

Office of Human Resources
Paul M. Cholak, Chief Personnel Officer

SUBJECT: REQUEST AUTHORIZATION FOR THE SUPERINTENDENT TO ENTER INTO A CONTRACTUAL AGREEMENT WITH TEACHER EXCELLENCE THROUGH COMPENSATION (TEC) TO PROVIDE PROFESSIONAL AND TECHNICAL CONSULTING SERVICES IN THE AREA OF COMPENSATION

COMMITTEE: SCHOOL SUPPORT ACCOUNTABILITY

The Board authorized the Superintendent on January 19, 2005 to enter into a contractual agreement with Teacher Excellence through Compensation (TEC) to provide professional and technical consulting services to design a total compensation program for Managerial Exempt Personnel (MEP) employees that will reinforce and support continuous improvement in the District's performance and link to the District's strategic plan.

TEC has developed a total compensation strategy and designed a variable pay program based on a balanced scorecard approach that will reward employees for achieving and improving upon key District, Region, and school site performance indicators. The Superintendent intends to implement the program for MEP employees during the 2005-2006 fiscal year.

TEC will assist the District in continuing the work into its next phase. Specifically, TEC will accomplish four objectives:

1. Roll out the MEP Incentive Plan.
2. Conduct a Gap Analysis that will allow us to diagnose deficiencies in our current programs and provide an agenda that establishes priorities for improved systems. The Gap Analysis will include these components:
 - a. Diagnosis of external competitiveness of salary schedules
 - b. Explicit diagnosis of internal adequacy of current base pay progression and performance management and assessment systems
 - c. Detailed action agenda with time lines for making changes in the compensation and performance management systems
3. Redesign the performance management and assessment program for MEP employees.

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4. Design new competency-based salary schedules for MEP employees, and develop models that can be discussed with other groups regarding programs that can reward employees for acquiring and using competencies needed by the District.

The two principals of TEC are Dr. Allan Odden and Dr. Marc J. Wallace, Jr.

Dr. Odden is a Professor of Educational Leadership and Policy Analysis at the University of Wisconsin-Madison. He is a co-director of the Consortium for Policy Research in Education (CPRE) and principal investigator for the CPRE Teacher Compensation project. He formerly was professor of education policy and administration at the University of Southern California and Director of Policy Analysis for California Education, and educational policy studies consortium of USC, Stanford University and the University of California, Berkeley.

Dr. Odden is an international expert on education finance, school-based financing, resource allocation and use, educational policy, school-based management, teacher compensation, district and school decentralization, and educational policy implementation. Dr. Odden has written widely, publishing over 220 journal articles, book chapters, and research reports, and 30 books and monographs.

Dr. Wallace is a founding partner of Teacher Excellence through Compensation (TEC). He is based in Lake Bluff, IL where he serves clients by bringing to bear his extensive consulting and research experience in compensation, workforce effectiveness, human resource strategy and labor relations. Prior to founding TEC he served as President of the Center for Workforce Effectiveness (CWE) in Northbrook, IL from 1992 to 2002 serving clients in both the private and public sector. From 1971 to 1992, Dr. Wallace was the Ashland Oil Professor of Management, College of Business and Economics, University of Kentucky. He also served as Chairman of the Department of Management and Director of Graduate Studies. His research and teaching centered on human resource strategy and compensation. In 1983 he was named a Great Teacher by the University's alumni, becoming the second professor in the college's history so honored. Dr. Wallace has co-authored over 60 articles and ten books on management and human resources.

Dr. Wallace and Dr. Odden have pioneered the successful adaptation of proven compensation strategies and techniques in the field of education. Their work has resulted in the successful introduction of pay for performance in a variety of schools, school districts and states.

The Professional Services Contract committee reviewed the contractual agreement on April 28, 2005, and recommended an exception to School Board Rule 6Gx13 – 3F-1.021, Professional Services Contracts, regarding bids or Requests for Proposals to be granted as otherwise determined by the committee based on the time-sensitive nature of the project and Dr. Odden's and Dr. Wallace's unique expertise and experience with school finance, compensation, and public and private organization incentive issues. Based on their experience as described above, Dr. Odden and Dr. Wallace are uniquely

qualified to perform this work and have worked on related issues with districts such as Philadelphia; Cincinnati; Kyrene (suburban Phoenix); Queen Anne's County, Maryland; and Arlington, Virginia.

Cost of this contract is not to exceed \$212,750 in professional fees and travel expenses. The Superintendent will work collaboratively with the Dade Association of School Administrators (DASA) to raise funds to defray some of the cost of this contract.

The appropriation for the item is included in the General Fund of the budget under Fund 0100, Function 7200, Location 9011, Program 7900, Object 5310.

RECOMMENDED: That The School Board of Miami-Dade County, Florida:

1. authorize the Superintendent of Schools to enter into an agreement with Teacher Excellence through Compensation (TEC), to provide professional and technical consulting services in the area of incentive pay, effective May 19, 2005 through December 31, 2005, with consulting fees payable by The School Board of Miami-Dade County, Florida not to exceed \$212,750 including travel and other related expenses; and
2. grant an exception to School Board Rule 6Gx13- 3F-1.021.

The appropriation for this item is included in the General Fund of the 2004-05 adopted budget.

PMC:mtp