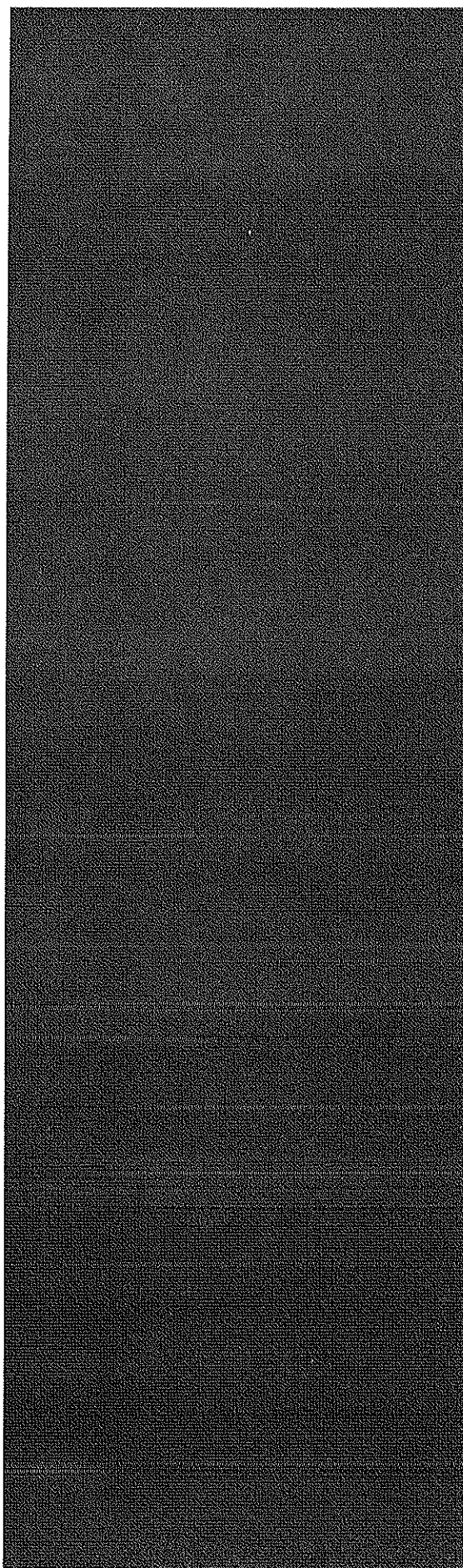




# PERFORMANCE BASED COMPENSATION

UPDATE ON THE PROGRAM TO REVISE PROVIDENCE PRINCIPALS' COMPENSATION IN 2013-2104

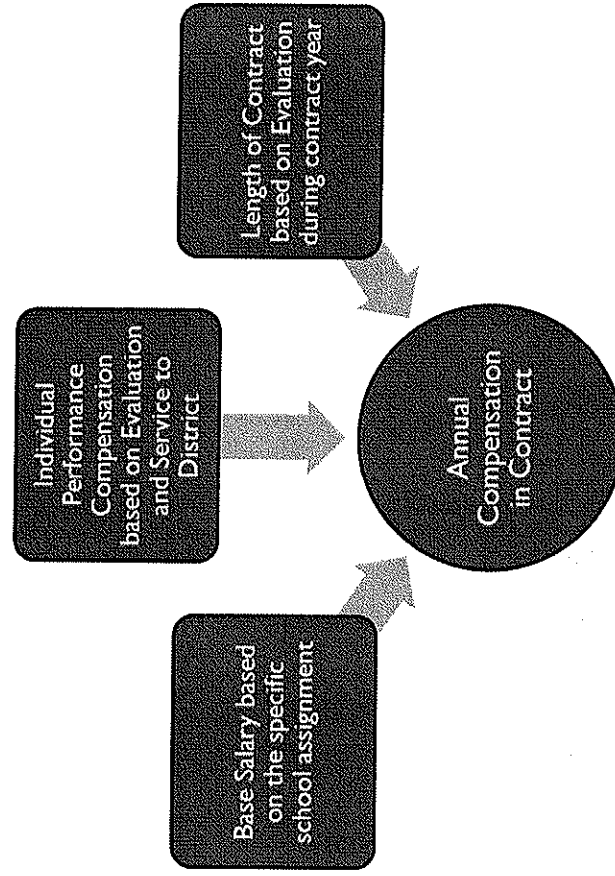


## DESIGNWORK 2012-2013

- PPSD was awarded a two-year grant from RIDE as part of the Race to the Top Initiative to design and pilot a model for performance-based compensation for educators.
- PPSD elected to primarily focus its efforts on building principals
- The Superintendent convened a task force composed of her Chief of Staff, Director of Human Resources, and five Providence Principals representing elementary, middle, and high schools
  - The Principals are: Scott Barr, Brent Kermin, Nicole Mathis, Denise Missry-Milburn, and Scott Sutherland
- The recommendations of the task force are presented on the slides that follow

## PHASE ONE CHANGES TO BASE SALARY, INDIVIDUAL PERFORMANCE COMPENSATION, AND CONTRACT LENGTH

- The task force reviewed compensation systems from other districts and discussed the challenges facing Providence in establishing a competitive salary structure that is performance based.
- The principals agreed that compensation had to go beyond salary and consider other forms of compensation such as contract length, respect for the role of principals, and level of autonomy.
- The level of "compensation" for each of these factors should reflect the difficulty of the specific assignment and the quality of the performance of the individual principal.
- The task force recommended that compensation in the pilot year of 2013-14 reflect the three components illustrated on the right.
- Details on each component follow.



## BASE SALARY BASED ON THE SPECIFIC SCHOOL ASSIGNMENT

- Current System: Principals are compensated based exclusively on the grade levels of their school assignment – elementary, middle, or high school – with higher compensation associated with higher grade ranges. The only adjustment to salary is based on longevity.
- Reason for Revision: The level of challenge presented by an assignment is not exclusively dependent on grade ranges. It was clear that there are some elementary school assignments that are as challenging as some high school assignments. All high school assignments are not equally difficult. There should be financial incentives to attract top talent to the most challenging schools.
- Recommendation for Change: Develop an “Assignment Index” that places each school on a continuum of level of challenge from 0.00 to 1.00 and use that index to assign a base salary for each position that ranges from the minimum for a school with a 0.00 index to the maximum (10% higher) for a school with a 1.00 index

## SCHOOL ASSIGNMENT INDEX

- The task force considered a variety of factors that influenced the challenge presented by each school and agreed on the following factors:
  - Size of Building (based on student population)
  - Academic Challenge (based on school classification as priority, focus, warning, typical, leading, commended)
  - Student Population (based on poverty level, students identified as LEP, students with an IEP, and stability of the student population)
- Data were reviewed for each factor and each school was designated as High, Medium, or Standard for each factor.

Factor	Standard	Medium	High
Size	< 525	525-799	800+
Academic	Warning, Typical, Leading, Not Rated	Focus	Priority, Commended
Poverty	< 80%	80%-89%	90%+
LEP	< 10%	10%-23%	24%+
IEP	< 18%	18%-19%	20%+
Stability	80%+	70%-79%	< 70%



## WEIGHTING OF FACTORS

- The task force considered a variety of ways to combine the data and recommended the following weighting:
  - School Size: 35%
  - Academic Challenge: 35%
  - Student Population: 30% (with each of the four elements – poverty, LEP, IEP, stability- equally weighted)
- To calculate the School Assignment Index, each school was assigned 1 point for a High rating, 0.5 for a Medium rating, and 0 points for a Standard rating. The raw score (or average for the four student population ratings) was then weighted to arrive at an School Assignment Index (SAI). An illustration for Pleasant View is provided in the table at the right.
- A copy of the SAI for each of the 37 schools is provided as a handout.

Factor	Rating	Raw Score	Average	Weight	Total
Size	S	0	0	.35	0.0000
Academic	H	1	1	.35	0.3500
Poverty	M	0.5	$1.5/4 =$	.30	0.1125
LEP	S	0	0.375		
IEP	H	1			
Stability	S	0			
<b>SAI</b>					<b>0.4625</b> or <b>4.625%</b> above base

## DETERMINATION OF BASE SALARY

- PPSD reviewed average principal salaries data in Rhode Island from RIASC. Not all districts were represented. The schools represented a variety of districts. Contracts and other forms of compensation vary from district to district. PPSD attempted to equalize the salaries based on number of days and create a statewide average. The average salary for the current year was approximately \$104,000.00. A 3% increase for the following year would make the average for 2013-2014 approximately \$107,000.00.
- Based on the average, PPSD used a target minimum of \$107,000.00 for the next school year, with \$104,000.00 in the base salary and \$3,000.00 in the individual performance compensation.
- A base salary is determined by multiplying \$104,000.00 by (1.0000 + the SAL). So in the example for Pleasant View the base salary would be (\$104,000.00 X 1.04625) or \$108,810.00. If the principal earns the maximum of \$3,000.00 in individual performance compensation, the total compensation for 2013-2014 would be \$111,810.00.
- Based on this algorithm base salaries for principals could range from \$104,000 to \$114,400.
- When combined with individual performance compensation the total salary could range from \$107,000 to \$117,400.

## THE FINE PRINT

- The changes in base salary reflect more significant increases for elementary principals and for middle school principals than for high school principals since the single factor of grade levels has been replaced by other factors in the creation of a base salary.
- In fairness to all current principals, PPSD has elected to allow principals to opt into this new system. In 27 of the 37 positions the SAI yields a significant increase (5%-16%). However, if a principal's base salary would either decrease by any amount or increase by less than 3% with the new index, that salary will be grandfathered and increased by a flat 3% for next year. This impacts 10 assignments, mostly high schools. These principals will receive their current salary (including longevity) plus a 3% increase. They will also be eligible for the individual performance compensation.
- Individual performance compensation will not add to the base salary, but will be paid as a stipend at the end of the school year.
- This revised compensation applies only to principals, not assistant principals.
- Newly hired principals will either be placed on this continuum if they bring evidence of experience or on a continuum with a lower minimum that reflects individuals who are new to the role of principal or who do not have a demonstrated track record comparable to current PPSD principals.
- The SAI will be set for three years and then revisited. If there is a significant change in a school's size, status, population or other factors, the Superintendent has the authority to make an individual school adjustment.



## ADD INDIVIDUAL PERFORMANCE COMPENSATION TO BASE

- Current System: No compensation is based on individual performance
- Reason for Revision: PPSD should recognize and reward principals who demonstrate effective practice and provide additional service to the district that advances the work of PPSD
- Recommendation for Change: Create opportunities for additional compensation – monetary and other – that will recognize and reward principals based on their performance during the year.
  - Stipends of up to \$3,000.00 will be paid to principals based on their individual performance within the district.
  - The stipends fall into two categories:
    - Performance Evaluation (\$2,000.00)
    - Leadership in Service to District (\$1,000.00)

## INDIVIDUAL EVALUATION AND INDIVIDUAL LEADERSHIP

### Individual Evaluation

- Every principal who earns an evaluation rating of Effective or Highly Effective on the Rhode Island Building Administrator Evaluation will receive a \$2,000.00 stipend.

### Leadership in Service of the District

- Every principal selected for a leadership position that has been designated as District Leadership Performance Compensation eligible (DLP) who serves effectively in that capacity will receive a \$1,000.00 stipend.
- PPSD is developing a list of leadership positions in service to the district that would qualify for this award. Preliminary discussion has focused on district-wide committees/assignments (e.g., Principal Compensation, PAR, Mentoring New Principals), state-wide committee appointments that benefit the district (e.g., RIASC Board, Scholastic League), leadership in securing new funding, and other assignments that advance the work of the district.

## LENGTH OF CONTRACT

- Current System: All principals have one year contract
- Reason for Revision: PPSP should recognize and reward principals who demonstrate effective practice by offering multi-year contracts based on demonstrated effectiveness in their positions.
- Recommendation for Change: Offer one-, two-, or three-year contracts based on demonstrated effectiveness in the district.
  - Principals who are first year principals will receive a one-year contract.
  - Principals who are placed on a growth plan, either as a result of the Rhode Island Building Administrator evaluation or any other PPSP determination, and who are offered a contract will receive a one-year contract.
  - All other principals will receive a one-, two-, or three-year contract based on the evaluation of their performance.

## PHASE TWO: EVALUATION OF PILOT, DESIGN OF CAREER LADDER, AND CONSIDERATION OF OTHER FACTORS

- The task force will continue its work in 2013-2014 with a focus on the following areas:
  - Evaluation of Pilot
    - Seek feedback from principals, review the School Assignment Index, Individual Performance Compensation, and Contract Length and make recommendations for changes
  - Develop a Career Ladder within the Principalship that differentiates three levels of achievement within the ranks of Providence Principals.
    - The model proposed within this pilot would become the second of a three tiered system reflective of a career ladder.
    - An initial tier for new/novice principals would be established that recognizes they have not yet demonstrated their ability to successfully lead a school. This tier would likely have a lower starting salary and might not have the same privileges or autonomy of principals in other tiers.
    - A third tier for distinguished principals would be established that recognizes and rewards those principals who continue to demonstrate exemplary practice. This tier would likely have a higher base salary and might have privileges or increased autonomy not provided to all principals.
  - Increasing the public's awareness of the quality of leadership offered by Providence principals.
    - This recognition of achievement will be designed to recognize the talent within the district, to increase the public's perception of the service provided by Providence principals, and to increase the awareness of opportunities to serve in Providence, thereby attracting more high quality candidates.

**QUESTIONS?**  
OR EVEN COMMENTS!

