

# South Dakota Incentive Fund

*South Dakota's Incentive Fund project is designed to implement a teacher incentive system in high-need schools in predominantly rural areas. The system will include professional development and incentives to principals and instructional staff based on classroom and school-wide gains in student achievement.*

## Needs Assessment Results and General Information

South Dakota ranks from seventh to third highest among the states in reading, mathematics, and science at the fourth- and eighth-grade levels. More than 92 percent of classes are taught by highly qualified teachers. However, 57 percent of South Dakota's Native American children live in poverty compared to the state average of 16 percent. The highest childhood poverty rates in the state occur in counties and schools located on or near reservation lands, with a high concentration of Native American families.

Forty Title I elementary and secondary schools in 10 school districts will participate in the teacher incentive program. They represent the lowest performing schools, and all are in rural areas.

## Background

Currently, teacher compensation in South Dakota reflects a very traditional approach. School districts negotiate with teacher unions to establish a salary schedule that sets the base rate for teacher pay with increments for "steps" and "lanes" that respond to years of experience and continuing education.

The Governor has proposed a new teacher compensation program that links performance and teacher pay. The proposed plan is part of South Dakota's 2010E Initiative, which provides a vision for the future of education in South Dakota.

## Incentives

The \$3 million South Dakota Incentive Fund will be distributed through a three-tier approach among participating schools and educators. The first tier will be school-based, with all principals and instructional staff in the eligible schools receiving awards based on student achievement at the school level. The second tier provides awards for principals and teachers based on individual performance (student achievement, effective performance, and leadership). The third tier is based on recruitment and signing incentives for teachers in hard-to-fill positions within participating schools. Five types of compensation are available to principals, instructional staff, or teachers. The table shows the eligible party, the amount of compensation, and the criteria for receiving the award.

<b>LOCATION(S)</b>	South Dakota
<b>GRANT AMOUNT</b>	Year 1: \$4,762,694    5-year total: \$20,824,871
<b>DURATION</b>	5 years
<b>AWARD DATE</b>	June 2007
<b>PARTNERS</b>	Technology and Innovations in Education

## South Dakota Pay Incentives for Staff in Participating Schools

Performance Award and Eligibility	Compensation Amount	Criteria for Receiving Award
School-based Performance Award: principals, assistant principals, and Instructional staff	Principals: \$4,000; certified instructional staff: \$1500; non-certified instructional staff: \$750	School meets AYP as defined by state. School demonstrates growth in student achievement.
Individual Leadership Roles and Responsibilities: principals and certified instructional staff	Principals: \$1,000; instructional staff: \$750	Attendance at leadership academy. Principal and peer assessments.
Individual Effective Performance: principals and classroom teachers	Principals: \$1,000; classroom teachers: \$1,500	Successfully complete National Board Take One! program.
Individual/Classroom Increases in Student Achievement: classroom teachers	Classroom teachers: \$750; paraprofessionals assigned to a class: \$350	South Dakota achievement tests and other achievement tests.
Recruitment Incentive: new teachers	Teacher: \$5,000	Signed contract and agreement.

### Evaluation

An outside evaluator will implement a mixed method evaluation by collecting, analyzing, and interpreting qualitative and quantitative data. The evaluation is designed to measure the impact of the teacher incentive program and to evaluate its implementation. The design includes mechanisms for providing ongoing input to the development of the performance-based compensation system. Furthermore, the evaluation will explore the relationship among multiple factors and student achievement.

### Resources

Resources to operate and sustain the project will be sought from Federal, state, and local sources.

However, the South Dakota Department of Education is committed to providing the majority of the funding to support and sustain the incentive fund and expects to contribute 75 percent of the funds by year 5. Additionally, the compensation system will benefit from current state initiatives and funds.

### Data Systems

The Student Information Management System has the capability to track student information over time and from school to school. It also provides data to track the results of achievement tests on the classroom level and school level, as well. Technology and Innovations in Education (TIE), a private firm, will provide the data management activities.

TIE has worked with South Dakota to analyze results of achievement tests on the classroom and individual levels and to analyze data specific to content standards and student success related to specific knowledge and skills.

### **Year 1 Activities**

One of the early challenges was having only some of the schools in each district participating in the project. When the largest school district (with five schools participating in the project) withdrew mid-way through the first year of the project, it provided an opportunity to remedy this early challenge. As a result, the 10 remaining districts added 15 new low-performing schools, which brings the total number of participating

schools to 40. It is a benefit to have all schools in 9 of the 10 school districts participating in the project.

### **Outlook for Year 2**

The first school-based awards will be distributed later this fall, after the release of student test data and AYP status. This will be the culminating activity from the first year of the project. The individual effective performance component of the project will be addressed this year with the implementation of the National Board Take One! process. Through this process, teachers will develop lessons (based on their school improvement plan), videotape the lesson, write a reflection paper on the lesson, and submit the materials to the National Board for Professional Teaching Standards for scoring.