

MINUTES
SENATE FINANCE COMMITTEE
January 11, 2006
9:01 a.m.

CALL TO ORDER

Co-Chair Lyda Green convened the meeting at approximately 9:01:42 AM.

PRESENT

Senator Lyda Green, Co-Chair
Senator Gary Wilken, Co-Chair
Senator Con Bunde, Vice Chair
Senator Bert Stedman
Senator Lyman Hoffman
Senator Fred Dyson
Senator Donny Olson

Also Attending: ROGER SAMPSON, Commissioner, Department of Education and Early Development; LES MORSE, Director, Division of Assessment and Accountability, Department of Education and Early Development

Attending via Teleconference: There were no teleconference participants.

SUMMARY INFORMATION

[Note: Due to computer malfunctions only the first and last timestamps are connected to the For The Record (FTR) audio recording. The other timestamps are for indication purposes only.]

^Education Financing

[9:01:35 AM](#)

Presentation on Education Financing
By Commissioner Roger Sampson
Department of Education and Early Development

9:02:12 AM

ROGER SAMPSON, Commissioner, Department of Education and Early Development, utilized a PowerPoint presentation titled "Alaska

School Performance Incentive Program" [copy on file.]

Slide 1
Alaska School Performance Incentive Program
Measuring Individual Achievement

Mr. Sampson began as follows.

I hope to share with you today a concept and a program I'm very excited about the potential and the impact it can have on students in Alaska.

It's titled, "Alaska School Performance Incentive Program" and clearly this program is about "incentifying" for educators and paying when we can accelerate student learning much more rapidly than currently exists. We're talking about as a program that provides an environment for great student achievement. We're talking about targets being based on growth, which is much different than many other models. I'm going to talk extensively about "wide growth" and why this is the real leveling factor and balancing factor.

It's about providing an opportunity to use the tremendous expertise that exists in our schools today in Alaska. We have some fantastic educators with great skills, innovative ideas, but fostering the environment to have them work together towards a common goal.

[9:04:05 AM](#)

Slide 2
What is the Program?

- Performance incentive pay for improved student achievement
- Entire staff in a school receive incentive (all or none)
- Target based on growth, or sustained advanced performance of student achievement
- All schools qualify if they meet growth target
- Based on a reliable tool aligned to the Grade Level Expectations
- Program is unlike merit pay programs which cause conflict rather than cooperation

Mr. Sampson:

It's about impacting an entire staff of a building. This is a very different component that I'll speak in detail about. It's

not about one teacher versus another; it's about an entire school, an entire staff working together to where they either succeed as a team or they don't hit the mark as a team.

It would be available for every school. Not just some schools; not just large, not small, not just rural, not urban. It would be available for any school that hits the target. So it's not like grading on a curve. It's grading on a standard.

It's based on a reliable tool that's aligned to Alaska's grade level expectations. And it's about building partnerships with both people within the building, outside of the building and doing things differently than we have done day in and day out over the past decades.

This is a program about increasing accountability.

[9:04:12 AM](#)

Slide 3

Why have the Program?

- Accelerate growth in student achievement
- Stimulate the educational system by using a proven private sector concept
- Utilize and empower expertise within the schools to work together for the benefit of Alaska students
- Increase return on Alaska's investment in public schools

Mr. Sampson:

The first question that comes to mind is "Why have this program?" I think there's some real critical needs for a program like this. One, we have to find a way to accelerate student growth and student achievement in this state as we do across the nation.

Yes, we've had some great increases in the number of students showing proficiency in reading, writing and mathematics. But we also know that the bar and the need for students to know more and be able to apply those skills is increasing every single year. So we need a methodology that accelerates this achievement level.

We need a way to stimulate the educational system to use a proven, private sector practice. Now not every private sector practice is going to be effective in the public sector, but I absolutely believe that this one does apply, can apply, and of

all the private sector practices to induce and stimulate increases in hitting the targets, this is one that's probably been used more in this country than any other particular strategy. It's time that we give this an attempt in the public sector.

It will empower schools and give them a reason to work together. We need to capture that stability that we have in many of our schools that are not certificated teachers. What I'm talking about there is any many of our schools the great connection between kids and adults might be between a student and an instructional aide, might be between a custodian, it might be between secretary, and clearly those individuals have a different connection to parents in the community often times than do teachers and principals. So we need to capture that stability and that great connectivity there and use it in how we accelerate student learning.

Any finally, we need a program like this because we need to increase the return on Alaska's investment in public education.

Slide 4

Benefits

- No risk program: no performance = no cost
- Create a strong workforce for Alaska
- Enhance teacher recruitment efforts
- Accountability: directly linked to high levels of achievement
- Promote collaboration, effective instruction and spread responsibility across grade levels and content areas
- Involve all staff: currently in large high schools only 15% of staff are responsible for reading, writing and mathematics

Mr. Sampson:

Benefits to the program; this is my favorite part because the benefits are great. Most importantly this is a program that, if it's not successful, for a variety of reasons that I'll talk about, if we're unable to move our students to advanced levels of achievement than there is no liability or no cost to the State. So it's a no-risk program to the State of Alaska.

We need to have the benefits of increasing the number of students that graduate from Alaska schools with the skills that prepares them to transition into the workforce, whether

that's vocational training, whether that's postsecondary education, that's a benefit that I think this program will provide.

It creates a strong workforce for Alaska. As we know we've got many jobs that are not able to be filled by Alaskans right now.

Another benefit to this program is it needs to enhance our teacher recruitment effort. We have a national shortage we're looking at. Alaska is not exclusive to that shortage. We have two things that this would provide. One, I think this would help Alaska attract the best and the brightest, while the mentoring program will help us retain the best and the brightest once we acquire them. So I think that's a huge benefit for Alaska.

This is a program that links accountability directly to student achievement. Something we've not had before. It promotes collaboration, effective instruction and it spreads - most importantly - it spreads the responsibility for the core foundation contents: reading writing and mathematics, across the entire staff.

If we look at a typical comprehensive large high school today, we've agreed in this state and across this nation, that there's three content areas that are core. Some states agree there's more, but everyone agrees that reading, writing and mathematics, or the ability to compute, are foundational content areas. All of our students must have those. Right now we are measuring those on an annual basis. If you look at the comprehensive high school, there's only about 15 percent of the staff that have direct responsibility for reading, writing and mathematics. If these are core and foundational, and in fact the student's ability to be proficient at those, has a great impact on their ability to be successful in other content areas: history, sciences, home economics, vocational, a number of those courses, then everybody has to take some responsibility for reading, writing and mathematics.

This program will help create the environment to spread that responsibility across the entire staff. Every content area, every grade level.

[9:09:14 AM](#)

Slide 5
Why Measure Growth?

- Focus on individual student learning
- Expect high performing and low performing students to grow in achievement
- Provide visible and objective targets to meet
- Incentive for all school staff to team together, think creatively, and design systems to improve student performance
- Evaluate school performance
- Focus is on improving each student from where he or she is to proficiency and beyond

Mr. Sampson:

This is a critical component of this project. This is about "why measure growth" and "what growth to measure". This is very different from what we put out every year under [the federal] No Child Left Behind [Act] (NCLB) and schools that meet adequate yearly progress. That particular model measures groups of students and not the same group of students. It compares a group of fourth graders from last year to a new group of fourth graders this year.

This proposal is about measuring individual student growth - every student in the school, every student in the state - and comparing that growth of that student from current year to previous year.

As Alaskans, we expect every student to grow and achieve. Whether they're the lowest performing student or the highest performing student, we expect growth from our kids. We don't want them to become stagnant. That's one thing that NCLB has missed: that kids go off the radar screen once they become proficient. That's not acceptable to Alaskans. We expect growth from all of them.

When you look at individual growth this begins to foster meeting individual needs of kids. When you begin to meet individual needs of kids, you have a whole different level engaging from that student. When you meet individual needs of students, you see changes in dropout rate for the better. You see increases in graduation rates because kids begin to understand how they fit into the system and their needs are met.

If we don't focus on individual needs of students in this program, based on data we get from assessment, then there's no way that the school will be able to meet the performance incentive. So it forces focuses instruction.

[9:11:21 AM](#)

Slide 6

How Growth is Measured

- How did "Student A" do in the current year compared to the previous year
- How did all of the students perform within the school
- Did the school demonstrate growth based on a comparison of the same individual students from current year to the previous year

Mr. Sampson:

How we're going to measure this growth. Again it's different from NCLB because we're looking at every student. What we're going to do is compare a "student A" for example, how that student did this year compared to the previous year. We're also going to look at how students perform within an entire school.

We'll be able to break those groups of students down any way we want with any factors. We could take just a certain grade, we could take a certain ethnicity, we could take socio-economic status because we have the ability with our unique identifier to track those kids anywhere in the state by groups.

We can also look, as we're proposing here, how that school as a whole did from one year to the next working with the same students not different students.

When we measure the same students from one year to another this is especially important in Alaska because of our small schools. If you don't measure individual students but different groups, you get very distorted results in that the smaller the school or the more mobile the population. So while the group comparison seems to make sense on a national level, it doesn't make sense many times for Alaska's small schools.

And finally, [the] most important part about measuring individual growth, is when you measure individual growth, you create an environment for the parent of those children to have a meaningful dialog with school and school staff about how their child's doing and how to enhance that.

[9:13:04 AM](#)

Slide 7

Value Table

[Table allotting points for the Current Year Level based on the Previous Year Level as follows:

Current Year Level: Far Below Proficient Minus
Previous Year Level: Far Below Proficient Minus
Points: 0

Current Year Level: Far Below Proficient Minus
Previous Year Level: Far Below Proficient Plus
Points: 140

Current Year Level: Far Below Proficient Minus
Previous Year Level: Below Proficient Minus
Points: 170

Current Year Level: Far Below Proficient Minus
Previous Year Level: Below Proficient Plus
Points: 200

Current Year Level: Far Below Proficient Minus
Previous Year Level: Proficient
Points: 220

Current Year Level: Far Below Proficient Minus
Previous Year Level: Advanced
Points: 220

Current Year Level: Far Below Proficient Plus
Previous Year Level: Far Below Proficient Minus
Points: 140

Current Year Level: Far Below Proficient Plus
Previous Year Level: Far Below Proficient Plus
Points: 80

Current Year Level: Far Below Proficient Plus
Previous Year Level: Below Proficient Minus
Points: 40

Current Year Level: Far Below Proficient Plus
Previous Year Level: Below Proficient Plus
Points: 10

Current Year Level: Far Below Proficient Plus
Previous Year Level: Proficient
Points: 0

Current Year Level: Far Below Proficient Plus
Previous Year Level: Advanced
Points: 0

Current Year Level: Below Proficient Minus
Previous Year Level: Far Below Proficient Minus
Points: 170

Current Year Level: Below Proficient Minus
Previous Year Level: Far Below Proficient Plus
Points: 140

Current Year Level: Below Proficient Minus
Previous Year Level: Below Proficient Minus
Points: 90

Current Year Level: Below Proficient Minus
Previous Year Level: Below Proficient Plus
Points: 50

Current Year Level: Below Proficient Minus
Previous Year Level: Proficient
Points: 20

Current Year Level: Below Proficient Minus
Previous Year Level: Advanced
Points: 20

Current Year Level: Below Proficient Plus
Previous Year Level: Far Below Proficient Minus
Points: 200

Current Year Level: Below Proficient Plus
Previous Year Level: Far Below Proficient Plus
Points: 170

Current Year Level: Below Proficient Plus
Previous Year Level: Below Proficient Minus
Points: 140

Current Year Level: Below Proficient Plus
Previous Year Level: Below Proficient Plus
Points: 90

Current Year Level: Below Proficient Plus
Previous Year Level: Proficient
Points: 50

Current Year Level: Below Proficient Plus
Previous Year Level: Advanced
Points: 50

Current Year Level: Proficient
Previous Year Level: Far Below Proficient Minus
Points: 220

Current Year Level: Proficient
Previous Year Level: Far Below Proficient Plus
Points: 200

Current Year Level: Proficient
Previous Year Level: Below Proficient Minus
Points: 180

Current Year Level: Proficient
Previous Year Level: Below Proficient Plus
Points: 140

Current Year Level: Proficient
Previous Year Level: Proficient
Points: 100

Current Year Level: Proficient
Previous Year Level: Advanced
Points: 100

Current Year Level: Advanced
Previous Year Level: Far Below Proficient Minus
Points: 220

Current Year Level: Advanced
Previous Year Level: Far Below Proficient Plus
Points: 200

Current Year Level: Advanced
Previous Year Level: Below Proficient Minus
Points: 180

Current Year Level: Advanced
Previous Year Level: Below Proficient Plus
Points: 150

Current Year Level: Advanced
Previous Year Level: Proficient
Points: 130

Current Year Level: Advanced
Previous Year Level: Advanced
Points: 110

A notation reads:

Values may change as a result of 2006 data analysis, public input, and State Board regulations.

Mr. Sampson:

This [value table] is the core of this whole proposal and model. This is the equalizer, the balancer. This is what makes it fair whether you're in a large school, small school, rural school, urban school, school with high performing kids, low performing kids, poor children, wealthy children.

There are six performance levels that are identified on this value chart: Far Below Proficient Minus, Far Below Proficient Plus, Below Proficient Minus, Below Proficient Plus, Proficient, and Advanced.

Mr. Sampson outlined the point system awarded for those individual students who achieved an increase in their proficiency, regardless of the level. He stated:

This grid is designed so you can compare the previous year to the current year. Obviously the goal is to take a student, wherever they performed the previous year, and moving them one or more performance categories up.

For a student who was advanced the previous year, it's quite a feat to keep them advanced. So they would be awarded or valued by staying advanced. That would be our expectation.

This value table is designed so it is not likely that a school could focus on a single group of kids, such as, "Let's put our attention on the group of students that are currently proficient and let's try to move all of those students, or a large percentage of those students, to advanced and not pay attention to the other students." The value table is designed to where if that approach was taken they would not be able to reach a performance compensation level.

[9:15:30 AM](#)

Slide 8

Computing Index

[Spreadsheet listing ten hypothetical students and

corresponding Previous Year Level as follows:

Student A	Proficient
Student B	Below Proficient Minus
Student C	Advanced
Student D	Below Proficient Plus
Student E	Far Below Proficient Plus
Student F	Proficient
Student G	Far Below Proficient Plus
Student H	Below Proficient Minus
Student I	Below Proficient Plus
Student J	Advanced]

Mr. Sampson noted this and the following two slides are related in that they demonstrate a progression in the calculation of scores for individual students and the school.

Mr. Sampson:

We are able right now to take every student in Alaska who took the State assessment last April. We would be able to place them in one of six performance categories as we speak today.

[9:16:33 AM](#)

Slide 9

Computing Index

[Spreadsheet listing the same ten hypothetical students as indicated in Slide 8 and corresponding Current Year Level as follows:

Student A	Advanced
Student B	Below Proficient Minus
Student C	Proficient
Student D	Far Below Proficient Plus
Student E	Below Proficient Minus
Student F	Below Proficient Plus
Student G	Below Proficient Plus
Student H	Below Proficient Plus
Student I	Below Proficient Plus
Student J	Advanced]

Mr. Sampson compared the current year level of the same students from the same school to the previous year level shown on Slide 8. For example, Student A was deemed to be at the Proficient level the previous year and improved to the Advanced performance level in the current year. The progression of Student D was negative, from Below Proficient Plus the previous year, to Far Below Proficient Plus the current year.

[9:17:32 AM](#)

Slide 10

Computing Index

[Spreadsheet listing the same ten hypothetical students as indicated in Slides 8 and 9 with the corresponding number of points awarded based on the comparison of current year proficiency level to the previous year level as follows:

Student A	130
Student B	90
Student C	100
Student D	10
Student E	140
Student F	50
Student G	170
Student H	140
Student I	90
Student J	110

The spreadsheet also computes the "School Index Score" by totaling the points for all the students and dividing the amount by the number of students:

1030 / 10 = 103]

Mr. Sampson explained how the points are derived utilizing the Value Table as shown on Slide 7.

Mr. Sampson pointed out that in instances in which a student was scored less than 100, that student did not "get a full year's worth of growth". A score exceeding 100 indicates that growth exceeded the worth of a full year. The higher the number, the more growth was achieved.

[9:19:22 AM](#)

Slide 11

Performance Levels

[Table listing the Growth Index Level based on the Index Point Value as follows:

Growth Index Level: Strong= Index Point Value: 102-104.99
High = 105 - 107.99
Excellent = 108 - 109.99
Outstanding = 110 and Greater

A notation reads: Model is built on 100 as one year of growth.]

Mr. Sampson spoke to the four performance levels as follows.

We looked at over 20 years of performance models, both in the private sector and in the public sector. Quite frankly most of them were in the private sector because that's where this model's been used the most. And one of the theories there, that they said were very important in making this model successful is "you have to have more than one cut-off point or one point of recognition and incentive". Multiple levels generated different levels in more interest in employees to change and shoot for those targets. So this reflects four different compensation levels and performance levels.

The second column that says "Index Point Value" - that represents the school score. In our example on the previous page, a score for that school of 103 would have met a compensation level; it would have met the first compensation level called "Strong".

[9:20:33 AM](#)

Slide 12

Performance Level Incentive

[Table indicating the amount of compensation that would be awarded to Certificated and Non-Certificated staff based on the Growth Index Level outlined on Slide 11 as follows:

Strong

Certificated: \$2,500

Non-Certificated: \$1,000

High

Certificated: \$3,500

Non-Certificated: \$1,500

Excellent

Certificated: \$4,500

Non-Certificated: \$2,000

Outstanding

Certificated: \$5,500

Non-Certificated: \$2,500

A notation reads: Multiple levels provide greater incentive and achievable graduations, but recognize real growth in achievement.]

Mr. Sampson explained this table reflects the value of compensation for certificated and non-certificated. Non-certificated staff includes secretaries, custodians, and teachers aides. The compensation is based on the level of performance for the school.

Mr. Sampson:

This is always about a balancing act and this is what the research said on these models. I know that there are people on this Committee that have much more expertise on how it applies to the private sector and models. The balancing act is always: setting that first threshold, that first target, must be high enough to where it's credible and meaningful and valued either by the employer or by the citizens of Alaska. Yet it must be realistic enough to where the people we're trying to incentivize, in this case, our school employees, that they believe it's realistic and obtainable.

The other piece of the research that was very clear is this model can fail if in fact the compensation is not great enough to induce a desire to change. There's probably a lot of thought right now thinking "my gosh, this could be considerable dollars on a statewide level." When we address the fiscal note on this I'll share what that looks like at different levels. But I think importantly, the way we've looked at this, remember, it's a no risk benefit to the State - no performance no cost. If in fact, we have a large number of our schools and our school employees who met the highest level of compensation. I can't see a getting a greater return on our investment in education than that.

[9:22:58 AM](#)

Slide 13

Expected Outcomes

- All staff have ownership of instruction and share responsibility for results
- Incentive to work differently, embrace innovation and create partnerships to improve student achievement
- Accountability and incentive to cause all students to reach proficiency and higher levels of advanced achievement

Mr. Sampson:

What are the expected outcomes of this program? We expect increases in proficiency in reading, writing, and mathematics - those fundamental skills. We expect that we're going to see

those fundamental skills addressed across grade levels and across content areas.

We believe that there will be actively seeking ways to enhance those fundamental skills so that the content, while they may not teach reading, writing or mathematics, they know it's critical to share the information they have in their content area and they know it's a target that they're teaming on as a school as a whole.

We think it will create school-wide ownership of student learning. Instead of being shared by not every staff member right now.

I think that this is an incentive that encourages people to work differently than they have worked: to work with innovation, to do some real self-judgment on effective ways to deliver in their own schools. This is not about one process that will work in every school in the state. But this is about creating the environment so that each school - their entire staff - has a framework to develop a system that will work in their school in their community.

It's about accountability. It clearly is about accountability. And there's an incentive there to help each child to move [from] wherever they're performing to a higher level of performance. And those that are performing high, to keep them performing high.

When students understand how reading, writing, mathematics or whatever the skills and content are - when they understand how it fits into life outside of the school and out of the classroom, they soon value it and they become very good at it.

This model would produce those kinds of outcomes in my opinion.

[9:25:08 AM](#)

Slide 14

Why Other Models Fail

- Not based on student growth
- Unrealistic targets
- Conflict among staff: Some must lose for others to win
- Exclude building administrators
- Instrument used to measure is not reliable and

consistent

- Compensation not large enough to provide incentive for change
- Weak commitment to the program

Mr. Sampson:

Why did other models fail? Whenever you say "performance compensation" or "performance incentive" and you're talking about public schools, everybody instantly goes to the "M word": "merit pay". Merit pay has got more than 20 years of history to it. It's at best had mixed results.

We looked at why models work in education and out of education and we built this model trying to address every one of those reasons that those models failed. So it's very important.

The first thing is that the models were not built on student growth. They failed because they weren't built on growth, which meant if you were a school or a teacher that happened to have high performing kids, you automatically began with a great advantage. This one's built on growth. [It] doesn't matter where your kids perform. [It provides] equal opportunity to raise them. It's the whole growth levels that level the playing field from school to school, student to student.

Another reason that these fail: they're unrealistic targets. They were either too easy and not valued by the public or the lawmakers of that state, or they were too difficult, unobtainable, and people quit trying.

Other models created conflict from one staff member to another staff member because they pitted one against one another. What we're inducing here is collaboration, shared responsibility, teamwork. This model is about bringing people together using expertise across the curriculum, across content area and across grade level for a common target result.

Other models failed because they didn't include the building administrator. This model includes the administrator and all staff.

Other models failed because the instrument used wasn't reliable and wasn't applied consistently.

Other models failed because the compensation wasn't large enough to bring about change; a desire to change, an incentive

to do things differently.

And finally, other models failed because there was a weak commitment on behalf of the program. They started, they may have worked great, there wasn't the commitment from either the employer, or whoever [was] moving the program forward, to continue that model.

This model that we're proposing addresses every single one of the bullets of why other models failed.

[9:27:59 AM](#)

Slide 15

What Lies Ahead

- The final target or value table will be established by examination of 2005 to 2006 assessment results to create a baseline
- Once the incentive program is in place, then motivation exists to accelerate academic achievement beyond a year's growth
- The cost of the program will vary from year to year

Mr. Sampson:

We'll set final targets on the value chart when we get the results in 2006. This April, we'll do the comparison. We'll go through a cut scoring process to fine tune the numbers on the value chart to make sure that the baseline that's created is fair, consistent and level.

Once the program is adopted, and if adopted, then we can apply that whole incentive piece. It will be there. We have no past history of the impact of incentive on this program. So that's a bit of an unknown. If we've set the targets correctly, we think incentive will be great.

The cost of the program will vary from year to year because we don't know the impact of that incentive. I hope that the cost of the program escalates. But I hope that it escalates because it's hitting substantial targets that are reflective of students achieving more than a year's worth of growth.

[9:29:06 AM](#)

Slide 16

School Performance Incentive Program

- Based on growth in student achievement

- Empowers expertise of educators and school personnel
- Includes all staff: all make it or no one makes it
- Based on an understandable system

Mr. Sampson concluded the presentation. It is time that the State apply to the public sector, some of the effective strategies employed by the private sector.

[9:29:44 AM](#)

Senator Bunde applauded the commissioner for the development of this program that has significant potential. Senator Bunde spoke of his own experience in the need to include the entire staff. He relayed an instance in which a janitor of a school would, on a regular basis, sweep the halls then sweep the dirt out the door as the children were returning from recess. The message Senator Bunde gleaned from this is that the students were dirtying the janitor's school, rather than the janitor recognizing that the students were indirectly supporting his job.

Senator Bunde also recalled instances where non-teaching staff, including custodians, could connect with students and provide a "friendly adult face" at the school.

[9:31:06 AM](#)

Senator Bunde asked if the Department of Education and Early Development would determine the measurement of progress.

[9:31:18 AM](#)

Mr. Sampson affirmed.

[9:31:23 AM](#)

Senator Bunde asked if this program could be undertaken utilizing existing staff and resources or whether more funding and positions would be necessary.

[9:31:32 AM](#)

Mr. Sampson replied that the calculation of growth could be done with current staff. If the program were implemented the Department would be responsible for disbursing compensation for those schools demonstrating growth. Additional personnel would be necessary to issue payments. The timing between the completion of testing and awarding of bonuses would be critical.

[9:32:12 AM](#)

Senator Bunde asked if any research had been conducted to determine whether the proposed compensation amounts would be sufficient.

[9:32:47 AM](#)

Mr. Sampson had researched a number of school districts in the Lower 48 that utilize monetary compensation for student growth and achievement. The amounts awarded in those programs was reviewed and compared against the successes and weaknesses of the programs. Some districts offer considerably higher amounts than the highest amount proposed in this presentation.

[9:33:35 AM](#)

LES MORSE, Director, Division of Assessment and Accountability, Department of Education and Early Development, told of the Little Rock school district in the state of Arkansas that paid as much as \$8,000. However, the average amount was between the range of \$1,500 and \$4,100.

[9:33:57 AM](#)

Mr. Sampson cautioned against failure due to inadequate incentive for educators and school staff to change behavior. Conversely, the program should not be a "give away" with insufficient goals.

[9:34:20 AM](#)

Co-Chair Wilken characterized the proposal as a "skeleton" to be further developed. He appreciated the concept of investment, asserting that if the benefits of the program do not exceed the funds allocated to it, the program would be "nothing more than a tar baby that we'll never get rid of."

Co-Chair Wilken was not interested in "reinventing the wheel". He asked to what extent this proposal was modeled after other programs. He noted that the State of Colorado has been operating a similar program for six years.

[9:35:14 AM](#)

Mr. Sampson replied that this model is similar to the program implemented in the State of Colorado in that it focuses on the growth of students. However, the Colorado program includes only one level of measured growth and does not include support staff.

[9:35:45 AM](#)

Co-Chair Wilken asked if the proposed plan is modeled after any existing program.

[9:35:56 AM](#)

Mr. Sampson answered it is not.

[9:35:58 AM](#)

Co-Chair Wilken surmised it as "plowing new ground".

Co-Chair Wilken, referencing the Value Table on Slide 3, noted that points were still awarded for a student who regressed one level.

[9:36:55 AM](#)

Mr. Sampson explained that a score of 100 equals one year of growth. A student could slip from the Advanced level to the Proficient level, but still learn more than expected in one year. This is known as "regression to the mean". Maintaining one student at the highest level year after year is difficult.

[9:38:06 AM](#)

Co-Chair Wilken asked if the "yardstick" measuring growth would be valid, given the testing changes implemented in recent years.

[9:38:27 AM](#)

Mr. Sampson responded that the Department has no plans to change the existing measuring methods. Currently two independent evaluations are required by the No Child Left Behind (NCLB) Act, and are utilized in Alaska along with a third evaluation. These studies agree that the methods are a valid and reliable tool for measuring student growth.

[9:39:25 AM](#)

Co-Chair Wilken asked, based on the measurements of the previous year, how schools would have rated if this program were implemented a year prior and whether any schools' staff would have received the incentive payments.

[9:39:43 AM](#)

Mr. Sampson replied that such calculations were made although he stressed that the incentive factor could not be considered. If this program were implemented the previous year, without the enticement of the monetary awards, 19 schools would have qualified for the highest level. However, flat student achievement was experienced statewide. Some schools and some students achieved growth, but overall, the students and schools did not advance.

[9:41:15 AM](#)

Co-Chair Wilken asked if the Department had considered implementing this proposal as a pilot program for three schools since the method is unproven. This could prevent excessive expenditures if the program required alterations.

[9:42:03 AM](#)

Mr. Sampson asserted that he was "so strongly committed that this would help Alaskan kids" that he was willing to consider all options for implementation.

[9:42:21 AM](#)

Co-Chair Wilken asked if the bonuses would be subject to collective bargaining.

[9:42:31 AM](#)

Mr. Sampson responded that the proposal is specifically structured to exclude the incentive payments from bargaining as well as the provisions of the Public Employees Retirement System and the Teachers Retirement System.

[9:42:51 AM](#)

Co-Chair Wilken relayed his experience with commissioned employees. He was amazed that after the turmoil of implementation of a commission system, he found that the incentive extended beyond monetary benefits. Employees took pride and ownership in their duties. They cooperated with other employees and took greater effort with customers.

Co-Chair Wilken suggested involving the students in this incentive program by presenting an award, hosting a pizza party or providing another form of recognition. He predicted such validation would "light up their eyes".

Co-Chair Wilken looked forward to further developing this program.

[9:44:51 AM](#)

Senator Hoffman asked if the incentives would be paid for one year or incorporated into the base salary.

[9:45:12 AM](#)

Mr. Sampson replied that the awards would be granted for each year the school qualified. These payments would not affect salary or terms of a negotiated contract.

[9:45:23 AM](#)

Senator Hoffman, noting the high turnover of teachers and recruitment difficulties, speculated whether teachers would take into consideration accepting employment at a school that received past. He predicted that teachers would not choose to work at a school that never achieved a rating sufficient for incentive payments. He asked how this program would address the likelihood that over time, certain schools would secure the best teachers and the remaining schools would be "left behind".

[9:46:39 AM](#)

Mr. Sampson agreed that some schools would earn a higher level of achievement. The reason a school is or is not meeting these accomplishments should be determined. He anticipated that the community, students, teachers and support staff would collaborate to improve the school's score. Given the national teacher shortage, this program would provide an advantage to this state in attracting and retaining teachers. The value and process must be demonstrated as fair and that the size, location or student population of a school does not give an advantage.

[9:48:24 AM](#)

Senator Hoffman stressed that those teachers motivated by the financial incentive of this program would opt to work at schools within the state that have achieved the highest scores. This would disadvantage other schools. He asked how this tendency would be compensated. He compared the situation to that of the National Football League (NFL) and that organization's implementation of a draft process to ensure that a winning team does not dominate the recruitment of the strongest players.

[9:49:25 AM](#)

Mr. Sampson agreed that as certain schools "rise to the top" they could have an advantage in recruitment and retention. He admitted he had not considered the impact of this scenario. However, the factors contributing to the successes of some schools must be identified and shared with other schools to provide opportunity for those schools to excel as well.

[9:50:22 AM](#)

Senator Dyson recalled his approval of the selection of Mr. Sampson for the commissioner position. Senator Dyson was aware of Mr. Sampson's achievements in his previous position at a small school district. Senator Dyson requested Mr. Sampson provide an overview of these earlier efforts.

[9:51:07 AM](#)

Mr. Sampson told of his experience in applying this concept to a remote small school district in Alaska. He assisted in determining that education of reading, writing and computation were important to the community and he identified a method to measure these skills. This concept was first applied to the entire district, then to schools and finally to individual teachers. The teachers wanted teamwork, but also individual recommendations. When a teacher was unsuccessful, he or she would contact other teachers within the district to learn what practices were successful. This was possible because the program had no competition between teachers or schools. This concept was also successfully applied to efforts to control health care costs.

[9:54:06 AM](#)

Senator Stedman understood that school district superintendents would be excluded from the proposed incentive program, while school principals would be included.

[9:54:23 AM](#)

Mr. Sampson affirmed, stating that principals must be included, because they set schedules, move students, and make other decisions that impact the overall performance of a student body. He spoke informally with superintendents and concluded that these positions should not be included in the incentive program, as doing so could "send the wrong message". Superintendents negotiate separately with school boards for salary amounts and other compensation.

[9:55:35 AM](#)

Senator Olson surmised that motivated students would be included in these efforts. However, low achieving students often have discipline problems, which are not addressed in this proposal.

[9:56:26 AM](#)

Mr. Sampson responded that discipline is indirectly referenced in this proposal. To be a viable program, the scoring must acknowledge factors that school staff could not control, such as weather conditions and parental involvement. Discipline is a substantial issue regardless of an incentive program. Some schools have undisciplined students, yet achieve substantial growth; other schools have little disciplinary problems but are unsuccessful at achieving measurable growth. However, if an entire school staff consistently enforces a code of acceptable student behavior, the likelihood for growth is greater.

Mr. Sampson also pointed out that students displaying discipline problems usually do so for a reason. They could be unchallenged or overwhelmed. This incentive program would encourage the entire school to address the issue.

[9:59:11 AM](#)

Senator Olson clarified his concern related more to the self-discipline of attending school, studying, and applying oneself, rather than behavioral discipline.

[9:59:47 AM](#)

Mr. Sampson replied that both types of discipline must be addressed as a whole. One teacher may not have a relationship with a student or parent, but a secretary or custodian may, and that relationship should be fostered to encourage the student's growth.

[10:00:34 AM](#)

Co-Chair Green asked about allowances for those students who do not attend a school for a full year.

[10:01:06 AM](#)

Mr. Sampson answered that such allowances would be made, although growth would still be expected for these students. Transient students would be treated in the same manner currently utilized to determine appropriate grade level placement.

[10:01:49 AM](#)

Senator Bunde referenced a conversation held the previous summer in which the commissioner predicted this program could be implemented at no additional expense. Senator Bunde asked if this is no longer the expectation.

[10:02:12 AM](#)

Mr. Sampson remarked that the program could be implemented with no additional funding if no schools met the performance levels.

[10:02:31 AM](#)

Senator Bunde remarked that a program should not be established if no improvements are expected.

[10:02:51 AM](#)

Mr. Sampson agreed. He listed the projected costs. If five percent of certified and classified employees statewide qualified for the highest compensation award the cost would be \$3 million. The cost would increase to \$15.4 million if 25 percent of the employees qualified.

[10:03:28 AM](#)

Senator Bunde referenced Governor Murkowski's State of the State address the previous day, noting the Governor's request of \$90 million for education. Senator Bunde surmised that if this amount were appropriated, adequate funding would be available for this program.

[10:03:49 AM](#)

Co-Chair Wilken asked when a formal proposal for this program would be released.

[10:03:54 AM](#)

Mr. Sampson replied that he first wanted to present the idea to legislators and get feedback. A final evaluation table would not be completed until May or June of 2006 when the results of the 2006 assessments are received. The program could best be implemented through Department of Education and Early Development regulations. The legislature could address specific areas if necessary.

[10:04:43 AM](#)

Co-Chair Wilken noted the Governor had indicated that if a contract was negotiated for a natural gas pipeline, the legislature could become consumed with consideration of the contract and associated activities. Co-Chair Wilken directed the Department to submit a formal proposal soon in the event the legislature was diverted from its normal duties later in the session.

[10:05:16 AM](#)

Senator Stedman suggested the incentives be calculated in some manner as a percentage of the base student allocation.

[10:05:43 AM](#)

Senator Hoffman asked if educators would prefer that the base student allocation be increased or that this program be enacted.

[10:06:08 AM](#)

Mr. Sampson responded that both positions would be opined. Some educators prefer an incentive program; others would deem increased funding to the school as the priority.

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ADJOURNMENT

Co-Chair Lyda Green adjourned the meeting at [10:07:07 AM](#)