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DIFFERENTIATED PAY PROPOSAL FOR HIGHLY EFFECTIVE TEACHERS

LEGISLATIVE CONTEXT

Section 8.41.(a) of Session Law (S.L.) 2014-100 expresses the intent of the North Carolina General Assembly “to provide local boards of education additional State funds for local programs to provide differentiated pay for highly effective classroom teachers through funds appropriated from the North Carolina Education Endowment Fund as provided in Section 8.11(i) of this act.” Section 8.41.(b) further stipulates that “[l]ocal boards of education shall submit proposals to establish a local program to provide differentiated pay for highly effective classroom teachers to the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, and the Joint Legislative Education Oversight Committee by January 15, 2015.” Within this legislative context, the Rutherford County Board of Education (“Board”) is pleased to submit this differentiated pay proposal for the Committees’ review and consideration.

LOCAL ORGANIZATIONAL CONTEXT

The Board adopted a new, five-year strategic planning framework¹ for Rutherford County Schools in August, 2014. That framework articulates new vision and mission statements for the school district; establishes multiple, measurable strategic performance goals; and, outlines three overarching transformation strategies under which district leaders will develop, implement, regularly monitor, and periodically revise innovative continuous improvement plans. The framework values demonstrable results and agility in response to evolving organizational conditions. Further, the framework’s strategic performance goals are intentionally aligned to student achievement and school accountability metrics identified by the North Carolina General Assembly in conjunction with School Performance Grades established under Section 9.4 of S.L. 2013-360 (G.S. § 115C-83.11) and subsequently amended. Specifically, Rutherford County Schools will, by June 30, 2019, meet or exceed regional median performance in the following indicators of school and student achievement:

- Percentage of students achieving Level III or better performance on North Carolina End-of-Grade Tests of mathematics, reading, and science
- Percentage of students achieving Level III or better performance on North Carolina End-of-Course Tests of Math I, English II, and Biology
- Percentage of high school juniors meeting or exceeding college readiness benchmarks on the ACT
- Percentage of Career-Technical Education completers achieving at least Silver level performance on ACT WorkKeys assessments
- Percentage of graduates passing higher-level secondary mathematics courses

¹ An executive summary of Rutherford County Schools’ five-year strategic planning framework accompanies the submission of this proposal.

Rutherford County Schools Vision: All Rutherford County students will graduate prepared for college and career success.

- Average subtest and total SAT scores
- Annual dropout rate
- Cohort graduation rate (four- and five-year cohort models)

DIFFERENTIATED PAY PROPOSAL

Using additional State funds provided pursuant to Section 8.41.(a) of S.L. 2014-100, the Board proposes to differentiate teacher pay in order to (a) more effectively recruit and retain fully-licensed and highly qualified teachers in traditionally hard-to-staff schools and/or licensure areas, and (b) incentivize and reward highly effective teachers for achieving substantial improvements in student and school achievement.

Of the actual funding allocation provided under Section 8.41.(a) and Section 8.11(i) of S.L. 2014-100, Rutherford County Schools will utilize up to 25% in order to improve effective teacher recruitment and retention in hard-to-staff schools and/or licensure areas, and no less than 75% to incentivize and reward highly effective teachers for student and school achievement.

METHODOLOGY

PART A: TEACHER RECRUITMENT AND RETENTION

The Board proposes to use up to 25% of its funding allotment to provide salary enhancements to fully-licensed and highly qualified teachers in order to enhance the school system’s capacity to recruit and retain outstanding educators in traditionally hard-to-staff schools and/or licensure areas as designated by Board upon the Superintendent’s recommendation.

PART B: PERFORMANCE AWARDS FOR HIGHLY EFFECTIVE TEACHERS

The Board proposes to use no less than 75% of its funding allocation to provide differentiated pay in the form of annual performance awards to highly effective teachers employed in schools demonstrating incremental progress toward strategic performance goals within the local strategic planning framework.

Rutherford County Schools will use the following formulas to establish an Incremental Progress Target (IPT) annually for each strategic performance goal within the local strategic planning framework:

<u>SCHOOL YEAR</u>	<u>FORMULA</u>
2014-15	$IPT \geq \text{Current Regional Median Performance} \times 0.900$
2015-16	$IPT \geq \text{Current Regional Median Performance} \times 0.925$
2016-17	$IPT \geq \text{Current Regional Median Performance} \times 0.950$
2017-18	$IPT \geq \text{Current Regional Median Performance} \times 0.975$
2018-19	$IPT \geq \text{Current Regional Median Performance} \times 1.000$

Annually, each school’s actual school-wide aggregate performance will be compared to the IPT for each applicable strategic performance goal. A school will be deemed to have met a strategic performance goal by demonstrating performance that meets or exceeds its corresponding IPT. In each successive year, schools will be expected to close the gap against regional median performance by an additional 2.5% in order to meet IPTs. By the end of the 2018-19 school year, a school will be

deemed to have met a strategic performance goal by demonstrating performance that fully meets or exceeds the current regional median value. By calculating new IPT values each year, the school district ensures a methodology that acknowledges likely increases in regional median performance over time and that also encourages schools to continue closing regional performance gaps incrementally despite broader improvements within the region.

Teachers, as defined by Section 8.41.(b)(2) of S.L. 2014-100, shall receive an annual performance award for each strategic performance goal met by the school at which they were employed on a permanent, full-time basis for at least 120 days during the reporting year². Itinerant teachers serving multiple schools shall receive pro rata awards commensurate with their assignment to qualifying schools during the reporting year. The specific cash value of such awards shall be determined by the actual funding allocation provided under Section 8.41.(a) and Section 8.11(i) of S.L. 2014-100; however, those cash values shall be equal for each IPT. The maximum available annual award will vary among teachers based upon the actual number of IPTs associated with a school's given grade configuration. IPTs for each grade configuration are operationally defined to include:

ELEMENTARY SCHOOLS (THREE IPTS)

1. Aggregate percentage of students achieving Level III or better performance on North Carolina End-of-Grade Tests of mathematics in grades three, four, and five
2. Aggregate percentage of students achieving Level III or better performance on North Carolina End-of-Grade Tests of reading in grades three, four, and five
3. Aggregate percentage of students achieving Level III or better performance on North Carolina End-of-Grade Tests of science in grade five

MIDDLE SCHOOLS (THREE IPTS)

1. Aggregate percentage of students achieving Level III or better performance on North Carolina End-of-Grade Tests of mathematics in grades six, seven, and eight
2. Aggregate percentage of students achieving Level III or better performance on North Carolina End-of-Grade Tests of reading in grades six, seven, and eight
3. Aggregate percentage of students achieving Level III or better performance on North Carolina End-of-Grade Tests of science in grade eight

HIGH SCHOOLS (TEN IPTS)

1. Percentage of students achieving Level III or better performance on the North Carolina End-of-Course Test of Math I
2. Percentage of students achieving Level III or better performance on the North Carolina End-of-Course Test of English II

² See G.S. § 115C-325

3. Percentage of students achieving Level III or better performance on the North Carolina End-of-Course Test of Biology
4. Percentage of high school juniors meeting or exceeding college readiness benchmarks on the ACT
5. Percentage of Career-Technical Education completers achieving at least Silver level performance on the ACT WorkKeys assessment
6. Percentage of graduates passing higher-level secondary mathematics courses
7. Average total SAT score
8. Annual dropout rate
9. Four-year cohort graduation rate
10. Five-year cohort graduation rate

The following illustrative example demonstrates the methodology's applicability to a fictional high school for the 2014-15 reporting year.

**Example High School
2014-15 Reporting Year**

Performance Metric	Current Regional Median Performance	Calculated IPT	Actual School-Wide Aggregate Performance	IPT Status	Award Status
Percentage of students achieving Level III or better performance on the North Carolina End-of-Course Test of Math I	64.5	$IPT \geq 64.5 \times 0.90 \geq 58.1$	49.8	Not Met	No Award
Percentage of students achieving Level III or better performance on the North Carolina End-of-Course Test of English II	63.1	$IPT \geq 63.1 \times 0.90 \geq 56.8$	55.1	Not Met	No Award
Percentage of students achieving Level III or better performance on the North Carolina End-of-Course Test of Biology	53.3	$IPT \geq 53.3 \times 0.90 \geq 48.0$	47.9	Not Met	No Award
Percentage of High School Juniors Meeting or Exceeding College Readiness Benchmarks on the ACT	62.5	$IPT \geq 62.5 \times 0.90 \geq 56.3$	56.8	Met	Award
Percentage of Career-Technical Education Completers Achieving At Least Silver Level Performance on ACT WorkKeys Assessments	68.6	$IPT \geq 68.6 \times 0.90 \geq 61.7$	55.3	Not Met	No Award
Percentage of Graduates Passing Higher-Level Secondary Mathematics Courses	95.0	$IPT \geq 95.0 \times 0.90 \geq 85.5$	95.0	Met	Award
Average Total SAT Score	1486	$IPT \geq 1486 \times 0.90 \geq 1337$	1357	Met	Award
³ Annual Dropout Rate	2.45	$IPT \leq 2.45 + (2.45 \times 0.10) \leq 2.70$	3.03	Not Met	No Award
Four-Year Cohort Graduation Rate	83.7	$IPT \geq 83.7 \times 0.90 \geq 75.3$	78.6	Met	Award
Five-Year Cohort Graduation Rate	86.1	$IPT \geq 86.1 \times 0.90 \geq 77.5$	80.1	Met	Award

In this example, eligible teachers would receive annual performance awards for five of the ten available IPTs.

IMPLEMENTATION, COORDINATION, AND REPORTING

Pending legislative approval of this differentiated pay proposal, the Board will adopt appropriate policy language and administrative regulations necessary for its effective implementation. Additionally, school district officials will communicate data requirements and specifications necessary for the proposal’s effective implementation to the North Carolina Department of Public Instruction and shall coordinate analytics, reporting and compensation dates, and related considerations and activities with that agency. The Superintendent shall provide for the proposed plan’s administrative oversight and shall make periodic reports as requested to the Board and appropriate legislative committees.

³ Unlike IPTs for other strategic performance goals, the Annual Dropout Rate IPT shall reflect outcomes that are equal to or less than current regional median rates. Actual school-wide aggregate outcomes are targeted to exceed current regional median rates by no more than 10% during the first year, with annual incremental improvements of 2.5% required in subsequent years.

KEY BENEFITS

The Board believes that this differentiated pay proposal offers substantial individual and organizational benefits, several of which are enumerated below.

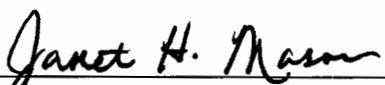
1. The proposed plan effectively balances concurrent needs that may be addressed through differentiated pay, including (a) teacher recruitment and retention in traditionally hard-to-staff schools and licensure areas and (b) rewarding outstanding performance through supplemental pay.
2. The proposed plan is substantively linked to the school district's strategic planning framework and incentivizes demonstrable progress toward closing existing gaps between local and regional performance.
3. The proposed plan encourages individual schools to engage in contextualized data benchmarking, which augments district-level performance monitoring activities already incorporated into the school district's strategic planning framework.
4. The proposed plan is grounded in measurable performance results aligned to local improvement priorities, reflective of performance metrics endorsed by the North Carolina General Assembly, and clearly linked to demonstrable evidence of students' readiness for college and career success.
5. The proposed plan encourages local teachers to collaborate effectively toward achieving school-wide performance improvements.
6. The proposed plan tangibly rewards desirable school performance and student achievement results.
7. The proposed plan is adaptive to evolving regional performance over time and aggressive in its focus on substantially improving local outcomes relative to high regional standards.
8. The proposed plan is sustainable, subject to the continued provision of additional state funds pursuant to Section 8.41.(a) of S.L. 2014-100. Further, pending legislative approval, the proposed plan may be easily adapted to reflect new strategic performance goals adopted in future strategic planning cycles.

Approved by the Board on January 13, 2015 and respectfully submitted by,



Mr. Barry Gold
Chair, Rutherford County Board of Education

1-13-15
Date



Dr. Janet H. Mason
Superintendent, Rutherford County Schools

1-13-15
Date



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Our Strategic Plan July 1, 2014 – June 30, 2019

Executive Summary

In January, 2014, Rutherford County Schools began development of a new strategic plan to guide innovation and improvement over the next five years. Development of the school district's new strategic plan featured input from a broad cross-section of the school community. The Rutherford County Board of Education adopted the plan in August, 2014.

The five-year strategic plan expresses the school district's vision and mission, defines intended performance outcomes, and identifies three broad strategies to guide innovation and improvement. Those strategies focus on academic and instructional services; students' social and emotional development; and, high quality auxiliary services and resources. District leaders outline specific improvement activities for each broad strategy. They regularly monitor and update those activities to ensure the plan's relevance. They also communicate progress and results to the school community and to the Rutherford County Board of Education to ensure accountability and quality in the plan's implementation.

The school district envisions that all Rutherford County students graduate prepared for college and career success. Its mission is to prepare all students for lifelong learning in a global community by partnering with families and communities, providing rigorous academic and career preparation experiences, and promoting a safe and nurturing school environment.

The strategic plan focuses on student achievement. By June 30, 2019, the school district intends to raise student achievement in eight specific measures of performance that reflect readiness for college and career success. Those measures include student proficiency in core content areas, college readiness data like ACT and SAT results, career readiness indicators, and indicators of graduation success like the dropout and cohort graduation rates. Together, they illustrate the district's progress toward reaching its vision of college and career readiness for every student. Regular monitoring of results for each measure helps the school district adjust its activities to ensure continuous improvement.

Additional information about the school district's strategic plan is available on its website at <http://www.rcsnc.org>.

Rutherford County Schools Vision: All Rutherford County students will graduate prepared for college and career success.

In compliance with federal law, Rutherford County Schools does not discriminate on the basis of race, sex, religion, color, national or ethnic origin, age, disability, or military service in its policies, programs, activities, admissions, or employment.