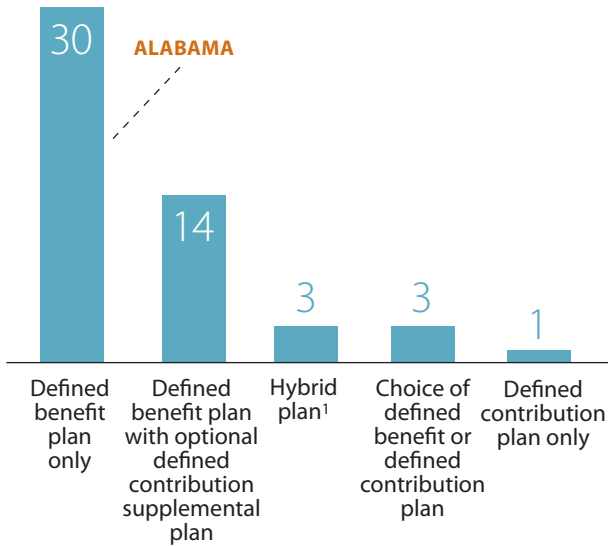
Do state pension systems have a defined contribution option?

	Defined benefit plan only	Defined benefit plan with defined contribution supplemental plan	Hybrid plan ¹	Choice of defined benefit or defined contribution plan	Defined contribution plan only
ALABAMA	☒	☐	☐	☐	☐
Alaska	☐	☐	☐	☐	☒
Arizona	☐	☒	☐	☐	☐
Arkansas	☒	☐	☐	☐	☐
California	☐	☒	☐	☐	☐
Colorado	☐	☒	☐	☐	☐
Connecticut	☒	☐	☐	☐	☐
Delaware	☒	☐	☐	☐	☐
District of Columbia	☒	☐	☐	☐	☐
Florida	☐	☐	☐	☒	☐
Georgia	☒	☐	☐	☐	☐
Hawaii	☒	☐	☐	☐	☐
Idaho	☐	☒	☐	☐	☐
Illinois	☒	☐	☐	☐	☐
Indiana	☐	☐	☒	☐	☐
Iowa	☒	☐	☐	☐	☐
Kansas	☒	☐	☐	☐	☐
Kentucky	☒	☐	☐	☐	☐
Louisiana	☒	☐	☐	☐	☐
Maine	☐	☒	☐	☐	☐
Maryland	☒	☐	☐	☐	☐
Massachusetts	☒	☐	☐	☐	☐
Michigan	☒	☐	☐	☐	☐
Minnesota	☒	☐	☐	☐	☐
Mississippi	☐	☒	☐	☐	☐
Missouri	☒	☐	☐	☐	☐
Montana	☒	☐	☐	☐	☐
Nebraska	☐	☒	☐	☐	☐
Nevada	☒	☐	☐	☐	☐
New Hampshire	☒	☐	☐	☐	☐
New Jersey	☐	☒	☐	☐	☐
New Mexico	☒	☐	☐	☐	☐
New York	☒	☐	☐	☐	☐
North Carolina	☒	☐	☐	☐	☐
North Dakota	☒	☐	☐	☐	☐
Ohio	☐	☐	☐	☒	☐
Oklahoma	☐	☒	☐	☐	☐
Oregon	☐	☐	☒	☐	☐
Pennsylvania	☒	☐	☐	☐	☐
Rhode Island	☒	☐	☐	☐	☐
South Carolina	☐	☐	☐	☒	☐
South Dakota	☐	☒	☐	☐	☐
Tennessee	☒	☐	☐	☐	☐
Texas	☒	☐	☐	☐	☐
Utah	☐	☒	☐	☐	☐
Vermont	☒	☐	☐	☐	☐
Virginia	☐	☒	☐	☐	☐
Washington	☐	☐	☒	☐	☐
West Virginia	☒	☐	☐	☐	☐
Wisconsin	☐	☒	☐	☐	☐
Wyoming	☐	☒	☐	☐	☐
	30	14	3	3	1

Figure 33

¹ A hybrid plan has components of both a defined benefit plan and a defined contribution plan.

Figure 34
Do state pension systems have a defined contribution option?



¹ A hybrid plan has components of both a defined benefit plan and a defined contribution plan.

 EXAMPLES OF BEST PRACTICE

Alaska provides a fair and flexible defined contribution pension plan for all teachers. This plan is also highly portable, as teachers are entitled to 100 percent of employer contributions after five years of service. **South Dakota**’s defined benefit plan has some creative provisions, which makes it more like a defined contribution plan. Most notably, teachers are able to withdraw 100 percent of their employer contributions after three years of service. In addition, **Florida, Ohio** and **South Carolina** are noteworthy for offering teachers a choice between a defined benefit plan and a defined contribution plan.

Figure 35

What is a reasonable rate for pension contributions?

Reasonable Mandatory Contribution Rate Range:

- 4-7 percent each for teachers and districts in states participating in Social Security
- 10-13 percent each for teachers and districts in states not participating in Social Security

Analysts generally agree that workers in their 20's with no previous retirement savings should save, in addition to Social Security contributions, about 10-15 percent of their gross income in order to be able to live during retirement on 80 percent of the salary they were earning when they retired. While the recommended savings rate varies with age and existing retirement savings, NCTQ has used this 10-15 percent benchmark as a reasonable rate for its analyses. To achieve a total savings of 10-15 percent, teacher and employer contributions should each be in the range of 4-7 percent. In states where teachers do not participate in Social Security, the total recommended retirement savings (teacher plus employer contributions) is about 12 percent higher, to compensate for the fact that these teachers will not have Social Security income when they retire. In order to achieve the appropriate level of total savings, teacher and employer contributions in these states should *each* be in the range of 10-13 percent.

Sources:

http://personal.fidelity.com/planning/retirement/plan_overview.shtml.cvsr?refpr=rrc54

http://www.schwab.com/public/schwab/research_strategies/market_insight/retirement_strategies/planning/how_much_should_you_save_for_retirement_play_the_percentages.html

<https://personal.vanguard.com/us/planning/education/retirement/PEdRetInvHowMuchToSaveContent.jsp#early>

Figure 36

- 1 There is no employee contribution for income below \$6,000.
- 2 The rate is 3 percent of pay up to \$5,000, 3.6 percent of pay up to \$15,000.
- 3 The rate is 3 percent until 10 years of service, after which there is no employee contribution.
- 4 The rate is 4.26 for the defined benefit plan. The rate varies for the defined contribution plan with a minimum of 5 percent.

Figure 36

How much do state pension systems require teachers to contribute?

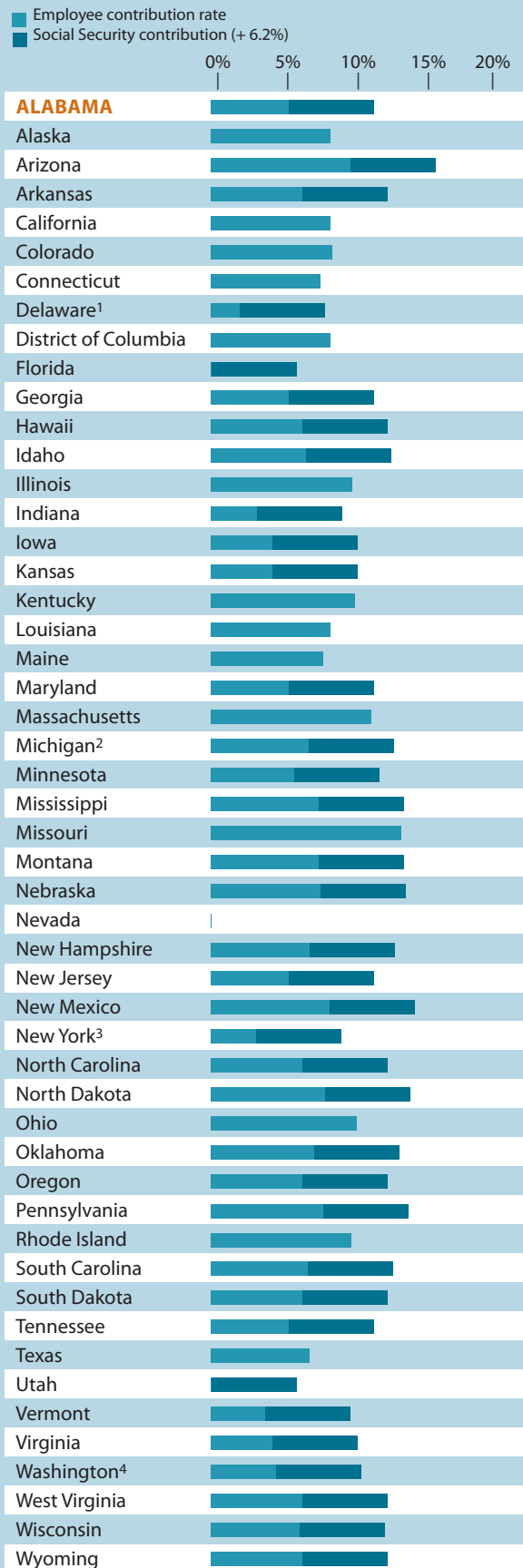


Figure 37

How much do state pension systems require school districts to contribute?

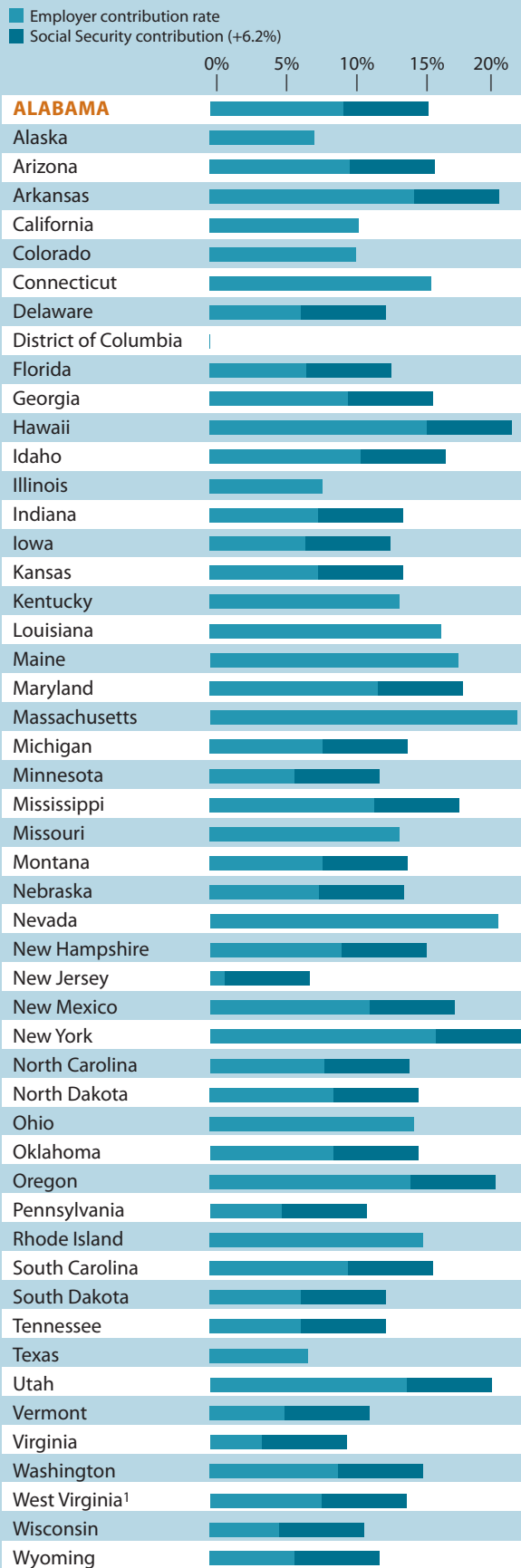
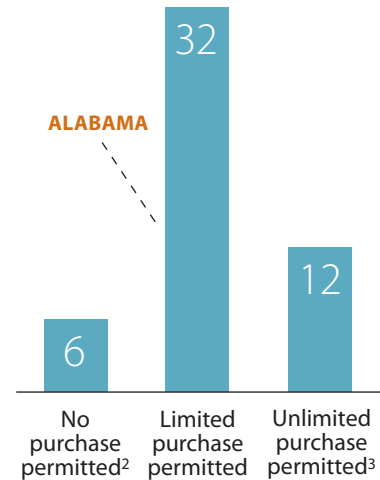


Figure 38

Do states permit teachers to purchase time for previous teaching experience?¹



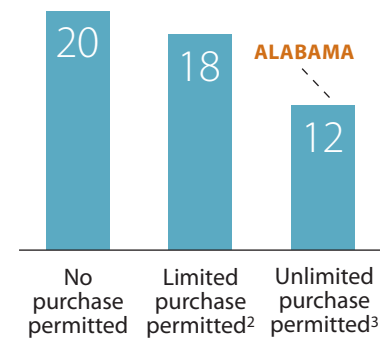
1 Alaska only offers a defined contribution plan; purchase of time does not apply.

2 Hawaii, Idaho, Minnesota, New York, Oregon and Tennessee.

3 Arizona, California, Indiana, Iowa, Kansas, Louisiana, Missouri, New Hampshire, North Dakota, South Carolina, South Dakota and Utah.

Figure 39

Do states permit teachers to purchase time for leaves of absence?¹



1 Alaska only offers a defined contribution plan; purchase of time does not apply.

2 California, Connecticut, District of Columbia, Florida, Indiana, Kentucky, Louisiana, Massachusetts, Michigan, Montana, New Jersey, North Carolina, Oklahoma, Rhode Island, South Carolina, Vermont, Virginia and Washington.

3 Alabama, Arizona, Delaware, Illinois, Iowa, Maryland, Minnesota, Missouri, Nebraska, North Dakota, Ohio and Utah allow at least one year per leave and an unlimited number of leaves.

Figure 37

1 The employer contribution is 15 percent for employees hired prior to July 2005.

Figure 40

How many years before teachers vest?

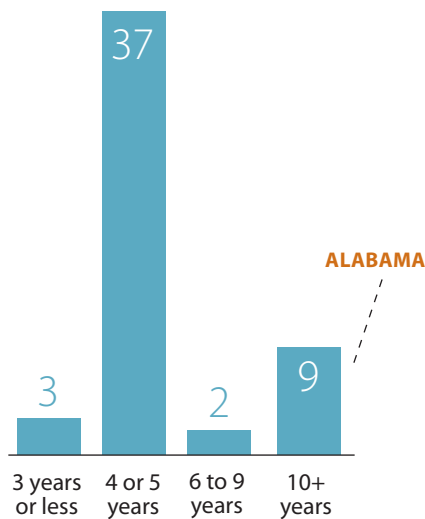


Figure 41

- 1 Florida's defined benefit plan does not vest until year six; teachers vest in the state's defined contribution plan after one year.
- 2 Ohio's defined benefit plan does not vest until year five; teachers vest in the state's defined contribution plan after one year.
- 3 South Carolina's defined benefit plan does not vest until year five; teachers vest immediately in the state's defined contribution plan.
- 4 Based on Washington's Plan 2. The state also offers a hybrid plan in which teachers vest immediately in the defined contribution component and vest in the defined benefit component after 10 years.

Figure 41

How many years before teachers vest?

	3 years or less	4 or 5 years	6 to 9 years	10+ years
ALABAMA	☐	☐	☐	☒
Alaska	☐	☒	☐	☐
Arizona	☐	☒	☐	☐
Arkansas	☐	☒	☐	☐
California	☐	☒	☐	☐
Colorado	☐	☒	☐	☐
Connecticut	☐	☐	☐	☒
Delaware	☐	☒	☐	☐
District of Columbia	☐	☒	☐	☐
Florida ¹	☐	☐	☒	☐
Georgia	☐	☐	☐	☒
Hawaii	☐	☒	☐	☐
Idaho	☐	☒	☐	☐
Illinois	☐	☒	☐	☐
Indiana	☐	☐	☐	☒
Iowa	☐	☒	☐	☐
Kansas	☐	☒	☐	☐
Kentucky	☐	☒	☐	☐
Louisiana	☐	☒	☐	☐
Maine	☐	☒	☐	☐
Maryland	☐	☒	☐	☐
Massachusetts	☐	☐	☐	☒
Michigan	☐	☐	☐	☒
Minnesota	☒	☐	☐	☐
Mississippi	☐	☐	☒	☐
Missouri	☐	☒	☐	☐
Montana	☐	☒	☐	☐
Nebraska	☐	☒	☐	☐
Nevada	☐	☒	☐	☐
New Hampshire	☐	☐	☐	☒
New Jersey	☐	☐	☐	☒
New Mexico	☐	☒	☐	☐
New York	☐	☒	☐	☐
North Carolina	☐	☒	☐	☐
North Dakota	☐	☒	☐	☐
Ohio ²	☐	☒	☐	☐
Oklahoma	☐	☒	☐	☐
Oregon	☐	☒	☐	☐
Pennsylvania	☐	☒	☐	☐
Rhode Island	☐	☐	☐	☒
South Carolina ³	☐	☒	☐	☐
South Dakota	☒	☐	☐	☐
Tennessee	☐	☒	☐	☐
Texas	☐	☒	☐	☐
Utah	☐	☒	☐	☐
Vermont	☐	☒	☐	☐
Virginia	☐	☒	☐	☐
Washington ⁴	☐	☒	☐	☐
West Virginia	☐	☒	☐	☐
Wisconsin	☒	☐	☐	☐
Wyoming	☐	☒	☐	☐
	3	37	2	9

Figure 42

What funds do states permit teachers to withdraw from their defined benefit plans if they leave after five years?¹

	Less than their own contribution	Only their own contribution	Their own contribution plus interest	Their own contribution and part of the employer contribution plus interest	Their own contribution and full employer contribution plus interest
ALABAMA	☐	☐	☒	☐	☐
Alaska ²	☐	☐	☐	☐	☐
Arizona	☐	☐	☐	☒	☐
Arkansas	☐	☐	☒	☐	☐
California	☐	☐	☒	☐	☐
Colorado	☐	☐	☐	☒	☐
Connecticut	☐	☐	☒	☐	☐
Delaware	☐	☐	☒	☐	☐
District of Columbia	☐	☒	☐	☐	☐
Florida ³	☐	☐	☐	☐	☐
Georgia	☐	☐	☒	☐	☐
Hawaii	☐	☐	☐	☒	☐
Idaho	☐	☐	☒	☐	☐
Illinois	☒	☐	☐	☐	☐
Indiana ⁴	☐	☐	☒	☐	☐
Iowa	☐	☐	☐	☒	☐
Kansas	☐	☐	☒	☐	☐
Kentucky	☒	☐	☐	☐	☐
Louisiana	☐	☒	☐	☐	☐
Maine	☐	☐	☒	☐	☐
Maryland	☐	☐	☒	☐	☐
Massachusetts	☐	☐	☒	☐	☐
Michigan	☐	☐	☒	☐	☐
Minnesota	☐	☐	☒	☐	☐
Mississippi	☐	☐	☒	☐	☐
Missouri	☐	☐	☒	☐	☐
Montana	☐	☐	☒	☐	☐
Nebraska	☐	☐	☒	☐	☐
Nevada ⁵	☐	☐	☒	☐	☐
New Hampshire	☐	☐	☒	☐	☐
New Jersey	☐	☐	☒	☐	☐
New Mexico	☐	☐	☒	☐	☐
New York	☐	☐	☒	☐	☐
North Carolina	☐	☐	☒	☐	☐
North Dakota	☐	☐	☒	☐	☐
Ohio ⁶	☐	☐	☐	☒	☐
Oklahoma	☐	☐	☒	☐	☐
Oregon ⁷	☐	☐	☐	☐	☐
Pennsylvania	☐	☐	☒	☐	☐
Rhode Island	☐	☒	☐	☐	☐
South Carolina ⁸	☐	☐	☒	☐	☐
South Dakota	☐	☐	☐	☐	☒
Tennessee	☐	☐	☒	☐	☐
Texas	☐	☐	☒	☐	☐
Utah ⁹	☐	☐	☐	☐	☐
Vermont	☐	☐	☒	☐	☐
Virginia	☐	☐	☒	☐	☐
Washington ¹⁰	☐	☐	☒	☐	☐
West Virginia	☐	☐	☒	☐	☐
Wisconsin	☒	☐	☐	☐	☐
Wyoming	☐	☐	☒	☐	☐
	3	3	35	5	1

Figure 42

- Some states' withdrawal policies vary depending on teachers' years of service. Year five is used as a common point of comparison.
- As of July 1, 2006, Alaska only offers a defined contribution plan to new members, which allows teachers leaving the system after five years to withdraw 100 percent of the employer contribution.
- Since Florida teachers do not contribute to the defined benefit plan, the only funds participants could withdraw upon leaving are those made for special circumstances such as purchasing time. Florida also has a defined contribution plan, which allows teachers with at least one year of service who are leaving the system to withdraw 100 percent of the employer contribution.
- Teachers transferring to another governmental retirement plan may also withdraw the amount necessary to purchase creditable service in the new plan.
- Most teachers in Nevada are in a non-contributory defined benefit system, and thus do not have contributions to withdraw. The small minority that are in a contributory system may withdraw their contributions plus interest.
- Ohio has two other pension plans. Ohio's defined contribution plan allows teachers with at least one year of service who are leaving the system to withdraw 100 percent of the employer contribution. Exiting teachers with at least five years of experience in Ohio's combination plan may withdraw their employee-funded defined contribution component, but must wait until age 50 to withdraw funds from the employer-funded defined benefit component.
- Oregon only has a hybrid retirement plan, which allows exiting teachers to withdraw their contributions plus earnings from their defined contribution component; they still receive the employer-funded defined benefit payments at retirement age.
- South Carolina also has a defined contribution plan, which allows exiting teachers to withdraw 100 percent of their contributions and employer contributions, plus interest.
- Since Utah teachers do not contribute to the defined benefit plan, the only funds participants could withdraw upon leaving are those made for special circumstances such as purchasing time.
- Washington also has a hybrid retirement plan, which allows exiting teachers to withdraw their contributions plus earnings from their defined contribution component; they still receive the employer-funded defined benefit payments at retirement age.

Area 2: Retaining Effective Teachers

Goal 9 – Pension Neutrality

The state should ensure that pension systems are neutral, uniformly increasing pension wealth with each additional year of work.

GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. The formula that determines pension benefits should be neutral to the number of years worked. It should not have a multiplier that increases with years of service or longevity bonuses.
2. The formula for determining benefits should preserve incentives for teachers to continue working until conventional retirement ages. Eligibility for retirement benefits should be based on age and not years of service.

RATIONALE

- See appendix for detailed rationale.
- It is unfair to all teachers when pension wealth does not accumulate in a uniform way.
- Pension systems affect when teachers decide to retire as teachers look to maximize their pension wealth.

SUPPORTING RESEARCH

- Research citations to support this goal are available at www.nctq.org/stpy/citations.

Figure 43

How States are Faring on Pension Neutrality



Goal 9 Alabama Analysis

 State Partly Meets Goal

ANALYSIS

Alabama’s pension system is based on a benefit formula that is not neutral, meaning that each year of work does not accrue pension wealth in a uniform way.

To qualify as neutral, a pension formula must not only utilize a constant benefit multiplier to determine retired teachers’ benefits, but it must also rely on an eligibility calendar based on age, rather than years of service. In most defined benefit plans, pension wealth peaks for teachers the year they become eligible for retirement, and then it declines every year they work beyond eligibility. Plans that base retirement on years of service create unnecessary peaks, and plans that allow a low retirement age create incentives to retire early. Therefore, plans that base retirement on an age in line with Social Security are likely to create the most uniform accrual of wealth.

Alabama’s pension plan utilizes a constant benefit multiplier of 2.0125 percent, regardless of years of service; however, teachers may opt for early retirement with unreduced benefits based on years of service. The state allows teachers with 25 years of service to retire at any age, while other vested teachers with less than 25 years of service may not retire until age 60. Therefore, teachers who begin their careers at age 22 can reach 25 years of service by age 47, entitling them to 13 years of additional retirement benefits beyond what other teachers would receive who may not retire until age 60. Not only are teachers being paid benefits by the state well before Social Security’s retirement age, but these provisions may also encourage effective teachers to retire early, and they fail to treat equally those teachers who enter the system at a later age and give the same amount of service.

SUPPORTING RESEARCH

<http://www.rsa-al.gov/TRS/Pubs%20and%20forms/TRS%20Pubs/TRS%20Member%20Handbook%202007.pdf>

RECOMMENDATION

Alabama meets this goal in part. Although the state is commended for using a constant benefit multiplier, it should consider increasing its retirement age to align with Social Security and no longer basing eligibility on years of service. These changes would result in a pension plan that treats all teachers more equitably, regardless of where they are in their careers.

ALABAMA RESPONSE TO ANALYSIS

Alabama recognized the factual accuracy of our analysis.

Figure 44

Does pension wealth in Alabama accumulate uniformly for all teachers?

Benefit formula is determined by a multiplier that does not change based on years of service	YES
Retirement eligibility is based on age, not years of service ¹	NO

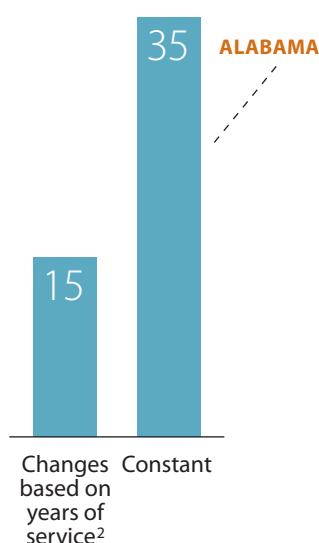
¹ This only refers to determining retirement eligibility, not retirement benefits.

☀️ EXAMPLES OF BEST PRACTICE

Alaska offers a defined contribution pension plan that is neutral, with pension wealth accumulating in an equal way for all teachers for each year of work. **Minnesota** and **South Dakota** offer defined benefit plans that have neutral formulas. Both states' plans have formula multipliers that do not change relative to years of service, and they do not allow unreduced benefits to retirees below age 65.

Figure 45

What kind of multiplier do states use to calculate retirement benefits?¹



- 1 Alaska has a defined contribution plan, which does not have a benefit multiplier.
- 2 Arizona, California, Connecticut, District of Columbia, Florida, Iowa, Kentucky, Massachusetts, Mississippi, Missouri, New Hampshire, New York, Ohio,³ Rhode Island and Wyoming.
- 3 Applies to Ohio's defined benefit plan.

Figure 46

- 1 All calculations are based on a teacher who starts teaching at age 22, earns a starting salary of \$35,000 that increases 3 percent per year, and retires at the age when s/he is first eligible for unreduced benefits. The calculations use states' current benefit formulas and do not include cost of living increases. The final average salary was calculated as the average of the highest three years of salary, even though a few states may vary from that standard. Age 65 was used as the point of comparison for standard retirement age because it is the minimum eligibility age for unreduced Social Security benefits.
- 2 Does not apply to Alaska's defined contribution plan.
- 3 Minnesota provides unreduced retirement benefits at the age of full Social Security benefits or age 66, whichever comes first.
- 4 Massachusetts's formula has many options for retirement. A teacher with 35 years of experience at age 57 would reach the maximum benefit.
- 5 Applies only to Ohio's defined benefit plan.

Figure 46

How much do states pay for each teacher that retires with unreduced benefits at an early age?¹

	Total amount in benefits paid per teacher from the time of retirement until age 65	Earliest retirement age that a teacher who started teaching at age 22 may receive unreduced benefits
Alaska ²		
Minnesota ³	\$0	65
South Dakota	\$0	65
Washington	\$0	65
Arizona	\$271,275	51
California	\$310,028	61
Indiana	\$317,728	55
New Hampshire	\$321,326	60
Oregon	\$361,536	58
Wisconsin	\$416,007	57
Rhode Island	\$430,013	59
Texas	\$443,421	60
Michigan	\$468,590	52
Kansas	\$492,342	54
Tennessee	\$499,973	52
Montana	\$518,228	47
Connecticut	\$520,009	57
Vermont	\$520,655	52
New Jersey	\$525,117	55
Virginia	\$531,068	52
Iowa	\$551,428	55
Idaho	\$551,743	56
North Dakota	\$551,743	56
Oklahoma	\$551,743	56
Florida	\$557,112	52
New York	\$557,518	52
Maryland	\$562,308	52
North Carolina	\$568,555	52
Illinois	\$572,010	57
South Carolina	\$577,142	50
Hawaii	\$577,687	55
Nebraska	\$577,687	55
West Virginia	\$577,687	55
Delaware	\$577,927	52
District of Columbia	\$585,737	52
Massachusetts ⁴	\$594,296	57
Wyoming	\$615,994	54
Maine	\$621,861	47
Mississippi	\$621,861	47
Georgia	\$624,786	52
Utah	\$624,786	52
ALABAMA	\$625,747	47
Pennsylvania	\$650,011	57
Arkansas	\$681,789	50
Ohio ⁵	\$687,265	52
New Mexico	\$730,686	47
Louisiana	\$780,983	52
Missouri	\$780,983	51
Colorado	\$789,343	51
Kentucky	\$791,679	49
Nevada	\$834,090	52

Area 3: Exiting Ineffective Teachers

Goal 1 – New Teacher Evaluation

The state should require multiple formal evaluations of all new teachers.

GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. The state should require that all new, non-permanent teachers receive at least two formal evaluations annually.
2. New teachers should be formally evaluated at least once during the first half of their first year.

RATIONALE

- ▶ See appendix for detailed rationale.
- Evaluations are an important tool for providing support and holding teachers accountable.

SUPPORTING RESEARCH

- ▶ Research citations to support this goal are available at www.nctq.org/stpy/citations.

Figure 47

How States are Faring on New Teacher Evaluation



2 Best Practice States

Kansas, Oklahoma



13 States Meet Goal

ALABAMA, Delaware, Idaho, Kentucky, Maryland, Nebraska, Nevada, New Jersey, North Dakota, Ohio, South Carolina, Washington, West Virginia



9 States Nearly Meet Goal

Arizona, Indiana, Minnesota, Missouri, North Carolina, Pennsylvania, Tennessee, Utah, Wyoming



1 State Partly Meets Goal

Arkansas



17 States Meet a Small Part of Goal

Alaska, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Illinois, Louisiana, Massachusetts, Michigan, New Mexico, New York, Oregon, Texas, Virginia, Wisconsin



9 States Do Not Meet Goal

District of Columbia, Iowa, Maine, Mississippi, Montana, New Hampshire, Rhode Island, South Dakota, Vermont

Goal 1 Alabama Analysis

● State Meets Goal

ANALYSIS

Alabama requires new teachers to be formally evaluated once a year. To gather information for this annual evaluation, the state mandates that new teachers be observed three times, with the first observation occurring in either October or November. Within three days of each observation, a post-observation conference must be scheduled to discuss the teacher's performance.

SUPPORTING RESEARCH

Alabama Department of Education, Professional Education Personnel Evaluation Program, page 15, <http://www.alabamapepe.com/teacher/altchrml605.pdf>

Alabama Department of Education, Professional Education Personnel Evaluation Program, page 30, <http://www.alabamapepe.com/teacher/altchrml050108.pdf>

RECOMMENDATION

Alabama meets this goal. Although the state only requires one formal evaluation, its policy of requiring multiple observations that include at least one classroom observation in the fall, with a post-observation conference to discuss performance, is equivalent to requiring at least two formal evaluations. The state is commended for requiring an efficient method to assess teacher performance in the classroom early in the year and address an unsatisfactory performance with a plan for improvement.

ALABAMA RESPONSE TO ANALYSIS

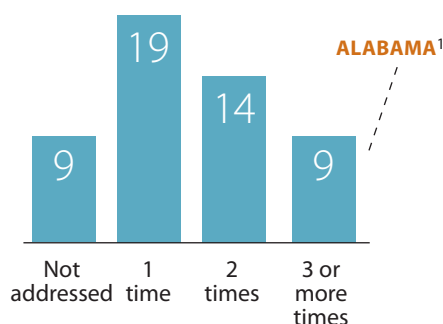
Alabama was helpful in providing NCTQ with the facts necessary for our analysis. The state added that it is currently designing a formative evaluation process to align with state-adopted standards. "The primary focus is to provide evaluators professional development on using personnel evaluation to improve student achievement."

★ EXAMPLES OF BEST PRACTICE

Both **Kansas** and **Oklahoma** require new teachers to be formally evaluated twice a year. In Kansas, each evaluation must be scheduled not later than the 60th day of the semester, and in Oklahoma, the first evaluation must be completed before November 15, ensuring that new teachers are assessed and receive feedback early in the year, and that unsatisfactory performance is addressed with an improvement plan.

Figure 48

How many times do states require districts to evaluate a new teacher during a school year?



Figures 48 & 49

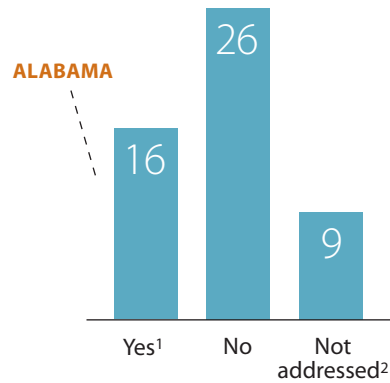
- 1 Alabama, Missouri, North Carolina and West Virginia require one formal evaluation, but also three observations with follow-up conferences.
- 2 Arkansas also requires three observations by a mentor.
- 3 Washington and Delaware require one formal evaluation, but also two observations with follow-up conferences.
- 4 Third year teachers are only evaluated twice in Tennessee.

Figure 49

How many times do states require districts to evaluate a new teacher during a school year?

	Not addressed	1 time	2 times	3 or more times
ALABAMA¹	☐	☐	☐	☒
Alaska	☐	☒	☐	☐
Arizona	☐	☐	☒	☐
Arkansas ²	☐	☒	☐	☐
California	☐	☒	☐	☐
Colorado	☐	☒	☐	☐
Connecticut	☐	☒	☐	☐
Delaware ³	☐	☐	☒	☐
District of Columbia	☒	☐	☐	☐
Florida	☐	☒	☐	☐
Georgia	☐	☒	☐	☐
Hawaii	☐	☒	☐	☐
Idaho	☐	☐	☒	☐
Illinois	☐	☒	☐	☐
Indiana	☐	☒	☐	☐
Iowa	☒	☐	☐	☐
Kansas	☐	☐	☒	☐
Kentucky	☐	☐	☐	☒
Louisiana	☐	☒	☐	☐
Maine	☒	☐	☐	☐
Maryland	☐	☐	☒	☐
Massachusetts	☐	☒	☐	☐
Michigan	☐	☒	☐	☐
Minnesota	☐	☐	☐	☒
Mississippi	☒	☐	☐	☐
Missouri ¹	☐	☐	☐	☒
Montana	☒	☐	☐	☐
Nebraska	☐	☐	☒	☐
Nevada	☐	☐	☐	☒
New Hampshire	☒	☐	☐	☐
New Jersey	☐	☐	☐	☒
New Mexico	☐	☒	☐	☐
New York	☐	☒	☐	☐
North Carolina ¹	☐	☐	☐	☒
North Dakota	☐	☐	☒	☐
Ohio	☐	☐	☒	☐
Oklahoma	☐	☐	☒	☐
Oregon	☐	☒	☐	☐
Pennsylvania	☐	☐	☒	☐
Rhode Island	☒	☐	☐	☐
South Carolina	☐	☐	☒	☐
South Dakota	☒	☐	☐	☐
Tennessee ⁴	☐	☐	☐	☒
Texas	☐	☒	☐	☐
Utah	☐	☐	☒	☐
Vermont	☒	☐	☐	☐
Virginia	☐	☒	☐	☐
Washington ³	☐	☐	☒	☐
West Virginia ¹	☐	☐	☐	☒
Wisconsin	☐	☒	☐	☐
Wyoming	☐	☐	☒	☐
	9	19	14	9

Figure 50
Do states require districts to evaluate new teachers early in the school year?



1 Alabama, Delaware, Idaho, Indiana, Kansas, Kentucky, Maryland, Nebraska, Nevada, New Jersey, North Dakota, Ohio, Oklahoma, South Carolina, Washington and West Virginia.
2 District of Columbia, Iowa, Maine, Mississippi, Montana, New Hampshire, Rhode Island, South Dakota and Vermont.

Area 3: Exiting Ineffective Teachers

Goal 2 – Unsatisfactory Evaluations

The state should articulate consequences for teachers with unsatisfactory evaluations, including specifying that teachers with multiple unsatisfactory evaluations are eligible for dismissal.

GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. The state should require that all teachers who have received a single unsatisfactory evaluation be placed on an improvement plan — whether or not they have tenure.
2. The state should require that all teachers who receive two consecutive unsatisfactory evaluations or two unsatisfactory evaluations within five years be formally eligible for dismissal — whether or not they have tenure.

RATIONALE

- See appendix for detailed rationale.
- Negative evaluations should have meaningful consequences.
- Employment status should not determine the consequences of a negative evaluation.

SUPPORTING RESEARCH

- Research citations to support this goal are available at www.nctq.org/stpy/citations.

Figure 51

How States are Faring on Consequences for Unsatisfactory Evaluations



Goal 2 Alabama Analysis

 State Partly Meets Goal

ANALYSIS

Alabama requires that a teacher who receives an unsatisfactory evaluation have a more intensive professional development plan, one that addresses only the areas of concern, and be placed on an annual evaluation cycle until the teacher's rating improves to a satisfactory level. However, state policy does not insist that teachers who do not improve on such a plan be considered automatically eligible for dismissal.

SUPPORTING RESEARCH

Alabama DOE PEPE, p. 48: <http://www.alabamapepe.com/teacher/altchrnml605.pdf>

RECOMMENDATION

Alabama meets this goal in part. The state is commended for requiring that all teachers who receive an unsatisfactory evaluation, regardless of whether they have tenure, be placed on an improvement plan. However, the state should extend its policy to make teachers who receive two consecutive unsatisfactory evaluations or have two unsatisfactory evaluations within five years formally eligible for dismissal.

ALABAMA RESPONSE TO ANALYSIS

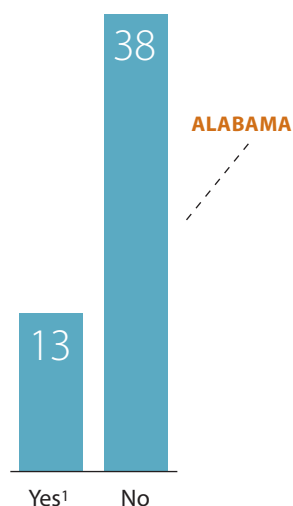
Alabama recognized the factual accuracy of our analysis.

EXAMPLES OF BEST PRACTICE

Illinois and **Oklahoma** both require that teachers who receive unsatisfactory evaluations be placed on improvement plans. Teachers in Illinois are then evaluated three times during a 90-day remediation period and are eligible for dismissal if performance remains unsatisfactory. Oklahoma's improvement plan may not exceed two months and if performance does not improve during that time, teachers are eligible for dismissal.

Figure 52

Do states specify that teachers with multiple unsatisfactory evaluations are eligible for dismissal?



¹ Alaska, Colorado, Delaware, Florida, Hawaii, Illinois, Louisiana, Mississippi, New Mexico, Oklahoma, Pennsylvania, South Carolina and Washington.

Figure 53

- Any teacher with an unsatisfactory evaluation is immediately dismissed.
- Kentucky does require multiple observations the year following an unsatisfactory evaluation.
- Teachers in low-performing schools can be dismissed after just one negative rating.
- Only teachers on annual contracts are eligible for dismissal after unsatisfactory evaluations.

Figure 53

What are the consequences for teachers who receive unsatisfactory evaluations?

	Improvement plan after a single unsatisfactory rating	Eligible for dismissal after multiple unsatisfactory ratings	No articulated consequences
ALABAMA	☒	☐	☐
Alaska	☒	☒	☐
Arizona	☒	☐	☐
Arkansas	☒	☐	☐
California	☒	☐	☐
Colorado	☒	☒	☐
Connecticut	☒	☐	☐
Delaware	☒	☒	☐
District of Columbia	☐	☐	☒
Florida	☒	☒	☐
Georgia	☒	☐	☐
Hawaii ¹	☐	☒	☐
Idaho	☐	☐	☒
Illinois	☒	☒	☐
Indiana	☐	☐	☒
Iowa	☒	☐	☐
Kansas	☐	☐	☒
Kentucky ²	☐	☐	☒
Louisiana	☒	☒	☐
Maine	☐	☐	☒
Maryland	☐	☐	☒
Massachusetts	☐	☐	☒
Michigan	☒	☐	☐
Minnesota	☐	☐	☒
Mississippi	☒	☒	☐
Missouri	☒	☐	☐
Montana	☐	☐	☒
Nebraska	☐	☐	☒
Nevada	☐	☐	☒
New Hampshire	☐	☐	☒
New Jersey	☐	☐	☒
New Mexico	☒	☒	☐
New York	☒	☐	☐
North Carolina ³	☒	☐	☐
North Dakota	☐	☐	☒
Ohio	☐	☐	☒
Oklahoma	☒	☒	☐
Oregon	☒	☐	☐
Pennsylvania	☐	☒	☐
Rhode Island	☐	☐	☒
South Carolina ⁴	☒	☒	☐
South Dakota	☐	☐	☒
Tennessee	☐	☐	☒
Texas	☒	☐	☐
Utah	☒	☐	☐
Vermont	☐	☐	☒
Virginia	☐	☐	☒
Washington	☒	☒	☐
West Virginia	☒	☐	☐
Wisconsin	☐	☐	☒
Wyoming	☐	☐	☒
	26	13	23

Area 3: Exiting Ineffective Teachers

Goal 3 – Licensure Loopholes

The state should close loopholes that allow teachers who have not met licensure requirements to continue teaching.

Figure 54

How States are Faring on Closing Licensure Loopholes



GOAL COMPONENTS

(The factors considered in determining the states' rating for the goal.)

1. Under no circumstances should a state award a standard license to a teacher who has not passed all required licensing tests.
2. If a state finds it necessary to confer conditional or provisional licenses under limited and exceptional circumstances to teachers who have not passed the required tests, the state should ensure that requirements be met within one year.

RATIONALE

- See appendix for detailed rationale.
- Teachers who have not passed licensing tests may place students at risk.

SUPPORTING RESEARCH

- Research citations to support this goal are available at www.nctq.org/stpy/citations.

Goal 3 **Alabama** Analysis

State Nearly Meets Goal

ANALYSIS

Alabama allows new teachers who have not passed required state licensing tests to teach up to one year, but only on an emergency certificate. These certificates are issued, at the request of the employing superintendent or headmaster when no certified teachers are available, to candidates who hold at least a bachelor's degree. Emergency certificates may not be extended or renewed.

SUPPORTING RESEARCH

Alabama Administrative Code 290-3-2-.03

RECOMMENDATION

Alabama nearly meets this goal. The state should ensure that all teachers pass all required licensure tests before they enter the classroom. Exceptions place students at risk of having teachers who lack sufficient or appropriate subject-matter knowledge. Although the state's policy does minimize this risk by granting only a nonrenewable one-year emergency certificate to teachers who have not passed all tests, the state should prevent any teachers who have not met licensure requirements from being in classrooms.

ALABAMA RESPONSE TO ANALYSIS

Alabama recognized the factual accuracy of our analysis. The state pointed out that according to data gathered for its response to Title II of the Higher Education Act, only one percent of the state's 2006-2007 teachers were employed on the basis of holding an emergency certificate.

Figure 55

How long can new teachers practice without passing licensing tests?

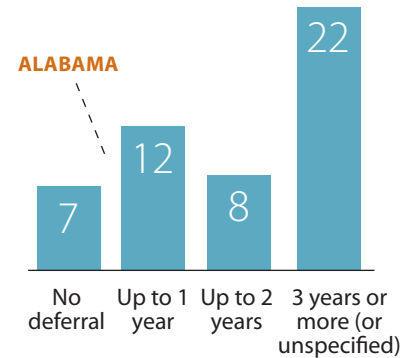
	No deferral	Up to 1 year	Up to 2 years	3 years or more (or unspecified)
ALABAMA	☐	☒	☐	☐
Alaska	☐	☐	☐	☒
Arizona	☐	☐	☐	☒
Arkansas	☐	☒	☐	☐
California	☐	☐	☒	☐
Colorado	☒	☐	☐	☐
Connecticut	☐	☒	☐	☐
Delaware	☐	☐	☐	☒
District of Columbia	☐	☒	☐	☐
Florida	☐	☐	☐	☒
Georgia	☐	☒	☐	☐
Hawaii	☐	☐	☐	☒
Idaho	☐	☐	☐	☒
Illinois	☒	☐	☐	☐
Indiana	☐	☐	☐	☒
Iowa ¹	☐	☒	☐	☐
Kansas	☐	☐	☒	☐
Kentucky	☐	☐	☐	☒
Louisiana	☐	☐	☐	☒
Maine	☐	☐	☐	☒
Maryland	☐	☐	☒	☐
Massachusetts	☐	☒	☐	☐
Michigan	☐	☐	☐	☒
Minnesota	☐	☐	☐	☒
Mississippi	☐	☐	☐	☒
Missouri	☐	☐	☐	☒
Montana ²	☐	☐	☐	☐
Nebraska ²	☐	☐	☐	☐
Nevada ³	☒	☐	☐	☐
New Hampshire	☐	☐	☐	☒
New Jersey	☒	☐	☐	☐
New Mexico	☒	☐	☐	☐
New York	☐	☐	☒	☐
North Carolina	☐	☐	☐	☒
North Dakota	☐	☒	☐	☐
Ohio	☐	☒	☐	☐
Oklahoma	☐	☐	☐	☒
Oregon	☐	☐	☐	☒
Pennsylvania	☐	☒	☐	☐
Rhode Island	☐	☐	☒	☐
South Carolina	☒	☐	☐	☐
South Dakota	☐	☐	☒	☐
Tennessee	☐	☐	☐	☒
Texas	☐	☐	☐	☒
Utah	☐	☐	☐	☒
Vermont	☐	☐	☒	☐
Virginia	☒	☐	☐	☐
Washington	☐	☐	☒	☐
West Virginia	☐	☒	☐	☐
Wisconsin	☐	☐	☐	☒
Wyoming ⁴	☐	☒	☐	☐
	7	12	8	22

EXAMPLES OF BEST PRACTICE

Both **Colorado** and **New Jersey** require that all new teachers must pass all required subject-matter tests as a condition of initial licensure.

Figure 56

How long can new teachers practice without passing licensing tests?¹



¹ Montana and Nebraska do not currently require licensing tests.

Figure 55

¹ Iowa only requires subject-matter testing for elementary teachers.

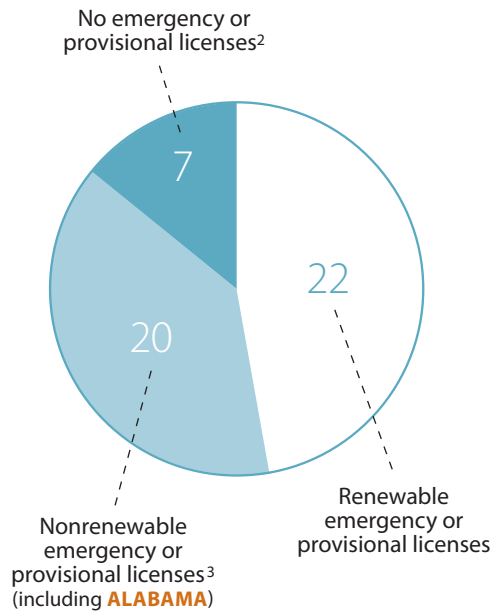
² Montana and Nebraska do not currently require licensing tests.

³ As of 2010.

⁴ Wyoming only requires subject-matter testing for elementary and social studies teachers.

Figure 57

Do states still award emergency licenses?¹



¹ Not applicable to Montana and Nebraska, which do not require subject-matter testing.
² Colorado, Illinois, Nevada, New Jersey, New Mexico, South Carolina and Virginia.
³ Alabama, Alaska, Arkansas, Connecticut, District of Columbia, Georgia, Idaho, Iowa, Kansas, Maryland, Massachusetts, New Hampshire, New York, North Carolina, North Dakota, Oregon, Vermont, Washington, West Virginia and Wyoming.

Appendix

Area 1: Goal 1 State Data Systems

Rationale

Value-added analysis connects student data to teacher data to measure achievement and performance.

Value-added models are an important tool for measuring student achievement and school effectiveness. Value-added models measure the learning gains made by individual students, controlling for students' previous knowledge. They can also control for students' background characteristics. In the area of teacher quality, value-added models offer a fairer and potentially more meaningful way to evaluate a teacher's effectiveness than previous methods used by schools.

For example, it used to be that a school might have only known that its fifth-grade teacher, Mrs. Jones, consistently had students who did not score on grade level on standardized assessments of reading. Once the school had access to value-added analysis, it learned that Mrs. Jones' students were reading on a third-grade level when they entered her class, and that they were above a fourth-grade performance level at the end of the school year. While not yet reaching appropriate grade level, Mrs. Jones' students had made more than a year's progress in her class. Because of value-added data, the school was able to see that Mrs. Jones is an effective teacher.

The school would not have been able to see this without a data system that connects student data with teacher data. Furthermore, multiple years of data are necessary in order to make meaningful determinations about teacher effectiveness. Value-added analysis cannot occur without both student and teacher identifiers and the ability to match test records over time.

There are a number of responsible uses for value-added analysis.

Assessing Individual Teachers: With three years of good data, value-added analysis can successfully identify the strongest and weakest teachers. It is not as useful at distinguishing differences among teachers in the middle range of performance. This is why value-added analysis should only be used to provide part of the evidence of teacher effectiveness.

School Performance: Value-added analysis can accurately assess the learning gains and losses made within a single school, with less risk of measurement error. The U.S. Department of Education is now working with states to pilot something akin to value-added analysis, known as "student growth" models, to determine schools' Adequate Yearly Progress (AYP). Student growth models are not as effective as value-added models at

controlling for other factors besides the quality of the teacher. However, these models are still valuable for providing a measure of academic improvement for the school overall, leaving open their potential use for determining schoolwide bonuses. A good value-added model is a subset of a student growth model; it is able to more precisely separate out nonschool effects on learning, making it possible to better distinguish the impact of an individual teacher.

Applicability to All Teachers: Many critics of value-added models dismiss them because they can only be used for teachers in tested subjects. While some subjects do not lend themselves to a value-added model, more teachers may be eligible than may be immediately obvious. For example, student reading scores are affected by the quality of social studies and science instruction, not just instruction in language arts. Reading comprehension is directly connected to student learning of broad subject matter, including history, geography and science.

High School: A value-added model is theoretically most useful at the high school level, because high school teachers are typically assigned many more students, making results more reliable within a given year. Data from an elementary class size of 20 to 30 students can produce relatively unstable results for a single year. A high school teacher, however, will be assigned on average 120 students, yielding a much more stable, reliable indicator of actual teacher performance. Use at the high school level would require states to adopt reliable pre- and post-tests in core subject areas.

Pilots: States can directly and indirectly encourage districts to implement value-added analysis. By piloting value-added analysis in districts or schools, the states can encourage development of this valuable tool for eventual statewide use. Other programs, such as state-sponsored pay-for-performance programs that base bonuses, in part, on teachers' ability to produce student academic gains, can also encourage experimentation with value-added analysis.

Evaluating Teacher-Preparation Programs: Another innovative use for value-added technology is its inclusion in the evaluation of teacher-preparation programs. Value-added analysis that can measure the effectiveness of program graduates can provide valuable information that will hold poor teacher-preparation programs accountable, as well as identify strong programs that can be models for best practices.

Area 1: Goal 2

Evaluation of Effectiveness

Rationale

Teachers should be judged primarily by their impact on students.

While there are many factors to be considered when a teacher is formally evaluated, nothing is more important than effectiveness in the classroom. Unfortunately, many evaluation instruments used by districts, some of which are mandated by states, are structured so that teachers can earn a satisfactory rating without any evidence that they are sufficiently advancing student learning in the classroom. It is often enough that they just appear to be trying, not necessarily succeeding.

Many evaluation instruments give as much weight, or more, to factors that do not have any direct correlation with student performance—for example, taking professional development courses, assuming extra duties such as sponsoring a club or mentoring, and getting along well with colleagues. Some instruments express a hesitation to hold teachers accountable for student progress. Teacher evaluation instruments should include factors that *combine both human judgment and objective measures of student learning*.

A teacher evaluation instrument that focuses on student learning could include the following components:

A. Observation

1. Ratings should be based on multiple observations by multiple persons, usually the principal and senior faculty, within the same year to produce a more accurate rating than is possible with a single observation. Teacher observers should be trained to use a valid and reliable observation protocol (meaning that the protocol has been tested to ensure that the results are trustworthy and useful). The observers should assign degrees of proficiency to observed behaviors.

2. The primary observation component should be the quality of instruction, as measured by student time on task; student grasp or mastery of the lesson objective; and efficient use of class time.

3. Other factors often considered in the course of an observation can provide useful information—

- Questioning techniques and other methods for engaging class;
- Differentiation of instruction;
- Continual student checks for understanding throughout lesson;
- Appropriate lesson structure and pacing;
- Appropriate grouping structures;

- Reinforcement of student effort; and
- Classroom management and use of effective classroom routines.

Some other elements commonly found on many instruments, such as “makes appropriate and effective use of technology,” or “ties lesson into previous and future learning experiences,” may seem important to document but can be difficult to do so reliably in an observation. Too many elements often end up distracting the observer from focusing on answering one central question: “Are students learning?”

B. Objective Measures of Student Learning

Apart from the observation, the evaluation instrument should provide evidence of work performance. Many districts use portfolios, which create a lot of work for the teacher and may be unreliable indicators of effectiveness. Good and less-cumbersome alternatives to the standard portfolio exist—for example:

- The value that a teacher adds, as measured by standardized test scores (see Goal 1.1);
- Periodic standardized diagnostic assessments;
- Benchmark assessments that show student growth;
- Artifacts of student work connected to specific student learning standards that are randomly selected for review by the principal or senior faculty and scored using rubrics and descriptors;
- Examples of typical assignments, assessed for their quality and rigor; and
- Periodic checks on progress with the curriculum (e.g., progress on textbook) coupled with evidence of student mastery of the curriculum from quizzes, tests, and exams.

Area 1: Goal 3

Tenure

Rationale

Tenure should be a significant and consequential milestone in a teacher’s career.

The decision to give teachers tenure (or permanent status) is usually made automatically, with little thought, deliberation or consideration of actual evidence. State policy should reflect the fact that initial certification is intended to be temporary and probationary, and that tenure is intended to be a significant reward for teachers who have consistently shown effectiveness and commitment. Tenure and advanced certification are not rights implied by the conferring of an initial teaching certificate. No other profession, including higher education, offers practitioners this benefit after only a few years of working in the field.

To make tenure meaningful, states should require a clear process, such as a hearing, for districts to use when considering whether or not a teacher advances from probationary to permanent status. This would ensure that the local district reviews the teacher's performance before a determination is made. This also protects the teacher's rights, as he or she is fully aware of the process and has an opportunity to participate.

States should also ensure that evidence of effectiveness is the preponderant (but not the only) criterion for making tenure decisions. However, most states confer tenure at a point that is too early for the collection of sufficient and adequate data that reflect teacher performance. Ideally, states would accumulate five years' worth of such data. This robust data set would prevent effective teachers from being unfairly denied tenure based on too little data, while also preventing the states from granting tenure to ineffective teachers.

Area 2: Goal 1 Induction

Rationale

Too many new teachers are left to “sink or swim” when they begin teaching.

Most new teachers find themselves overwhelmed and under-supported at the outset of their teaching careers. Although differences in preparation programs and routes to the classroom do affect readiness, even teachers from the most rigorous programs need support once they take on the myriad responsibilities of a teacher of record. A survival of the fittest mentality prevails in many schools; figuring out how to successfully negotiate unfamiliar curricula, discipline and management issues, and labyrinthine school and district procedures is often considered a rite of passage. However, the frustrations of the new teacher are not limited to low performers. Many talented new teachers become disillusioned early on by the lack of support they receive, and it may be the most talented who will more likely explore other career options.

Vague requirements simply to provide mentoring are insufficient.

Although many states have recognized the need to provide new teachers with mentoring, state policies merely indicating that mentoring should occur will not ensure that districts provide new teachers with quality mentoring experiences. While allowing flexibility for districts to develop and implement programs in line with local priorities and resources, states also should identify the minimum requirements for these programs in terms of the frequency and duration of mentoring and the qualifications of those serving as mentors.

New teachers in high-needs schools are particularly in need of quality mentoring.

Retaining effective teachers in high-needs schools is especially challenging. States should ensure that districts place special emphasis on mentoring programs in these schools, particularly when limited resources may prevent the district from providing mentoring to all new teachers.

Area 2: Goal 2 Licensure Advancement

Rationale

The point of the probationary licensure period should be to determine teacher effectiveness.

Most states grant new teachers a probationary license that must later be converted to an advanced or permanent license. A probationary period is sound policy; it provides an opportunity to decide whether individuals merit permanent licensure. However, very few states require any real decision making about teacher performance or effectiveness in determining whether teachers will advance from their probationary license. Instead, states generally require probationary teachers to fulfill a set of requirements to receive advanced certification. Thus, the ending of the probationary period is based on whether a checklist has been completed, rather than on teacher performance and effectiveness.

Most state requirements for achieving permanent certification have not been shown to impact teacher effectiveness.

Unfortunately, not only do most states fail to connect advanced certification to actual evidence of teacher effectiveness, but the requirements teachers most often have to fulfill are not even related to teacher effectiveness. The most common requirement for permanent licensure is the completion of additional coursework, often resulting in a master's degree. Requiring teachers to obtain additional training in their teaching area would be meaningful; however, the requirements are usually vague, allowing the individual to fulfill coursework requirements from long menus that include areas of no connection or use to that teacher in the classroom. As for requiring a master's degree, this is an area in which the research evidence is quite conclusive: Master's degrees have not been shown to make teachers more effective. This is likely due in no small part to the fact that teachers generally do not attain master's degrees in their subject areas. According to the National Center for Educational Statistics, less than one-fourth of secondary teachers' master's degrees are in their subject area, and only seven percent of elementary teachers' master's degrees are in an academic subject.

In addition to their dubious value, these requirements may also serve as a disincentive to teacher retention. Talented probationary teachers may be unwilling to invest their time and resources in more education coursework. Further, these teachers may well pursue advanced degrees that facilitate their leaving teaching.

Area 2: Goal 3 Pay Scales

Rationale

Compensation reform can be accomplished within the context of local control.

Teacher pay is, and should be, largely a local issue. Districts should not face state-imposed regulatory obstacles that prevent them from paying their teachers the way they see fit; different communities have different resources, needs and priorities. States should remove any barriers to districts' autonomy in deciding the terms for teacher compensation packages.

The state can ensure that all teachers are treated fairly by determining a minimum starting salary for all teachers. However, a state-mandated salary schedule that locks in pay increases or requires uniform pay deprives districts of the ability to be flexible and responsive to supply and demand problems that they may face.

There is an important difference between a state setting the minimum teacher salary and setting a salary schedule.

What is the difference between establishing a minimum starting salary and a salary schedule? Maine, for example, set a minimum starting salary of \$30,000 for its teachers in 2007-2008. No district is allowed to pay less. In contrast, Washington, like many states, has established a salary schedule that lays out what the minimum salary has to be at every level. A teacher who has been teaching for four years and has a master's degree must not be paid less than \$40,998. A teacher who has been teaching for four years and does not have a master's degree may not be paid less than \$34,464. While most districts exceed the state minimum, setting the salary schedule forces districts to adhere to a compensation system that is primarily based on experience and degree status, even when they would like to have other options.

It should also be noted that the minimums set by many states — whether a minimum starting salary or a complete schedule — are woefully out-of-date, having gone without updating for 20 years or more in some cases. The starting salary in Louisiana, for example, has been just over \$12,000 since 1987; the mini-

um of \$18,000 in Massachusetts dates to 1988. Rather than maintain policies that do not provide any meaningful guidance to districts or assurance to teachers, states should remove these regulations and send a clear message to districts that they can decide how to compensate their teachers.

Area 2: Goal 4 Retention Pay

Rationale

Connecting additional compensation to the awarding of tenure would help teacher retention.

Starting salaries for teachers have risen significantly in many states over the last decade. While this may help to attract promising candidates, the small pay increases that generally follow, particularly in the first few years of teaching, may be detrimental to retention. Most state and district salary schedules provide only small percentage increases in the early years, with the percentage increases widening later on. Longevity bonuses are also common. A better strategy would be to connect a significant pay increase to the awarding of tenure, but only if tenure were based on a determination of effectiveness.

This pay increase, whether it was a significant salary increase paid out over the course of a year or a single lump-sum payment, would serve two important and complementary purposes. First, connecting this payment to a meaningful process for awarding tenure to effective teachers would enhance public understanding that tenure is not awarded automatically to just anyone. In addition, it would provide an important retention strategy, as teachers at the beginning of their careers would know that they will receive additional compensation at the conclusion of their probationary periods.

Area 2: Goal 5 Compensation for Prior Work Experience

Rationale

Districts should be allowed to pay new teachers with relevant work experience more than other new teachers.

State and district salary structures frequently fail to recognize that new teacher hires are not necessarily new to the workforce. Some new teachers bring with them deep work experience that is directly related to the subject matter they will teach. For example, the hiring of a new high school chemistry teacher with 20 years experience as a chemical engineer is most certainly a great boon to any district. Yet most salary structures would place this individual at the same point on the schedule as a new teacher straight out of college. Compensating these teachers commensurate with their experience is an important

retention (as well as recruitment) strategy, particularly when other nonteaching opportunities in these fields are likely to be more financially lucrative.

As discussed in Goal 2.3, specifics of teacher pay should largely be left to local decision making. However, states should use policy mechanisms to inform districts that it is not only permissible but also necessary to compensate new teachers with related prior work experience accordingly.

Area 2: Goal 6

Differential Pay for Shortage Areas

Rationale

States should take the lead in addressing chronic shortages and needs.

As discussed in Goal 2.3, states should ensure that state-level policies (such as a uniform salary schedule) do not interfere with districts' flexibility in compensating teachers in ways that best meet their individual needs and resources. However, when it comes to addressing chronic shortages, states should do more than simply get out of the way. States should provide direct support for differential pay for effective teaching in shortage subject areas and high-needs schools. Attracting effective and qualified teachers to high-needs schools or filling vacancies in hard-to-staff subjects are problems that are frequently beyond a district's ability to solve. States that provide direct support for differential pay in these areas are taking an important step in promoting the equitable distribution of quality teachers. Short of providing direct support, states can also use policy levers to indicate to districts that differential pay is not only permissible but necessary.

Area 2: Goal 7

Performance Pay

Rationale

Performance pay is an important retention strategy.

Performance pay provides an opportunity to reward those teachers who get consistent results from their students. The traditional salary schedule used by districts pays all teachers with the same inputs (i.e., experience and degree status) the same amount regardless of outcomes. Not only is this inconsistent with most other professions, it may also create a disincentive for high-achieving teachers to stay in the field, because there is no opportunity for financial reward for their success.

Many opponents of performance pay object to the premise that money will motivate teachers to work harder to advance student achievement. This objection is not groundless, par-

ticularly with performance pay frequently discussed as a combination of a carrot and a stick. Performance pay should not be viewed as an incentive for teachers to work harder, but as a means to compensate teachers based on student outcomes.

States should set guidelines for districts to ensure that plans are fair and sound.

Performance pay plans are not easy to implement well. There are numerous examples of both state and district initiatives that have been undone by poor planning and administration. The methodology that allows for the measurement of teachers' contributions to student achievement is still developing, and any performance pay program must recognize its limitations (see Goal 1.1 for more on the appropriate uses of this methodology). There are also inherent issues of fairness that should be considered when different types of data must be used to assess the performance of different kinds of teachers.

States can play an important part in supporting performance pay by setting guidelines (whether for a state-level program or for districts' own initiatives) that recognize the challenges in implementing a program well. Because this is an area in which there is still much to learn about best practice, states should consider piloting local initiatives as a way to expand the use of and the knowledge base around performance pay.

Area 2: Goal 8

Pension Flexibility

Rationale

Anachronistic features of teacher pension plans disadvantage teachers early in their careers.

Teacher salaries are just one part of the compensation package that teachers receive. Virtually all teachers are also entitled to a pension, which, after vesting, will continue to provide compensation for the rest of their lives after retirement. In an era when pension benefits have been declining across industries and professions, teachers' pensions remain a fixture. In fact, nearly all states continue to provide teachers with a defined-benefit pension system, an expensive and inflexible model that neither reflects the realities of the modern workforce nor provides equitable benefits to all teachers.

To achieve the maximum benefits from a defined-benefit pension plan, a teacher must begin and end his or her career in the same pension system. While a teacher who leaves the system early may receive some benefits, teachers who leave before the point of vesting — which is as much as 10 years or more in some states — are generally entitled to nothing more than their own contributions plus some interest. This may well serve

as a retention strategy for some, but on a larger scale, this approach fails to reflect the realities of the current workforce. The current workforce is increasingly mobile, with most entering the workforce expecting to change jobs many more times in their careers than previous generations. All workers, including teachers, may move to jobs in other states without any intention of changing careers. To younger teachers in particular, a defined benefit plan may seem like a meaningless part of the compensation package. A pension plan that cannot move across state lines and requires a long-term commitment may not seem like much of a benefit at all.

There is an alternative. A defined contribution plan is fair to all teachers, at all points in their careers. Defined contribution plans are more equitable because each teacher's benefits are funded by his or her own contributions, plus contributions made by the employer specifically on the behalf of that individual. This is fundamentally more equitable than defined benefit plans, which require new teachers to fund the benefits of retirees. Moreover, defined contributions are inherently portable and give employees flexibility and control over their retirement savings.

Pension plans also disadvantage teachers early in their careers by overcommitting employer resources to retirement benefits.

The contributions of employers to their workers' retirement benefits is a valuable benefit: it is important to ensuring that individuals have sufficient retirement savings. Compensation resources, however, are not unlimited, and they must fund both current salaries and future retirement benefits. Mandated employer contributions to many states' teacher pension systems are extremely high, leaving districts with little flexibility to be more innovative with their compensation strategies. This is further exacerbated for states in which teachers also participate in the Social Security program, meaning that the district must pay even more toward the retirement of each teacher.

This approach to compensation disadvantages teachers early in their careers, as the commitment of resources to retirement benefits almost certainly depresses salaries and prevents incentives. Lower mandatory employer contribution rates (in states where they are too high; there are certainly states where they are shamefully low) would free up compensation resources to implement the kinds of strategies suggested by this edition of the *Yearbook*.

Area 2: Goal 9

Pension Neutrality

Rationale

It is unfair to all teachers when pension wealth does not accumulate in a uniform way.

In addition to the ways defined benefit pension systems disadvantage teachers described in Goal 2.8, the way pension wealth accumulates in some systems further compounds this inequity. All pension systems use a multiplier to calculate the benefits an individual is entitled to receive based on salary levels and years of service. For example, a pension system may have a multiplier of 2.0. Pension benefits are determined by multiplying average final annual salary by years of service by the multiplier of 2.0. Thus, someone working fewer years with a lower final salary will appropriately receive less in benefits than someone with more years of service and/or a higher final salary. However, the multiplier in many pension systems is not fixed; it increases as years of service increase. When a higher multiplier is used, teachers receive even more generous benefits than they would based only on final salary and years of service.

Another way that pension benefits are not awarded fairly is through the common policy of setting retirement eligibility at different ages and years of service. In Hawaii, for example, a teacher with 30 years of service may retire at age 55, while other teachers may not retire until age 62. This means that a teacher who started teaching in Hawaii at age 25 can reach 30 years of service at age 55 and receive seven additional years of full retirement benefits beyond what a teacher that started at age 32 and cannot retire with full benefits until age 62 would receive. A fair system would set a standard retirement age for all participants, without factoring in years of service.

Pension systems affect when teachers decide to retire as teachers look to maximize their pension wealth.

The year teachers reach retirement eligibility by age and/or years of service, their pension wealth peaks; pension wealth then declines for each year they work beyond retirement age. Plans that allow retirement based on years of service create unnecessary peaks, and plans that allow a low retirement age create an incentive to retire earlier in one's career than may be necessary. For every year teachers continue to work beyond their eligibility for unreduced retirement benefits, they lose that year of pension benefits, thus decreasing their overall pension wealth.

Although their yearly pension benefits would continue to rise as they earn additional service credit, it would only be at a small percentage per year, which would not make up for the loss of each year of benefits.

To try to balance this incentive to retire, some states have created DROP (Deferred Retirement Option Plan) programs. DROP programs allow participants to place their monthly pension benefits in a private investment account while still teaching and earning a salary, thus retaining those benefits. These teachers are, in effect, earning their pension and salary at the same time, and often at a relatively young age.

A DROP program is a band-aid on the problem; it does not fix what is structurally wrong — retirement at an early age without reduction of benefits. For example, the hypothetical teacher above decides to forgo retiring at age 47 in order to wait and qualify for her state's DROP program at age 55. She now has 33 years of service and has reached a pension equal to 66 percent of her salary. She remains in DROP for the maximum allowable five years. During that time, her five years of lost pension benefits plus her five years of mandatory employee pension contribution have been deposited in a private investment account. Upon retiring at age 60, she would receive the total of that private account plus a lifetime pension benefit annually of 66 percent of her final salary. With the lump-sum payment of her DROP account and monthly pension benefit, she will receive 100 percent of her final average salary for at least 10 years, and, depending on the state, she may also receive Social Security benefits. This generous guaranteed payout would be hard to find in any other profession.

DROP programs do create an incentive for some teachers to remain past their eligible retirement, but at a high cost. DROP programs mean that districts still must find the funds to pay pension benefits to teachers at a relatively young age when those dollars could be more effectively spent.

Area 3: Goal 1 New Teacher Evaluation

Rationale

Evaluations are an important tool for providing support and holding teachers accountable.

Individuals new to a profession frequently have reduced responsibilities coupled with increased oversight. As competencies are demonstrated, new responsibilities are added and supervision decreases. Such is seldom the case for new teachers, who generally have the same classroom responsibilities as veteran teachers, including responsibility for the academic progress of their students, but may receive limited feedback on their performance. In the absence of good metrics for determining who will be an effective teacher before individuals begin to teach, it is critical that schools and districts closely monitor the performance of new teachers.

States should require that districts formally evaluate new teachers at least twice annually. A formal evaluation means that the observation results in a rating that becomes part of the teacher's record. Evaluations should not be treated as formalities; they are an important tool for identifying teachers' strengths and areas that need improvement. Although the goal should always be to provide feedback and support that will help teachers to address perceived weaknesses, evaluations also serve an important purpose in holding weak teachers accountable for continuing poor performance.

The state should specifically require that districts evaluate new teachers early in the school year. This policy would help to ensure that new teachers get the support they need early on and that supervisors are aware from the beginning of the school year which new teachers (and their students) may be at risk. The requirement of at least one additional evaluation provides important data about the teacher's ability to improve. Data from evaluations from the teacher's early years of teaching can then be used as part of the performance-based evidence used to make a decision about tenure.

Area 3: Goal 2 Unsatisfactory Evaluations

Rationale

Negative evaluations should have meaningful consequences.

Teacher evaluations are too often treated as mere formalities, rather than as important tools for rewarding good teachers, helping average teachers to improve and holding weak teachers accountable for poor performance. State policy should reflect the importance of evaluations so that teachers and principals alike take their consequences seriously. Accordingly, states should specify the consequences of negative evaluations. First, teachers that receive a negative evaluation should be placed on improvement plans. These plans should focus on performance areas that directly connect to student learning and should outline noted deficiencies, define specific action steps necessary to address these deficiencies and describe how progress will be measured. While teachers that receive negative evaluations should receive support and additional training, opportunities to improve should not be unlimited. States should articulate policies wherein two negative evaluations within five years are sufficient for justifying dismissal of a teacher.

Employment status should not determine the consequences of a negative evaluation.

Differentiating consequences of a negative evaluation based on whether a teacher has probationary or nonprobationary

status puts the interests of adults before the interests of students. Ideally, weaknesses and deficiencies would be identified and corrected during the probationary period: if the deficiencies were found to be insurmountable, the teacher would not be awarded permanent status. However, in the absence of meaningful tenure processes based on teacher effectiveness, limiting significant consequences to the probationary period is insufficient. Any teacher who receives a negative evaluation, regardless of employment status, should be placed on an improvement plan, and any teacher who receives multiple negative evaluations, regardless of employment status, should be eligible for dismissal.

Area 3: Goal 3 Licensure Loopholes

Rationale

Teachers who have not passed licensing tests may place students at risk.

While states clearly need a regulatory basis for filling classroom positions with a small number of people who do not hold full teaching credentials, many of the regulations used to do this put the instructional needs of children at risk, year after year. For example, schools can make liberal use of provisional certificates or waivers provided by the state if they fill classroom positions with persons who may have completed a teacher preparation program but who have not yet passed their state licensing tests. These allowances may be made for up to three years in some states. The unfortunate consequence is that students' needs are neglected in an effort to extend personal consideration to adults who are unable to meet minimal state standards.

While some flexibility may be necessary because licensing tests are not always administered with the frequency that is needed, the availability of provisional certificates and waivers year after year signals that even the state does not put much stock in its licensing standards or what they represent. States accordingly need to ensure that all persons given full charge of children's learning are required to pass the relevant licensing tests in their first year of teaching, ideally before they enter the classroom. Licensing tests are an important minimum benchmark in the profession, and states that allow teachers to postpone passing these tests are abandoning one of the basic responsibilities of licensure.

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