

STRATEGIC MANAGEMENT OF HUMAN CAPITAL - NEW YORK CITY -

The goal of SMHC is to dramatically improve student achievement in large, urban public school districts by restructuring their human capital management systems. SMHC reforms aim to recruit top teacher, principal and central office talent and to performance-manage those individuals to improve the effectiveness of instruction in all classrooms. As part of this effort, SMHC is conducting case studies of effective SMHC practices in leading-edge districts and organizations. The case studies focus on the three major elements of all human capital management practices: talent acquisition, talent development and motivation and talent retention, as discussed in the foundational paper defining SMHC by Odden and Kelly (2008).

SMHC case studies have been completed in the following districts:

1. Boston
2. Chicago
3. Fairfax County
4. Long Beach
5. Minneapolis (local district Q Comp program)
6. Minnesota
7. New York City

SHMC case studies have been completed for the following organizations:

8. Teach For America
9. The New Teacher Project
10. New Leaders for New Schools

This paper is available in the Resources section of <http://www.smhc-cpre.org>.

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STRATEGIC MANAGEMENT OF HUMAN CAPITAL IN NEW YORK CITY¹

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The New York City Public School District is the largest school district in the United States. The District employs over 79,000 teachers in 1,450 schools serving 1,040,000 students from diverse backgrounds: 32% of the students are African American, 39% are Hispanic, 14% are White and 14% are Asian/Pacific Islander. Fourteen percent of the students are enrolled as English Language Learners, and nearly 19% of the City's students receive special education services.² While the number of enrolled students declined slightly over the last 3 years, the number of teachers increased as the New York City Department of Education (NYCDOE) reallocated funds from the central office to the schools.

Performance by fourth and eighth grade New York City students on state reading and mathematics assessments has increased steadily since 2000. There are different points of view on the degree of improvement. One point of disagreement is when to date the impacts of the Bloomberg and Klein administration on student achievement. Some say we should begin with 2002, the year the mayor took office. Others argue that the baseline should be 2003 when the first reforms began to be implemented. As shown in Table 1, the percent of students scoring at or above proficient on the state mathematics test rose 28 percentage points (to 80%) in the fourth grade and 30 percentage points (to 60%) in eighth grade between 2002 and 2008. The percent of students scoring at or above proficient on the state reading assessment rose 15 percentage points (to 61%) in the fourth grade and 13 percentage points (to 43%) in eighth grade. The increases were somewhat smaller between 2003 and 2008: 13 and 26 percentage points, respectively, in

¹ This case is based on a review of documents and interviews with key central office staff responsible for human resources, curriculum and professional development, and representatives from the teachers' and supervisors' unions.

² Mayor's Management Report, 2008

	2002	2003	2008	Change 2002-08	Change 2003-08	Annual Change 2002-08	Annual Change 2003-08
4 th Grade Math	52%	67%	80%	28%	13%	4.7%	2.6%
8 th Grade Math	30%	34%	60%	30%	26%	5.0%	5.1%
4 th Grade Reading	47%	52%	61%	15%	9%	2.5%	1.8%
8 th Grade Reading	30%	33%	43%	13%	10%	2.2%	2.0%

fourth and eighth grade mathematics; and 9 and 10 percentage points, respectively, in fourth and eighth grade reading. The average annual change, however, is comparable for both periods of time for all but fourth grade mathematics. Furthermore, scores improved statewide as well during both time periods. In addition, the performance gap between African American and Hispanic students and their White peers on the state tests narrowed in all these subjects and grades, particularly in fourth grade mathematics.

The percent of New York City students at or above Proficiency (and at or above Basic) on the National Assessment of Educational Progress (NAEP) Trial Urban District Assessment (TUDA) increased in fourth grade mathematics and reading between 2003 and 2007 at a similar rate as on the state tests (using 2003 as the baseline), but was unchanged in both subjects in the eighth grade. The TUDA also showed a narrowing of the achievement gap in fourth grade reading and mathematics and eighth grade mathematics in New York City.

Fiscal Context

The State provides 40% of New York City's \$21 billion education budget; the City funds half of the budget and federal revenues provide the remaining 10%. The District received sizeable increases in funding from both the State and the City between 2002 and 2008 due to a strong state and local economy and the New York State Court's Campaign for Fiscal Equity school finance funding decision. As a result, the District's budget grew from \$13 billion in 2002

to \$21 billion in 2008.³ A downturn in the economy and a state budget deficit led to cuts of \$180 million in the District's operating budget in spring 2008. Additional cuts have been made in non-school budgets for the 2008-09 school year. Significant budget deficits are projected for both the State and the City for at least the next 2 years.

Governance Context

In 2002, the state legislature transferred control of the New York City public schools to the City's mayor. The Mayor, rather than the Board of Education, appoints the Chancellor and other key personnel. A 13-member Panel for Education Policy, chaired by the Chancellor, replaced the Board of Education. Composed of eight mayoral-appointed members and five members appointed by the borough presidents, the Panel for Education Policy approves labor contracts and policies recommended by the Chancellor. The law also abolished the 32 locally-elected community school boards, but the 32 community district superintendents retained their authority to hire and evaluate principals. In January 2003, the Chancellor replaced the 32 community school districts with 10 new instructional divisions, each under the supervision of a regional superintendent. The regional structure was abolished in 2007-08 when the authority for personnel, budget, instruction and professional development was devolved to all of the City's schools. Schools now receive instructional support through School Support Organizations (SSOs) of their choosing.

State Policy Context

Other State laws and policies affect the District's human capital policies. In 1998, the New York State Board of Regents eliminated temporary licenses for uncertified teachers effective September 2003, with a limited waiver for all districts in New York State through

³ The current operating budget increased from \$12 billion to \$17.6 billion. The current operating budget does not include pensions (\$2.1 billion) or debt service (\$1.35 billion). In many states, pension costs are part of current operating expenditures.

September 2005. In 2000, the Regents approved an alternative teacher preparation program (ATP) that allows school districts to hire teachers who are participating in approved alternative certification programs at universities as long as these teachers pass required certification exams and participate in 200 hours of pre-service training prior to entering the classroom. Teachers in this pathway must complete the approved university programs leading to a master's degree in order to retain certification and continue in the teaching profession. Coursework requirements are similar to those in traditional teacher preparation programs. In response to this, New York City, and other districts, worked with universities to develop programs that met state requirements. New York City supports teachers hired into these programs by subsidizing their tuition.

Regardless of pathway, teachers must obtain a master's degree (and complete 3 years of teaching experience) to receive a Professional certificate. The State also requires districts to provide a mentored experience for first year teachers. The law grants districts considerable flexibility, however, in how they can provide mentoring. Finally, State law and regulations set minimum criteria for teacher tenure. Tenure decisions must include an assessment of teachers' performance by school administrators using the State's Annual Professional Performance Review criteria and an examination of how well teachers use data. Legislation, which sunsets in 2010, prohibits school districts from using student test score data in tenure evaluations for teachers hired after July 1, 2008.⁴

1. NEW YORK CITY'S EDUCATION REFORM STRATEGY

Mayor Bloomberg appointed Joel Klein as chancellor of the New York City Department of Education (NYCDOE) in July 2002. Three months later, Chancellor Klein announced

⁴ Legislation enacted in 2008 calls for the creation of a state commission to study the use of student test data to improve instruction and evaluate teacher performance.

Children First, a standards-based and data- and performance-driven approach to school reform. This approach has been characterized as “bounded empowerment” and comprises three key components:

- 1) centrally-established curriculum, assessments and accountability;
- 2) devolution of hiring, staff development and budget authority to the schools; and
- 3) a system of support for schools.

The reform strategy reflects the District’s core belief that schools are the unit of change, and that strong school leaders who are empowered to make instructional and managerial decisions and held accountable for student performance will create higher-functioning schools.

One of the first initiatives of Children First was the enactment of a common mathematics and literacy curriculum for grades K-8. (See Appendix A) Schools may opt out of the core curriculum, but must justify their choice to the NYCDOE. The District assesses student performance through the State English language arts and mathematics tests, and holds students accountable for their performance on these tests through promotional gates in grades 3, 5 and 7 and, starting in 2008-09, in grade 8.

Schools are held accountable for student performance through two systems, both based on the State assessment. Under the No Child Left Behind Act (NCLB), schools must meet a State-determined goal of proficiency in mathematics and language arts or be subject to State and Federal sanctions. New York City has a separate accountability system based on School Progress Reports and School Quality Reviews.⁵ The Progress Reports for elementary and middle schools assess student progress (60%) as well as student achievement (percent proficient as determined by the State under NCLB) (25%) and measures of the learning environment in the school (15%). For high schools, Progress Reports measure: the learning environment, graduation and Regents

⁵ NCLB Status is not incorporated into the Progress Report Grade.

pass rates, and the evidence that students are progressing toward graduation (by accumulating credits and completing Regents exams). Schools earn letter grades A to F based on results compared to other schools in the City and schools with similar populations. Principals are evaluated using a Principal Performance Review that weighs Progress Report results, the school's Quality Review, individual goal achievement and compliance with legal requirements. All schools must deliver quarterly assessments (during the regular school year) in mathematics and reading. In 2007-08, each school also was required to create an Inquiry Team to analyze data on, and develop targeted instruction for, a struggling group of students.

A second component of Children First is school empowerment. Starting with a pilot project in 2004, the District extended its Public School Empowerment initiative to all schools in 2007-08. The District allocates funds to schools based on student need (the Fair Student Funding formula), and gives schools the authority to allocate these resources, hire staff, create instructional programming for their students, and select and provide professional development to school staff, including new teacher mentoring.⁶

The third component of Children First is district support of schools through leadership development, and instructional and administrative support services. As described in greater detail in this case study, the Chancellor launched a Leadership Academy and other initiatives to recruit and train new school leaders. The provision of instructional and administrative support evolved from a system of direct supervision and assistance by 10 regional offices to a market-based approach where schools purchase services from School Support Organizations (SSOs) that have

⁶ Fair Student Funding (FSF) provides about two-thirds of a school's budget through a weighted student formula that takes into account enrollment and students' grade level and special educational needs (such as students with disabilities, students with low academic achievement or English language learners). Funds arrive in schools as "real dollars" and are based on average teacher salaries systemwide. (Schools that hire more highly paid teachers must fund the difference from within their budgets.) As a way of phasing in the new funding system, schools with budgets above their FSF formula funding level were "held harmless" in 2008-09 at their pre-FSF level. Only teachers hired after April 2007 are charged at their actual salaries at this time.

no supervisory or evaluative authority. All schools must choose from among 11 SSOs, which vary by type and intensity of instructional supports offered. In addition, the District assigns Senior Achievement Facilitators to SSOs to help schools use accountability tools and processes to improve student achievement.

The strategic management of human capital plays a critical role in the District's school improvement strategy. Having placed schools "at the top of their organizational pyramid," the DOE is focused on the acquisition, development, evaluation and retention of high quality and effective teachers and school leaders. The District's Chief Talent Officer develops strategies and leads key initiatives for the recruitment, development and performance management of school personnel, particularly teachers and school leaders. The Division of Human Resources shares responsibility with the Talent Office for teacher recruitment and provides support directly to principals in the management of human capital in their schools. Human Resources also oversees the more traditional HR services (payroll, benefits, etc.) to all DOE employees and has recently instituted performance management and talent development processes for central department employees.

The next section of this case study describes the District's talent acquisition policies for teachers and principals. The third section discusses transactional improvements in the HR system, and the fourth section focuses on talent management, including induction and mentoring, professional development, performance management, and compensation of teachers and principals.

2. TALENT ACQUISITION

New York City hires approximately 7,500 teachers, or nearly 10% of its teaching force, each year.⁷ Through a series of initiatives—creating new pathways into teaching, raising entry level salaries, providing additional financial incentives for teachers in shortage areas, and initiating earlier hiring—the District has increased the supply of qualified teachers, particularly in shortage areas and high need schools, and eliminated all “emergency certification” teachers. It currently has an average of six applicants for every open teaching position. The District hires between 160 and 200 principals a year and, through a combination of leadership development programs, higher pay, and performance bonuses, now attracts four qualified applicants for each opening.

Teacher Recruitment

In 2004, the District launched a campaign to entice teachers and those who might consider teaching to learn more about opportunities in NYC public schools. Public service announcements proclaim, “Join New York’s Brightest – Teach NYC” and direct listeners to the NYCDOE’s website. Prospective teachers file an on-line application on TeachNYC.net that includes a resume, proof of certification, three professional references and two essay responses. Applicants are also asked to report their SAT scores and their scores on the state certification test, but this information is optional and is used only for research, not for screening or selection. The Office of Teacher Recruitment and Quality pre-screens the applications using a rubric that identifies teacher competencies. Approximately 2 weeks later, applicants are notified as to whether they are eligible for job search support; eligible for a central commitment interview; ineligible to teach in New York City; uncertified; or they have failed the quality screen.

⁷ This number dropped to 5,600 new hires in 2008-09 due to lower enrollment, improved teacher retention and fewer new positions being created.

Applicants who are identified as eligible to teach in New York City complete the Gallup Organization's TeacherInsight Interview and their application materials and TeacherInsight Interview scores are placed in an on-line database, the Teacher Finder Tool (see the Teacher Selection and Placement below).

New pathways into teaching. About 30% of new hires come through alternative route programs. The two largest alternate route programs in the NYC public schools are the NYC Teaching Fellows Program and Teach For America (TFA). The Teaching Fellows program, which was created in 2000 by the NYCDOE, is run by the District's Office of Teacher Recruitment and Quality and supported in part through a contract with The New Teacher Project (TNTP). Approximately 8,500 NYC Teaching Fellows actively teach in New York City, accounting for nearly 11% of the total teaching force. The District hired 1,800 Teaching Fellows in 2007-08 and 1,450 Fellows for the 2008-09 school year. The Teaching Fellows Program recruits and selects individuals, generally early career changers, for high need schools (primarily in the Bronx and central Brooklyn) and for high need subject areas, including mathematics, science, bilingual education, Spanish and special education. The DOE-designed "Math Immersion" program helps career changers meet New York State certification requirements in math education, and has supplied 1,747 math Teaching Fellows. Currently 25% of math teachers, 20% of special education teachers, and 28% of Spanish bilingual and English as a Second Language teachers in the District are Fellows.

The NYC Teaching Fellows program is highly discriminating in the talent it recommends for inclusion in the Fellow program. Trained NYC teachers and administrators serve as Teaching Fellows selectors and make recommendations based on candidate eligibility and needs of the schools. In 2008, about one-third of NYC's 19,000 applicants were invited for interviews and

15% were selected for the program. During the summer prior to teaching, Fellows participate in a 7 week intensive pre-service training program that includes university and DOE-developed coursework, and student teaching in the District's summer schools. Fellows are assigned to a master's degree program in one of 11 colleges and universities across NYC based on the location of their school and their subject area. The NYCDOE pays for approximately 60% percent of the master's degree tuition.

Teach For America recruits recent college graduates from colleges and universities, including many of the most highly ranked in the country, to commit 2 years to teach in urban and rural public schools. Also a highly selective program, TFA supplies about 500 new teachers a year to New York City. About 900 TFA corps members in either their first or second years currently teach in the City system. Many other "alumni" of TFA continue to teach or serve in administrative roles. TFA Corps members participate in TFA's 5 week summer preparation institute, necessary for state recognition of their alternate certification status, and then, like NYC Teaching Fellows, enroll in approved university programs toward their master's degree in education. The City contributes \$3,000 per Corps member towards coursework.

The NYCDOE is also collaborating with local universities to promote teaching as a profession among undergraduate and graduate students and to promote the development of more innovative teacher preparation programs for urban teachers. The NYC Partnership for Teacher Excellence, formed in January 2006 and partially funded by the Carroll and Milton Petrie Foundation, is a joint effort by the City University of New York (CUNY), New York University (NYU), and the NYCDOE to develop an innovative model for the preparation and support of teachers in high needs schools. CUNY's Teacher Academy currently trains a selective group of undergraduate math and science majors to be secondary school teachers and New York

University's (NYU) Master's Candidates Program offers master's degrees in math and science education. Some coursework has been co-designed with NYC teachers and educators and is delivered in "host" high-need schools. Both universities have committed to use teaching standards based on Charlotte Danielson's framework and the Professional Teaching Standards from University of California at Santa Cruz (used in the District's mentoring program) to guide their programs' efforts to build teacher skills and to assess the level of aspiring teachers' proficiency at various stages in the program. Initially, the Petrie Foundation assisted both universities with some scholarship funding in exchange for a 2 year service commitment to the NYC public schools. The universities are deciding now whether and how to continue tuition assistance for the 2009-10 school year. The CUNY Teacher Academy has about 320 aspiring teachers enrolled across four undergraduate grade levels for 2008-09.

Raising entry level salaries. Three labor contracts (in 2002, 2005 and 2006) have raised teacher salaries, including beginning teacher salaries, by 43% since 2002. These increases have made beginning salaries, which start at \$45,500 for a teacher with a bachelor's degree and no experience, more competitive with surrounding suburban districts and other urban districts.

Other financial incentives. The NYCDOE uses other financial incentives to attract new and veteran teachers to work in high-need schools and shortage areas. For example, the Housing Support Program offers up to \$15,000 to experienced math, science and special education teachers employed outside of New York City who agree to teach for at least 3 years in the City's high needs schools. The Teachers of Tomorrow Program, a state initiative, offers newly hired certified teachers the opportunity to earn a tax-free grant of \$3,400 for each year of satisfactory service (up to 4 years) if they teach in qualifying high-need schools. Housing Support Program recipients are automatically eligible for the additional Teachers of Tomorrow award. The

Conversion Program provides tuition reimbursement, at the CUNY rate, to New York State teachers who are certified in non-shortage areas so that they can become certified in designated shortage areas.⁸ Finally, experienced teachers transferring into the district may now get salary credit for up to eight years of teaching experience, up from four.

Impact of recruitment policies. The use of alternative routes to teaching, particularly the Teaching Fellows program and TFA, has increased teachers' academic qualifications in New York City and narrowed the gap in qualifications between high- and low-poverty schools. Teachers hired through these programs were more qualified, as measured by performance on the state's Liberal Arts and Sciences (LAST) certification test, selectivity of undergraduate institution and SAT scores, than teachers prepared in traditional teacher education programs and those with emergency certification (Boyd et al, 2006, 2008). The question remains, however, whether alternative route teachers receive sufficient direct preparation for the classroom in their 7-week preparation program.

Between 2000 and 2005, the difference in SAT scores between teachers in the lowest 10% and highest 10% poverty schools was cut in half, as was the percent of teachers who failed the LAST exam on their first attempt. There was also a reduction in the percent of teachers with fewer than 3 years of NYC teaching experience in the highest poverty schools (Boyd et al., 2008). The gap-closing trends were more evident in elementary and high schools than in middle schools.

The gap-narrowing in teacher characteristics was driven largely by the replacement of non-certified teachers in high poverty schools with the more qualified Teaching Fellows and

⁸ Non-shortage areas include: early childhood education, elementary education (grades 1-6), middle school generalist, and social studies education. Designated shortage areas include: math, science, students with disabilities, Spanish, ESL, and bilingual subjects.

TFA corps members. By 2005, nearly 40% of all new hires in the poorest 25% of New York City schools were Teaching Fellows or TFA corps members, and differences in the average SAT scores and failure rates on the LAST exam for newly hired teachers in high- and low-performing schools had disappeared (Boyd et al, 2008).

Concerns have been raised about higher turnover rates for individuals entering teaching through alternative pathways. Boyd et al. (2006) found that Teaching Fellows and TFA corps members were more likely to leave NYC schools after 4 years (55% and 81% respectively) than were traditionally trained teachers (37%), after adjusting for differences in the characteristics of the schools where they taught. The attrition rate for Teaching Fellows, however, was no higher than the rate for the non-certified teachers they replaced by state mandate

Assessment of new teacher competencies. The District leaders have expressed the desire to identify measures that predict effective teaching so they may incorporate them into their screening and selection processes. The Boyd et al. (2008) study⁹ sheds some light on these measures. It found that improvements in some observed teacher qualifications (mathematics SAT scores, passing rate on the LAST) in the poorest schools appear to have resulted in improved student achievement in mathematics, particularly at the elementary school level.¹⁰ The effect of these teacher qualifications was even stronger for newly hired teachers. The effects on mathematics achievement were weaker in middle school, however, and very small in language arts. District leaders observe with some frustration that, “It is still a mystery how to identify good

⁹ The researchers, who are faculty at the University at Albany—SUNY, Stanford University, Columbia University and the University of Virginia, are affiliated with the federally-funded National Center for the Analysis of Longitudinal Data in Education Research (CALDER). Their research was funded by the Carnegie Corporation of New York, the National Science Foundation, the Spencer Foundation and CALDER. The researchers constructed their own databases from administrative data from the NYCDOE, New York State Department of Education, alternatively certified teacher programs, and the College Board.

¹⁰ The researchers also found important differences in observable qualifications between teachers who produced the highest and lowest value added students in fourth and fifth grade mathematics in the highest poverty schools. These qualifications included mathematics SAT scores, being certified to teach, having passed the LAST exam on the first try and level of teaching experience.

teachers.” Therefore, in addition to studies conducted by university researchers, the NYCDOE has begun to systematically collect data on observed characteristics of their teacher applicants, such as GPA, selectivity of degree-granting institutions, SAT scores and scores on state certification tests. The District plans to track changes in the qualifications of their applicant pool over time to inform their selection processes.

Teacher Selection and Placement

The district has created several new initiatives for teacher selection and placement to accompany the above recruitment practices.

Open market placement system. Principals in New York City schools were given authority to make all teacher hiring decisions under a landmark contract negotiated in 2005 by the NYCDOE and the teachers’ union, the United Federation of Teachers (UFT). The contract eliminated seniority-based bumping of novice (first-year) teachers and the involuntary placement of teachers in any school. This new system is designed to enable principals to select teachers who most closely meet the needs of their schools and to enable teachers, especially those who are less senior, to transfer more freely to schools of their choice.

Currently employed teachers who seek voluntary transfers or who are displaced from their positions because of school closings or staff reductions (“excessed” teachers) apply for new positions through an Open Market Transfer hiring system (OMTS). An unintended consequence of the OMTS is a pool of more than 1,000 excessed teachers who have not found another permanent position in the City schools and generally serve as day-to-day substitute teachers until they find a permanent position. However, the District and UFT disagree about the cause(s) of this problem: the quality of teachers in this reserve pool; the unwillingness of teachers to seek new positions; the higher salaries of the excessed teachers (who tend to have more years of

teaching experience); the disincentives under the new funding formula for principals to hire more expensive teachers; and/or insufficient assistance from the NYCDOE (Daly et al., 2008; United Federation of Teachers, 2008).¹¹

The NYCDOE created a different array of hiring tools to facilitate the matching of new teachers and schools. The District developed an on-line search system, the New Teacher Finder tool, where principals can post requests for resumes and review applications and TeacherInsight Interview responses of prospective teachers who have passed the central screening process. The district also hosts job fairs for candidates and schools.

When reviewing applications, recruiters from the Office of Teacher Recruitment and Quality look for teachers who demonstrate that they possess the background, skills and attitudes likely to make them effective. This central screening process is focused especially on teachers eligible to teach in shortage areas (including math, science, special education, Spanish, ESL, and bilingual education) and/or willing to teach in hard-to-staff areas of the city. The most qualified applicants, based on the district's selection rubrics, are interviewed and, if judged to have strong potential to be effective, are offered "central commitments"—a guarantee of employment within the NYC public school system with certain terms and conditions. Teaching Fellows and TFA corps members are also guaranteed a job in the District. All new teachers with commitments from the DOE must find his or her own position in an assigned Borough teaching in their assigned subject area within 3 months. The NYCDOE gives these candidates the highest placement in the New Teacher Finder system, and provides additional personalized assistance in their job searches. TFA works directly with schools to place its teachers. The union argues that the assistance for new teachers is more aggressive than that available to current employees.

¹¹ The UFT has filed a lawsuit against the NYCDOE charging that the FSF formula discriminates against older teachers (UFT, 2008).

After completing the NYC application for a teaching position, all applicants may search for positions on-line and through job fairs. Applicants who are certified to teach in New York, including those who fail the quality screen, may contact schools and principals directly as well.

The NYCDOE also supports low-performing schools in their recruitment and selection efforts, helping them advertise positions and identify promising teachers at job fairs, and coaching them on how best to interview and select new teachers.

Earlier hiring dates. New York City, like many large urban districts, was losing qualified teacher candidates because they were not given job offers until late August, and then they still were not sure of their school assignment. The NYCDOE addressed this problem in four ways. First, budgets are determined in the spring, enabling schools to determine how many new positions they might have open.¹² Second, hiring of new teachers is no longer delayed until after transferring and excessed teachers are placed. The District has established a timeframe, generally April through early August, for teachers seeking transfers to search for jobs. Schools, however, can hire new teachers during the same time period. (There is no time limitation on the hiring of excessed teachers.) Third, as described above, the district makes “central commitments” throughout the spring to teachers in shortage areas or those willing to teach in hard-to-staff areas to provide certainty to candidates who might otherwise take an offer from outside NYC. Lastly, new teachers are hired directly by schools, so candidates know their placement when school begins.

Principal Recruitment

The district has also developed and implemented several new strategies for recruiting, developing and placing principals.

¹² In 2008, school budgets were delayed due to late passage of the New York State budget.

Leadership development programs. High quality principals are the linchpin of the District's school-based reform strategy. Chancellor Klein began to address the shortage of qualified principals early in his tenure with the January 2003 creation of the New York City Leadership Academy. Established as a separate non-profit organization, the Leadership Academy has three program tracks designed to recruit, train and support new principals: the Aspiring Principals Program (APP), the First Year Support (FYS) program and the New Schools Intensive (NSI) program. The latter two programs are described in a later section on Principal Induction and Mentoring.

The Aspiring Principals Program is a standards-based, 14 month leadership development program composed of a 6 week Summer Intensive Institute, a 10 month school-based residency under the mentorship of an experienced principal, and a planning summer for participants to transition into their principal positions. The program is based on a principal competency model developed by the District. Targeted to educational professionals who have teaching experience (e.g. assistant principals, teachers, coaches), it produces 50 to 60 new principals a year who commit to serve in NYC schools for 5 years. APP principals now lead 13% of New York City public schools and serve over 108,000 students. The Leadership Academy was funded in its first 5 years through private grants.¹³ In June 2008, it was awarded a competitive 5 year, \$10 million contract funded by the District to continue to train and support NYC principals.

In addition to the Leadership Academy, New Leaders for New Schools (NLNS), which came to New York City in 2001, recruits both current and former educators who have qualities exhibited by highly effective school leaders. After completing a 5 week summer training institute, Leaders begin a yearlong, full-time, paid residency working with a mentor principal and complete coursework aligned to NLNS's Principal Leadership Competencies. The DOE pays

¹³ Major funding was provided by the Wallace Foundation and the Partnership for the City of New York.

residency salaries for six to eight aspiring principals a year from New Leaders but others are supported through different funding sources. As of June 2008, 91 New Leaders were serving as principals of high-needs schools, including charter schools, in NYC.

The Council of School Supervisors and Administrators (CSA), the education supervisors union in NYC, runs an Advanced Leadership Program for Assistant Principals geared toward supervisors who wish to accelerate their career and become principals. The program includes partnering with a mentor principal, attending a series of eight Advanced Leadership Seminars, and seminar related field experiences.

Financial incentives. The District has also used a combination of increases in base pay and performance bonuses to recruit principals. Salaries have increased 33% since 2000, changing the starting salary for principals from \$99,600 to \$132,600, and all principals are eligible for up to \$25,000 in performance bonuses based on the academic outcomes of the students in their schools. In addition, the District established a program where “Executive Principals,” who are experienced principals with a strong record of school leadership selected by the Chancellor, are paid an annual bonus of \$25,000 if they make a 3 year commitment to fill a vacant position at a low-performing school and they continue their successful performance. Five Executive Principals have been placed in schools as of the beginning of the 2008-09 school year.

Principal Selection and Placement

Under State law, New York City principals are selected by community district or high school superintendents with input from the school’s parents, teachers and other supervisors. Prior to 2008, jobs tended to be filled by assistant principals either working in schools with openings or working in schools with openings in their community district. Starting in April 2008, principals must be selected from a central pool of candidates pre-screened by the NYCDOE. The

screening process includes the submission of a resume and written essay, a 4 hour interview where candidates look at videos and discuss case studies while trained observers assess their performance using the District’s principal competency model, and reference checks. Approved candidates are notified of vacancies for which they can apply via the online application and vacancy management system, OpenHire. According to a district official, this ensures “that every time a school has an opening, a pool of candidates that meets (the District’s) high standards of excellence is available for it to consider.” Candidates are interviewed by a committee composed of parents, representatives of the teacher and supervisors unions, and a representative from the school’s School Support Organization. The community district or high school superintendent makes the final selection.

3. TRANSACTIONAL IMPROVEMENT TO HR PROCESSES

“It’s hard to have conversations with principals about teacher quality if HR can’t get the payroll straight.” (District leader)

Chancellor Klein and his leadership staff recognized that a functional HR system was an essential prerequisite to the strategic management of human capital. The NYCDOE faced several operational challenges, however, from the timely placement and payment of teachers including accurate payment, to providing schools with substitute teachers, to ensuring that the Department’s employees had timely and accurate answers to their HR questions. Addressing these challenges required a major restructuring of the DOE’s HR functions and systems.

Mapping the System and Developing a Strategic Plan

The DOE began by studying and mapping the major processes of the HR department, with assistance from Mercer Consulting, TNTP (which faced difficulties getting its new teachers placed and paid), and Education Resource Strategies, and with funding from the Broad Foundation. The first phase of this initiative, called Project Home Run, produced a strategic

vision for human capital management with specific plans for redesigning and streamlining HR processes and reorganizing the HR department. The goal was to make HR a “service-oriented, customer-centric, principal-focused organization.” Phase II of Project Home Run, implementation of the newly-designed HR model, is on-going. It is supported by grants from several foundations, including the Broad Foundation, the Michael and Susan Dell Foundation, the Gates Foundation and the Robertson Foundation.

Reorganizing the HR Department

Project Home Run led to the reorganization of the HR department into four divisions. The Office of Teacher Recruitment and Quality is responsible for the recruitment and support of new teachers (including those entering through alternative routes). HR Connect, described below, handles all employee related HR questions. Field service staff provide services to principals to manage human capital in their schools. The Organizational Services Office developed a performance management system for the DOE central office and offers performance management training for DOE managers. As mentioned earlier, the DOE also created the Talent Office as a separate department in the Division of Human Capital to focus specifically on recruitment, development and retention of effective teachers and principals. Labor Relations was also brought under the Deputy Chancellor for Organizational Strategy, Human Capital, and External Affairs.

Computerizing and Centralizing Transactional Work

Phase I of Project Home Run revealed a number of barriers to the timely and efficient delivery of HR services. One was a reliance on paper transactions by multiple people at multiple points of the hiring, payroll and benefits process. A second was the lack of centralized and consistent information on the District’s myriad HR policies.

The District turned to technology to address these problems and to manage its talent pool from applications to screening to hiring to payroll. As described in Section 2 on Talent Acquisition, it developed electronic tools (on-line applications, the Teacher Finder Tool, and the Open Market Transfer System) that facilitate job postings by principals and job searches by both new and employed teachers. At the same time, HR mapped and redesigned the multi-step process involved in moving a teacher from a hiring decision to the payroll. For example, principals now communicate their hiring decisions electronically to the HR office where applications are linked to the payroll system. In 3 years, the District increased the percentage of newly hired teachers who were paid on time from 50% to nearly 100%.

In September 2007, the NYCDOE launched HR Connect, a new \$30 million, “one stop” call center that offers District employees quick and more accurate and consistent answers to their questions about certification, payroll, benefits and other HR topics. A major component of Project Home Run, HR Connect uses the customer service technology found in private businesses and at 311, the City’s information call center. Creation of the call center required developing (and continually updating) a central database of all of the District’s HR rules, regulations, contractual obligations and policies that service representatives can access to answer any question. The HR department also had to train its staff to be good customer service representatives. The call center handles between 1,500 and 1,700 calls daily.

Moving from Transactional to Strategic Support for Schools

A major goal of the District’s HR redesign was to shift the focus of the HR Department’s field staff from transactional to consultative and strategic support of principals. Having automated hiring, payroll and other HR transactions, field staff and principals are now freer to focus on strategic human capital issues, such as how to recruit, develop and evaluate teachers;

work with low performing teachers; and make teacher retention decisions. This switch required retraining HR field staff to conduct this new work as well as assisting principals with non-routine personnel transactions. The HR field staff are located in five Integrated Service Centers (one in each Borough) that provide core non-instructional services and operational support to schools. While the ISCs report to the Deputy Chancellor for Finance and Administration, the HR Department runs training programs for field staff supervisors on strategic human capital topics, such as school talent reviews and teacher retention.

4. TALENT MANAGEMENT

With the belief that “you can regulate your way to mediocrity, but not excellence,” the Chancellor gave principals both the responsibility and resources for the management of talent in their schools. Principals are held accountable for school performance through rewards and sanctions with the theory that the press of accountability will drive principals to make better and more informed decisions about selecting, supporting and retaining their staff. The District’s role shifted correspondingly from top-down management to decentralized support of principals in the development and evaluation of their teachers.

Induction and Mentoring

The district created several induction and mentoring programs for teachers and principals.

Teachers. New York State requires districts to provide a mentored experience to all first year teachers, but does not specify the intensity, structure or substance of the program.

Historically, mentoring was school-based. In 2003, the NYCDOE centralized mentoring at the regional level. Mentors were hired and supervised by the Regional Directors of New Teacher Induction, trained in the use of the New Teacher Center’s (at the University of California at Santa Cruz) Professional Teaching Standards and Continuum of Teacher Growth and

Development, and assigned to approximately 17 new teachers each in their region. In 2007-08, the District devolved responsibility and funding for mentoring to the schools, enabling principals to tailor mentoring to the instructional and performance expectations of their schools. Principals and the school community now decide how mentoring will be delivered, when mentoring will occur, and who will do the mentoring, subject to terms of the union contract. As a result, the teachers' union reports that the frequency and quality of the mentoring programs vary widely across the city.

Each school contractually must form a New Teacher Induction Committee (NTIC) composed of administrators, teachers (a majority of the committee) and representatives of constituency groups. Schools must develop and submit to the Office of New Teacher Induction mentoring plans that include in-classroom support for beginning teachers with a minimum of two meetings per week. Mentors may be a classroom teacher, a site-based staff developer, a full-time site-based mentor (funded by the school budget) and/or a full-time mentor shared with other schools.

While each school customizes its mentoring program, it is expected that experienced teachers will work with new teachers on a regular basis, observing lessons, providing feedback and coaching, and helping to improve instructional practice. School Support Organizations (SSO's) support the development of school mentoring plans and the capacity of school-based mentors through a new position: Lead Instructional Mentor (LIM). A LIM is assigned to each SSO network team. Most LIM's had worked for 2 to 3 years as full-time mentors. All LIM's are trained in the New Teacher Center's mentoring model and receive continuous training from the Office of New Teacher Induction. The District would like the New Teacher Center's Teaching

Standards to remain the basis of site-based mentoring, as well as the focus of teacher development and evaluation for all teachers, especially for those in their first 3 years of teaching.

The DOE has developed additional supports for mentoring programs, including an on-line tracking system for mentoring interactions called the New Teacher Induction Mentoring System (NTIMS), citywide training opportunities for school based mentors,¹⁴ and a mentoring program quality rubric devised for the Quality Review Team to evaluate the extent to which the school's mentoring program is successful. The UFT Teacher Centers provide additional professional development for novice teachers.

Teachers working under alternative certificates, including the Teaching Fellows and Teach For America Corps members, must be mentored regardless of any prior experience. Teachers in alternative routes must also take university coursework to fulfill state certification requirements. Teaching Fellows are assigned to one of 11 university teacher education programs based on the location of their school and their subject area. Many TFA teachers attend Pace University but there are other university options available to them. The coursework requirements for alternative certification teachers are similar to those in traditional teacher preparation programs. Through its contracts with universities and ongoing collaboration, the District attempts to influence the scope and sequence of curriculum as well as the content of these courses, but the District acknowledges that the programs are not highly differentiated for the needs of the alternative certification population.

Principals. The NYC Leadership Academy assists new principals through its First Year Support (FYS) and New Schools Intensive (NSI) programs. The FYS program provides all first year principals with extensive one-on-one support from highly trained coaches with principal

¹⁴ The central New Teacher Induction Program offers 12 hour courses for school-based mentors on the most effective ways to support new teachers.

experience, carefully designed protocols to follow, leadership workshops, opportunities for peer collaboration, and targeted technical assistance. The FYS program begins with a 1 week summer seminar followed by leadership development activities designed to address participants' specific leadership needs. The FYS program has been expanded to provide a flexible and differentiated set of resources to any principal in their second year and beyond. After their first year, principals must purchase the coaching services.

NSI prepares principals to open and lead new small schools through a differentiated coaching/professional development program. Prior to school opening, NSI principals attend weekly professional development sessions where they finalize their school proposals, learn the latest information on starting up new schools, and tackle the operational issues that must be addressed in starting a new school. The in-service phase of the program consists of monthly leadership development sessions and retreats where principals can work together to address the common issues that arise in new schools. This support, tied to the needs of the principal and the school, is offered for 3 years by NSI coaches who are expert educators with particular expertise in the small school context. New School principals also receive one-on-one coaching in their first year and, like all other principals, can purchase coaching services in later years.

New Leaders for New Schools provides ongoing support to its principals through one-on-one interaction with Leadership Coaches/Specialists and through the New Leaders Community, a national network of educational leaders. This support is in addition to a one-on-one coach provided by the Leadership Academy's FYS program.

Professional Development

The NYCDOE decentralized the funding and structure of professional development in 2007-2008. It reallocated approximately \$240 million, or an average of \$166,000 per school,

from the central office to the schools and replaced a centralized professional development delivery system with a “bounded” marketplace of professional development services delivered through School Support Organizations (SSOs). This new system reflects the District’s philosophy that schools should be free to select the type of support that best meets their needs.

SSOs are expected to provide differentiated services including support for new teacher mentoring, professional development for teachers and principals, curriculum development, interventions for struggling students, data analysis and development of school improvement plans, and assistance in hiring and developing staff. All SSOs must provide support for special education students and English language learners. Curricular and instructional support is expected to be aligned with the district’s core curriculum and district and state standards.

All schools must contract with one of three kinds of SSOs: Empowerment Support Organization (ESO); Learning Support Organizations (LSOs); or Partnership Support Organizations (PSOs). In addition to receiving services from their SSOs, schools can organize and conduct professional development internally, coordinate professional development with other schools, or use their redirected professional funds to partner with other professional development providers.

The Empowerment Support Organization includes networks of schools that grew out of the Autonomy Zone pilot program. Schools self-affiliate into a network of approximately 23 schools. Principals in each network select a team of five individuals to support schools with their instructional and operational needs. Each member of the network team is a content area expert in areas of instruction, achievement, business services, special services and/or mentoring. Services, which are tailored to the needs of each school, include: accountability and instructional supports; supports for special needs students; youth development support; and organizational and

professional development. The network team is accountable to its principal, who can replace the team if her needs are not met. ESO network teams supported 475 schools in the 2007-08 school year, about one-third of the schools in the district.

Learning Support Organizations are four organizations designed and led by former regional superintendents or deputy superintendents. The LSOs offer theme-based comprehensive service packages—Integrated Curriculum and Instruction LSO (27% of schools in 2007-08); Community LSO (12%); Leadership LSO (8%); and, Knowledge Network LSO (7%). While the range of services is comparable across the four organizations, each has a particular focus. For example, the Knowledge LSO supports the use of Core Knowledge in the areas of science, social studies, visual arts and music. The Community LSO supports schools in the development of professional learning communities and strong connections with the school’s external community. Schools in the LSOs can choose from a wide range of service delivery options, from coaching to study groups to workshops and institutes. One LSO offers tiered membership based on the intensity of services that schools select. LSO network teams support slightly over half of the schools in the district (770 schools).

Partnership Support Organizations in 2007-08 supported 205 (14%, of the schools). PSOs are led by six nonprofit groups that the NYCDOE selected through a competitive process. These groups include New Visions (5% of the schools), Center for Educational Innovation – Public Education Association (CEI-PEA) (4% of the schools), the AED Center for School and Community Services, City University of New York (CUNY), and Fordham University. Some of these organizations have developed service packages for specific types of schools (e.g., a particular grade configuration).

Although it was expected that schools would select SSOs based on their focus and offerings, a major factor in a school's initial choice of an LSO was its prior relationship with that organization or its leader. For example, although not geographically bounded, LSOs tended to attract schools that had been in the LSO director's region.

The SSOs are accountable to their client schools through the market and to the NYCDOE through contract renewal. Schools were required to make an initial 2 year commitment to SSOs to enable a stable transition, but after 2009 they may switch SSOs annually.¹⁵ SSOs are using focus groups, satisfaction surveys and other types of information to ensure they are meeting the needs of their schools. The Deputy Chancellor for Teaching and Learning, the Empowerment Schools CEO and the CEO of Partnership School Support oversee and provide policy guidance, support and quality control to the LSOs, ESOs, and PSOs respectively. The DOE holds SSOs accountable for school outcomes, both annually and when SSO contracts are up for renewal.

The DOE's Division of Teaching and Learning also provides professional development to schools in selected content, grade-level or special needs areas, such as the core curriculum, middle school, and special education, where the SSOs may not have the necessary expertise. Some of the District's professional development is offered at no cost, such as training on the core curriculum or grant-funded programs. The DOE charges for other programs that might supplement those offered by SSOs. Through the Children First Initiative, the NYCDOE also trains and supports School Achievement Facilitators (SAF) to help schools integrate the district's accountability tools into school planning and to provide professional development to the school-based Inquiry Teams. Each SAF partners with an SSO to support 20 to 25 schools. The SAFs also act as a feedback loop between the schools and the Office of Accountability.

¹⁵ The Chancellor, however, entertained special requests to change SSOs for the 2008-09 school year, and a number of schools did switch.

The District's new Achievement Reporting and Innovation System (ARIS) will provide another set of tools for teachers. ARIS is an integrated data management system that will house attendance information, grades, and the results of State tests and the District's school-based periodic assessments,¹⁶ allowing parents, teachers and principals to track the academic performance of students. ARIS will also contain a "knowledge base," an electronic repository of instructional information, tips, and reference materials that all users can access and share. The District hopes that ARIS will promote professional collaboration within and across schools, and be a source of effective practices. Effective use of this tool, however, will require that teachers have sufficient access to, training on, and time to use the system, elements that the teachers' union reports were not present during an earlier period of use of the ARIS system, preventing the full realization of its potential.

In addressing the needs of principals, the SSOs offer professional development through workshops, conferences, and direct technical assistance. They also serve as the main point of contact between principals and the central office. As discussed earlier, the NYC Leadership Academy supports principals in their first year and beyond. Also, the District contracts with the CSA's Supervisor Support Program to provide on-site individualized coaching to new assistant principals, and small and large group seminars and workshops to help assistant principals and some principals meet their performance standards. In 2007-08, the District launched an online Principal Portal to organize a variety of web-based tools and resources for principals. The District aspires to add more e-learning resources so that principal and assistant principal professional development can be delivered from a distance where possible, eliminating some of the pressures on administrators to leave their buildings for district-mandated training sessions.

¹⁶ Schools select from a menu of assessment tools provided by the District or they may request to design their own assessments. Schools must assess students four times a year in Grades 3-8 and four times a year in high school in both English language arts and mathematics.

Performance Management

Accountability is focused primarily on schools and their leaders in New York City through School Progress Reports, School Quality Reviews, Principal Performance Reviews, and rewards and sanctions tied to school performance. Teacher accountability is also applied through principals' evaluations and tenure decisions.

Teachers. The teacher evaluation process and annual rating sheet are determined by contract. Tenured teachers with satisfactory ratings may agree to be evaluated through a system of goal setting and goal achievement, with yearly goals and methods for demonstrating professional growth established in consultation with their supervisors. Alternatively, they can be evaluated through the traditional system of principal formal and informal observations. New and probationary teachers and tenured teachers in danger of receiving, or who have received unsatisfactory ratings, must be evaluated through the traditional evaluation system. Both evaluation systems culminate in an annual rating of satisfactory or unsatisfactory.

Principals recommend tenure decisions to community district and high school superintendents. These decisions are largely consistent with teacher annual ratings. Under the new State law and regulations, tenure decisions must include a principal's assessment of the teacher's performance and an evaluation of the teacher's use of data to inform his/her instruction, but may not include student test score data. Historically, over 99% of New York City teachers up for tenure (that is, who are in their third year of teaching) received that status. However, many untenured teachers are discontinued or leave voluntarily before they ever come up for tenure. According the data analyzed by the UFT, 34 percent of new teachers leave within their first three years.

District leaders consider the percentage of teachers being denied tenure as too low and developed initiatives designed to create a more rigorous tenure review process. In 2006-2007, the NYCDOE launched a Tenure Notification System that alerts principals when any teachers in their schools are within 12 months of completing their probationary period. Principals enter and update information about their anticipated decision for each tenure candidate, and are required to certify personally that teachers successfully completing their probationary periods have demonstrated significant professional skill and a positive impact on student learning. In 2007-2008, the District added an on-line “tenure toolkit” with videos and other materials that provided principals with best practices and legal guidance on evaluating teachers for tenure.

District leaders acknowledged the need for a robust integrated development and evaluation system for teachers, particularly leading up to tenure, which is built around teaching and student performance standards. The District has not yet selected teaching standards and performance rubrics that could be used in creating development plans for probationary teachers, although it is partial to the New Teacher Project’s Professional Teaching Standards and Continuum of Teacher Growth and Development that has been the basis of its teacher mentoring programs.

District officials also expressed the concern that there are not enough rewards for teachers who demonstrate their ability to improve student outcomes, and there are too few consequences for teachers who are unsuccessful in the classroom. One official lamented:

It is very difficult to build an organization that has a culture of excellence if people don’t feel like they are going to get substantial rewards if they really further the mission of the organization – that is if they help kids be successful academically. Or if they don’t feel like there will be some pretty significant consequences, such as they might lose their job, if they can’t produce good results. And we are not there yet. We strive, but we are not there yet.

The Chancellor has not been successful in including student performance in evaluation and tenure decisions, and the UFT is strongly opposed to measures that use standardized test scores as the sole measure of student performance, especially when high-stakes decisions are attached to them. The District has taken other steps to strengthen its performance management system for teachers, however.

First, as discussed in Compensation below, the District provides a school-wide performance bonus to teachers and other UFT-represented staff in 200 eligible high needs schools that have voted to be in the program and have demonstrated improvement in Progress Report scores.

Second, the District and union have negotiated several initiatives to help low-performing tenured teachers improve to an effective level. For the last 20 years, the NYC Peer Intervention Program (PIP) has assisted struggling teachers with planning and enacting professional development programs, and refining and redefining professional goals. Teachers request PIP assistance which is provided by veteran teachers. A new Labor Support Unit, staffed by retired principals working as consultants, provides first-level support to principals, helping them develop improvement plans for low-performing veteran teachers. The Peer Intervention Plus (PIP+) program, agreed to by the District and UFT in 2006, targets tenured teachers in danger of receiving disciplinary charges for incompetence. This program assigns a peer intervener from outside the District to work with the ineffective teachers for approximately 3 months after which they issue assessments of competence. Lawyers in the new Teacher Performance Unit focus exclusively on litigating competency cases, and provide counseling to principals with these cases.

Third, the District conducted a pilot study of teacher-level value-added of approximately 2,500 teachers in 140 schools in 2007-08. The schools were randomly selected from 240 schools that serve students in Grades 4 through 8 and whose principals (without input from teachers) volunteered to participate in the research. The purpose of the pilot was to develop a statistically sound value-added model of teacher impact on student achievement and determine the model's validity for a range of uses, including internal program evaluation, school-level instructional improvement and, potentially, teacher evaluation. The study, to be released toward the end of 2008, also evaluated the benefits and challenges of principals' use of value-added data reports (Teacher Data Reports), and examined the relationship of the data to principals' subjective ratings of teacher performance. Before the release of that study however, the NYCDOE expanded the model for use for all schools with fourth through eighth grades and is generating Teacher Data Reports for all (roughly 18,000) math and English teachers in those grades. According to an agreement between the district and UFT, the confidential reports, which will be available in November 2008, may not be used in tenure decisions or in any teacher evaluation, including the annual rating process, but may be used for instructional improvement.

Finally, by holding principals more directly accountable for school performance, the DOE hopes to encourage them to focus more on teachers' contributions to student learning.

Principals. Principals are held accountable for student performance as well as leadership competencies. Under the State accountability system, schools must make Adequate Yearly Progress based on the percentage of students who score proficient on State reading and mathematics assessments. Since failure to make AYP can result in sanctions that include closing the school and displacing the staff, this system is designed to hold all members of the school staff accountable for student achievement. At the district level, schools are rated separately through

School Progress Reports and School Quality Reviews. Schools receive a composite grade (of A, B, C, D, or F) based on student progress (60%), student performance (25%), school environment (15%), and movement towards closing the achievement gap. Grades are weighted based on comparisons with all other City schools serving the same set of grade levels (about one-third of the weight) and with 40 other schools in the City with the same grade levels and student populations most similar to their own (about two-thirds of the weight). School ratings also take into consideration results of the School Quality Review that is a 2 day on-site assessment of how well the school gathers and uses data, plans and sets goals for accelerating student learning, aligns instruction to the mandated curriculum and student needs, builds and aligns capacity around school goals, and monitors its progress toward achievement of its goals. Schools are rated on a 5-point scale in each of these areas and given an overall Quality Score ranging from Undeveloped to Well-Developed. Schools that receive grades of C, D or F (for 3 years) on their Report Cards are subject to school improvement measures and target setting and, if progress is not made, to possible leadership change, restructuring or closure. Schools that receive grades of A or B and high Quality Review scores are eligible for monetary rewards in the form of additional discretionary monies for the school.

Every principal is also evaluated against a performance agreement. A new performance evaluation system, negotiated with the principals' union in 2007, aligns the Principal Performance Review (PPR) with the Department of Education's school accountability system. Annual Principal Performance Reviews, conducted by Community Superintendents or High School Superintendents,¹⁷ are based on schools' Progress Report scores, Quality Review outcomes, achievement of school goals, and compliance with appropriate policies and

¹⁷ Community Superintendents and High School Superintendents receive training from the DOE in supporting schools to use the accountability system to improve student progress and outcomes.

procedures. The goals section of the PPR references the leadership competencies the DOE has developed for principal selection and training, and encourages principals and their supervisors to reference competency development in goals. Principals, but not other staff, are eligible for bonuses of up to \$25,000 based largely on School Progress Report scores.

Compensation

Both teachers and principals are paid on single salary schedules that are determined by contract. All principals and teachers in some eligible high need schools may receive bonuses if their schools show substantial improvement in student performance. The District also provides additional compensation to a small number of principals and teachers who take on additional responsibilities.

Teachers. In New York City, teachers are paid on a single salary schedule that reflects level of education and years of experience. Teacher salaries increased by 43% between 2002 and 2008 over the course of three contracts with the UFT. The first contract, in 2002, provided a 16% increase in salary overall, with an increase in starting salaries of 22%. A major provision of this contract was the lengthening of the teacher workday by 20 minutes. The second contract, signed in October 2005, raised salaries by 15% overall, added 10 additional minutes to the school day, eliminated seniority-based bumping and forced-placement of teachers, and created the open market hiring system described in above section on Teacher Selection. The latest contract to address compensation was signed in November 2006. This agreement added another 8% increase in salary on top of the two previous increases. As a result, salaries start at \$45,500 for a beginning teacher with a bachelor's degree. A teacher with 20 years of experience and a master's degree will earn nearly \$90,000 a year. The salary schedule tops out at \$100,000 for a teacher with 22 years of experience and a master's degree plus 30 additional credits.

The latest UFT/DOE contract (October 2007-Oct. 2009) established a school-wide performance bonus program for high needs schools that meet improvement targets on their Progress Reports. The program provides an incentive for teachers to work in high needs schools with struggling students; rewards teachers for improving student performance; and promotes collaboration among teachers and between staff and administrators to improve the entire school. The school bonus program began in 2007-2008 in 205 eligible schools where the principal and 55% of the UFT-represented staff at a school agreed to participate. Teachers and staff in eligible schools meeting their progress report targets, based mainly on measures of student progress and performance, will receive the bonuses directly.¹⁸ Site-based compensation committees consisting of two elected UFT members and two administrators will decide how to allocate the funds (equal to \$3,000 per each full-time UFT member at the school) among the staff. The \$20 million program was largely funded in 2007-08 by the Broad Foundation, the Robertson Foundation and the Partnership for New York. The program will be publicly funded in future years. The district is expected to offer the program to 200 schools again in 2008-2009.

The District also provides additional compensation to teachers through its Lead Teacher program. The program was initiated by the UFT and parents in one community and adopted citywide by the District. Lead Teachers, who are chosen by the school from a centrally-selected pool approved by a joint union-district committee, provide additional support (professional development and mentoring) to teachers in the lowest-performing schools. They typically share a class, each spending half time in the classroom (where teachers may observe them) and half time providing in-class coaching and professional development, and are paid an additional \$10,254 per year. Lead Teachers also work as a group for 5 days prior to the start of the work year and 4

¹⁸ 89 of the 160 participating elementary and middle schools met their targets in 2007-08 and qualified for \$14.2 million in bonuses. Qualifying high schools had not been identified at the time of this writing.

hours per month outside the normal workday. A Special Education Lead Teacher program was piloted in 2007-2008 in 30 middle and high schools. The Special Education Lead Teacher will teach students for three periods each day and then provide three periods of professional development on instructional practices for students with disabilities. Like Lead Teachers, they receive a bonus of \$10,254 per year. Both the school bonus and the Lead Teacher programs are designed to encourage strong teachers to remain in the teaching profession and to attract them to low-performing schools. Many principals select teachers already in their schools to be Lead Teachers.

Principals. Principals are also paid on a single salary schedule that reflects experience and the size and grade span of their school. Principal salaries have also risen considerably in this decade. Under their 2003 and 2007 contract agreements, CSA members received a salary increase of 33%, with starting salaries increasing from \$99,600 in 2000 to \$132,600 in 2009.

As discussed in the section on Performance Management, principals are eligible to receive bonuses of up to \$25,000 if their schools show substantial improvement in student performance. This is an increase of 67% from the prior performance award of \$15,000. Assistant principals and other supervisory staff in schools where the principal receives an award are eligible for bonuses of \$7,500 to \$12,500.¹⁹

The Executive Principal Program provides an additional \$25,000 per year to principals who are selected to work in high-needs schools based on their prior success. In order to receive the additional compensation, Executive Principals must make a 3 year commitment and maintain

¹⁹ Principals and assistant principals in 262 elementary and middle schools received \$5.5 million in bonuses for their schools' performance in the 2007-08 school year. Qualifying high schools had not been identified at the time of this writing.

their successful track record. An experienced principal who receives a top performance bonus and serves as an Executive Principal can earn up to \$200,000 a year, a salary that is competitive with those in most New York City suburbs.

5. CONCLUSION

In September 2007, New York City received the Broad Prize for Urban Education in recognition of the District's progress in raising student achievement and their use of effective school and district practices and policies affecting teaching and learning. The District's management of human capital is a key component of its overall education reform strategy. Its human capital policies are designed to facilitate and support school empowerment, the major agent of change in the system. While the District has adopted a core curriculum in literacy and mathematics, it has not embraced a common vision of good teaching. Rather, schools are expected to build learning communities around those instructional practices and materials that best meet the needs of their students. Effective teachers are those who advance their students' learning; effective leaders attract, develop and retain quality teachers.

Thus, a major focus of the District is leadership. The NYCDOE selects and trains principals around a set of leadership competencies. It has increased the pool of qualified principals through its Leadership Academy and engagement with NLNS, and through higher salaries and bonuses. The District now controls the quality of new principals through a centralized screening process.

Principals, in turn, are expected to hire, develop and evaluate their teachers and to weed out those who are not succeeding. Principals are held accountable for their management decisions through a performance-based school accountability system. The District supports the hiring process by creating a pool of teachers who are screened for their potential to succeed in

the classroom and through a hiring system that facilitates principal and teacher choice and emphasizes school fit. As a result of multiple pathways into teaching, higher salaries and other financial incentives, the District has increased both the supply and quality of entering teachers, and closed the “qualifications gap” between high- and low-need schools. School Support Organizations help schools meet their self-defined professional development needs.

Facilitating Factors

A number of factors facilitated enactment of the District’s human capital initiatives. The first was strong and stable leadership. Chancellor Klein was appointed by Mayor Bloomberg at the beginning of his administration and has headed the District for 6 years. They share a common vision of education reform, and the Chancellor has used the powers granted him under the mayoral takeover legislation to push his agenda.

The second factor was having a systemic approach to reform clearly focused on student achievement. A major priority of district leadership has been the establishment of systems and processes to measure and track student achievement at the school level. Every human capital design decision was measured against how it could raise student performance, whether by increasing the pool of qualified school leaders and teachers, or freeing a principal’s time by resolving payroll and other HR transactional problems, or keeping teachers in the classroom by creating the HR call center. District leadership has set clear objectives for central office management and principals. Principal evaluation policies are aligned with District measures of school performance.

A third factor was engaging in strategic planning and a phased roll-out of reforms. The District spent the first 2 years studying its HR processes and organization and designing a new

system. It took time to develop new procedures and technology and to change the culture of the HR department. Several of its initiatives were not fully in place until the 2007-08 school year.

Fourth was an extensive investment in technology. Technology has been the “silent enabler” of the District’s human capital initiatives, facilitating job applications and placement, HR transactions, data analysis and performance management. Principals have a web portal where they can view on-line applications and receive training from the district, reducing the need to attend out-of-school training sessions. All HR transactions are conducted electronically. It is planned that principals and teachers will have access to an integrated data management system with a range of performance information on their students.

A final factor was productive collaborations with the unions. The District and its teacher and supervisory unions negotiated a series of contracts that created an open market for teacher hiring, raised teacher and principal salaries significantly, and provided additional financial incentives, including performance-based bonuses. While the District and teachers’ union are at odds over how to evaluate teachers and how to place excessed teachers, the contracts put in place between 2002 and 2007 provided a firm foundation for attracting and retaining high quality leaders and teachers.

Challenges

District leaders identified several remaining challenges. One challenge is to identify predictive characteristics of effective teachers so the District can improve the selection of new teachers. A second challenge is identifying valid qualitative and quantitative measures of teacher performance that can be used in teacher development and performance management. What teaching skills and instructional practices have the most positive impact on student achievement? What role can and should value-added measures of student achievement play in evaluating

teachers? Union officials, in contrast, point to the need to support, develop and retain teachers. They believe too many promising teachers leave the system frustrated by lack of support from the school's administration, focused more on evaluating them than helping them. A third challenge, according to District representatives, is structuring compensation and benefit policies, such as pensions, to meet the needs of the new generation of teachers who may not stay in teaching positions their entire careers.

A fourth set of challenges concerns the District's accountability system, which has been criticized as relying too heavily on standardized tests that are not appropriate or reliable enough for the purpose. Randi Weingarten, the president of the UFT and new president of the national AFT, has proposed an expanded accountability system that uses multiple measures of student achievement, assesses each school's curriculum for its balance and breadth and its instructional program. It also includes reciprocal accountability from the NYCDOE including indicators of whether the district provides schools with the "resources, support and oversight they need for success" (Weingarten, 2008).

A fifth set of challenges is political. While some of New York's human capital reforms have been institutionalized through union contracts, others may be at the mercy of the political environment. Mayoral control is up for renewal in the State legislature in June 2009 and proposals to revise the current governance structure are being generated. Parents in particular are calling for more transparency in district operations and more avenues for parent participation. The mayoral election takes place in November 2009.

A final challenge is fiscal. The economic conditions that enabled New York City to grow its education budget and dramatically increase educator salaries have changed. The downturn in the overall economy and layoffs in the financial industry have reduced State and City revenues

and will squeeze both school and central office budgets in the future. Potential cuts come at a difficult time as the District picks up the cost of foundation-funded initiatives, such as the Leadership Academy and school bonuses.

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Appendix A

Timeline of Education Reforms in New York City

1998: New York State Board of Regents requires all teachers to be certified by September 2003.

2000: New York State Board of Regents approves an alternative teacher preparation program.

Spring 2000: New York City Teaching Fellows initiated.

June 2002: State Legislature transfers control of the NYC school system to Mayor Bloomberg and abolishes the City's 32 community school boards.

June 2002: Teachers receive a 16% increase in salaries overall, with an increase in starting salaries of 22% under a new contract with the UFT. The contract includes lengthening the teacher workday by 20 minutes.

July 2002: Joel Klein is appointed as Chancellor of the NYC Department of Education.

October 2002: Chancellor Klein announces "Children First: A New Agenda for Public Education" and conducts an in-depth, \$4 million study of the city's school system.

January 2003: The 32 community school districts are replaced by 10 new instructional divisions each under the supervision of a regional superintendent.

January 2003: New common curricula in Grades K-8 literacy and mathematics is put in place in most schools. The new curricula emphasize more progressive, concept-based approaches toward learning.

July 2003: The Leadership Academy, a 15-month training program designed to teach effective leadership skills to aspiring principals, is initiated.

March 2004: Social promotion for third grade students is eliminated.

September 2004: Social promotion for fifth grade students is eliminated.

2004: The Autonomy Zone pilot is initiated, providing a self-selected group of schools autonomy from regional control in exchange for more accountability for specific student performance targets.

July 2005: Social promotion for seventh grade students is eliminated.

October 2005: Teachers receive an additional 15% increase in salaries overall (2003-2007) under a contract with the UFT. The contract includes lengthening the teacher workday by another 10 minutes, eliminating seniority-based bumping and forced-placement of teachers and creating an open market hiring system that gives principals hiring authority.

September 2006: Autonomy Zone pilot expanded into the Empowerment Schools initiative involving 332 schools who are given greater decision-making power in exchange for meeting goals in performance agreements.

November 2006: Teachers receive an additional 8% increase in salaries overall. The contract also allows for the creation of Lead Teacher positions with a salary differential.

2006-2007: All schools undergo on-site Quality Reviews.

Spring 2007: Phase in of Fair Student Funding formulas begins.

April 2007: Contract agreement with the Council of School Supervisors (CSA) provides principals with a salary increase of 23% (2003-2010) as well as bonuses of up to \$25,000 if their schools show substantial improvement in student performance.

October 2007: A school-wide performance bonus program is put in place for low-performing schools under a Memorandum of Agreement with the UFT.

2007-2008: The Empowerment Schools Initiative is expanded to all City schools. Principals are given authority over personnel, budget, instruction and professional development, and are held accountable for meeting student performance targets established in performance contracts.

All schools must deliver periodic assessments in mathematics and reading.

School Support Organizations replace the 10 regional offices. Professional development funding and first year teacher mentoring is devolved to schools.

All schools receive progress reports, with grades of A-F, measuring "School Environment," "Performance," and "Progress" and include a "Quality Score."

March 2008: Social promotion for eighth grade students is eliminated.

Fall 2008: ARIS is used to distribute school and student performance data and quality review reports to parents, and periodic assessment reports following the five assessment windows.