The Teacher Incentive Fund (TIF) provides for the development and implementation of sustainable, performance-based compensation systems for teachers, principals, and other personnel. This program has helped high-need schools and districts move from a pay system based primarily on seniority to one that focuses on student outcomes.

Principals build teacher capacity and identify and support teacher leadership and other career advancement opportunities. Reforms focused on improving teacher effectiveness have brought a sharp focus to the critical role school leaders play in hiring the right staff, bringing out the best in each and every teacher, and helping those teachers to expand their reach. Research has suggested that a primary way that principals affect student achievement is by improving teacher effectiveness and retention. They develop teachers, manage talent in their buildings, and make schools great places to work.1 Unfortunately, many efforts to boost teacher effectiveness have downplayed or underestimated the role of principals.

Federal policy needs to advance a broader view of human capital management that bolsters principals’ capacity to improve teacher effectiveness and student outcomes at scale.

**New Recommendations**

New Leaders recommends funding TIF at $350 million with a deeper focus on school leadership.

**Ensure that human capital systems include the full continuum of educators**

**Broaden TIF to focus on more than just performance compensation:** Statutorily support the creation of comprehensive human capital systems and career ladders that advance school improvement. Invest in innovative districts to help uncover new models for recruitment and retention. Ensure that applicants address teachers, teacher leaders, principals, and principal managers in the creation and development of model human capital management systems.

**Recognize the importance of school leadership:** Add “leader” to the program name (the Teacher and Leader Innovation Fund (TLIF)) and ensure that applicants address teachers, teacher leaders, principals, and principal managers in the creation and development of model human capital management systems.

**Set aside 30 percent of the funds for school leadership activities:** Ensure that a portion of TIF resources are dedicated specifically to school leadership activities. For example, allow districts to honor master principals and tap into their expertise by designating their schools as leadership labs to train future leaders. In this instance, TIF funds might be applied to create new roles within the master principal’s building, such as assistant principal for finance and operations, freeing up a high-impact leader to dedicate a portion of her time to developing colleagues.

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How a focus on comprehensive human capital management helped DC students:
Janeece Docal’s instincts as a leader always point in the direction of building strong teams in the service of equity and excellence for students. Like many leaders of under-performing schools, Docal had to move fast when she started her tenure at Powell Elementary: “The school didn’t have much curb appeal, was failing, was in restructuring, was in danger of closing,” she remembers. She engaged families through several strategies—neighborhood walks, weekly coffees, and the formation of a new parent organization—to build trust, and generate excitement about the school. She engaged teachers to adopt *Tools of the Mind* and *Understanding by Design* instructional strategies to meet the needs of English language learners. But she was also cognizant of the need to distribute leadership responsibilities. “In all of this work, I felt like it was just me in the beginning, taking input from the staff. After setting initial priorities, it was important to build an instructional leadership team (ILT).”

Docal selected members of the ILT, but kept the meetings open, a strategy that allowed new leaders to emerge continuously. “Everyone’s invited and the agenda is public. Those who come show that they have an interest in systemic change, have the passion for it.” She also put all of her discretionary resources into staff, staff development, and teacher recognition. “Now the teachers have formal teacher leader roles and training. They can model and give feedback. Every teacher in the school does peer observation rounds. Also, through my classroom walkthroughs, I’m able to see staff who have exciting practices to share. Innovations in the classroom have surfaced leaders for the school.”

Docal’s approach—combining intensive family engagement and a comprehensive talent management strategy—has paid off. Enrollment has more than doubled from 211 to 446, student achievement continues to rise, and teacher retention is high. “As a team, we’ve turned Powell around and we’re primed to take it from good to great. It’s almost a school that could be run by the teachers; the principal is the vanguard carrying the mission.”

How a focus on comprehensive human capital management could be improved:
Docal’s own training as a New Leader is indicative of what she wants other aspiring leaders to experience. She relied on Barry Jentz’s entry planning techniques to start the school year with strong faculty meetings. She used Ronald Heifitz’s framework for adaptive leadership to help teachers navigate the challenging work of change. And she implemented Paul Bambrick-Santoyo’s observation and data team strategies to make instruction the central priority.

Above all, Docal attributes her practice as a leader to what she learned under the tutelage of a master principal during her principal training residency. She wants the residency model to be the norm as part of a broader human capital system. “Teachers often come without all of the best practices. We have to teach and orient them and then give them leadership opportunities. If we could have the leadership residents here and build a pipeline; that would be amazing.”

Docal also believes districts need to create the conditions for principals to focus on developing leadership talent. She is committed to building future leaders, even if it means they leave her school to become principals elsewhere. “The leadership pipeline is important but can be taxing on the school. Multiple people have been promoted from Powell to other leadership roles. If people are always being promoted, which is part of my role, then I am always in a mode of training and supporting. The principal becomes more of a coach, so expectations from the district and staff about the principal’s role may need to change.”