

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON EDUCATION**

February 23, 2006

11:09 a.m.

MEMBERS PRESENT

Representative Mark Neuman, Chair
Representative Bob Lynn
Representative Bill Thomas
Representative Woodie Salmon

MEMBERS ABSENT

Representative Carl Gatto
Representative Peggy Wilson
Representative Les Gara

COMMITTEE CALENDAR

HOUSE BILL NO. 364

"An Act relating to a public school performance incentive program; and providing for an effective date."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 364

SHORT TITLE: SCHOOL PERFORMANCE BONUSES

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/13/06	(H)	READ THE FIRST TIME - REFERRALS
01/13/06	(H)	EDU, HES, FIN
02/23/06	(H)	EDU AT 11:00 AM CAPITOL 106

WITNESS REGISTER

ROGER SAMPSON, Commissioner
Department of Education and Early Development (EED)
Juneau, Alaska

POSITION STATEMENT: Presented information on the public school performance incentive program proposed in HB 364.

ACTION NARRATIVE

CHAIR MARK NEUMAN called the House Special Committee on Education meeting to order at [11:09:03 AM](#). Representatives Neuman and Lynn were present at the call to order. Representatives Salmon and Thomas arrived as the meeting was in progress. Representative Gatto was excused.

HB 364-SCHOOL PERFORMANCE BONUSES

[11:09:32 AM](#)

CHAIR NEUMAN announced that the only order of business would be HOUSE BILL NO. 364, "An Act relating to a public school performance incentive program; and providing for an effective date." He relayed today's hearing was an informational one only. He said he had sent out a survey to all the Alaska school districts and received "a pretty good response ... [which was] somewhat split."

[11:10:22 AM](#)

ROGER SAMPSON, Commissioner, Department of Education and Early Development (EED), informed the committee that his presentation would focus on the differences between this incentive program and the many that have been attempted previously throughout the country with limited success. He highlighted that the program proposed in HB 364 would pay for improved student performance above and beyond one year's worth of growth and involves the entire staff of the school, including administrators, certificated teachers, and "non-certificated" employees such as nurses, secretaries, and custodians. He noted that the program is based on the student's individual growth, not a predetermined percentile or ranking, and it compares the progress of the same student from the previous year to the current year. Additionally, he said that all schools that participate in the annual spring testing would be eligible to participate in the incentive program. A further benefit, he noted, is that the instrument used to measure a student's growth is one already in place - the Standards Based Assessments (SBA) given statewide to grades 3-10 - and given in April of each year. He then identified distinct benefits from the state's perspective which include: it has a guaranteed outcome; it's a no-risk program which does not obligate or cost the state or legislature should goals not be reached; it enhances the workforce and may enhance the state's teacher recruitment efforts as well; it adds to the accountability [of schools] by directly linking higher levels of performance with achievement and compensation; it promotes collaboration, effective instruction, and spreads the

responsibility across all content areas and all grade levels; and it ensures that instruction is focused around the specific needs of students.

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CHAIR NEUMAN asked Commissioner Sampson to address the challenges many of the rural Alaskan schools face regarding teacher retention and the concern those schools have that teacher recruitment efforts are more successful with the better performing schools.

COMMISSIONER SAMPSON explained that the "playing field" is leveled and no advantage is given to those schools with either higher or lower performing students, with higher or lower numbers of disabilities, rural versus urban, or large versus small. He said he could provide an example of a school in which every student is performing at the lowest level of all six performance levels and that school would still have an equal opportunity to receive the incentive. He addressed the misconception that this [incentive program] would add to the current "flight syndrome" of school selection from rural to urban, or other deciding factors, and opined that the program would not add to this trend. Returning to his presentation, he highlighted the expected outcomes of the program, which include spreading the ownership and responsibility across all staff and said:

One of the things that's loud and clear ... is our teachers are working very, very hard in our schools. We're not suggesting that they're not working hard, but this is an incentive for them to consider working differently and to embrace some different strategies that haven't been used before and to build some partnerships that have not been developed at this point. It's about looking at the needs of each student instead of teaching to the general middle. Let's find out what the needs of each student are and deliver instruction around those needs.

COMMISSIONER SAMPSON explained that another expected outcome of the program is to expand the responsibility of reading, writing, and mathematics to all staff. He said that the percentage of those in the state, as well as the country, who are responsible for teaching those subjects in high school, is 15 percent. However, this incentive program, he clarified, expands the responsibility to include all staff as responsible for student

learning in all three subjects regardless of whether a teacher's course subject directly affects adequate yearly progress (AYP) or not.

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COMMISSIONER SAMPSON relayed that 20 years of other school, school district, and public sector institution models were examined to learn why each met with minimal success or failed entirely. He said it was determined that this minimal success or failure was due to several facts: the playing field wasn't level because the models weren't based on student growth, thereby higher performing schools were given an advantage; in some cases the targets were set so unrealistically high it discouraged participation entirely; there was conflict among staff because most incentive models are designed such that one staff member has to lose in order for another to gain the incentive; building administrators were excluded; the measuring instrument was not reliable nor consistently applied; compensation was not large enough to incentivize staff to changing their practices; and because "whoever was moving the model forward - the school district, the legislature, the building principal, the private sector - the commitment wasn't strong enough"

REPRESENTATIVE THOMAS expressed concern that should there be a change in the administration to one "not as enthused [with the incentive program]," then the program might fail.

COMMISSIONER SAMPSON opined that clear, written regulations would ensure this doesn't happen. He then directed the committee's attention to the "Value Table," which he referred to as "the heart" of the whole plan. He explained that the reason they established six levels of measurable performance, shown on the table, was to create enough levels whereby the growth between the levels was significant, yet the difference between one level and another could still be articulated. He noted that this incentive program does not compensate for a year's worth of growth, only for above the "expected growth," and the Value Table and Computing Index Table are some of the tools that would be used to chart student growth.

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CHAIR NEUMAN, referring to the tables, asked Commissioner Sampson if they showed representation from a variety of schools such that "all schools feel that they're ... treated equal."

COMMISSIONER SAMPSON indicated that psychometricians and statisticians were used to ensure the Value Table "did not create an unintended advantage for small school, large school, rural, urban, one that had a high population of disabilities, or of an ethnic group [and] that it was balanced out." He said that the program is based on the "growth piece" and not on any predetermined target.

REPRESENTATIVE SALMON asked whether the testing system currently in place isn't adequately sufficient in determining whether a student graduated or not.

COMMISSIONER SAMPSON agreed that there currently is a mechanism in place to determine if a student is eligible for a high school diploma and that is the High School Qualifying Exit Exam. Additionally, he said that schools are required under No Child Left Behind (NCLB) to make a determination as to "whether or not schools are being accountable and meeting AYP." However, neither of these requirements, he clarified, are connected to the proposed incentive program, which is one that values and recognizes outstanding performance by school employees when students achieve more than a year's worth within a given year.

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CHAIR NEUMAN asked whether the over 10,000 kids in correspondence programs qualified for this incentive program as well.

COMMISSIONER SAMPSON explained that any recognized school, which is required to participate in the spring assessments, including the correspondence schools, would qualify for this incentive program.

REPRESENTATIVE LYNN, in noting that this program is like a carrot being offered to entice students to improve, asked if there was a "stick" that would then require money be taken away [from schools] in the event that students don't improve.

COMMISSIONER SAMPSON remarked that there are already two different methodologies for "carrot and stick," though they are not part of the incentives package. The stick "has been NCLB and not meeting AYP" with the consequences required by the state and federal government, he explained, and Alaska has built the carrot through this [proposed incentive program].

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REPRESENTATIVE THOMAS, observing that state boarding schools are included in the incentive program, expressed his belief that teachers at Mt. Edgecumbe High School, a state boarding school, "would be getting bonuses all the time ... because they high-grade the students." He commented that if he were a teacher under this incentive program, he would prefer teaching at a state-run boarding school.

COMMISSIONER SAMPSON clarified that Mt. Edgecumbe would have zero advantage over any other school because the incentive program is based on growth. He exemplified that should Mt. Edgecumbe have top-performing students, the only way the school and [its] staff would earn the bonus incentive would be to maintain those students at the advanced level. Furthermore, Mt. Edgecumbe would have no better chance than a school with very low-performing students that advance a level. In response to Representative Salmon's question regarding how to keep politics out of the incentive program, he explained that the statewide test given annually in April is the only instrument that [measures student achievement] and "nobody has influence over what that instrument looks like." However, he relayed the hope that school staff will collaborate on ways to meet individual student needs which could result in higher scores for students.

CHAIR NEUMAN commented that new Internet Technology (IT) programs are on the horizon that will allow teachers of different subjects to keep informed of each other's programs.

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COMMISSIONER SAMPSON directed the committee's attention to the "Computing Index" on page 5, which shows how the "School Index Score" is determined by averaging the sum of all students' progress points for that year. An average score over 100 would indicate that a school had attained one year of growth for its students, he said, and staff would be awarded according to the level reached, ranging from "Strong" to "Outstanding."

REPRESENTATIVE LYNN, referring to the "Performance Level Incentive" table showing the monetary award for non-certificated staff, opined that teacher aides often performed as well or better than the teachers and asked why they wouldn't be awarded the same, or close to the same amount as teachers.

COMMISSIONER SAMPSON agreed with Representative Lynn that there are outstanding aides. However, he said, "We didn't feel as a state we had the ability to make those decisions site by site. The way we came up with the differences, is we looked - generally speaking - at the amount that a certificated teacher makes versus a non-certificated teacher and held those ratios through."

REPRESENTATIVE LYNN asked for further clarification that would address the "equity" of the awarded amounts to teacher aides.

[11:39:21 AM](#)

CHAIR NEUMAN expressed his belief that though schools are proud of their accomplishments, they might perceive this incentive program as another means of creating a stigma for particular schools. He asked whether there was a way to apply this program statewide so that education communities and staff aren't fighting a stigma and don't feel singled out.

COMMISSIONER SAMPSON observed that if the incentive just went to everyone, it would be a formula program instead of an incentive program "unless it was an incentive that says, 'when all of the schools in our state show enough growth, there's an incentive for every employee across the entire state'." He suggested that schools working really hard to meet AYP but not able to reach that target, "are champions" who worked hard to advance students and whose efforts would be recognized and awarded through this incentive program. He informed the committee that EED is currently working with the U.S. Department of Education to be one of the very few states allowed to use growth to determine whether or not a school does meet AYP. "Growth is what's important, not the stats," he claimed.

CHAIR NEUMAN asked whether there was any mechanism in place to evaluate the program at a future point in time.

COMMISSIONER SAMPSON said he didn't believe there was and in acknowledging the possibility of unintended outcomes, said adjustments could be made as needed. Then in response to Representative Salmon's question regarding the costs of running the program, explained that the department prepared a floating fiscal note where \$3 million would be awarded at the highest level possible or, should 25 percent of school employees be awarded, it would reflect a \$15 million fiscal note. He opined that the approximate \$900 million currently spent through the

foundation formula is "a lot" but not a guarantee of [student growth] as is intended with this program.

[11:45:39 AM](#)

CHAIR NEUMAN asked whether the department has ever prepared a working model that would show the cost of running this incentive program, say, five years earlier and also show which schools would have received awards for that given year.

COMMISSIONER SAMPSON said that although this was attempted by the psychometrician, different assessment systems were used in the past and any conversions to them may have created models not entirely accurate. He highlighted that the resulting models show that 19 schools would have reached the highest level of compensation, and that those schools were well dispersed: large, small, rural, and urban. At the request of providing copies of the findings to the committee, Commissioner Sampson explained that it would not be fair to disseminate this by name of school but could do so without naming the particular schools. He expressed, however, that he would be "very uncomfortable suggesting that the past, without the incentive component, would be any projection of what the future would be with an incentive component."

CHAIR NEUMAN, observing that janitors would be included in this program, asked whether "outsourcing" these positions would have an effect.

COMMISSIONER SAMPSON explained that the language of the bill specifically addresses that those eligible for the program must be "employed" at the school, not "contracted" and highlighted that this is a "school" incentive program, not a "district" one. He further explained that any staff not employed the entire year at an awarded school or who worked part time, would receive a prorated incentive.

[11:50:48 AM](#)

REPRESENTATIVE SALMON asked how the program works with home school teachers.

COMMISSIONER SAMPSON explained that if the home school student is part of a home school program funded by the state, then those teachers would be eligible for the incentives just as brick and mortar teachers. Furthermore, should a student attend part time

at both schools, the possible incentive would be split among the schools according to the time spent at the each.

11:52:29 AM

COMMISSIONER SAMPSON recapped the differences between this incentive program to those implemented in the past. He opined that although the state could design programs for schools on how to effectively teach kids, "the people who are going to figure it out best are the people that live in those individual communities and [work in] those individual schools. They know what makes those kids tick ... and what those issues are in the community." He suggested that with the 500 schools in Alaska, there would be 500 different approaches. He confirmed that Representative Lynn was correct in his understanding that the funding for incentives would be in addition to the existing foundation funding for schools.

CHAIR NEUMAN asked whether other states are doing similar incentive programs.

COMMISSIONER SAMPSON informed the committee that 20 states are currently considering implementing an incentive model similar to, but not mirroring the one being proposed in Alaska. He noted that the model in Little Rock, Arkansas is closest to the Alaska model in that it's based on measuring growth in individual students. However, he said, the incentives in the Little Rock program are based on the success of individual teachers in how well they move their students forward, not by the success of the host school as with Alaska's proposed program. The former approach can result in teachers not sharing successful teaching strategies with other teachers, he explained, and this competitive element is not wanted in Alaska's model in which the sharing of successes is encouraged. He confirmed that at this point in time, Alaska's proposed incentive program is unique.

11:56:48 AM

REPRESENTATIVE THOMAS asked whether yearly testing was built into the proposed plan to measure student progress.

COMMISSIONER SAMPSON said that there is a standards-based test given every year which was adopted by the State Board of Education and Early Development, approved by the United States Department of Education, and required under NCLB. These tests

are evaluated several ways but are not assigned grades, he explained, and whatever method is chosen is used statewide.

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REPRESENTATIVE SALMON asked whether this incentive program would require hiring additional EED employees.

COMMISSIONER SAMPSON said this would depend on the percentage of awarded incentives. If the number was under 25 percent, there would be no effect on the department, he explained, and yet an increase over 25 percent would require hiring additional employees to process and disperse incentive payments. In answer to the question of who issues the student tests, he said that every district already has approved "assessment givers" on board.

REPRESENTATIVE LYNN inquired whether it would be "appropriate to put a sunset on this" to measure the effectiveness of the program.

COMMISSIONER SAMPSON agreed that this would "be a great idea."

[12:00:40 PM](#)

REPRESENTATIVE LYNN made a motion to adopt Conceptual Amendment 1, to "put a sunset on this at five years." There being no objection, Conceptual Amendment 1 was adopted.

CHAIR NEUMAN asked Commissioner Sampson to prepare the necessary wording to include a sunset provision and, in response to Representative Lynn, said that three to five years is generally the timeframe given to sunset periods.

[12:01:27 PM](#)

CHAIR NEUMAN announced that HB 364 would be held over.

[12:01:39 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Education meeting was adjourned at 12:01 p.m.