NATIONAL CENTER ON
Performance Incentives

Texas Educator Excellence Grant (TEEG) Program:

Year One Evaluation Report

Texas Education Agency
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Policy Evaluation Report
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LED BY
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IN COOPERATION WITH:
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Texas Educator Excellence Grant (TEEG) Program: Year One Evaluation Report

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TABLE OF CONTENTS

LIST OF TABLES & FIGURES

EXECUTIVE SUMMARY

This report presents findings from the first-year evaluation of the Texas Educator Excellence Grant (TEEG) program, one of several statewide performance incentive programs in Texas. In June 2006, Governor Perry and the 79th Texas Legislature created the Governor's Educator Excellence Award Program, one component of which is the TEEG program. TEEG Cycle 1 provided approximately $100 million in noncompetitive, 12-month grants to over 1,100 public schools. Schools eligible to participate had records of academic success and high percentages of economically disadvantaged students.

This report, *Texas Educator Excellence Grant (TEEG) Program: Year One Evaluation Report*, includes (1) an overview of the TEEG school selection criteria; (2) a review of the program design features of TEEG Cycle 1 schools' performance incentive plans; (3) analyses from a survey of teachers' attitudes and behaviors in TEEG Cycle 1 schools; and (4) findings from interviews with schools that decided not to participate in TEEG Cycle 1. While these findings are preliminary, they do offer insight into the experiences of educators during the first year of TEEG implementation.

Key Policy Questions

The chapters of this report address the following questions:

- What is the landscape of public education reform in Texas and how does it relate to the development of a statewide performance incentive system?
- How does performance incentive policy in Texas fit within the national education policy landscape and how is it framed by existing research literature on teacher pay?
- How does the Texas Education Agency identify eligible campuses for the TEEG program?
- What were the key design features and common characteristics proposed in schools' TEEG program applications?
- What were teachers' attitudes toward performance incentives in general and TEEG specifically?
- Why did some schools choose not to apply for TEEG Cycle 1 funding?

Key Policy Points

This report highlights and expands upon the following key policy points:

- Recently, Texas education policy efforts have focused on improving teaching quality throughout the state, culminating in the creation of the nation's largest statewide performance incentive system.

- The direct evaluation literature on performance incentives is slender; nonetheless, it is sufficiently promising to support extensive policy experiments in combination with careful follow-up evaluations.

- The TEEG program is one of several multi-million-dollar statewide programs in Texas committed to the development of performance incentives for high-performing educators.

- The natural variation of performance incentive programs in Texas provides a unique opportunity to learn more about the impact of various program characteristics on teacher attitudes and behavior, organizational dynamics, teacher mobility, and student outcomes.

- In many respects, schools participating in the TEEG Cycle 1 program are similar to other schools throughout the state, with the exception of serving higher percentages of economically disadvantaged students and tending towards higher school accountability ratings—two objectives of the program.

- Given the annual school selection process for TEEG, it is important to consider how the sample of participating schools might change from year to year, influencing the following: how long a performance incentive program might operate in those schools; how long teachers are exposed to incentives; and how evaluators might study the impact of those programs.

- Three primary sources contribute to sample volatility of eligible schools from year to year: the percentage of economically disadvantaged students in a school, a school's accountability rating, and a school's Comparable Improvement measure.

- The majority of Cycle 1 schools proposed maximum teacher awards that were less than the minimum amount of $3,000 recommended by statute.

- Cycle 1 schools proposed numerous indicators to measure teacher performance, including measures of student performance and teacher collaboration.

- There was noticeable similarity across other program design features, such as the unit of accountability, performance benchmarks, and award distribution methods.

- Most teachers in Cycle 1 schools report positive attitudes to their own school's TEEG program as well as among their peers.

- The majority of teachers reported more frequent use of high-quality professional practices for classroom instruction; though teachers tended not to believe their school's TEEG program would influence their behavior.

- Among all eligible Cycle 1 schools, program decliners—representing less than five percent of all eligible schools—were distinct from participating schools along a number of school characteristics: they had a greater share of alternative instruction sites, smaller student enrollments, lower school accountability ratings, and more TEEG Cycle 2 eligible schools.

- Cycle 1 decliners communicated several concerns about TEEG, such as inequitable distribution of awards to school personnel, inadequate school selection criteria, and administrative burden to design, apply for, and implement the program. Very few schools that declined participation were opposed outright to performance incentives.

The TEEG program provides a unique opportunity to learn about the impact of locally designed performance incentive programs on teacher attitudes and behavior, organizational dynamics, teacher labor market, and student outcomes. Preliminary findings during the first year of TEEG implementation indicate that many of the traditional arguments against performance incentive policies, namely the negative impact on teacher collaboration and instructional quality, were not reported by teachers in Cycle 1 schools. Texas' willingness to partner with an independent third party to provide a multi-year comprehensive evaluation of TEEG's impact on teaching and learning will inform future incentive systems both in Texas and in the United States.

CHAPTER 1
STATE POLICY AND THE ROLE OF EDUCATOR INCENTIVES

This chapter provides an overview of public education reform in the state of Texas and broader trends in educator incentives nationwide. It highlights significant state policy changes related to teacher quality and situates these policy changes within the broader educational research literature related to teacher effectiveness and performance incentive policies. Overall, it provides a foundation for subsequent chapters that discuss, in greater detail, recent developments in educator incentives in the state of Texas.

Key Policy Points

This chapter highlights and expands upon the following key policy points:

- Recently, Texas education policy efforts have focused on improving teaching quality throughout the state, culminating in the creation of the nation's largest statewide performance incentive system.
- The direct evaluation literature on incentive pay in education is slender; nonetheless, it is sufficiently promising to support extensive policy experiments in combination with careful follow-up evaluations.
- There has been significant growth in the number of performance incentive pay initiatives in the United States public education system over the last decade.

Overview

This chapter addresses the following questions:

- What is the public education reform landscape in Texas?
- Which policies and practices within the Texas public education system are in need of improvement?
- How has the use of educator incentive policies changed nationwide over the past decade?
- How does existing research on teacher quality and teacher pay reform inform educator incentive policies?

The Course of Education Reform in Texas

A long-term vision of standards-based accountability and incremental reform has shaped education policy in Texas over the past several decades. The scale of this state reform is enormous, emerging from careful collaboration between state policymakers and business leaders. During the last 10 years alone, Texas has done the following:

- Rewritten the state education code
- Introduced new curriculum standards and assessments
- Aligned instructional materials with state standards
- Constructed an accountability system that holds schools responsible for the performance of both individual students and special populations
- Established a social promotion policy requiring students to meet standards at specific grade levels
- Developed academic initiatives to assist underperforming students
- Crafted new standards for educator preparation and certification
- Designed a new school finance system
- Enhanced local control through a set of new regulatory freedoms and financial incentives

During a similar period of time, the academic performance of Texas elementary and middle-school students, as measured by the National Assessment of Educational Progress (NAEP), has been generally positive. Table 1.1 displays public-school students' performance on NAEP for both Texas and the nation in math and reading for the years 2000, 2003, and 2005.[1] Overall, Texas elementary and middle-school students tend to have comparable or higher scale scores than the average public-school student in both these subjects. For example, in Grade 4 math, Texas students performed above the national average, while also improving over time. The one exception is Grade 8 reading, in which the average student in the U.S. public education system scored higher than those in Texas. There was a modest decline in average Texas scores from 2002 to 2005.

[1] NAEP assessments in 4th- and 8th-grade reading were not given in 2000. NAEP reading was administered in 2002.

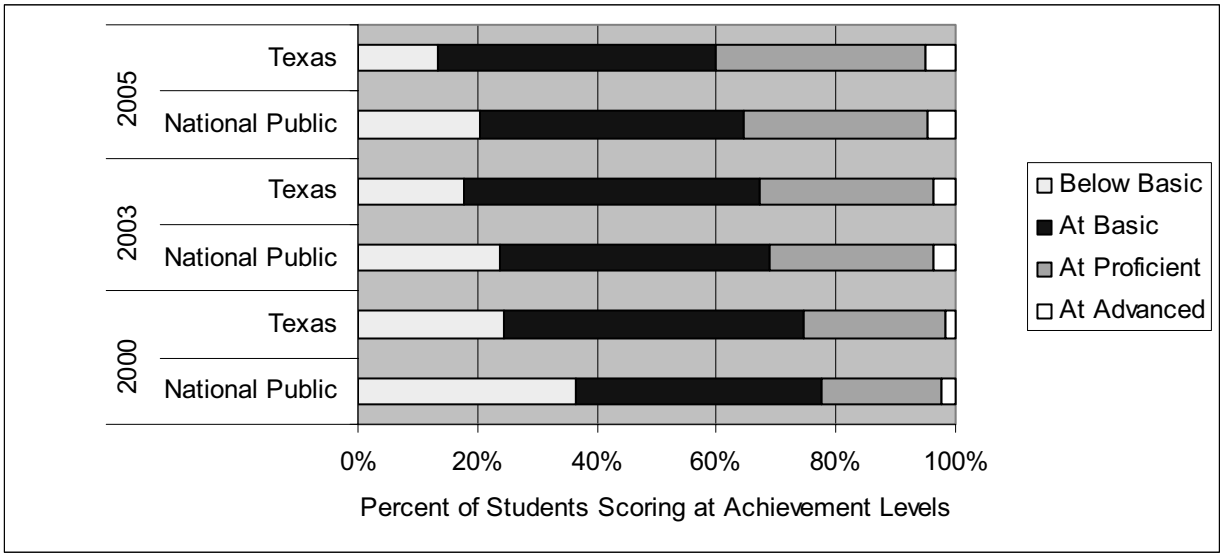
Table 1.1: Texas, Nation Scale Scores on NAEP, 2000-2005

Grade 4 Math			
	2000	**2003**	**2005**
Nation (Public)	224	234	237
Texas	231	237	242
Grade 8 Math			
	2000	**2003**	**2005**
Nation (Public)	272	276	278
Texas	273	277	281
Grade 4 Reading			
	2002	**2003**	**2005**
Nation (Public)	217	216	217
Texas	217	215	219
Grade 8 Reading			
	2002	**2003**	**2005**
Nation (Public)	263	261	260
Texas	262	259	258

Source: National Assessment of Educational Progress, National Center for Education Statistics, U.S. Department of Education. NAEP Data Explorer, from http://nces.ed.gov/nationsreportcard/nde/criteria.asp

These same patterns hold true when looking at the achievement levels of elementary and middle-school students in math and reading from 2000 to 2005. For example, as seen in Figure 1.1, both the percentage of students scoring at Proficient and the percentage of students scoring at Advanced on Grade 4 math increased. The percentage of Texas students scoring Proficient increased by 10 percent. Moreover, the percentage of students in Texas scoring at or above proficiency always surpassed their public-school counterparts nationwide.

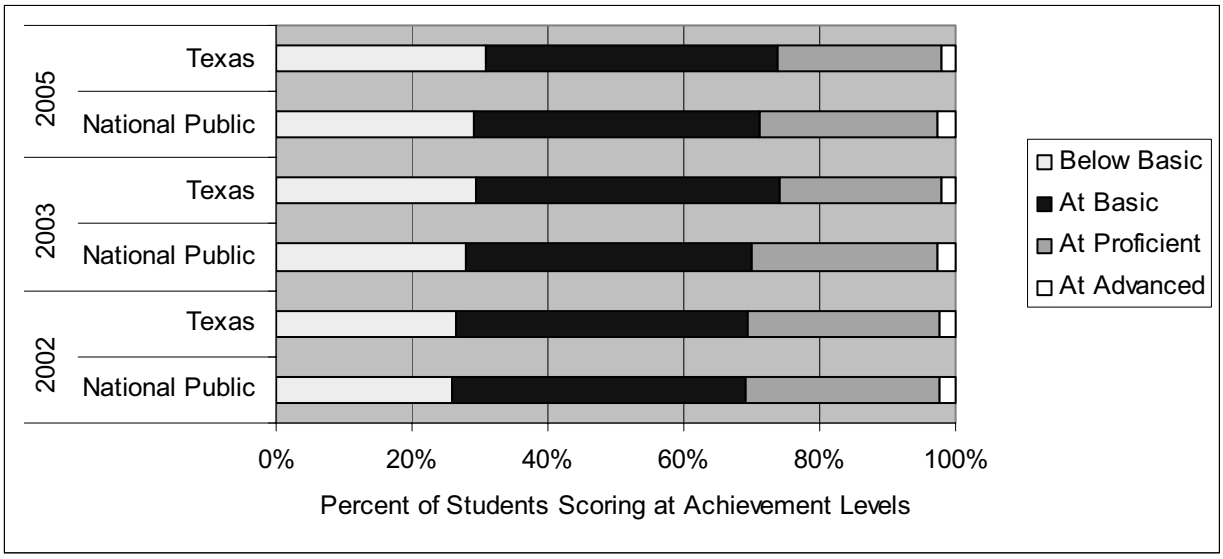
Figure 1.1: Texas, Nation Achievement Levels on Grade 4 Math, 2000-2005



Source: National Assessment of Educational Progress, National Center for Education Statistics, U.S. Department of Education. NAEP Data Explorer, from http://nces.ed.gov/nationsreportcard/nde/criteria.asp

At the same time, improvements were not as evident for reading performance, particularly in Grade 8. As seen in Figure 1.2, Texas students slightly underperformed their national counterparts in all testing years, and the percentage of students scoring at or above proficiency actually decreased from 2002 to 2005, from 30 percent to 26 percent.

Figure 1.2: Texas, Nation Achievement Levels on Grade 8 Reading, 2002-2005



Source: National Assessment of Educational Progress, National Center for Education Statistics, U.S. Department of Education. NAEP Data Explorer, from http://nces.ed.gov/nationsreportcard/nde/criteria.asp

Further analyses of NAEP scores show that positive achievement trends on NAEP have been experienced by a number of student subgroups, including those that are considered historically underperforming (i.e., economically disadvantaged and those from racial minority groups). The improved performance of these student subgroups from 2000 to 2005 tends to be greater in math than in reading. Additionally, the achievement gap between the historically underperforming subgroups and their higher performing peers is usually smaller in Texas when compared to national averages.

Appendix A provides a number of tables that further detail the NAEP achievement trends among various student subgroups in Texas and nationwide. It compares the performance of traditionally underperforming subgroups in Texas to that of their national counterparts, and highlights the achievement gaps both in Texas and nationwide over this period of time. Table A.1 compares the performance of students considered economically disadvantaged (i.e., eligible for free and reduced-price lunch) to those who are not. Table A.2 shows similar results for students from various racial/ethnic groups: White, Black, and Hispanic.

Although there has been noteworthy student success in elementary and middle-school grades in Texas, academic performance among high-school students has remained stagnant. According to a Texas High School Project report (2006), the majority of students leave Texas public schools unprepared for skilled employment, vocational training, or higher education. While 66 percent of Texas public-school graduates indicate interest in postsecondary education by taking tests of postsecondary readiness, few demonstrate the academic readiness necessary to succeed. For example, although overall Texas ACT scores for English exceeded that of the college readiness

benchmark in 2006 (19.4 v. 18), such was not the case for math (20.6 v. 22), reading (20.5 v. 21), and science (20.3 v. 24).

While the academic performance of elementary and middle-school students in Texas is generally positive, changing demographics have caused some to question if this trend will continue. The Center for Demographic and Socioeconomic Research and Education (2002), for example, predicts a 60 percent increase in the number of Texans without a high-school diploma, a 29 percent decrease in the number of Texans with a bachelor's degree, a 13 percent decrease in average household income, and a 40 percent increase in poverty.

The remaining sections of this chapter provide an overview of the current research literature on performance incentive pay programs, including a discussion of the impetus for such pay policy and the landscape of performance incentive programs nationwide. It provides a context for further discussions of Texas performance incentive programs, detailed in Chapter 2.

The Role of Educator Incentives in Public Education

Teacher Effectiveness

Research suggests the most effective way to improve student achievement is by enhancing teacher quality. Over the past decade, empirical studies using unique longitudinal databases provide compelling evidence that teacher quality is the single most important determinant in a child's education. This evidence has challenged prevailing assumptions about teaching and learning, particularly the belief that student characteristics have greater influence over educational outcomes than teachers and schools.[2]

A growing number of research studies conclude that increasing teacher effectiveness is the most important mechanism for improving student performance when compared to other reforms such as class size reductions. For example, Leigh and Mead (2005) found that switching from an average to a highly effective teacher can provide twice the academic benefit for students as a 10 percent reduction in class size. Similarly, Hanushek and Rivkin (2003) estimated that assigning students to effective teachers results in a full year of additional academic growth, over and beyond expected annual gains.

While researchers have been able to demonstrate the impact of individual teachers on students, they have been unable to identify a significant relationship between teacher effectiveness and observable qualifications such as highest degree held, type of certification, licensing exam scores, and years of experience (Rivkin, Hanushek, and Kain, 2005; Ballou and Podgursky, 1997). The inability to link teacher qualifications to teacher effectiveness has led many to argue that the current mechanisms regulating entrance into teaching do not necessarily ensure a high-quality workforce.

[2] See, for example, Aaronson, Barrow, and Sanders (2003); Boyd, Grossman, Lankford, and Loeb (2006); Hanushek, Kain, O'Brien, and Rivkin (2005); Kane, Rockoff, and Staiger (2004); Rivkin, Hanushek, and Kain (1998); Wright, Horn, and Sanders (1997).

The Roots of Performance Incentive Programs

Salary schedules for teachers are a nearly universal feature of American K-12 public-school districts. Data from national surveys show that close to 100 percent of traditional public-school teachers are employed in school districts that make use of salary schedules to set pay (Podgursky, 2007). Thus, roughly 3.1 million public-school teachers from kindergarten through the secondary level are paid largely on the basis of years of experience and education level—two variables weakly correlated, at best, with student outcomes (Hanushek, 2003).

In contrast to how most public-school teachers are paid today, compensation in the private sector is generally related to an individual's performance on the job and characteristics of the job (Podgursky & Springer, 2007). In a survey of 1,681 firms, Hein (1996) found that 61 percent employed variable, performance-related compensation systems. A leading compensation textbook reports that over three-fourths of exempt (nonhourly) employees in large firms are covered by merit pay systems (Canon, 2007; Milkovich & Newman, 2005).

Pay determination practices also vary between K-12 sectors. Examining results from the Schools and Staffing Survey in the late 1980s and early 1990s, Ballou and Podgursky (1997) and Ballou (2001) found that private-school teachers were much more likely than their traditional public-school counterparts to be rewarded for teaching performance, despite the fact that the majority of private schools reported relying on a salary schedule for teacher pay.

Since first implemented in 1921 in Denver, Colorado, and Des Moines, Iowa, the single-salary schedule has attracted criticism. Most prominent among these critiques is that the schedule standardizes remuneration, depriving public-school managers of the authority to adjust an individual teacher's pay to reflect both performance and labor market realities. Numerous teacher compensation reform models have been proposed as alternatives, many under the banner of performance-related pay. The two most prominent types of reform programs have been merit-based pay and knowledge- and skill-based pay.

Merit-based pay

Although merit-based pay programs date back to Great Britain in the early 1700s, and somewhat similar ideas formed around the notion of performance contracting in the late 1960s (Stucker & Hall, 1971), it was not until the release of the *A Nation at Risk* report in 1983 that a significant number of public-school districts in the United States began considering merit-based pay as an alternative or supplement to the single-salary schedule.

Merit-based pay rewards individual teachers, groups of teachers, or schools on any number of factors, including student performance, classroom observations, and teacher portfolios.[3] Merit-based pay is a reward system that hinges on student outcomes attributed to a particular teacher or group of teachers rather than on "inputs" such as skills or knowledge. A report released by the Progressive Policy Institute in 2002 classified school-based performance awards as the most common type of merit-based pay programs operational in American K-12 public schools, but noted that rewards can also be distributed to specific grade levels, departmental units, or combinations thereof (Hassel, 2002).

[3] Teacher portfolios refer to a compilation of teacher work products such as lesson plans and classroom assignments.

Knowledge- and skill-based pay

Since the 1990s, knowledge- and skill-based pay has garnered significant attention as an alternative strategy for compensating teachers (Odden & Kelley, 1996). Knowledge- and skill-based pay programs, such as those designed by the Consortium for Policy Research in Education (CPRE) at the University of Wisconsin, reward teachers for acquisition of new skills and knowledge presumably related to better instruction. Salary increases are tied to external evaluators and assessments (i.e., the Praxis III and National Board for Professional Teaching Standards) that gauge the degree to which an individual teacher has reached specified levels of "competency" (Odden & Kelley, 1996). Although proponents argue that these strategically focused rewards can broaden and deepen teachers' content knowledge of core teaching areas and facilitate attainment of classroom management and curriculum development skills (Odden & Kelley, 1996), evidence suggests that the knowledge and skills being rewarded in this "input-based" pay system have a negligible impact on student outcomes (Ballou & Podgursky, 2001; Hanushek & Rivkin, 2004).

The National Landscape of Performance Incentives in U.S. Public Education

State accountability systems, induced by the No Child Left Behind Act (NCLB), coupled with the poor relative performance of U.S. students on international math and science tests, have stimulated interest in the design and implementation of performance-related pay policies. Many districts, and even entire states such as Texas, are exploring performance-related pay to improve administrator and teacher productivity and recruit more qualified candidates. By all accounts, interest in performance-related pay programs is growing, as is the number of programs under development and being implemented.

The primary data source used for analyzing the national landscape of performance-related pay is the Schools and Staffing Surveys (SASS), conducted by the National Center for Education Statistics (NCES). SASS is a nationally representative sample of roughly 8,000 public schools and 43,000 public-school teachers.[4] There have been five waves of SASS, associated with five school years: 1987-1988, 1990-1991, 1994-1995, 1999-2000, and 2003-2004. A sixth administration (2007-2008) is currently in the field, but results of that survey will not be available for some time.

SASS has formed the basis for a number of studies of teacher pay in both public and private schools (e.g., Ballou, 1996; Ballou & Podgursky, 1997; Chambers; Ingersoll, Figlio, & Kenney, 2007). Given that SASS has now spanned nearly two decades and each wave includes questions on performance-related compensation, it is possible to examine SASS to track trends in the incidence and character of performance-related pay. Unfortunately, for the most part, questions on performance-related pay in earlier administrations (1999-2000 and 2003-2004) are not compatible with the performance-related pay questions in the later surveys. Consequently, an examination of trends must extract the most compatible items from earlier surveys.

[4] SASS includes private schools and teachers as well; however, the focus of this study is on trends in public schools.

Analyses begin with a study of district-level questions concerning the incidence of various types of performance-related pay. In recent waves, SASS asked district administrators whether they provided pay bonuses or other rewards for certain teacher characteristics or behaviors.[5] These are listed in Table 1.2.

The incidence of each type of bonus pay is computed in two ways. In the first panel, responses are reported at the district level; in the second panel, responses are computed accounting for the number of full-time equivalent teachers in each district. The latter indicates the extent to which teachers were exposed to the bonus in question. In every case, these teacher-weighted percentages are larger than the district-level percentages, indicating that the larger districts (i.e., those employing a larger teacher workforce) were more likely to use the performance-related pay scheme in question.

The most common bonus was for professional development. In 2003-2004, 24 percent of districts employing 36 percent of teachers offered such a bonus. The next most common bonus among districts was for National Board of Professional Teaching Standards (NBPTS) certification. In 2003-2004, 18 percent of districts, employing 40 percent of teachers, offered some sort of bonus for NBPTS certification. NBPTS certification is also the most rapidly growing bonus, with the number of districts offering it growing by 10 percentage points between the 1999-2000 and 2003-2004 surveys.

Table 1.2: Type of Performance Award or Bonus

	District Responses (%)			Teacher-Weighted Responses(%)		
Type of performance award or bonus	**1999-00**	**2003-04**	**Change**	**1999-00**	**2003-04**	**Change**
NBPTS	8.3%	18.4%	10.1%	22.9%	39.8%	17.0%
Excellence in teaching	5.5%	8.0%	2.4%	13.6%	14.0%	0.3%
In-service professional development	26.4%	24.2%	-2.2%	38.8%	35.9%	-3.0%
Teach in less desirable location	3.6%	4.6%	1.0%	11.2%	13.1%	1.9%

Source: National Center for Education Statistics. U.S. Department of Education Schools and Staffing Surveys, various years. School District Survey.

Eight percent of districts, employing 14 percent of teachers, reported awards for excellence in teaching. Five percent of districts—13 percent of teachers—had bonuses for teaching in less desirable locations, while 12 percent of districts—25 percent of teachers—reported bonuses of some sort for teaching in shortage fields.[6]

The number of incentives provided was also tabulated, as seen in Table 1.3. Fifty-five percent of districts employing 31 percent of teachers reported no incentive rewards in 2003-2004, down from 60 percent and 39 percent respectively in 1999-2000. Two-thirds of teachers are employed in districts that provide one or more incentives, and 15 percent of teachers are in districts providing three or more such incentives.

[5] "Does the district currently use any pay incentives such as cash bonuses, salary increase, or different steps on a salary schedule to reward …"

[6] Interestingly, the rank order of district implementation of these incentives is nearly the opposite of teacher preferences, as reported in a recent study of Washington teachers by Goldhaber, DeArmond, and DeBurgomaster (2007). Teaching in a less desirable location was the most favored incentive (63%), followed by NBPTS (20%), shortage fields (12%), and performance pay (6%).

Table 1.3: Number of Incentives

	District Responses (%)			Teacher-Weighted Responses (%)		
Number of incentives	**1999-00**	**2003-04**	**Change**	**1999-00**	**2003-04**	**Change**
No incentives	60.6%	55.5%	-5.1%	39.2%	31.1%	-8.0%
1 incentive	28.1%	29.8%	1.7%	33.1%	35.5%	2.5%
2 incentives	8.3%	9.7%	1.3%	16.0%	21.0%	5.0%
3 incentives	2.4%	3.9%	1.5%	5.9%	10.2%	4.2%
4 incentives	0.4%	1.0%	0.6%	2.0%	4.5%	2.5%
5 incentives	0.1%	0.2%	0.1%	3.9%	0.7%	-3.2%

Source: National Center for Education Statistics. U.S. Department of Education Schools and Staffing Surveys, various years. School District Survey.

Tables 1.2 and 1.3 focused on individual teacher bonuses. The next block of questions detailed in Table 1.4 concerns school-wide bonuses. Some states and districts have begun to provide schoolwide incentives for staff. Unfortunately, these questions were asked only in the 2003-2004 survey. Of most interest is the question concerning cash payments to teachers. Five percent of districts, employing 15 percent of teachers, reported cash bonuses or additional resources based on student achievement.

Table 1.4: School Awards for Student Achievement

Based on student achievement, were any schools in the district rewarded in any of the following ways?	District Responses (%)			Teacher-Weighted Responses (%)		
	1999-00	**2003-04**	**Change**	**1999-00**	**2003-04**	**Change**
Cash bonus/additional resources for school-wide activity	N/A	6.8%	N/A	N/A	19.6%	N/A
Cash bonus/additional resources for teachers	N/A	4.7%	N/A	N/A	15.4%	N/A
Schools given nonmonetary forms of Recognition	N/A	15.8%	N/A	N/A	30.4%	N/A

Source: National Center for Education Statistics. U.S. Department of Education Schools and Staffing Surveys, various years. School District Survey.

While all of the SASS surveys had questions on performance-related pay, few of the questions were asked consistently from one administration of the survey to the next. One block of questions that was nearly identical over the years concerned recruitment bonuses by field (see Table 1.5). This question asked district administrators whether they offered additional rewards in shortage fields, and in which teaching fields they were used.

First, it is worth noting the sharp increase over the 16-year interval in the incidence of field-based incentives. In the first administration of SASS during the 1987-1988 school year, just over seven percent of districts, with 11 percent of teachers, provided such incentives.[7] That share climbed to 12 percent of districts and 25 percent of teachers by the 2003-2004 school year. These recruitment

[7] Note that these recruitment incentives can take the form of cash bonuses or higher pay, or higher initial placement on the salary schedule.

incentives are most commonly used in the areas of special education, math, science, and English as a second language.

Table 1.5: Recruitment Incentives by Teaching Field

District Responses	1987-88 (%)	1990-91 (%)	1993-94 (%)	1999-00 (%)	2003-04 (%)	87-88 to 03-04 (%)
District provides incentive	7.5%	8.7%	10.2%	10.4%	11.9%	4.4%
General elementary	N/A	N/A	N/A	2.6%	2.2%	N/A
Special education	2.2%	4.7%	6.2%	5.7%	7.3%	5.1%
English/language arts	N/A	N/A	N/A	1.0%	2.0%	N/A
Social studies	N/A	N/A	N/A	0.7%	1.5%	N/A
Computer science	1.2%	1.1%	1.7%	2.1%	2.1%	0.8%
Mathematics	2.7%	2.3%	3.2%	3.8%	5.9%	3.3%
Physical sciences	1.7%	2.1%	2.7%	3.6%	4.6%	3.0%
Biology or life sciences	1.3%	1.9%	2.8%	3.5%	4.5%	3.2%
English as Second Language	0.8%	1.5%	3.2%	3.3%	4.3%	3.4%
Foreign language	1.0%	0.9%	2.0%	2.4%	3.8%	2.8%
Music or art	N/A	N/A	N/A	2.5%	2.5%	N/A
Vocational or technical education	N/A	1.5%	2.5%	3.5%	2.6%	N/A
Other fields	1.9%	2.9%	1.1%	N/A	N/A	N/A
Teacher-Weighted Responses	**1987-88 (%)**	**1990-91 (%)**	**1993-94 (%)**	**1999-00 (%)**	**2003-04 (%)**	**99-00 to 03-04 (%)**
District provides incentive	11.3%	16.6%	18.7%	23.6%	25.3%	14.0%
General elementary	N/A	N/A	N/A	2.4%	2.6%	N/A
Special education	6.7%	11.8%	13.4%	14.3%	20.6%	13.9%
English/language arts	N/A	N/A	N/A	5.3%	4.2%	N/A
Social studies	N/A	N/A	N/A	1.6%	2.4%	N/A
Computer science	1.4%	2.9%	1.3%	3.4%	3.4%	2.0%
Mathematics	5.2%	5.8%	3.9%	8.9%	15.7%	10.5%
Physical sciences	3.6%	5.0%	3.9%	8.4%	13.4%	9.8%
Biology or life sciences	3.8%	4.3%	3.7%	8.4%	12.8%	8.9%
English as Second Language	3.3%	7.6%	8.1%	11.1%	15.5%	12.2%
Foreign language	2.4%	3.1%	2.4%	5.3%	9.4%	7.0%
Music or art	N/A	N/A	N/A	4.9%	6.4%	N/A
Vocational or technical education	N/A	4.7%	3.2%	8.0%	7.3%	N/A
Other fields	4.2%	4.2%	1.6%	N/A	N/A	N/A

Source: National Center for Education Statistics. U.S. Department of Education Schools and Staffing Surveys, various years. School District Survey.

Table 1.6 splits the sample into high (above median) and low (below median) poverty districts, where the median value is roughly 40 percent of students who are free and reduced-price lunch eligible. These tabulations suggest that higher poverty districts have been somewhat more likely to implement recruitment incentives. By 2003-2004, 52 percent of high-poverty districts employing 25

percent of teachers, had no incentives in place; less than the 59 percent of low-poverty districts employing 37 percent of teachers. The no-incentive share has dropped more rapidly in the high poverty districts as well. Among particular incentives, the most notable difference is the higher incidence of field-based pay incentives.

Table 1.6: Incentives in Low- and High-Poverty Schools

Type of performance award or bonus	High Poverty			Low Poverty*		
District Responses	**1999-00 (%)**	**2003-04 (%)**	**Change (%)**	**1999-00 (%)**	**2003-04 (%)**	**Change (%)**
NBPTS	9.0%	20.1%	11.1%	7.8%	16.9%	9.1%
Excellence in teaching	6.0%	9.6%	3.6%	5.2%	6.5%	1.3%
In-service professional development	22.9%	22.6%	-0.3%	28.8%	25.5%	-3.3%
Teach in less desirable location	4.7%	6.9%	2.2%	2.8%	2.8%	0.0%
Teach in fields of shortage	14.1%	14.3%	0.2%	7.8%	9.8%	1.9%
No incentives	59.5%	51.8%	-7.6%	61.4%	58.6%	-2.8%
1 incentive	28.5%	32.2%	3.8%	27.9%	27.8%	-0.1%
2 incentives	8.6%	10.3%	1.7%	8.2%	9.1%	1.0%
3 incentives	2.9%	4.4%	1.5%	2.1%	3.5%	1.4%
4 incentives	0.4%	1.0%	0.6%	0.4%	0.9%	0.5%
5 incentives	0.1%	0.3%	0.1%	0.1%	0.1%	0.1%
Teacher-Weighted Responses	**1999-00 (%)**	**2003-04 (%)**	**Change (%)**	**1999-00 (%)**	**2003-04 (%)**	**Change (%)**
NBPTS	26.4%	40.5%	14.1%	20.0%	39.1%	19.1%
Excellence in teaching	18.8%	14.9%	-4.0%	9.4%	11.1%	1.7%
In-service professional development	39.3%	33.0%	-6.3%	38.4%	38.6%	0.1%
Teach in less desirable location	17.0%	15.7%	-1.4%	6.4%	10.6%	4.1%
Teach in fields of shortage	33.4%	33.4%	0.1%	15.6%	17.3%	1.7%
No incentives	33.9%	25.3%	-8.5%	43.5%	36.8%	-6.7%
1 incentive	32.6%	33.2%	0.6%	33.5%	31.9%	-1.6%
2 incentives	15.9%	25.7%	9.8%	16.0%	16.4%	0.4%
3 incentives	8.1%	11.5%	3.3%	4.1%	8.9%	4.8%
4 incentives	1.2%	3.6%	2.4%	2.6%	5.3%	2.7%
5 incentives	8.3%	0.7%	-7.6%	0.3%	0.7%	0.4%

* Low = below median percent eligible for FRL, High = median or higher percent FRL.
Source: National Center for Education Statistics. U.S. Department of Education Schools and Staffing Surveys, various years. School District Survey.

Next, analyses were conducted to look at performance-related pay from the point of view of the teachers. Beginning with the 1994-1995 SASS, the surveys included a series of questions for teachers concerning base pay and various supplements. This survey item is preceded by questions that first elicit the teacher's base pay, and then a question about supplements for additional duties such as coaching or other after-school activities. Finally, the teacher is asked about other supplements, including merit pay bonuses and state supplements. An example of the latter would be career ladder

bonuses funded in part by state legislatures. This category would also include NBPTS bonuses. Unfortunately, no further detail is provided.

Interestingly, while the districts reported more performance-related pay incentives, the incidence of these bonuses as reported by teachers did not increase over the ten-year interval from the 1993-1994 to the 2003-2004 SASS (Table 1.7). Roughly 13 percent of teachers reported receiving a bonus of some sort; the bonus amounted to roughly five percent of pay base for teachers who received it.

This survey item also allows for comparisons between teachers in traditional public schools and charter schools. In spite of the fact that charter schools were much more likely to report use of incentives than traditional public schools, charter teachers were no more likely to report that they received this generic bonus. The bonus as a percentage of base pay was roughly one percentage point higher for recipients in charter schools than for recipients in traditional public schools. It may be possible that the charter-school teachers perceived more of the performance-related pay incentives as part of base pay. Only 62 percent of charter schools reported using a salary schedule. Thus, what charter-school teachers reported as base pay may incorporate some incentive payments.

Table 1.7: Bonus Pay for Teachers

Traditional Public Schools	**1993-94 (%)**	**1999-00 (%)**	**2003-04 (%)**
Yes	13.7%	12.9%	13.3%
Mean Base Annual Salary	$33,655	$39,346	$43,778
Mean Bonus	$1,653	$1,569	$2,005
Bonus as a Percent of Mean Base Annual Salary	4.9%	3.9%	4.6%
Charter Schools	**1993-94 (%)**	**1999-00 (%)**	**2003-04 (%)**
Yes	N/A	14.9%	12.2%
Mean Base Annual Salary	N/A	$31,789	$35,536
Mean Bonus	N/A	$1,866	$2,024
Bonus as a Percent of Mean Base Annual Salary	N/A	5.9%	5.7%

Source: National Center for Education Statistics. U.S. Department of Education Schools and Staffing Surveys, various years. School District Survey.

Overview of Performance Incentive Programs across the Nation

The most widely known performance-related salary plan developed by a school district is Denver Public Schools' Professional Compensation System for Teachers (ProComp). In 1999, the Denver Classroom Teachers Association (DCTA) and Denver Public Schools reached agreement on an alternative teacher pay plan that linked pay to student achievement and professional evaluations. Following refinement of the pilot model by teachers, principals, administrators, and community members, ProComp was adopted in spring 2004 by the board of education and members of DCTA (Community Training and Assistance Center, 2004). The plan, which provides all teachers with the opportunity to augment earnings, offers bonuses to individual teachers for criteria such as improving student achievement, completing professional development, and earning advanced degrees.

ProComp's position in Denver Public Schools' was strengthened in November 2005 when Denver voters approved a ballot initiative to pay an additional $25 million in taxes to scale up the program. More recently, Denver Public Schools received a $22.67-million, five-year Teacher Incentive Fund (TIF) award from the U.S. Department of Education (USDE)[8] which will help expand ProComp to nearly 90 percent of Denver's 150 K-12 public schools. Now completing the first of nine voter-approved years, ProComp has evolved from a four-year pilot program in 16 schools into one of the nation's most widely known performance-related pay programs.

In March 2007, Florida legislators passed the Merit Award Program (MAP) to replace a year-old Special Teachers are Rewarded (STAR) program that had been widely unpopular with district officials and teachers. Beginning in 2007-2008, districts were no longer legislatively required to implement a performance-related pay program. Unlike the requirements of STAR, participation is now voluntary and subject to collective bargaining.

Under MAP, student achievement can be measured using state-, nationally, or locally produced assessments. Student achievement results carry no less than 60 percent of the weight for employees' award determination. Districts have some flexibility in determining how many teachers will be rewarded and how large a share of teacher raises will be determined by student achievement outcomes. However, each district determines a bonus amount equal to at least five percent but not more than 10 percent of that district's average teacher salary to be awarded to all of its top performing personnel.

Also widely recognized is the Teacher Advancement Program (TAP), a performance-related comprehensive school reform model developed in 1999 by the Milken Family Foundation. The program is designed to increase the number of highly qualified teachers, improve instructional effectiveness, and enhance student achievement. TAP currently operates in more than 180 schools in 16 states and 50 districts. In the aggregate, there are approximately 5,000 teachers and 60,000 students in TAP schools across the country.[9]

TAP's performance-related compensation strategy is determined by three indicators of teacher performance. First, 50 percent of an award is dependent on the teacher's knowledge, skills, and responsibilities as evaluated through teacher portfolios and classroom observations. Another 30 percent of a teacher's award is determined by the value-added gains the teacher produces in his/her classroom. The final criterion for award determination is school-wide achievement, upon which the remaining 20 percent of a teacher's award is contingent. This recommended compensation strategy enables teachers to earn anywhere from zero to $12,000 per year in performance-related pay.

In 2006, Congress appropriated $99 million per annum for TIF. TIF funds are geared to school districts, charter schools, and states on a competitive basis to fund development and implementation of principal and teacher performance-related pay programs. Although the USDE estimated that TIF dollars would fund approximately 10 to 12 performance-related compensation projects with a per-project award size of $8 million per year, a total of 16 awards were granted in Fall 2006, expending

[8] A more thorough discussion of the Teacher Incentive Fund can be found later in this section of the chapter.
[9] These numbers are anticipated to grow, as TAP was a principal partner in three federally funded TIF awards totaling approximately $88 million in funding over five years.

less than half of the $99-million appropriation.[10] Both Dallas Independent School District and Houston Independent School District received grant awards totaling $22.3 million and $11.8 million, respectively, over the next five years.

The Research on Performance Incentives

Performance-related pay and incentives are relatively new in public education, although their use is growing. Newness of these efforts means there is limited research, particularly little scientific research, examining the impact of introducing performance-based pay practices into education. Most of this research examines the impact of performance incentives awarded to groups of teachers or to schools, with little research devoted to individualized incentives.

A Review of Empirical Research on Performance Incentives

There are a few scientific studies that offer sound information about the use of performance incentives in public education. This section provides an overview of quantitative studies of the causal effect of teacher incentive programs on measures of student achievement. This overview is supplemented by Table 1.8, which provides a more detailed description of programs studied and their outcomes.

The studies selected for this review are limited to those that employ a conventional treatment and control evaluation design, with pre-treatment benchmark data on student performance for both groups. For each study, Table 1.8 summarizes the key characteristics of the program evaluated, including whether it was a school-wide or an individual incentive bonus, the size of the bonus, and the outcome of the study.

This review is not an attempt at a more sophisticated meta-analysis or analytical synthesis. Nor does it compute effect sizes. There are several reasons for this. First, unlike education inputs such as class size or teacher education, the "treatments" in these studies vary considerably from study to study. Ideally, one would want a set of studies that could yield estimates of student achievement gains (if any) per thousand dollars or bonus. Unfortunately, these programs are sufficiently diverse that such calculations are not possible.[11] Second, the outcome variables analyzed also vary considerably, so much so that we do not feel it is useful to convert them to a common metric.

The studies are divided by what is judged to be the rigor of the evaluation, ranging from two randomized field trials to conventional matched comparison group designs that rely on nonexperimental data to identify treatment and control groups. It should be recognized that because there is a significant variation in the character of the programs being evaluated as well as the process determining participation, none of which is under control of the researcher, it follows that the data and methods available for rigorous estimation of program effects varies widely as well.

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[10] As part of the USDE's Appropriations Act (P.L. 109-149), the TIF is a direct discretionary federal grant program. USDE plans to distribute the remaining $43 million of Year 1 appropriations in summer 2007 through a second grant competition already underway. However, strong opposition from the National Education Association coupled with a joint funding resolution in the House of Representatives asking for a reduction of TIF appropriations to $200,000 per year has some questioning whether TIF will be reauthorized in 2008.

[11] There are two exceptions to this statement: Lavy (2002) and Lavy (2004).

Table 1.8: Quantitative Studies of the Causal Effect of Teacher Incentive Programs on Measures of Student Achievement

Study	Sample	Time Span of Study	Type of Teacher Incentive	Size of Incentive (per teacher)	Outcome Variable	Results
Muralidharan and Sundararaman (2006)	500 rural Indian primary schools, randomly assigned 100 individual incentive 100 school incentive 200 extra resource 100 control	2004-2005	Individual and schoolwide	Average group award at 4%of annual base salary; Average individual award at 5% of annual base salary	Math and language, various primary grades	Positive
Glewwe et al. (2004)	100 primary schools, rural Kenya, 50 randomly chosen for program	1997-1999	Schoolwide	Up to 43% of monthly salary	Grade 4, 8 test scores	Mixed
Lavy (2002)	Israel, high schools	1993-1995 to 1996-1997	Schoolwide (tournament)	$200 - $715	Test scores, pass rates, dropout rates, course-taking	Positive
Lavy (2004)	Israel, high schools	1999-2001	Individual (tournament)	$1,750 - $7,500+[12]	Pass rates and test scores	Positive
Figlio and Kenny (2007)	NELS-88 matched to FK survey or 1993-94 SASS, 12th-grade public and private schools	1993	Individual	Varied within sample	12th grade, composite reading, math, science, and history score	Positive
Winters, Ritter, Barnett, and Greene (2006)	2 treatment and 3 control elementary schools in Little Rock, Arkansas	2002-2003 to 2005-2006	Individual	$1,800 - $8,600	Grade 4, 5 math test scores	Positive
Atkinson, et.al. (2004)	UK high schools	1997-2002	Individual	> 9% in annual base salary	English, science, math assessments	Positive
Ladd (1999) Clotfelter and Ladd (1996)	Dallas, TX Grade 7 schools relative to other Texas urban districts[13]	1991-1995	Schoolwide (tournament)	$1,000	Math and reading test scores, dropout rates	Positive
Eberts et al. (2002)	2 Michigan alternative high schools (1 treatment, 1 control)	1994-1995 to 1998-1999	Individual	Up to 20% of annual base salary	Course completion rates, pass rates, daily attendance, GPA	Mixed

12. These are winnings per class. However, a teacher could enter multiple classes.
13. Incentive applied to all schools but data limitations only permitted examination of Grade 7 effects.

The two most rigorous evaluations to date come from abroad. Muralidharan and Sundararaman (2006) report first-year results from a World Bank-sponsored experiment on performance pay (slated to run until 2011) in rural Indian schools, the Israeli Teacher-Incentive Experiment. The researchers randomly sampled 500 rural schools in a large Indian state (Andhra Pradesh) and assigned them to one of four treatment groups or a control group, with each group comprising one hundred schools. One of the treatment groups had an individual teacher pay bonus system tied to student test score gains, while another had a schoolwide bonus tied to test score gains. The average bonus payments in both incentive schemes were small relative to base pay (4% to 5%), but the maximum possible payment amounted to a substantial share of pay (roughly 14% and 29% of pay for group and individual, respectively). The two other treatment groups were provided additional resources (teacher aides or an extra block grant), and the control group received no additional resources.

Muralidharan and Sundararaman found positive program treatment effects in math and languages relative to the control group. They found no evidence that the program had adverse effects on other test scores or on teacher morale, and no significant difference in program effects between the group and individual incentive schools. Since the researchers attempted to hold incremental spending at the same level in the different treatment groups, another interesting finding is that the incentive schemes yielded test score gains exceeding those of the added-resource treatments. Thus, the incentive schemes were not only found to be effective, but cost-efficient relative to added resource schemes. (This finding is replicated in Lavy's Israel studies, discussed below.)

Lavy has undertaken two careful studies of performance "tournaments" in Israel.[14] In both of these studies, the program was designed to raise passing rates on high-school exit exams in low socioeconomic high schools in Israel. Although schools were not randomly assigned to a control or treatment condition, both programs were implemented using three formal assignment rules (e.g., grade range, past performance, and matriculation rate), permitting for a more rigorous evaluation design.[15]. The Israeli Teacher-Incentive Experiment was also carefully designed to minimize gaming or other opportunistic behavior on the part of teachers and school administrators (i.e., performance measures based on the size of the graduating cohort in order to discourage schools from encouraging transfer or dropout of poor students, or placing poor students in non-matriculation tracks).

Lavy's (2002) first study considered a tournament in which a selected group of low-performing high schools competed on the basis of schoolwide performance. The top third of schools as determined by their year-to-year improvement in test scores were given awards ranging in size from $13,250 to $105,000. Teacher bonuses ranged from about $250 to $1,000, and were distributed equally to all teachers in the "winning" schools. Lavy found a positive effect on participating schools relative to a nonparticipating comparison group of low-performing schools. He also concluded that endowing schools with additional resources (i.e., 25% of school awards had to go to capital improvements) contributed to increased student performance.

The second study examined an individual teacher bonus program, also run as a tournament (Lavy, 2004). Essentially, teacher participants were ranked on the basis of value-added contributions to

[14] Tournaments award prizes not on the basis of an absolute standard but on the basis of relative performance.
[15] Lavy used a regression discontinuity design in his studies of the effects of incentive pay in Israel. This design allows for more precise measurements of effects of an intervention before and after it is implemented.

student achievement on a variety of exit exams, and bonuses were given to top-performing teachers. The program included 629 teachers, of whom 302 won awards. The bonuses were substantial—as large as $7,500 per class on an average base pay of $25,000. Results indicate a positive effect in that the performance of participating teachers (i.e., both bonus recipients and nonrecipients) rose relative to a comparison group of teachers who did not participate in the incentive program.

Lavy (2004) also investigated whether the program exhibited the type of negative spillover consequences often discussed in the research literature. For example, test scores in other nontournament subjects did not fall. In addition, and consistent with the teacher value-added literature, teacher characteristics such as experience or certification could not predict the winners. Another interesting feature of this study is that Lavy compared the cost-effectiveness of the individual bonus scheme with that of group bonuses and another program providing additional educational resources, aside from pay, to traditionally low-achieving schools. He found that the cost per unit gain in the individual teacher incentive program was greater than that in the group incentive or added resource programs.

The studies considered thus far evaluated specific incentive interventions. Figlio and Kenny (2007) take a different approach and analyze data from a national sample of U.S. K-12 schools in an attempt to estimate the effect of incentive pay by comparing the academic performance of schools with various types of incentive programs to those without. Merging data from the National Educational Longitudinal Survey (NELS) of 1988, their own survey on incentive pay, and the 1993-1994 Schools and Staffing Surveys, they examine the natural variation in the use of incentive-based pay among both public and private schools. Variation in incentive programs enabled construction of a school-level measure of the strength of the teacher incentive "dosage" reflecting not only the existence of a performance-based pay scheme but also its pecuniary consequences. Figlio and Kenny concluded that the effects of even modest doses of incentive pay are statistically significant in public and private schools, as is the effect of a high level of incentive implementation relative to no incentive program. In substantive terms, an incentive pay program's impact is comparable to a one standard deviation decrease in days absent for the average student and an increase in the education level of a student's mother by three years.

While the authors creatively linked multiple national data systems with their Survey of School Teacher Personnel Practice, there are methodological concerns that warrant mention. First, there was an eight-year lag between student test scores reported in NELS and the Figlio and Kenny survey, thus making sample attrition a significant concern. If differential sample attrition took place, this makes it difficult to interpret the reason for differences in test scores between the treatment and comparison conditions. Second, while the authors were able to increase the number of schools satisfactorily responding to their survey by matching within-district responses across two or more schools, the response rate was still very low (40%). Finally, there are challenges in assuring that the incentive pay programs were in place at the time of the NELS testing. In spite of these measurement problems, which might be expected to bias their estimates of the treatment effect toward zero (errors in measurement of the treatment variable), Figlio and Kenny add crucial insight into the relationship between individual teacher performance incentives and student achievement.

Winters, Ritter, Barnett, and Green (2007) conducted a small scale but rigorous evaluation of the first two schools participating in Little Rock, Arkansas' Achievement Challenge Pilot Project (ACPP). Their evaluation examines the effect of ACPP on student proficiency in math compared to three other elementary schools with similar demographic and baseline achievement characteristics.

ACPP ties performance bonuses to individual student fall-to-spring gains on a standardized student achievement test, ranging from $50 per student (0% to 4% gain) up to $400 per student (15% gain). In practice, this yielded bonus payouts from $1,200 to $9,200 per teacher per year.

An attractive feature of the study is that the student gain score outcomes are estimated with a different assessment from that used to determine the bonuses (i.e., the students took two different standardized spring assessments). Use of an alternative test reduces the potential bias caused by teachers narrowly "teaching to the test" used for the bonus payout. Winters et al.'s preferred student fixed-effect estimates find a statistically significant 4.6 Normal Curve Equivalent (NCE) math gain for every year a student spent in an ACPP school. The ACPP bonus system, unlike many of the studies considered in this review, remains in place and has since expanded to five elementary schools during the 2006-2007 school year.

Chapter Summary

This chapter provides an introduction to the public education reform landscape in the state of Texas and how it relates to recent efforts to implement teacher compensation reform. Moreover, it discusses the current research literature on performance incentive pay programs, including a discussion of the rationale for such pay policy and the landscape of performance incentive programs nationwide.

As will be discussed in Chapter 2, Educator Incentive Pay in Texas, state policymakers have recently created a statewide system of performance incentive programs. These state initiatives surpass the size of any statewide program in the United States, and provide an ideal context for studying the impact of such policy on student outcomes and teacher quality.

CHAPTER 2
EDUCATOR INCENTIVE PAY IN TEXAS

This chapter discusses the history of state compensation policy in Texas and further provides an overview of performance incentive programs currently operating in the state. Over the past several decades, Texas policy and political debate have paved the way for the largest statewide performance incentive system in the nation to date.

Key Policy Points

This chapter highlights and expands upon the following key policy points:

- Texas operates the single largest performance incentive pay system in the U.S. public education system.
- Many school districts across Texas have implemented performance-related pay programs, including locally developed differentiated pay and the state-funded Governor's Educator Excellence Award Programs (GEEAP).
- Educator incentives, as designed under GEEAP, reflect the policy experiences, challenges, and lessons learned from previous encounters with other statewide educator compensation and performance-related pay reforms.

Overview

This chapter addresses the following questions:

- What is the incentive pay reform landscape in Texas and how does it fit within the context of teacher pay reform in the United States?
- What is the history of compensation reform and performance-related pay policy in Texas?
- How have past experiences with educator incentives informed the development of GEEAP's three programs—the Governor's Educator Excellence Grants (GEEG), the Texas Educator Excellence Grants (TEEG), and District Awards for Teacher Excellence (DATE)?

Overview of Compensation Reform in Texas

School districts in Texas, as in other states, have been experimenting with differentiated pay and performance incentives to improve recruitment and retention of teachers. Differentiated pay and performance incentives offer districts a way to supplement the state's single-salary schedule, the statutory requirement that teacher salaries be based on years of employment and level of education, by making teacher salaries more responsive to the labor market. Texas public-school districts do have the ability to develop alternatives to the state's salary schedule; they are permitted to pay teachers above, but not below, salary steps.

As a result, salaries of Texas teachers are not entirely linked to the state schedule. Salary incentives and differentiated pay are becoming more prevalent. A recent salary survey indicates that 53 percent of responding districts paid performance-related incentives to teachers during the 2005-2006 school year (Texas Association of School Boards & Texas Association of School Administrators, 2006). Incentives were paid for working in shortage areas, acquiring advanced qualifications, serving as mentors, improved attendance rates, improved retention rates, and raising student achievement.

Salary incentives that are based on performance outcomes (i.e., as opposed to inputs, knowledge, and skills), however, occupy a relatively small part of the salary universe in Texas. Only about 12 percent of school districts used performance-based pay plans; and of these, most were based on campus rather than individual performance, and focused on teacher attendance rather than student outcomes. This tendency is noteworthy during an era of accountability in which so much emphasis is placed on the importance of student achievement, an emphasis that has been all the more engrained in the public education system by the No Child Left Behind Act.

Although improving student performance does not occupy a direct role in most of the performance-related pay plans created by Texas school districts, there are exceptions meriting attention.

- Dallas ISD established performance pay in 1990, awarding campus bonuses on the basis of test score gains, student attendance, grade-to-grade promotion, dropout rates, enrollment in advanced courses, and scores on tests of postsecondary readiness. As a recipient of a five-year, $22.4-million TIF grant in 2006, Dallas will expand principal and teacher bonuses as well as direct funds for recruitment and retention of high-quality teachers in high-need schools, professional development, and improving testing systems and student-teacher linked databases.
- Aldine ISD introduced performance pay in 1995 on the basis of the percentage of students passing state assessments, the percentage of students passing state assessments at specific achievement levels, and student attendance.
- In February 2006, Houston ISD became the nation's largest school district with a performance pay plan for teachers, offering teachers up to $3,000 additional pay for student achievement on state and national assessments. As a recipient of a five-year, $11.8-million TIF grant in 2006, this program will expand and focus on principals and teachers in the district's high-need schools.
- Austin ISD began its Strategic Compensation Initiative during the 2007-08 school year, providing incentives to both principals and teachers in nine pilot schools, with plans to

expand to 20 schools by 2009-2010. Principals and teachers can earn bonuses for meeting student learning objectives, schoolwide growth on TAKS, and professional growth objectives. Additional funds are being allocated to highest need schools for mentoring, recruitment, and retention stipends.

Information on the national incidence of performance-related pay, and how Texas compares, can be identified from the SASS.[16] The two most recent waves of SASS—a 1999-2000 survey and a 2003-2004 survey—are used for these analyses.[17] Survey items concerning performance-related pay did appear on earlier waves of SASS, but the questions are not directly comparable to those in the most recent surveys.

Figure 2.1 presents data on a rather broad-based question asking teachers about supplemental pay. In the SASS teacher survey, respondents were asked if they received supplemental compensation for various reasons. One question focuses on performance-based bonuses and other state supplements that are in addition to base salary. Nationally, the percent of teachers reporting such supplements rose only slightly between the 1999-2000 and 2003-2004 school years, but the difference was not statistically significant. The percent of Texas teachers reporting such bonuses, however, was significantly higher than the national average, and increased between 1999-2000 and 2003-2004 by 17 percent. By 2003-2004 nearly one-quarter of Texas public-school teachers reported performance-based and other state supplemental compensation.

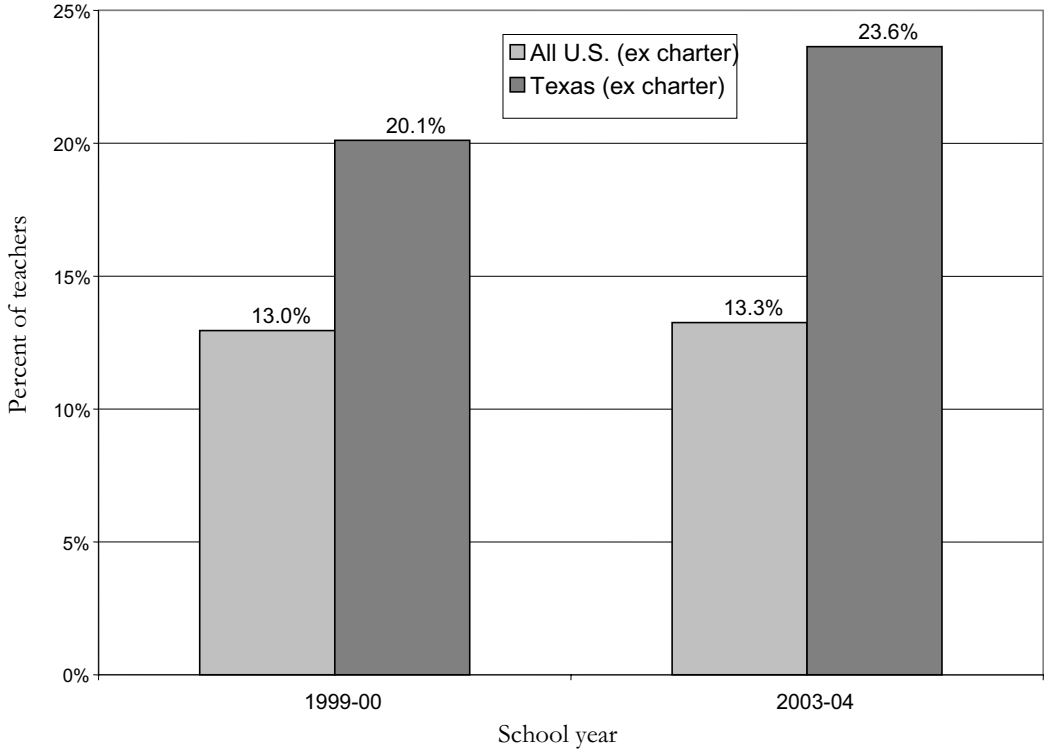
Table 2.1 reports results of the SASS district survey that can provide more insight as to the nature of these bonus payments. Several questions were asked about districts' use of pay incentives to reward certain teacher activities. Five activities are identified: National Board for Professional Teaching Standards (NBPTS) certification, excellence in teaching, completion of in-service professional development, teaching in a less desirable location, and teaching in a shortage field.

Nationally, the percentage of districts reporting that they rewarded such activities increased for four of five activities between the 1999-2000 and 2003-2004 school years. The only one not registering an increase was in-service professional development.

[16] The National Center for Education Statistics is the data-gathering arm of the U.S. Department of Education. See page 10 in Chapter 1 for more information about the SASS.

[17] The 1999-2000 and 2003-2004 SASS survey included roughly 5,400 school districts, 10,000 public schools, and 53,000 public-school teachers. For details on the SASS programs see http://nces.ed.gov/surveys/sass/ .

Figure 2.1: Percent of Teachers Reporting Bonus Payments in Total Compensation, Texas and U.S. Public Schools (Teachers in Charter Schools Excluded)



Source: National Center for Education Statistics. Schools and Staffing Surveys.
Note: Data reflect answers to the question, "During the current school year, have you earned income from other school sources, such as merit pay bonuses, state supplements, etc.?"

Table 2.1: Percent of School Districts Using Types of Teacher Performance Pay

	U.S. Public Schools		Texas Public Schools	
Types of Teacher Performance Pay	**1999-00**	**2003-04**	**1999-00**	**2003-04**
NBPTS	8.3% (.47)	18.4% (.73)	1.8% (.9)	4.3% (2.5)
Excellence in teaching	5.5% (.41)	7.9% (.98)	7.3% (1.8)	9.9% (2.8)
Completion of in-service professional development	26.4% (.91)	24.2% (.99)	5.9% (1.6)	21.1% (12.8)
Teaching in a less desirable location	3.6% (.33)	4.6% (..38)	8.1% (1.8)	9.1% (2.4)
Teaching in a shortage field	10.4% (.54)	11.9% (.65)	30.7% (3.8)	37.7% (3.9)

Note: Standard errors are provided in parentheses.
Source: National Center for Education Statistics. Schools and Staffing Surveys.

The right two columns of the table report results for a sample of Texas school districts (282 districts in 1999-2000; 233 districts in 2003-2004). Texas school districts were consistently more likely to reward excellent teaching, teaching in a hard-to-staff school, and teaching in a shortage field.[18] Districts were considerably less likely to reward NBPTS certification in both years, and less likely to reward completion of in-service professional development, especially in 1999-2000. However, there was a noticeable increase in the use of bonuses for professional development between 1999-2000 and 2003-2004 (15.2 percentage points). This may be explained by the implementation of several statewide initiatives, including math and reading academies and the Professional Development and Appraisal System (PDAS), a state-approved appraisal system for teachers.

History of Compensation Reform in Texas

The history of incentive programs, those that were enacted as well as the proposals that failed to gain legislative approval, informs the evolution of performance incentives in Texas policy. Salary incentives for teachers first entered state policy deliberations during the 1980s, a decade marked as one of the most expansive periods of reform for Texas public schools.[19]

The subsequent sections provide an overview of these developments and reforms, including a discussion of the Texas Teacher Career Ladder Program (1984-1993), the Texas Successful Schools Award Program (1992-2001), and other school finance reform and teacher incentive policy proposals during the turn of the 21st century.

Texas Teacher Career Ladder Program (1984-1993)

Policy intent: The Texas Teacher Career Ladder was first proposed by the Select Committee on Public Education, convened in 1984 by Governor Mark White and headed by H. Ross Perot. The Select Committee recommended that the legislature replace the existing state salary schedule, based on longevity and advanced degree, with a salary system based on teacher performance and evaluation (Select Committee, 1984). A career ladder program, the Committee reported, would establish a professional career development path for outstanding teachers, attract capable individuals to the teaching profession, provide incentives for the best teachers to remain in the classroom, and ensure that such teachers receive the financial rewards they deserve.

Policy design: These salary supplements were directly linked to teacher performance, as opposed to student achievement, and provided incentives for teachers to remain in the classroom, complete professional development, and exceed the standards set for classroom performance by the Texas Teacher Appraisal System. Teacher evaluations were conducted by a team consisting of one administrator and one teacher colleague. Based upon evaluation results, districts were authorized to demote teachers or decline to renew contracts when teachers failed to meet classroom performance standards (House Research Organization, 2004).

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[18] The difference between Texas and U.S. public schools for rewarding excellent teaching is not statistically significant.
[19] The State Legislature introduced the first statewide curriculum at the beginning of 1981, and replaced the appointed State Board of Education with an elected board in 1989 (Texas Education Agency, 2004). During the intervening years, the Legislature established a new state assessment system, mandatory student testing, a required high-school graduation test, class-size limits, a no pass/no play rule, a dropout reduction program, a public education information system, annual district performance reports, competency testing for teacher recertification, an across-the-board pay raise for teachers, an overhaul of the state's school finance system, and the Teacher Career Ladder.

The Career Ladder offered opportunities for professional advancement along four steps that were designed to keep highly able teachers in the classroom. All certified teachers were automatically placed on the first step. Those whose performance "exceeded expectations" were moved up to the second step, earning an additional $1,500 to $2,000 each year. Teachers advancing to the third step could earn an annual supplement of $4,000, while teachers who attained Step 4 of the Ladder could earn up to $6,000 annually for performing additional duties, such as supervising student teachers, serving as team leaders or mentors, conducting academic training, or appraising candidates for the fourth step of the Career Ladder (Texas Comptroller of Accounts, 2006).

A key feature of the Career Ladder program was local decision making. Districts were responsible for evaluating teacher performance and determining step placements; additionally, districts were allowed to reduce step supplements if state funding for the Career Ladder did not cover full supplements for all eligible teachers (Houses Research Organization, 2004).

Policy implementation: The Career Ladder governed salaries of teachers in Texas public schools from 1984 through 1993 (House Research Organization, 2004). When introduced in 1984, new teachers and most teachers employed in Texas public schools were placed at Step 1. To advance through the steps, teachers had to complete a specified number of years at each step, demonstrate instructional abilities, and satisfy professional development requirements. The Career Ladder offered annual salary supplements that ranged from $1,500 at Step 2 to $6,000 at Step 4 (Texas Education Agency, 1998).

Policy outcomes and challenges: State funding proved an insurmountable challenge for the program (Texas Education Agency, 1998). The state allotment for the Career Ladder increased from $50 per student during the 1983-1984 school year to $90 per student in the 1992-1993 school year. By the time the program was repealed in 1993, there were 132,855 teachers on Steps 2 and 3 of the Career Ladder and state spending had reached $291 million annually, without the state implementing the fourth step.

The Career Ladder faced other challenges. The state's failure to involve teachers in the initial program design led to early, sharp criticism (Cornett, 1993). Teachers were highly skeptical about the objectivity of performance appraisals, the emphasis on student testing, and the adequacy of state funding to put all of the deserving teachers on appropriate steps (Reinhold, 1987). In addition, some felt the Career Ladder created a negative system of competition, eroding the collaboration among teachers that is essential for school improvement (House Research Organization, 2004).

Texas' experience with the Career Ladder mirrored that of other states. Between 1989 and 1993, the number of states with career ladders fell from 12 to seven, and shortly thereafter career ladders gave way to new forms of state incentives (Cornett, 1994; Southern Regional Education Board, 1990).

Policy lessons: A clearinghouse was established by the Southern Regional Education Board (SREB) to collect and disseminate information about career ladders between 1984 and 1994. During this time, SREB also conducted several detailed and comprehensive national studies (Cornett, 1994; Southern Regional Education Board, 1990).

Based on several short- and long-term studies, SREB found evidence that performance-based incentive programs changed instruction when the programs were linked to fundamental changes in

salary structures. Evidence of improved teacher evaluations and a heightened focus on classroom instruction was also found, although SREB noted the paucity of comprehensive studies.

SREB found that the most successful career ladders and teacher incentives were those that were carefully aligned with district, school, and teacher goals, and included an approach for managing instruction. Strong leadership at the state level and local plans that involved teachers in design and implementation were also associated with success.

Despite evidence that career ladders could be successful, SREB found these programs produced fundamental change for very few schools. As districts and states abandoned career ladders, studies attributed their demise to perceptions of unfairness in teacher evaluations and unwillingness to embrace change.

After almost a decade of collecting information about career ladders, SREB (1990) offered the following recommendations for designing and developing teacher incentive programs:

- Schools must communicate carefully with teachers and include them in planning and implementing incentive programs.
- State-funded incentive programs must find ways to help districts develop local plans and ensure local plans are designed to achieve state policy goals.
- State policymakers must be willing to provide incentive programs with stable funding over time.
- Third-party evaluations of locally developed incentive plans can be helpful for districts, and should be designed to answer three questions: Are students learning more? Are schools changing? Is the teaching profession more attractive?

Texas Successful Schools Awards Program (1992-2001)

Policy intent: Long before the Texas Legislature repealed the Teacher Career Ladder in 1993, state policymakers considered ways to refine educational incentives by targeting performance outcomes instead of efforts, and aligning school incentives with state goals for student achievement gains. In 1990, Governor Ann Richards created the Governor's Educational Excellence Awards Committee; funded by grants, this committee provided monetary awards to schools that demonstrated the highest levels of sustained improvement or substantial gains in student academic achievement (Texas Education Agency, 1998).

In 1991, a special session of the Legislature called for the Educational Excellence Awards Committee program to be replaced by the Texas Successful School Awards Program, a program that was designed to recognize and reward schools and districts demonstrating progress toward or success in meeting or exceeding state's education goals (Cornett, 1994). In 1995, the Texas Legislature folded this program into legislation creating the Texas Successful Schools Award System (Senate Bill 1, 1995).

Policy design: The statute creating this system authorized the governor to present awards, and the Commissioner of Education to select criteria for annual awards and identify eligible schools and districts (Senate Bill 1, 1995).

Awards were determined by a complex set of criteria which included high performance based on the state's school accountability system, significant performance gains on state assessments, reduced dropout rates, and college admissions test scores (Cornett, 1994). Schools and districts were required to use school-level committees to determine the use of awards and give priority to devoting funds to enhancing academic instruction. Schools could use awards for purchasing technology hardware/software, instructional materials, school furniture/equipment, funding professional development, student incentive programs/direct student awards, teacher incentive programs/direct teacher awards, school/community relations, and expanding reserve funds (Texas Education Agency, 1998).

Policy implementation: The Successful Schools Award System began distributing awards in 1992 and concluded in 2001, with awards to schools and districts ranging from $250 to $175,000 (Hansen, 2007; Texas Education Agency, 1998). Awards were generally used for technology and instructional materials; however, a relatively small, but growing, number of schools used the awards for teacher incentive programs or direct teacher awards (Texas Education Agency, 1998).

Policy outcomes and challenges: The 77th Texas Legislature failed to appropriate money for the Successful Schools Awards Program during the 2001-2002 and 2002-2003 school years. At this time state policymakers were fully occupied by concerns about the state's public school finance system and the lawsuit filed against the system in 2001.

During the last year of the program, funding was provided by the Texas Education Agency; $500,000 of agency funds was distributed during the 2001-2002 school year (Texas Education Agency, 2007).

Although state policymakers recognized the value of an incentive program that rewards schools and districts for improvements in student achievement, they saw three fundamental problems with the Successful Schools Award Program (Keller, 2000). First, the criteria for awards were complicated and not understood by many teachers and school administrators; and second, the monetary awards were too small to stimulate change in the behavior of teachers, schools, and districts. Lastly, there was a significant delay between the performance for which schools and districts were rewarded and awards distributed—this delayed response also blunted effectiveness of the award.

Policy lessons: A formal evaluation of the Successful Schools Awards Program, conducted by the Texas Education Agency, recognized these limitations and suggested ways to enhance the effectiveness of state incentive programs (1998). The best way to use Successful School Awards, the Agency suggested, was in the form of salary supplements for all professional staff, sufficiently large enough to be meaningful and distributed evenly to foster collaboration. The Agency also suggested that eligibility criteria had to be known and fixed for awards to serve as incentives, and that performance awards should be based on multiple indicators. A longitudinal measure of improvement in student achievement—a "value-added" measure—was suggested to recognize the success of schools serving large populations of disadvantaged students. The evaluation concluded by noting that incentive programs should be evaluated biennially.

The Texas Career Ladder Program and the Successful Schools Awards Program took fundamentally different approaches to performance incentives. The first distributed awards to individual teachers and the latter distributed awards primarily to schools. Career Ladders based awards on the efforts of teachers, whereas Successful Schools based awards on the outcome of teacher efforts. Although the

programs were very different, studies of both programs produced very similar insights, as shown below, about design and development that could enhance the effectiveness of state incentive programs.

Table 2.2: Lessons Learned,
Texas Career Ladder and Successful Schools Awards Program

Recommendations for Design and Implementation	Career Ladder	Successful Schools
Adequate funding	X	X
Commitment to stable funding over time	X	
State responsibility for program	X	
Local responsibility for plan design	X	
Teacher involvement in plan design	X	X
Simple and understandable plan criteria		X
Thorough communication about plan	X	
Alignment between incentives and state goals	X	X
Incentive awards as a part of teacher salary		X
Significantly large award amounts		X
Awards distributed evenly to all teachers		X
Awards based on multiple criteria		X
Awards based on objective performance evaluations	X	
Awards primarily based on student achievement	X	X
Longitudinal measures of achievement gains		X
Fixed and known criteria for incentive awards		X
Strategies to enhance teacher collaboration	X	X
Programs for schools with disadvantaged students		X
Independent, periodic program evaluations	X	X

School finance reform and teacher incentives

For the next several years, state policymakers turned their attention away from teacher pay and education policy initiatives to focus on school finance reform. From 2003 to 2006, the Texas Legislature devoted two regular and seven special sessions to reform the state school finance system. As legislators debated new taxes for increasing state funding for public schools and new formulas for distributing these funds, their constituents grew increasingly inpatient and articulate about the need to incorporate education reform into the school finance debate.

For many Texans, the real school finance debate centered on the connection between funding and education outcomes; some Texans advocated more money for education while others advocated more education for the money (Venable, 2004). There was broad feeling that "business as usual" would not improve public schools, and fundamental changes in school spending were required to spur higher student achievement. The largest school expenditure, teacher salaries, became a central focus of public discussions about using new state funds to leverage improvements in Texas public

schools. Thus the stage was set for state policymakers to consider proposals to reintroduce salary incentives.

Salary incentives were introduced to the school finance debate in 2003 by the Koret Task Force on K-12 Education during hearings of the Joint Select Committee on Finance of the 78th Texas Legislature.[20] Governor Perry and co-chairs of the Select Committee invited the Task Force to help state policymakers develop a comprehensive framework for school finance and education reform.

Governor Perry's proposal for teacher incentives (January 2004): In January of 2004, Governor Perry unveiled the first in a series of proposals that were designed to break the school finance deadlock and bring student achievement to the center of school finance reform (Office of Governor Rick Perry, 2004). He proposed a Teacher Excellence Incentive Plan to reward teachers for achieving a high level of excellence in the classroom and increase the number of effective teachers, particularly those working with disadvantaged students. The key features of his plan follow.

- A $200 million state incentive fund
- Optional participation for districts and schools
- Locally designed district plans
- State and district matching funds of up to $2,500 to award teachers for classroom excellence
- An additional $5,000 state award for teachers working in underperforming schools that serve large numbers of disadvantaged students

The Koret Task Force's proposal for teacher incentives (February 2004): A month later, the Koret Task Force presented the Joint Select Committee on School Finance with its formal recommendations for education and school finance reform (Koret Task Force on K-12 Education, 2004). The Task Force suggested that Texas establish a state performance incentive system to stimulate higher student achievement by rewarding schools, teachers, and principals who raise it, and offered the following guiding principles for this system:

- Incentives should be offered to both individuals and schools.
- Awards should be based on quantitative information about student performance, as well as information from other sources such as appraisals.
- Awards should also be based on a combination of high levels of student achievement and value-added achievement gains.
- Districts should design their own incentive plans according to criteria that the state should establish.
- The state should provide a model incentive plan for districts that do not want to design their own plan.

The Joint Select Committee's proposal for teacher incentives (March 2004): In March 2004, the Joint Select Committee on Public School Finance of the 78th Legislature released its recommendations. In a section entitled "Educational Excellence Fund," the Committee's initial statement begins, "Require

[20] The Koret Task Force on K-12 Education is a team of education experts brought together by the Hoover Institution, with the support of the Koret Foundation, to work on education reform. The primary objectives of the task force are to gather, evaluate, and disseminate existing evidence in an analytical context, and analyze reform measures that will enhance the quality and productivity of K-12 education (as stated at http://www.hoover.org/research/ktf)

the education commission to implement a value-added component that would include TAKS [the state's public school assessment system], but also include other measures as data allows" (Joint Select Committee on Public School Finance-78th Legislature, 2004). Their key recommendations for individual teacher performance incentives included the following:

- Voluntary participation by district and teachers
- Locally implemented plan with an objective evaluation tied to value-added achievement with input from principals and parents
- Awards to teachers in the top 15 percent of eligible teachers in the district
- Awards of $10,000 for the top five percent and $5,000 for the next top 10 percent in each district

Their key recommendations for school performance incentives were as follows:

- Voluntary participation by district
- Qualifying schools to be identified by the Texas Education Agency
- District selection by ranking based on value-added growth
- Largest bonuses awarded to highest-rated schools that comprise 20 percent of state's students
- Awards of $3,000-$5,000 distributed to each teacher in the school
- Awards of $10,000 for top 20 percent and $5,000 for next two percent of principals
- Awards for other professional staff would be determined by the principal, based on recommendations of the site-based decision-making committee

These recommendations were incorporated into House Bill 2 during the fourth-called session of the 78th Texas Legislature. Filed by the House Education Chair, this bill proposed tax and school funding formula reforms along with the Educator Excellence Incentive Program. However, like its predecessors, this school finance bill failed to gain enough votes to pass.

House Bill 2 (January 2005): In January 2005, the 79th Texas Legislature opened in regular session, and once again the House Education Chair filed a school finance bill containing a proposal for the Educator Excellence Incentive Program. The incentive program in this House Bill 2 was very similar to that proposed by the previous bill, except for the following:

- Districts would be required to allocate at least one percent of their expenditures for funding incentives.
- Locally developed incentive plans must be developed through a process that considers comments of the district's classroom teachers.
- Incentive plans must base awards on objective measures of student achievement.
- Awards must be distributed on the basis of high achievement, incremental growth in achievement, or both.
- Incentive plans were allowed to consider additional indicators of teacher performance, such as appraisals.

This bill passed the Texas House but did not fare well in the Texas Senate. The Senate Committee on Education produced a substitute school finance bill that included a very simple proposal for a statewide incentive program that would reward schools with at least 65 percent of economically disadvantaged students that demonstrate the most annual improvement, and allow districts to develop local school incentive plans and provide stipends to teachers in shortage areas or hard-to-staff schools (Senate Committee on Education, 2005). Like its predecessors, the Committee Substitute for House Bill 2 failed to pass, as did subsequent proposals with teacher incentive programs filed during the next two special sessions of the 79th Legislature.

Although legislators failed to produce a performance incentive program for teachers during 2004 and 2005, the effort stimulated a momentum for state policy change. In November 2005, Governor Perry established the state's first teacher incentive program.

A Statewide Framework for Performance Incentives

Today, the state system is comprised of three different teacher incentive programs: the Governor's Educator Excellence Grant (GEEG), the Texas Educator Excellence Grant (TEEG), and the District Awards for Teacher Excellence Grant (DATE). While performance incentives earned increasing prominence in state-level debate and local school district policy over the past decade in Texas, incentives were not established by state policy until 2004, when Governor Perry outlined a plan for financial incentives to reward schools and teachers demonstrating high levels of improvement in student performance (House Research Organization, 2004).

Governor's Educator Excellence Grant (GEEG) Program

This plan was realized in November 2005, when Executive Order RP51 was issued to create the Governor's Educator Excellence Grant (GEEG) program—a $10-million, three-year noncompetitive grant that provides financial incentives for teachers who improve student achievement at campuses serving high proportions of economically disadvantaged students. Reasons for creating this grant program were outlined by the Executive Order as follows:

- Teachers should be compensated for improving student achievement.
- Properly trained and motivated teachers can assist students to excel.
- Incentives, such as Texas Advanced Placement Incentive Program, have demonstrated their success in improving student achievement.
- Providing performance-related pay to teachers who assist students to achieve at higher levels will spur other teachers to emulate highly successful instructional techniques.
- Compensating teachers for educational excellence on campuses with large numbers of economically disadvantaged students will help close the achievement gap.

The Executive Order also broadly outlined the design of the grant program, authorizing the Commissioner of Education to take the following steps:

- Use federal funds, as authorized by Title II of the No Child Left Behind Act.
- Set aside no less than $10 million annually for this purpose.

- Award grants of no less than $100,000 to schools with high numbers of economically disadvantaged students for the purpose of rewarding educators for improving student performance.
- Require schools to dedicate at least 75 percent of the grant to compensation for classroom teachers.
- Develop criteria for grant requirements.

Texas Educator Excellence Grant (TEEG) Program

In June 2006, Governor Perry and the 79th Texas Legislature crafted the Governor's Educator Excellence Award Program (GEEAP), building upon the previous GEEG program and creating the single largest performance-related pay program in the U.S. public education system. In addition to GEEG, GEEAP includes a campus-level grant program, the Texas Educator Excellence Grant (TEEG), and a district-level grant program, District Awards for Teacher Excellence (DATE). In 2009, GEEAP is estimated to provide approximately $247 million (i.e., approximately $97 million for TEEG and $150 million for DATE) to high-performing, high-poverty public schools in Texas.

In the fall of 2006, the GEEG program made available funds ranging from $60,000 to $220,000 per year to 100 schools. Funds were distributed in the form of noncompetitive grants to schools that were in the top third of Texas schools (in 2004-2005) in terms of percentage of economically disadvantaged (%ED) students and either carried a performance rating of Exemplary or Recognized, or were in the top quartile on TEA's Comparable Improvement measure.[21]

The TEEG program was state-funded at $100 million for the 2006-2007 school year and at $97 million for each of the 2007-2008 and 2008-2009 school years. Eligibility criteria and requirements are nearly identical to those of the GEEG program. However, schools must be in the top half of Texas schools in terms of %ED students. Grant amounts range from $40,000 to $295,000 per year. For the 2006-07 school year, 1,148 campuses were eligible for grants.

Both the GEEG and TEEG programs separate funding into Part 1 and Part 2 funds, with the former based on measures to improve student performance and the latter on a variety of incentives, student improvement activities, and professional growth activities. Part 1 funds represent 75 percent of a school's total grant and are earmarked to provide incentive awards for classroom teachers. Part 2, representing the other 25 percent of grant money, can be used to provide additional incentive awards to other school personnel or to implement activities such as professional development, mentoring programs, and new teacher induction, among others.

District Awards for Teacher Excellence (DATE) Program

The district-level program, DATE, will be funded at approximately $150 million annually with state funds provided through the Texas Educator Excellence Fund. All districts in the state will be eligible

[21] Comparable Improvement (CI) is a measure that calculates how student performance on the TAKS mathematics and reading/English language arts tests has changed (or grown) from one year to the next, and compares the change to that of the 40 schools that are demographically most similar to the target school. CI is calculated separately for reading/English language arts and mathematics, based on individual student *Texas Growth Index* (TGI) values. The student-level TGI values are aggregated to the campus level to create an average TGI for each campus.

for funding. Districts may apply for funds for all campuses or for selected campuses. Districts are required to use at least 60 percent of funds to directly reward classroom teachers based on improvements in student achievement. Remaining funds may be used as stipends for mentors, teacher coaches, teachers certified in hard-to-staff subjects, or teachers who hold post-baccalaureate degrees; as awards to principals and other staff members based on improvements in student achievement; or to implement components of the Teacher Advancement Program.[22]

School districts were to notify TEA of their intent to apply for the DATE program by October 26, 2007. By that date, 510 districts, serving approximately 70 percent of the state's public-school students and employing 73 percent of the state's public-school teachers, agreed to apply. Grant amounts are based on the student population size of each district and available funding. Districts that elect to participate in DATE are required to do the following:

- Participate in an unfunded planning time during the 2007-2008 school year to develop incentive plans.
- Participate in the required technical assistance activities during the 2007-2008 planning year as established by the commissioner.
- Agree to begin program implementation in the 2008-2009 school year.
- Agree to participate for at least two consecutive grant cycle years.
- Prioritize grant funds for the district's highest-need schools.
- Provide a 15 percent match in funds during the first year and provide additional matching funds in the second and third years equal to or greater than the required match in the first year.

Appendix B provides a summary overview of each of the three existing state-funded incentive programs.

Goals for Texas Statewide Performance Incentive Programs

To better understand the short- and long-term goals guiding the development and implementation of these statewide performance incentive programs, we interviewed 16 individuals who serve or formerly served in state executive, legislative, or regulatory capacities, and were primarily responsible for conceiving and drafting legislation or regulation associated with GEEG, TEEG, and DATE. All 16 agreed to be interviewed; their names and titles are listed in Appendix C.[23]

Among the individuals interviewed, there was noteworthy agreement about short- and long-term goals for state performance incentives, although individuals with regulatory responsibility generally articulated more attention to detail for design and implementation and fewer goals that would radically change policy. It is worth noting that many of the goals listed below are not stated or are not directly stated in law, regulation, or program guidelines, but are expressed as outcomes that individuals perceive are necessary for the effectiveness of performance incentives and the academic success of students in Texas public schools.

[22] See page 16 in Chapter 1 for an overview of the TAP program.
[23] It should be carefully noted that responses represent the personal views of individual senior staff and should not be interpreted as the positions on policy associated with any office or agency.

Short-term goals

From these interviews, a number of short-term goals became evident. We define short-term goals as those occurring within the next 10 years. The following list provides a summary of the principal short-term objectives.

- Schools with high concentrations of disadvantaged students will choose to apply for state incentive grants to establish locally developed performance-based incentive plans.
- School incentive plans will be designed to improve the quality of teaching and learning by focusing districts, schools, and teachers on continuous improvement of student achievement.
- Teachers, staff, administrators, and school trustees will work together to design, develop, and implement school incentive plans.
- School and district incentive plans will be based on the principles and strategies that program evaluation and research suggest are the most effective.
- Incentive grant requirements and local incentive plans will be transparent, simple to implement, and stable over time.
- The size of incentive awards distributed by schools will be sufficiently large to drive instructional changes, and make it easier to recruit and retain teachers.
- School incentive plans will reward teachers who help students reach high levels of academic achievement and demonstrate sustained gains, and will reward effective teachers who are assigned to subjects experiencing teacher shortages.
- Performance incentives will help improve the working environment in Texas public schools by encouraging and empowering principals to serve as human resource managers and instructional leaders.
- Performance incentives will enhance the collaboration between principals and teachers and all school staff.
- School incentive plans will encourage principals to
    - use student achievement data as the basis for teaching decisions, including teacher salary, placement, evaluation, professional development, instructional practices, and curriculum;
    - identify and reward high-performing teachers, and place high-performing teachers in the neediest classrooms; and
    - identify under-performing teachers, provide instructional assistance/training, and place teachers where they can deliver high performance or teaching contracts will not be renewed.
- Schools and districts will use feedback on program outcomes to improve their incentive plans.
- The Texas Education Agency will identify school and district models, policies, and practices that are most effective for creating successful performance-based incentives.
- State funding for local salary incentive plans will be sustained until teacher salaries are competitive and attractive to high-ability individuals, and local funding replaces state dollars.

- The Texas Legislature will avoid adopting an expensive across-the-board pay raise that is unlikely to have a positive impact on student achievement and serves as an incentive for less productive teachers to remain in the classroom.[24]
- State incentive programs will stimulate long-needed changes in education support systems, such as a student achievement-based teacher appraisal system, public education information that connects individual student performance with individual teachers, and a state assessment system that identifies longitudinal value-added and grade-level progress toward postsecondary readiness.

Long-term goals

Interviewees also articulated long-term goals, that is, objectives beyond the first decade of GEEAP's existence. The following list provides an overview of the primary long-term goals.

- School and individual incentive plans will be used in all Texas public schools to compensate all professional staff.
- All teachers and faculty in Texas public schools will be paid professional salaries that are competitive and primarily based on performance-related salary incentives.
- The Texas Legislature will abolish the state salary schedule and give local school boards complete authority for salaries of school faculty.
- A plan for continuous improvement of all teachers and all student groups will be used by all public schools.
- All students will be taught by highly effective teachers and prepared for success in postsecondary educational opportunities.
- The state will establish and maintain policies and state systems to support school and district continuous improvement of student achievement, including a teacher performance appraisal system, an education information system, and a student assessment system.

Chapter Summary

This chapter provides an overview of current performance incentive programs under GEEAP. We situated this discussion within Texas' broader history of educator compensation and performance incentive reform. It is apparent that previous performance incentive policy informed the design of GEEAP. The next chapter provides a more in-depth review of one of these programs, TEEG, which is the focus of this evaluation report and all subsequent chapters.

[24] It should be noted that the Texas Legislature did direct half of the original request for GEEAP funding for an across-the-board pay raise to teachers.

CHAPTER 3
OVERVIEW OF TEXAS EDUCATOR EXCELLENCE GRANTS

This chapter provides a more in-depth review of the TEEG program, including the guidelines informing its design and the characteristics of schools participating in the program's first cycle (Cycle 1). It concludes with a discussion of current evaluation initiatives underway to learn about the experiences of these schools and their teachers.

Key Policy Points

This chapter highlights and expands upon the following key policy points:

- TEEG's design targets schools with high percentages of economically disadvantaged students and records of academic success.
- Schools must use the majority of TEEG funding to reward classroom teachers for their performance, with particular attention to their impact on student achievement and contribution to teacher collaboration.
- In many respects, schools participating in the TEEG Cycle 1 program are similar to other public schools in Texas, with the exception of serving higher percentages of economically disadvantaged students and tending towards higher accountability ratings.
- The natural variation of performance incentive programs in Texas will provide a unique opportunity to learn more about the impact of various program characteristics on teacher attitudes and behavior, organizational dynamics, teacher labor market, and student outcomes.
- Texas' willingness to partner with an independent third party to provide a comprehensive evaluation of TEEG's impact on teaching and learning will inform future incentive systems both in Texas and in the United States.

Overview

This chapter addresses the following questions:

- What are the program guidelines that shape the design and implementation of performance incentive programs under TEEG?
- What are the characteristics of schools and teachers participating in the TEEG Cycle 1 program, and how do they compare with other schools and teachers throughout the state?
- What evaluation initiatives are underway to learn more about the impact of the TEEG program?

Overview of TEEG Schools

Beginning in the 2006-2007 school year, TEEG Cycle 1 schools received one-year grants to implement locally designed performance incentive programs. State guidelines specify two primary objectives for TEEG schools. First, the program must provide financial incentives to educators who contribute to students' academic performance. Second, TEEG funding can be used to improve educators' professional growth through the use of research-based strategies (e.g., mentoring programs, professional development).

Guidelines for TEEG School Programs

Funded at approximately $100 million per year, TEEG represents a significant state commitment to performance incentive programs. During Cycle 1 (2006-2007), 1,148 campuses were eligible to receive these state grants, which provided school awards ranging from $40,000 to $300,000, based upon student enrollment at the school level. Schools with a high percentage of economically disadvantaged (%ED) students were selected based upon their academic performance, specifically targeting schools with high campus ratings or those who performed within the top quartile of Comparable Improvement (see Chapter 2, footnote 21 for further explanation).

Participation in TEEG is voluntary for districts, schools, and teachers, and incentive plans must be locally developed and endorsed. A school's TEEG plan must be created and supported by a campus-based committee with significant teacher engagement, and the plan must be approved by the campus, the district, and local school board trustees.

Schools must separate TEEG funding into Part 1 and Part 2 funds, with the former representing no less than 75 percent of the total school grant and the latter consisting of no more than 25 percent. Part 1 funds are reserved for incentives to classroom teachers. Part 2 funds are available for providing other school administration and staff with incentive awards, for the implementation of professional growth activities (e.g., professional development, mentoring and new teacher induction programs, stipends for teaching in hard-to-staff areas), and other activities to improve student achievement.

Teacher awards funded by Part 1 must be based upon at least two criteria, the first of which is a measure of student performance and the second being a measure of teacher collaboration. Schools should use objective and quantifiable measures of performance. Student performance measures may not be solely based upon campus-wide performance; that is, a school must include some measure of an individual teacher's or a team's (i.e., grade-level, subject department) performance. Performance may be measured using a number of assessments, such as state standardized tests, end-of-year exams, or local benchmark assessments. Teacher collaboration can be measured using a number of quantifiable indicators, including

- Attendance at professional development sessions
- Participation in curriculum and instructional planning meetings
- Participation in team teaching and peer observations
- Participation in mentoring, induction, and coaching programs
- Sharing of lesson plans and student data with other school staff and faculty.

In order to receive an incentive award, teachers must meet the established requirements for student performance and teacher collaboration. A school's TEEG program may also reward teachers using optional criteria for demonstrating ongoing commitment, initiative, and professionalism, or for teaching in a hard-to-staff area.

Part 2 funds may be used to provide awards to school personnel who were not eligible for Part 1 awards (e.g., principal, campus support staff), for other activities to improve student achievement, or for the development of professional growth activities that are not otherwise funded by local, state, or federal funds. Professional growth activities might include professional development, signing bonuses for teachers in hard-to-staff areas, mentoring activities for teachers with two or fewer years of experience, new teacher induction programs, and common planning time and curriculum development.

Characteristics of TEEG Schools and Teachers

This section provides an overview of characteristics of schools participating in the first cycle of the TEEG program (2006-2007) and compares them to the characteristics of schools participating in the smaller statewide performance incentive program (GEEG), as well as to all other public schools throughout the state. More specifically, it focuses on student enrollment, the %ED in schools, school accountability ratings, and teacher demographics. Overall, these comparisons offer a better understanding of the way that TEEG schools and teachers are nested within the greater Texas public-school landscape.

Enrollment

The distribution of schools in the TEEG program exhibits considerable variation by school type and enrollment. There were a total of 1,148 TEEG schools, representing 15 percent of all public elementary and secondary schools in the state. They include a distribution of grade-level school types (e.g., elementary, middle, high) that is representative of the state distribution. Overall, the average TEEG school, across all grade types, served approximately 442 students during the 2005-2006 school year. High schools had a greater number of students (763) on average than elementary (559), middle (599), and other schools (263); but high schools also had the greatest variation in student enrollment.

Among the various grade types the following enrollment findings emerged:

- More than 50 percent of the schools enrolled elementary students.
- Nearly one in five (18%) served middle-school students.
- Similarly, 19 percent of TEEG schools served high-school students.
- Only five percent served students in other grade configurations.

Similar to TEEG, the basic distribution of GEEG schools shows considerable variation by school grade type (i.e., elementary, middle school, high school) and enrollment. The 99 GEEG schools represented slightly over one percent of all public elementary and secondary schools in the state in 2005-2006. Overall, the average GEEG school, across all grade types, enrolled approximately 595

students during that school year. Middle schools served a greater number of students (834) on average than elementary (543), high (564), and other schools (256).[25]

Among the various grade types the following enrollment findings emerged:

- More than one of every two schools (52%) in the program enrolled elementary students.
- Approximately one in five schools (21%) served middle-school students.
- Approximately one in five schools (21%) enrolled high-school students.
- Only five percent of GEEG schools served a wide range of students across other grade configurations.

Patterns in both TEEG and GEEG schools closely mirror the distribution of student enrollment by grade type in the remaining 6,479 public schools throughout Texas. Overall, the average school—excluding those in GEEG and TEEG programs—served approximately 580 students during the 2005-2006 school year. Similar to TEEG schools, high schools enrolled more students (792) on average than elementary (528), middle (630), and other schools (164), and also displayed the greatest variation in student enrollment.

Among the various grade types the following enrollment findings emerged:

- Over half (54%) enrolled elementary students.
- Twenty percent enrolled middle-school students.
- Another 20 percent enrolled high-school students.
- Only six percent served students in other grade configurations.

Economically disadvantaged population

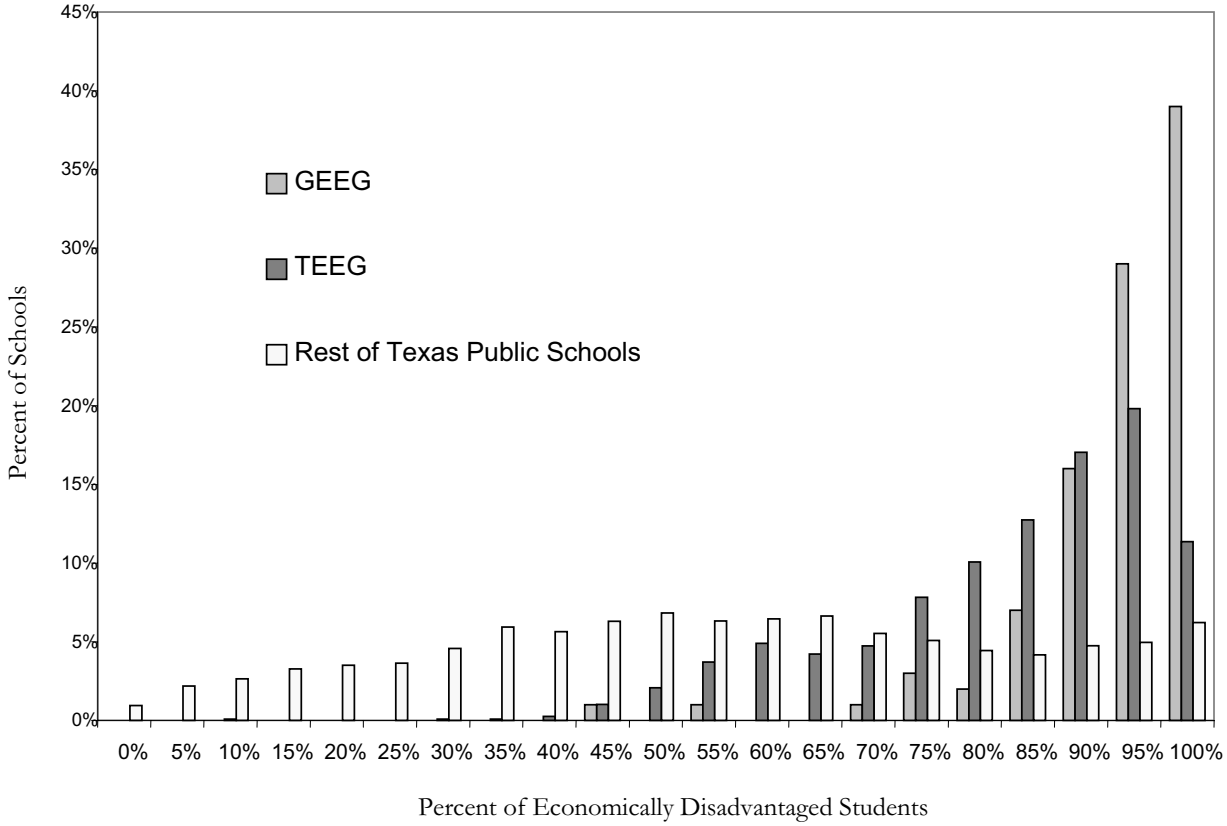
TEEG schools have high concentrations of economically disadvantaged students; this results from the program's intention to target schools in the top half of %ED schools. During the 2005-2006 school year, 71 percent of schools had more than 75 percent of their total enrollment classified as economically disadvantaged. Nearly one-third of the TEEG schools had more than 90 percent economically disadvantaged students, and slightly less than 10 percent had more than 95 percent economically disadvantaged students.

During the 2005-2006 school year, there was a considerably larger share of schools with economically disadvantaged students in the GEEG program as compared to those in the TEEG program as well as the rest of the sate. This stems from the intentions of the program to target schools that fall within the top third of %ED schools.

Figure 3.1 below shows a frequency distribution with three categories of schools corresponding to the TEEG program, GEEG program, and schools in the rest of the state. The horizontal axis shows the %ED students in a school across various intervals, ranging from zero to 100. The vertical axis shows the percentage of schools falling within each of those intervals.

[25] "Other schools" denotes nontraditional grade configurations, such as K-8, K-12, 6-12, etc.

Figure 3.1: Percentage of Economically Disadvantaged Students by School Program Type



Source: Data from the 2005-2006 Academic Excellence Indicator System (AEIS), Texas Education Agency.

Accountability ratings

TEEG schools also had a higher percentage of schools receiving high accountability ratings compared to other public schools throughout Texas (i.e., not including GEEG schools). Again, this stems from the way schools are chosen to receive TEEG grants. The selection criteria targets schools rated as Exemplary or Recognized, or falling within the top quartile for Comparable Improvement if rated as Acceptable.

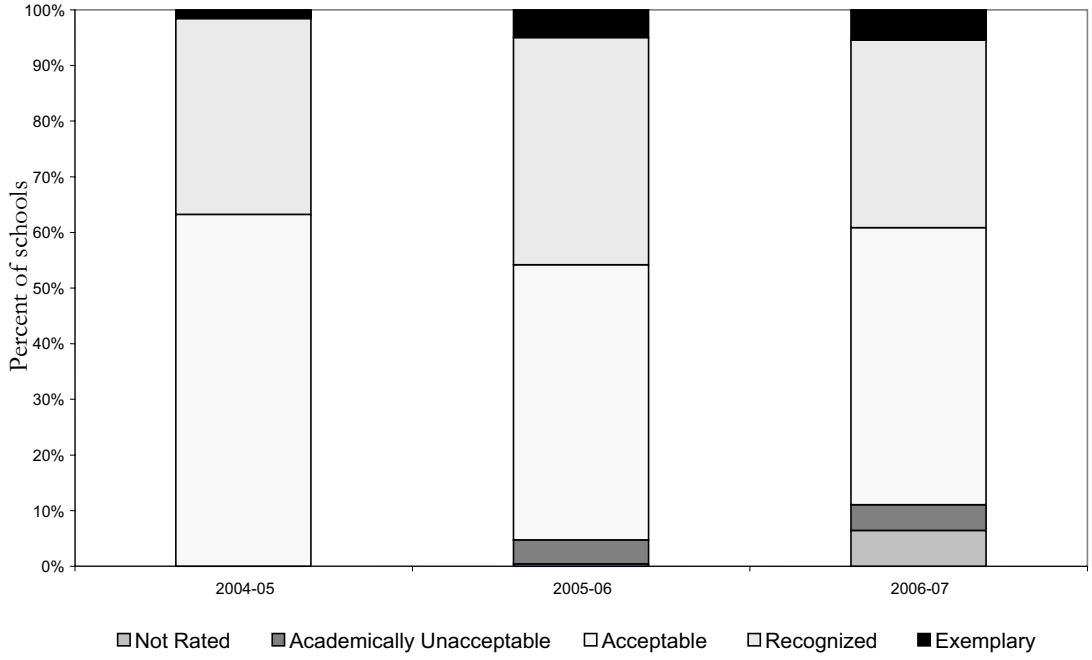
All of the schools participating in the TEEG program received an accountability rating of Acceptable or better in 2004-2005. Less than two percent of the TEEG schools were deemed Exemplary, while 63 percent of the TEEG schools were deemed Acceptable. Additionally, the participating schools in the program most commonly received a state accountability rating of Acceptable for 2005-2006 (49%).

Figures 3.2, 3.3, and 3.4 show a percentage distribution across five sets of accountability ratings with three separate columns corresponding to different school years (2004-2005, 2005-2006, and 2006-2007). The vertical axis shows the percentage of schools within one of the five accountability ratings, which include Exemplary, Recognized, Acceptable, Academically Unacceptable, and Not Rated. The sum of all the accountability ratings within each column totals 100 percent.

The number of Recognized and Exemplary schools increased between 2004-2005 and 2005-2006, but so did the number of Academically Unacceptable schools. Forty-one percent received a Recognized rating and approximately five percent of schools had an Exemplary rating. Fifty schools (4%) were found to be performing at Academically Unacceptable levels during 2005-2006, while five of the participating schools (0.4%) were not rated by the state.

In 2006-2007, the share of Acceptable, Academically Unacceptable, and Exemplary campuses increased slightly, while the share of nonrated campuses increased sharply and the share of Recognized campuses declined.

Figure 3.2: TEEG Accountability Ratings, 2004-2005 to 2006-2007



Source: Data from the 2005-2006 Academic Excellence Indicator System (AEIS), Texas Education Agency.

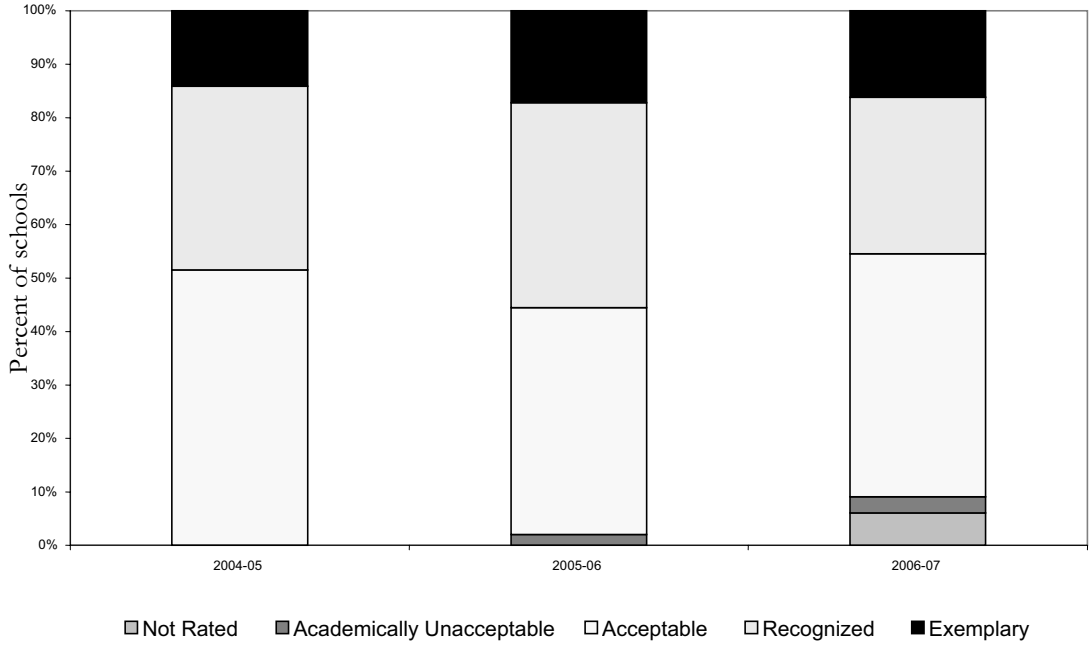
As seen in Figure 3.3, GEEG schools also had a relatively greater share of campuses with the highest possible ratings in the state accountability system when compared to other public schools in Texas. Again, this stems from the way in which schools are chosen to receive GEEG grants; the selection criteria targets schools rated as Exemplary or Recognized, or falling within the top quartile for Comparable Improvement if rated Acceptable.

There was a relatively lower share of schools with the highest accountability ratings in the rest of the state, as would be expected when considering the criteria used to select schools to receive TEEG and GEEG grants. During the 2004-2005 school year, whereas 37 percent of TEEG schools and 48 percent of GEEG schools were Recognized or Exemplary, only 27 percent of the remaining schools in the state were so classified.

In 2005-2006, nearly half of the nonparticipating schools were classified as Acceptable. Less than four of every 10 schools (36%) had a Recognized rating and eight percent of schools received an Exemplary rating. Over 200 schools (4%) were found to be performing at Academically

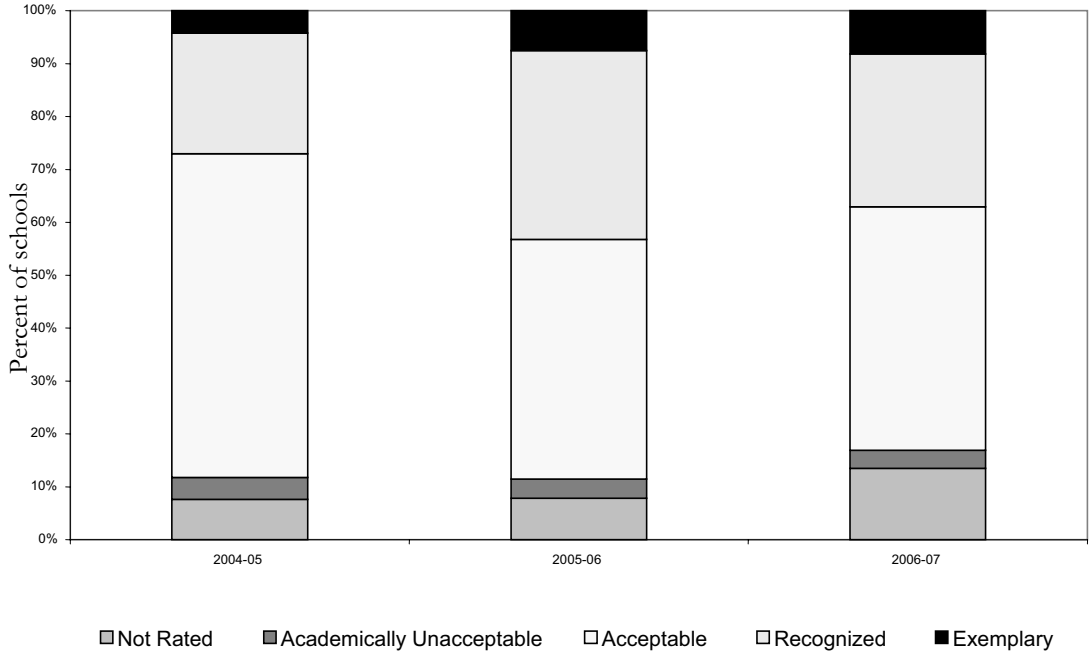
Unacceptable levels, and 506 schools (8%) were not rated by the state. In 2006-2007, the share of Recognized campuses fell while the share of Acceptable and Exemplary campuses increased slightly.

Figure 3.3: GEEG Accountability Ratings, 2004-2005 to 2006-2007



Source: Data from the 2005-2006 Academic Excellence Indicator System (AEIS), Texas Education Agency.

Figure 3.4: Rest of Texas Accountability Ratings, 2004-2005 to 2006-2007



Source: Data from the 2005-2006 Academic Excellence Indicator System (AEIS), Texas Education Agency.

Teacher characteristics

The profile of a classroom teacher in a school can be considered along several dimensions, including gender, level of education, race/ethnicity, and years of experience. The frequency distribution of teachers in TEEG, GEEG, and other public schools across each of these dimensions is detailed in Table 3.1 below.

Table 3.1: Breakdown of Teacher Characteristics by School Type

Teacher Characteristics	TEEG School Teachers	GEEG School Teachers	Other School Teachers
Male	24.7%	29.8%	22.4%
Bachelor's degree	77.9%	79.3%	77.2%
Master's degree	20.6%	19.3%	21.5%
Doctorate (Ph.D.)	0.5%	0.6%	0.5%
Hispanic	37.8%	60.1%	17.0%
Black	13.5%	12.7%	8.5%
Asian	1.5%	2.7%	1.1%
American Indian	0.2%	0.1%	0.3%
Years of experience	11.0 years	11.1 years	11.5 years
New district hires	17.7%	13.6%	18.6%

Source: Data from the 2006-2007 Public Education Information Management System (PEIMS).

During the 2005-2006 school year, TEEG classroom teachers had, on average, a very similar profile to those in GEEG schools, with the exception of their representation among racial minority groups. Overall, 25 percent were male and 78 percent held a bachelor's degree. An additional 21 percent held a master's degree and less than one percent had earned a doctorate. Among racial minority groups, only 38 percent of TEEG teachers were Hispanic—noticeably lower than the 60 percent of GEEG teachers who were Hispanic. An additional 13 percent were Black and two percent were Asian. Similar to GEEG teachers, the average TEEG teacher had 11 years of experience in the profession, while 18 percent were new hires in their respective districts.

Interestingly, teachers in the rest of the state's schools again mirrored the characteristics of TEEG and GEEG teachers, with the exception that fewer teachers identified their race/ethnicity as Hispanic.

Evaluation of the TEEG Program

A key contribution of the TEEG program is an independent evaluation of its implementation and impact on teaching and learning, the findings of which will equip policymakers with a better understanding of TEEG's effectiveness and guide any necessary modifications to maximize outcomes for teacher quality and student achievement.

The five-year evaluation of TEEG includes the following five objectives:

- A descriptive analysis of the design and implementation of TEEG by participating schools, including descriptions of models and approaches used in distributing incentive awards to classroom teachers
- Detailed information regarding the distribution of incentive awards to classroom teachers and all other school personnel, including the measures used by campuses in determining the amounts of incentive awards to distribute
- A comprehensive analysis of the impact of TEEG at participating schools on key outcomes such as student achievement, teacher workforce trends, teacher behavior, and institutional dynamics
- A detailed analysis of the factors and characteristics associated with successful TEEG programs

In pursuit of these five objectives, the evaluation employs the following strategies:

- Review of TEEG schools' performance incentive models, including analyses of program applications and annual progress reports to gauge the fidelity of program implementation
- Review of award amounts distributed to teachers in TEEG schools to understand the extent of the programs' impact on teacher salary
- Surveys of TEEG teachers to understand how schools' programs impact teacher behavior and organizational dynamics
- Analyses of teacher workforce trends to understand the impact of TEEG on teacher mobility, retention, and attrition
- Analyses of student achievement gains in TEEG and non-TEEG schools

Chapter Summary

This chapter provides a more detailed overview of the TEEG program in Texas, including its guidelines and characteristics of schools participating in its first cycle. With $100 million appropriated per annum from state funds, TEEG has already been implemented in over 1,100 schools throughout Texas in Cycle 1. Another 1,093 schools will participate in Cycle 2.

With such landmark incentive programs in motion, the Texas Education Agency has contracted with the National Center on Performance Incentives, a federally funded national research and development center, to evaluate the programs. The following chapters provide an overview of findings from the first-year evaluation of the TEEG Cycle 1 program and address the following objectives:

- An overview of the selection criteria used to identify schools for TEEG eligibility
- An overview of key characteristics of TEEG schools' performance incentive plans
- An overview of teachers' initial attitudes toward and reactions to TEEG
- An overview of schools deciding not to participate in TEEG Cycle 1, despite meeting eligibility requirements

CHAPTER 4
OVERVIEW OF THE TEEG SCHOOL SELECTION PROCESS

This chapter provides a closer look at the selection criteria used to identify TEEG school participants on an annual basis. It begins with an overview of the TEEG selection process and objectives. The chapter then discusses selection criteria that contribute to noteworthy turnover in the pool of schools eligible to apply for TEEG program funding from one year to the next.

Key Policy Points

This chapter highlights and expands upon the following key policy points:

- The TEEG selection criteria intend to target schools with high percentages of economically disadvantaged students and records of academic success.
- The use of an annual TEEG selection process raises the issue of how stable the set of participating schools will be from year to year.
- Three primary sources contribute to sample volatility of eligible schools from year to year: the percentage of educationally disadvantaged students in a school, a school's accountability rating, and a school's Comparable Improvement measure.
- The Comparable Improvement measure appears to create the greatest source of TEEG participant instability from year to year.

Overview

This chapter addresses the following questions:

- Why is it important to consider TEEG participant stability from year to year?
- How do the TEEG guidelines for school selection contribute to participant stability or instability?
- What is the likelihood that schools participating in Cycle 1 will remain in the program over the life of TEEG?

Overview of TEEG Selection Criteria

A critical element in any public program design is setting the criteria for program participation. The eligibility rules will influence the characteristics of the program participants from both a descriptive and a statistical perspective. Both the expected impact of a program and assessment of the program's impact are significantly impacted by the program design and, in particular, the method of selecting participants.

For the TEEG program, the TEA established a two-tiered system for determining campus qualification for program participation. The first tier filter was designed to limit participation to lower income campuses. The second tier filter was designed to limit participation to higher performing campuses. The second tier performance criteria included a levels-based measure, campus accountability, and a gains-type measure, Comparable Improvement. In particular, regular campuses met the necessary conditions for TEEG eligibility if they met the following criteria:

- The school fell within the top half of Educationally Disadvantaged by School Type (Elementary, Middle School, High School, All-Grade)
  AND
- The school was rated Exemplary or Recognized
  OR
- The school was rated Acceptable and in the top quartile of the set of 40 TEA-selected comparison schools in either math or reading. This would be Quartile 1, Q1, in that school's Comparable Improvement Report constructed by TEA.[26]

These criteria were applied to regular nonalternative education campuses, and were applied separately to four groups of campuses classified as elementary schools, middle schools, high schools, and all-grade campuses.

Registered alternative education campuses (AEA) were required to be ranked in the top third within each school category with respect to percentage of educationally disadvantaged students. Alternative education campuses were also required to satisfy an alternative performance criterion based upon passing rates on the state standardized assessment, the Texas Assessment of Knowledge and Skills (TAKS).

These criteria represent the necessary conditions that a school must meet in order to qualify for further consideration for a TEEG award. The process of determining the set of TEEG-eligible schools from the set of TEEG-qualified schools was a bit more complicated. The actual award process was constrained by the budget allocation and by representation objectives.

Slots were allocated to each type of school based on dollars available and the two separate performance eligibility criteria (high performing or improving). The goal was for the TEEG-eligible set for each school type (elementary, middle, high school, all-grade campus) to be 50 percent high-performing and 50 percent improving. For some school types, though, the total number of eligible

[26] Further information about the Comparable Improvement rankings can be found on the Texas Education Agency website (http://www.tea.state.tx.us/perfreport/aeis/index.html).

high-performing schools was less than 50 percent of all eligible schools within that type. In those cases, more than 50 percent of the TEEG-eligible schools were from the set meeting the improving school criterion.

Based upon conversations with TEA personnel, the eligibility determination procedure can be characterized by the following steps:

1. Schools that are above the economically disadvantaged top 50 percent cut-off are kept and then schools are sorted by grade type (elementary school, middle school, high school, all-grade campuses). Note that TEEG funds are allocated across each type of school based on the percent of all schools statewide accounted for by each type (e.g., if 45 percent of all schools in Texas are elementary, then 45 percent of all TEEG funding would go to elementary schools).

2. Create two groups of each type of school:

    a. Group A – Select those with high accountability performance levels (i.e., High Performing). Sort schools by accountability performance rating (i.e., Exemplary and Recognized), number of instances of Comparable Improvement and then by percent economically disadvantaged.
    b. Group B – Select those with an Academically Acceptable accountability performance rating and in the top quartile on the Comparable Improvement measure (i.e., High Improving). Sort by number of instances of Comparable Improvement and then by percent economically disadvantaged.

3. Create a single list of campuses for each school type sorted by group (i.e., Group A/High Performing is placed before Group B/High Improving).

4. For each type of school, begin at the top of the list and award funds based on annual daily attendance (ADA). Funds are awarded moving from the top of the list to the bottom until funding for that school type is exhausted.

Eligibility for the TEEG program is to be reevaluated every year. For selection of TEEG Cycle 1 schools (for the 2006-2007 academic year), the performance criteria were based upon 2004-2005 TAKS data. For selection of TEEG Cycle 2 schools (for the 2007-2008 academic year), the performance criteria were based upon 2005-06 TAKS data.

Sample Volatility: Description

The statutory requirement to revisit eligibility annually raises the issue of how volatile the set of participating schools will be. How many schools will be in the program for multiple consecutive years, how many will be in and out of the program, and how many will never be observed in the program?

Table 4.1 characterizes the turnover among the schools that were eligible[27] in at least one of the first two TEEG cycles. The first two rows of data indicate how schools that were TEEG eligible in Cycle 1 fared in Cycle 2. The first two columns of data indicate how schools that were TEEG eligible in Cycle 2 fared in Cycle 1.

There were 1,216 schools that were TEEG eligible in Cycle 1, and 1,132 that were TEEG eligible in Cycle 2.[28] The number of schools that were eligible in either Cycle 1 or Cycle 2 is 1,847.[29] Of the 1,216 Cycle 1-eligible schools, 715 did not make the eligibility cut for Cycle 2. Only 501 schools—far less than half (41%) of those that were Cycle 1 eligible—were eligible in both Cycle 1 and Cycle 2. Of Cycle 2 schools, 631 were not eligible in Cycle 1. Thus only 27 percent (501 schools) of the 1,847 eligible schools over the first two years of TEEG were eligible in both of those years. Variability in the school eligibility list is quite high.

Table 4.1: Number of Eligible Schools in Cycle 1 and Cycle 2

	Eligible Cycle 2		
Eligible Cycle 1	**No**	**Yes**	**Row Total**
No	0	631	631
Yes	715	501	1,216
Column Total	715	1,132	1,847

Source: Cycle 1 not on Cycle 2 worksheet (2007), Texas Education Agency.

Sample Volatility: Sources

There are four basic underlying sources of changes in the schools represented in the TEEG sample. The first three sources correspond to the three principal filters used to select eligible campuses: Percent Educationally Disadvantaged (%ED), Accountability Rating, and Comparable Improvement.

Percent Economically Disadvantaged

The distribution of campuses by %ED is not static between years. Table 4.2 shows the movement over time by school type. The top panel looks at the 4,100 elementary schools in 2005. There were 2,030 schools above the median %ED threshold in 2005, and 2,070 schools at or below the median. (This is read in the far right column of the table labeled "Elementary"). For 2006, there were 2,053 schools above the median %ED threshold, and 2,047 schools below the threshold. This can be read in the bottom row of the table.[30]

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[27] We use "eligible" to indicate schools selected for TEEG awards. We use "qualified" to indicate schools that meet the economically disadvantaged criteria and the performance criteria but that are not eligible for an award due to TEA procedures to deal with budgetary and other programmatic objectives (e.g., balance across performance categories).

[28] This TEEG Cycle 1 eligibility count is based upon an eligibility list that was provided to evaluators early in the 2006-07 school year. We recognize that the final Cycle 1 eligibility list was 1,148. There are 1,093 schools participating in Cycle 2.

[29] The total of 1,847 results from summing up 715 (Cycle 1 eligible, Cycle 2 ineligible), 631 (Cycle 1 ineligible, Cycle 2 eligible) and 501 (Cycle 1 eligible, Cycle 2 eligible).

[30] Note that the numbers above and below are not exactly equal because of how we treated ties in the economically disadvantaged percentage. For purposes of Table 4.2, ties were allocated to "below-median" group for 2005. Note that this may not correspond to how TEA treated ties. For 2006, the fact that we look at schools that met the stated criteria

The body of Table 4.2 provides the transition story:

- Of the 2,030 schools above the median %ED threshold in 2005, 1,960 of them were also above the median %ED threshold in 2006. The remaining 70 schools fell below the 2006 threshold and would be unqualified for further TEEG consideration due to changes in their %ED status.
- Meanwhile, of the 2,070 elementary schools in the bottom half of the %ED distribution in 2005, that were hence not qualified for TEEG, 93 were in the top half of the %ED distribution in 2006 and hence qualified for TEEG consideration.

Table 4.2: Ability to Participate in TEEG Due to Changes in %ED, by School Type

Elementary		2006 Above Median	2006 Below Median	Row Total
2005	Above Median	1,960	70	2,030
	Below Median	93	1,977	2,070
Column Total		2,053	2,047	4,100
Middle School		**2006 Above Median**	**2006 Below Median**	**Row Total**
2005	Above Median	689	47	736
	Below Median	36	701	737
Column Total		725	748	1,473
High School		**2006 Above Median**	**2006 Below Median**	**Row Total**
2005	Above Median	681	81	762
	Below Median	80	707	787
Column Total		761	788	1,549
All-Grade		**2006 Above Median**	**2006 Below Median**	**Row Total**
2005	Above Median	180	20	200
	Below Median	26	175	201
Column Total		206	195	401

Source: Data from the Academic Excellence Indicator System (AEIS), Texas Education Agency; Authors calculations.

in 2005 and 2006, and our tie rule, results in slightly unequal numbers above and below the median, and sometimes the above-threshold set can be the larger group.

Thus, almost four percent of elementary schools qualified for TEEG on the %ED criterion in 2005 were not qualified on that criterion in 2006, and similarly almost five percent of elementary schools not qualified for TEEG on the %ED criterion in 2005 met the %ED criterion for 2006.
A similar story holds for middle schools, highs schools, and all-grade campuses. There is a nontrivial movement of schools across the median economically disadvantaged threshold over time, and this leads to schools moving in and out of qualification for further consideration for TEEG.

Accountability Rating

The campus accountability ratings contribute to selection volatility more than educationally disadvantaged rankings do. Table 4.3 provides a summary of accountability report ratings for campuses aggregated to the state level over the first three years of the TAKS testing regime. In 2004, the first year TAKS was used to rate campuses, there were almost 46 percent of campuses rated Acceptable, over 32 percent rated Recognized, and approximately seven percent rated Exemplary. Approximately one percent of campuses were rated Academically Unacceptable, and nearly nine percent were not rated. Finally, almost five percent of campuses received a rating of unrated alternative education campuses, and a trivial percentage were unrated due to data integrity issues.

The state accountability standards allowed an adjustment period during which standards were relaxed, but by 2005 most of the adjustment period was over and standards were higher. The accountability results show this, as in 2005 there were more non-AEA public schools rated Academically Unacceptable and Acceptable compared to 2004, and fewer rated Recognized and Exemplary. Also in 2005, the AEA campuses received ratings of Academically Acceptable, Academically Unacceptable, or Not Rated.

Table 4.3 also reports, for 2005, the accountability ratings of the TEEG Cycle 1 eligible schools. These schools obviously had no schools rated Academically Unacceptable, not rated, or rated AEA: Academically Unacceptable, as these did not meet the performance criteria. The Cycle 1 schools had more schools rated Recognized and slightly more schools rated Acceptable than the population of all Texas public campuses, but fewer schools rated Exemplary, presumably because there were fewer schools receiving the Exemplary rating that satisfied the %ED criterion.

Note that by 2006, TAKS performance had improved. Thus, for all schools the percentage of Exemplary and Recognized campuses had increased markedly, and fewer schools were rated Acceptable. This is also reflected in the performance of TEEG Cycle 2-eligible schools, which have higher proportions of schools rated Exemplary and Recognized, and lower proportions of schools rated Acceptable than in Cycle 1.

Table 4.3: Percentage of Schools in Each Rating by Year
(All Campuses in the State and TEEG Eligible)

	2004		2005			2006	
Rating	All Schools	Rating	All Schools	Eligible Cycle 1	Rating	All Schools	Eligible Cycle 2
Exemplary	6.6%	**Exemplary**	3.8%	1.5%	**Exemplary**	7.1%	6.5%
Recognized	32.5%	**Recognized**	24.1%	34.4%	**Recognized**	35.5%	38.2%
Acceptable	45.8%	**Acceptable**	55.1%	57.5%	**Acceptable**	40.1%	50.4%
Academically Unacceptable	1.2%	**Academically Unacceptable**	2.9%	0.0%	**Academically Unacceptable**	3.4%	0.0%
Not-Rated Non-AEA	8.9%	**Not-Rated Non-AEA**	8.6%	0.0%	**Not-Rated Non-AEA**	8.7%	0.0%
Not-Rated AEA	4.9%	**AEA: Acceptable**	4.9%	6.%	**AEA: Acceptable**	4.9%	5.0%
Not-Rated Data Integrity	0.0%	**AEA: Academically Unacceptable**	0.4%	0.0%	**AEA: Academically Unacceptable**	0.2%	0.0%
		AEA: Not-Rated/Other	0.0%		**AEA: Not-Rated/Other**	0.0%	
Total	100%	**Total**	100%	100%	**Total**	100%	100%
N	7,813	**N**	7,908	1,216	**N**	7,956	1,132†

† See footnote 28 for an explanation of this "N" count for Cycle 2 eligible schools.
Note: 2004 corresponds to 2003-2004 school year; 2005 corresponds to 2004-2005 school year, and was used to qualify for Cycle 1; 2006 corresponds to 2005-2006 school year, and was used to qualify for Cycle 2.
Source: Data from the Academic Excellence Indicator System (AEIS), Texas Education Agency; Authors calculations.

Table 4.4 provides information on how accountability ratings for regular (non-AEA) campuses change over time. We can trace out the likelihood that schools getting a certain rating in 2005 ended up with the set of possible ratings in 2006.

- Of the schools rated Exemplary in 2005, 75 percent were rated Exemplary in 2006, 24 percent were rated Recognized, less than one percent were rated Acceptable, and none were rated as Academically Unacceptable or Not-Rated.
- Of the schools rated Recognized in 2005, 15 percent were rated as Exemplary in 2006, nearly 70 percent stayed at Recognized, 15 percent fell to Acceptable, and less than one percent were rated as Academically Unacceptable or Not-Rated.
- Of the schools rated Acceptable in 2005, less than one percent improved to Exemplary, 32 percent improved to Recognized, 62 percent stayed at Acceptable, nearly five percent dropped to Academically Unacceptable, and less than one percent were Not-Rated.
- Of the schools rated as Academically Unacceptable in 2005, 21 percent stayed Academically Unacceptable in 2006, nearly 72 percent improved to Acceptable, approximately five percent improved to Recognized, and one percent improved to a rating of Exemplary.[31]

[31] Table 4.3 differs a bit from Table 4.4. The latter does not include Alternative Education Campuses (AEA), and it only includes campuses for which we had state accountability rating information in 2005 and 2006 to allow us to calculate transition probabilities.

Table 4.4: Accountability Rating Transitions, 2005 to 2006, All Regular Schools

Transition Probabilities from Ratings in 2005 to Ratings in 2006		2006					Probability of Receiving Rating in 2005
		Exemplary	Recognized	Acceptable	Low	Non-rated	
2005	Exemplary	0.757	0.240	0.003	0.000	0.000	0.042
	Recognized	0.149	0.697	0.150	0.001	0.004	0.260
	Acceptable	0.008	0.318	0.622	0.047	0.005	0.590
	Low	0.010	0.048	0.718	0.211	0.014	0.029
	Non-rated	0.002	0.003	0.003	0.003	0.988	0.080
Probability of Receiving Rating in 2006		0.075	0.380	0.427	0.034	0.083	1.000

N=7,307

Source: Data from the Academic Excellence Indicator System (AEIS), Texas Education Agency; Authors calculations.

Overall, there is a higher chance of moving up than moving down, which accords with the overall upward trend in accountability ratings. But there is movement in both directions – a significant number of schools saw their ratings decline from 2005 to 2006. Movements in accountability ratings are part of the explanation for the volatility of TEEG eligibility criteria across years.

Tables 4.5a and 4.5b narrow the focus to the TEEG Cycle 1-eligible schools and show how accountability ratings changed for these 712 campuses between 2005 and 2006. Table 4.5a presents an account of the TAKS accountability rating changes for regular (Non-AEA) schools, and Table 4.5b presents similar information for AEA schools; in both tables, all schools were eligible in Cycle 1 but not eligible in Cycle 2. Reading down the far right column of Table 4.5a, there were eight schools rated Exemplary, 239 rated Recognized, and 414 Acceptable. There were 51 schools rated AEA: Acceptable, as seen in Table 4.5b.

Tables 4.5a and 4.5b reveal the following findings:

- Of the 414 schools rated Acceptable in 2005, two were rated AEA: Acceptable in 2006, 290 were rated Acceptable, one was rated Exemplary, 48 were rated Unacceptable, 71 were rated Recognized, and two were not rated/other. Over 10 percent dropped to a rating that automatically disqualified them from TEEG.
- Of the eight Exemplary campuses in TEEG Cycle 1 that were ruled ineligible in Cycle 2, two were also rated Exemplary in 2006, and six were rated Recognized. Thus none of these schools were disqualified automatically due to their accountability score.
- Of the 239 campuses rated Recognized in Cycle 1 but ruled ineligible for Cycle 2, 168 remained Recognized in 2006, 70 were Acceptable, and one was rated Unacceptable. Only that last school was automatically disqualified from Cycle 2 due to its accountability score.
- Of the 51 schools rated AEA: Acceptable in 2005, 43 retained that same rating in 2006. There were three that moved down to an AEA: Unacceptable rating and two that were AEA: Not-rated/Other. One of those schools was rated Acceptable and two were rated Unacceptable.

Table 4.5a: Accountability Ratings of Eligible Cycle 1 Schools Not Eligible in Cycle 2, Regular (Non-AEA) Schools

Cycle 1 Schools Not in Cycle 2		Rating 2006							
		AEA: Accept-able	AEA: Unacc-eptable	AEA: Not-rated/ Other	Exem-plary	Recog-nized	Accept-able	Unacc-eptable	Not-rated/ Other
2005 Rating	Exemp-lary	0	0	0	2	6	0	0	0
	Recog-nized	0	0	0	0	168	70	1	0
	Accept-able	2	0	0	1	71	290	48	2
Column Total		2	0	0	3	245	360	49	2

N=661

Note: Certain TEA files indicate there were 718 schools in Cycle 1. However, those files have three campuses that are listed twice. Of the 715 schools entered only once, three were new schools with no accountability rating for 2006 or earlier, so they did not fit the classifications in this table. We left those 3 schools out when constructing this table, leaving us with 712 schools.

Source: Cycle 1 not on Cycle 2 worksheet (2007), Texas Education Agency; Data from the Academic Excellence Indicator System (AEIS), Texas Education Agency; Authors calculations.

Table 4.5b: Accountability Ratings of Eligible Cycle 1 Schools Not Eligible in Cycle 2, AEA Schools

Cycle 1 Schools Not in Cycle 2	Rating 2006							
	AEA: Accept-able	AEA: Unacc-eptable	AEA: Not rated	Accept-able	Exem-plary	Recog-nized	Unacc-eptable	Not-rated/ Other
2005 Rating AEA: Accept-able	43	3	2	1	0	0	2	0

N=51

Note: Same as for Table 4.5a above.

Source: Same as for Table 4.5a above.

Comparable Improvement

The third criterion, Comparable Improvement, is based upon school performance gains in reading and math, measured by the Texas Growth Index, relative to a set of 40 comparator schools. According to the TEA, "Each campus has a unique comparison group of 40 other campuses in the state that closely matches the target school on a number of characteristics. Comparison groups are recreated each year to account for changes in demographics which may occur."[32]

The characteristics used in constructing the comparison groups include percentage of students who are African American, Hispanic, White, economically disadvantaged, limited English proficient, and

[32] *2000 Accountability Manual*, page 46.

mobile. The performance measure is Comparable Improvement, which is calculated based on growth on the Texas Growth Index (TGI), derived from TAKS scores in math and reading.

Growth in student scores is compared to expected growth, and for each campus growth relative to expected is compared across the campus's 40 comparison schools, with the subject campus TGI value compared to the quartile rank of TGI values for the comparison schools. If the subject school has a TGI value in the top quartile (top 10) of the 40 comparison schools, it is rated Q1. Likewise, Q2 is the second quartile, and so on.

Of the 1,216 schools that made the Cycle 1 eligibility list, 698 were included because they met the Comparable Improvement criterion (i.e., High Improving). Of those 698 schools, 432 met the %ED and Acceptable requirement for 2006, but only 193 survived the High Improving cut for Cycle 2.

Budgetary and Representation Constraints

The fourth class of factors that led to schools cycling out of the TEEG program were budgetary and representation constraints. As noted earlier, meeting the qualifying standards for TEEG and being invited to participate in TEEG are not one and the same. The TEEG budget is not large enough to support all of the qualifying schools. In allocating the available dollars across qualified schools, there was a policy objective of maintaining proportional representation of school types and a balance between schools that were included due to high performance in TAKS levels and those that were included due to high performance in TAKS gains.

Table 4.6 lists the number of schools we identified as qualified in Cycle 1 and Cycle 2. These schools met the %ED criterion and one of the performance criteria (i.e., High Performing, High Improving). In Cycle 1, over 18 percent of qualified schools were not eligible. In Cycle 2, nearly 40 percent of qualified schools failed to make the final cut onto the eligibility list.

Table 4.6: Comparison Between Eligible and Qualified Schools

	Cycle 1	Cycle 2
Number of qualified schools	1,490	1,880
Number of eligible schools	1,216	1,132
Number of schools qualified but not eligible	274	748

Source: Cycle 1 not on Cycle 2 worksheet (2007), Texas Education Agency; Data from the Academic Excellence Indicator System (AEIS), Texas Education Agency; Authors calculations.

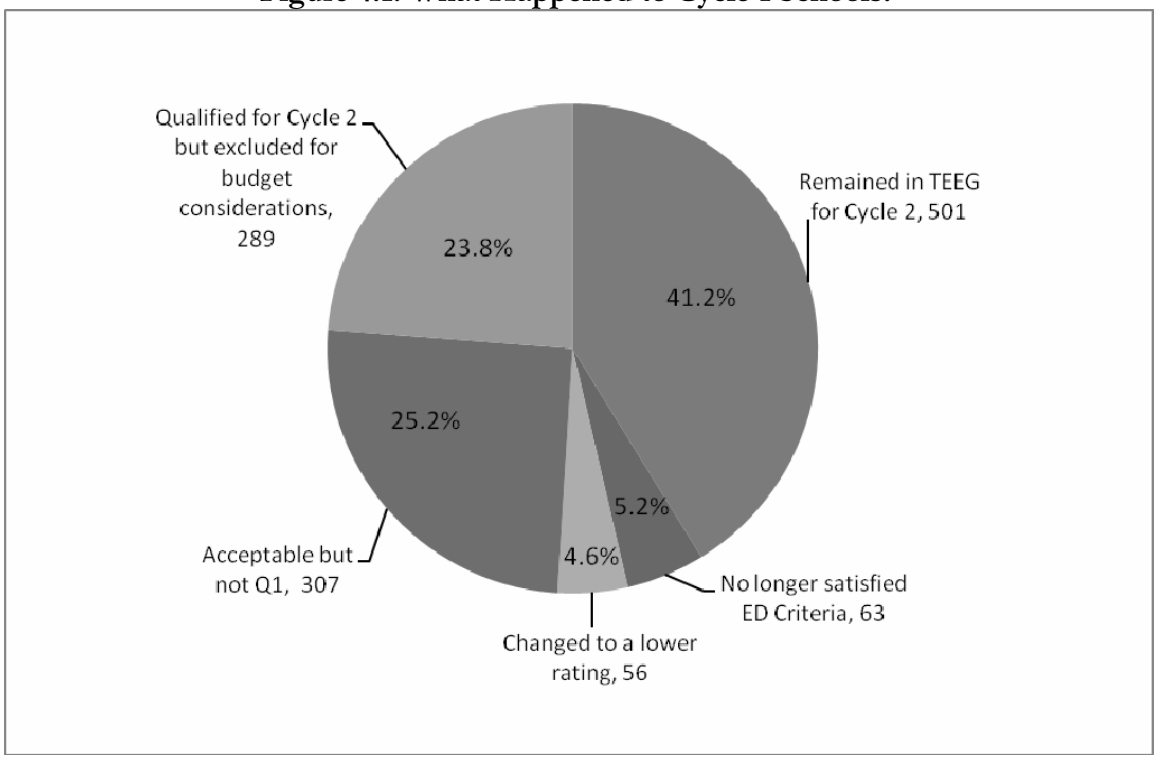
In Figure 4.1 we illustrate the role of each of the qualifying criteria in changing the eligibility status of the 715 campuses that exited the sample between Cycle 1 and Cycle 2.

- Sixty-three of the formerly eligible campuses, or somewhat less than 10 percent, fell short on the %ED criterion in Cycle 2 after meeting that threshold in Cycle 1.
- An additional 56 schools (8%) saw their accountability ratings fall into the Unacceptable or Not Rated category, and thus were not eligible for Cycle 2 funding.

- A significant number of the formerly eligible campuses, 307 (43%), were eliminated due to failure to meet the High Improving criterion for Acceptable schools.
- Finally, the qualified schools include 232 Recognized schools, 41 Acceptable schools, and 16 AEA campuses which were qualified, yet excluded in Cycle 2 due to the combination of the budget constraint and TEA categorical balancing decisions.

Of special note, 64 eligible Cycle 1 campuses went from being rated Acceptable to being rated Recognized in 2006. These were all regular elementary campuses. These 64 campuses were qualified for Cycle 2 on %ED grounds and on the performance criterion, but they were excluded for budgetary reasons. Interestingly, only four of these 64 campuses were in Q1 on the Comparable Improvement rankings, so most of these 64 now-Recognized campuses would not have been qualified had they stayed at an Acceptable rating. Note, however, that these 64 schools improved their accountability rating in a significant step, to Recognized, all while getting a Comparable Improvement ranking below Q1.

Figure 4.1: What Happened to Cycle 1 Schools?



N=1,216

Source: Cycle 1 not on Cycle 2 worksheet (2007), 63 schools that no longer satisfied ED criteria, Texas Education Agency.

Volatility of Comparable Improvement: Further Review

Given the pivotal role of the Q1 (i.e., High Improving) criterion for Acceptable schools in driving volatility in program participation, further analyses were conducted of the underlying features of the Q1 hurdle. Were the top-quartile performers in 2005 likely to be top-quartile performers again in 2006, or were they more likely to transition down to a lower quartile in 2006? We can get a sense of the inherent instability of the Comparable Improvement quartile rankings by looking at how schools

bounced across quartiles between 2005 and 2006. Table 4.7 reports the matrix of transition probabilities between quartiles for reading between 2005 and 2006 for all 6,340 Texas campuses that were in operation in both 2005 and 2006, and that had a Comparable Improvement ranking in both years.

Table 4.7: Quartile Transitions 2005 to 2006: Reading (All Campuses)

Transition Probabilities from Quartiles in 2005 to Quartiles in 2006		2006					Probability of Receiving Rating in 2005
		Q1	Q2	Q3	Q4	--	
2005	Q1	0.333	0.248	0.216	0.202	0.001	0.265
	Q2	0.258	0.264	0.249	0.228	0.000	0.234
	Q3	0.236	0.252	0.252	0.258	0.001	0.241
	Q4	0.219	0.201	0.244	0.334	0.002	0.257
	--	0.250	0.000	0.063	0.188	0.500	0.003
Probability of Receiving Rating in 2006		0.263	0.240	0.239	0.256	0.002	1.000

N=6,340

Source: Data from the Academic Excellence Indicator System (AEIS), Texas Education Agency; Authors calculations.

Table 4.7 indicates that nearly 27 percent of campuses were in the top quartile for reading in 2005, as shown in the far right column, labeled "Probability of Receiving Rating in 2005." Here a campus was in Q1 in 2005. The body of the table reports on how these 2005 Q1 campuses transitioned into 2006 quartiles. For row Q1, column Q1 gives the percent of these 2005 Q1 campuses that were in Quartile 1 in 2006. The table entry indicates that 33 percent of 2005 Q1 campuses became 2006 Q1 campuses.

Continuing across row Q1, we see that campuses in Q1 in 2005 had a 25 percent chance of being in Q2 in 2006, a 22 percent chance of being in Q3, and a 20 percent chance of being in Q4. There was a trivial chance that a campus that was in Q1 in 2005 could not be assigned a quartile ranking in 2006.[33]

For campuses in Q2 in 2005, there was a 26 percent chance of being Q1 in 2006. For campuses Q3 in 2005, there was a 24 percent chance of being Q1 in 2006. Finally, for campuses Q4 in 2005, there was a 22 percent chance of being Q1 in 2006.

There is a certain degree of symmetry for the bottom and top quartiles. For campuses in the bottom quartile in 2005, there is a one-third chance of remaining the bottom quartile in 2006.

The key point here is the lack of persistence across the board. A school that was in Q2 in 2005 was almost equally likely to be found in any one of the quartiles in 2006. More than one-fifth of the bottom quartile schools in 2005 were top quartile schools in 2006. To make the point as starkly as possible, consider what the quartile transition matrix would look like if movement among quartiles

[33] Schools were not assigned to a quartile if the number of tested students was lower than 10.

were purely random. All cell entries would be 0.25. If a campus were in Q1 in 2005, there would be an equal (1/4) probability of showing up in any of the four quartiles in 2006. Other than the somewhat higher bunching in the Q1-Q1 and Q4-Q4 cells, the actual TGI-based movements recorded in Table 4.7 are not much different from the hypothetical random-based entries. That is, there is little persistence in the quartile rankings over time.

There is a small degree of persistence for schools in Quartile 1 to stay in Quartile 1, a 33 percent probability instead of the 25 percent expected in a purely random situation. This also applies to schools in Quartile 4; there is a 33 percent probability of remaining in Quartile 4 instead of the 25 percent expected in a purely random situation. This pattern shows up in the lower probability of exiting Quartile 1 for the lower quartiles, since Quartile 1 schools have a lower-than-random probability of exiting to Quartile 4 or even to Quartile 3.

Very similar relationships hold for the quartile rankings in math; the relevant transition matrix is found in Appendix D, Table D.1.

The discussion thus far has considered the movements across quartiles for math and reading separately. The Comparable Improvement qualification criterion for TEEG is, however, attainment of Q1 on either math or reading. How does this either/or feature affect the qualification process?

Within a given cycle, the impact depends upon the correlation between math and reading Comparable Improvement quartile rankings. If the correlation between rankings were perfect, and if the quartile divisions were "pure" (see discussion below), then one-quarter of the campuses would qualify (25 percent of the campuses would be in Q1 for both math and reading, 25 percent would be in Q2 for both, etc.). Setting a high performance standard of Q1 in both math and reading would not affect the selection process.

The actual relationship between the two rankings is, however, far from a perfect correlation and indeed closer to uncorrelated.[34] Other than higher frequencies of high-high (Q1-Q1) or low-low (Q4-Q4) performance and lower frequencies of high-low or low-high performances, the frequencies are quite uniform. Indeed, the remaining 12 performance pairings (e.g. Q1 reading-Q2 math) reveal frequencies consistent with a random generating process.

Thus a joint math and reading Q1 standard would have reduced the set of Comparable Improvement-qualified schools considerably. The proportion of all schools that would meet an either/or Q1 Comparable Improvement standard is 0.4 in 2005 (0.42 in 2006). Forty percent or more of campuses statewide meet the TEEG standard for appearing in Quartile 1 in either math or reading, a percentage just under the 44 percent that would be expected to be eligible under the TEEG standard if school quartile position in reading and math were perfectly uncorrelated.

We can illustrate the volatility impact of the TEEG either/or Q1 criterion by looking at the 1,530 campuses that met the %ED criterion for Cycle 1 and Cycle 2, and were ranked as Academically Acceptable in both 2005 and 2006. These 1,530 schools met the ED criterion, met the Academically Acceptable criterion, and would at least be qualified for TEEG if they satisfied the Q1 criterion.

[34] Matrices with information on the joint distribution of math and reading quartile rankings are found in Appendix D, Tables D.2 and D.3.

Table 4.8 reports how these schools performed in terms of meeting the Q1 criterion in 2005 and 2006. There were 985 schools that satisfied the %ED Criterion, that were rated Acceptable, but that did not satisfy the Q1 criterion in 2005. There were 545 schools that satisfied the %ED criterion, were rated Acceptable, and satisfied the Q1 criterion in 2005. How did these schools fare in 2006?

- Of the 985 schools not satisfying the Q1 criterion in 2005, 650 (66%) did not satisfy the %ED criterion in 2006 and 335 did satisfy the criterion.
- Of the 545 schools that did satisfy the Q1 criterion in 2005, 306 (56%) did not satisfy the %ED criterion in 2006, and 239 did satisfy the criterion.
- Therefore, only 239 schools satisfied the Q1 criterion in both years. Another 641 satisfied the Q1 criterion in one of the two years, and 650 never satisfied the criterion.

As a point of reference, completely uncorrelated quartile rankings in math and reading and complete independence of quartile rankings across years would lead 19 percent of campuses meeting the Q1 criterion in both years, 32 percent failing to meet the criterion in both years, and 49 percent satisfying the Q1 criterion in one of the two years. If we apply these percentages to 1,530 campuses, completely uncorrelated quartile rankings in math and reading and complete independence across time would lead us to predict that 292 schools would satisfy the criterion in both years, 753 would satisfy the criterion in one of the two years, and 483 would not satisfy the criterion in either year.

Table 4.8: Quartile Transitions for Acceptable Campuses Meeting %ED Criteria 2005 to 2006

Schools Rated Acceptable and Satisfying %ED Criterion: Q1 Status in 2005 and 2006		2006		
		Q1	not Q1	Row Total
2005	Q1	239	306	545
	not Q1	335	650	985
Column Total		574	956	1,530

Source: Data from the Academic Excellence Indicator System (AEIS), Texas Education Agency; Authors calculations.

Table 4.8 shows what actually happened. Over 15 percent, or 239 campuses, satisfied the criterion in both years; 43 percent, or 650 campuses, failed to meet the criterion in both years; and 42 percent, or 641 campuses, satisfied the criterion in one of the two years. The observed frequencies are only slightly different from the numbers that would occur in a purely random situation.

Why the lack of persistence in the Comparable Improvement quartile rankings? There are two prime suspects. First, it may be that the TGI score measure is highly volatile—so much so that schools bounce across relatively broad distributional classifications such as quartiles. The TGI is a value-added type of measure, and it is known from previous research (Booker et al., 2003; Kane and Staiger, 2002a, 2002b,) that change score measures are quite volatile.

Table 4.9 shows the relationship between TGI reading scores in 2005 and TGI scores in 2006, by quartiles. All schools in the state with TGI scores in 2005 were assigned to quartiles based on their

TGI score relative to all schools in the state.[35] These schools were tracked to 2006, and based on their TGI score in 2006 relative to all schools in the state, they were again assigned to quartiles. Finally, the probability of a school transitioning from a given quartile in 2005 to a given quartile in 2006 was calculated.

Table 4.9: Quartile Transitions for TGI Scores 2005 to 2006: Reading

Quartile Transition Probabilities 2005 to 2006		2006				Probability of Having Quartile Ranking in 2005
		Q1	Q2	Q3	Q4	
2005	Q1	0.394	0.266	0.198	0.142	0.256
	Q2	0.292	0.286	0.239	0.183	0.254
	Q3	0.187	0.257	0.310	0.245	0.259
	Q4	0.139	0.170	0.266	0.424	0.230
Probability of Having Quartile Ranking in 2006		0.256	0.247	0.253	0.244	1

N=6,318

Source: Data from the Academic Excellence Indicator System (AEIS), Texas Education Agency; Authors calculations.

- For reading, schools in Q1 in 2005 made up 26 percent of the entire sample of schools (read in the last column of Table 4.9). For these schools, 39 percent were in Q1 in 2006, 27 percent were in Q2, 20 percent were in Q3, and 14 percent were in Q4.
- For schools in Q2 in 2005, 29 percent were in Q1 in 2006, 29 percent were in Q2, 24 percent were in Q3, and 18 percent were in Q4.
- Schools in Q4 in 2005 had a 42 percent chance of staying in Q4 for 2006, a 25 percent chance of getting into Q3, a 25 percent chance of getting into Q2, and a 14 percent chance of getting into Q1.

Appendix D, Table D.4 reports the same exercise but for math scores, and the pattern of transition probabilities is very similar to those observed for reading.

An interesting feature of our analysis of quartile movements is that persistence in quartile rank is *higher* when schools are compared to all other schools in the state instead of being compared to the TEA's 40 comparator schools. Thus TEA's comparator school methodology actually increases the randomness in quartile movements over time, at least for the two years analyzed here.

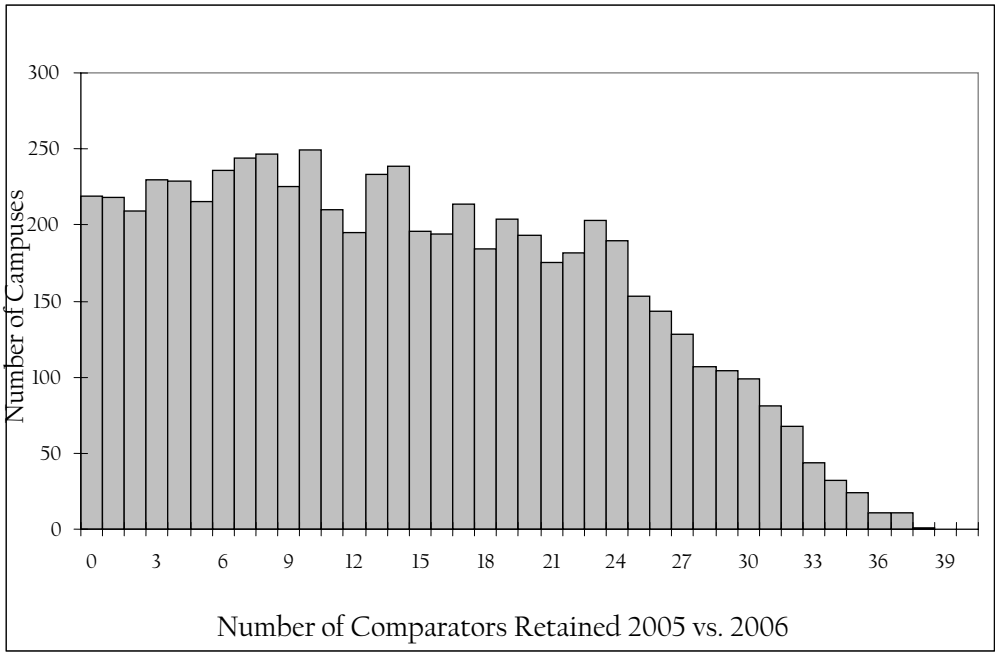
The Comparable Improvement rankings are based upon TGI scores relative to a selected group of 40 comparator campuses. The set of comparator campuses is based upon demographic features of schools, and the comparison set changes annually. A greater sense of the potential contribution of

[35] Recall that the CI ratings calculate a school's quartile based on the set of 40 comparator schools selected by TEA. The 40 comparator schools differ for each campus, and can differ over time. For Tables 4.9 and D.4, we calculate a school's quartile based on all other schools in the state.

changes in the set of comparators on changes in a given school's quartile ranking can be found in Figure 4.2.

Big swings in the comparison group are the norm rather than the exception. Between 2005 and 2006, the median school saw its comparison group changed by much more than 50 percent. For 220 schools, there was a wholesale change in their comparator group, that is, none of their 2005 comparators were identified as relevant 2006 comparators. The degree of instability here is quite astonishing, and does not accord well with common notions of establishing peer or comparator groups.

Figure 4.2: Changes in Comparator Groups 2005-2006



N=6,340
Source: Data from the Academic Excellence Indicator System (AEIS), Texas Education Agency; Authors calculations.

Implications of Sample Volatility

How important is sample volatility to the expected impact of TEEG and to the evaluation of the realized impact of TEEG?

The expected policy impact of TEEG depends upon the sharpness of the incentives it creates for teachers. We assume that one objective of the TEEG program is to encourage teachers to make investments in new teaching approaches and new teaching technologies. These are costly investments in terms of teacher time, and may involve other resource costs as well. In any reasonable economic model of decision making, the incentive issue is to make the expected returns on the skill investments large enough to cover these costs. The expected returns depend upon the size of the bonus (the prize), the probability of receiving the bonus, and the number of years the

investment will potentially pay off. Volatility can weaken incentives by lowering the probability of a teacher's school being eligible for TEEG in multiple years. Randomness reduces the linkage between teacher and school performance, and the resulting reward. Much randomness may be inherent in measures of school outcomes, but program design that adds to this randomness weakens incentives. For a representative teacher on an eligible campus, the volatility—and added randomness—lowers the chances that she or he will choose to undertake significant potentially instructional-enhancing investments.

For the reasons given above, it would appear in a preliminary, a priori look that the incentives may be weak, since the eligibility criteria are characterized by greater than expected volatility. For the current year nonqualifier, the calculation has to include consideration of the probability that the team wins next year's tournament. This factor further reduces the expected reward to behavioral changes that might result in a teaching bonus down the line. However, in the end this is an issue to be resolved in our ongoing analysis of the outcomes of this program. Analysis of the data show rather dramatically that for all but the very best high-poverty schools, the probability of a qualified school actually getting an opportunity to apply for a TEEG grant is only about 60 percent for Cycle 2. More than half the schools eligible in Cycle 1 were not eligible in Cycle 2.

The evaluation of the impact of the TEEG program is certainly made more complicated by the significant sample volatility. The mixture of arguably exogenous factors (e.g., changes in %ED) and endogenous factors (e.g., performance ratings) makes dealing with sample selection, as a statistical issue, challenging in program evaluation. To the extent that a third year of data analysis reinforces the view that qualification under the Acceptable/High Performing criterion appears consistent with a random allocation process, the randomness could actually provide some help to the analysis of program impacts on treated students and teachers.

Chapter Summary

This chapter identifies trends of school selection instability and provides an in-depth analysis of the factors contributing to it, with particular attention to three selection criteria: percentage of educationally disadvantaged students, accountability rating, and Comparable Improvement measure. The last factor, Comparable Improvement, contributes most noticeably to sample volatility.

Given the annual school selection process for TEEG, it is important to consider how the sample of participating schools might change from year to year. This matter influences how long a performance incentive program might operate in those schools, how long teachers are exposed to incentives, and how evaluators might study the impact of those programs.

The subsequent chapters follow with a discussion of findings from the first-year evaluation of TEEG, including the design features of TEEG schools' programs, teacher attitudes and behavior in TEEG schools, and perceptions and experiences of schools choosing not to participate in TEEG Cycle 1.

CHAPTER 5
PART 1 FUNDING TO REWARD CLASSROOM TEACHERS

This chapter describes common features of TEEG Cycle 1 schools' programs as defined in their applications submitted to the Texas Education Agency (TEA) in the 2006-2007 school year. Evaluators reviewed the proposed size of teacher awards, the criteria for measuring teacher performance, and the strategies for award distribution.

Key Policy Points

This chapter highlights and expands upon the following key policy points:

- The majority of Cycle 1 schools proposed maximum teacher awards below the TEA-recommended $3,000 minimum.
- Most Cycle 1 schools designed incentive programs using only the required performance criteria of student performance and teacher collaboration; other optional criteria related to teacher initiative and commitment, as well as teaching in hard-to-staff areas, were used less often.
- Cycle 1 schools proposed a variety of indicators to measure teacher performance; however, there was noticeable similarity across other program design features, such as the unit of accountability, performance benchmarks, and award distribution methods.
- Schools' use of student performance measures to reward teachers displayed greater variation than their use of other program criteria (i.e., teacher collaboration, teacher initiative and commitment, hard-to-staff areas).

Overview

This chapter addresses the following questions:

- How are schools measuring teacher performance?
- Are individual teachers, teams of teachers, or entire campuses used as the unit of accountability in TEEG Cycle 1 schools for determining teacher bonuses?
- What other design features determine award distribution to teachers in Cycle 1 schools?

Review of TEEG Program Applications

This chapter provides an overview of common features of TEEG Cycle 1 schools' performance incentive programs, with particular attention to their use of Part 1 funds to reward classroom teachers.[36] To review, schools must use at least 75 percent of TEEG funds as Part 1 to reward classroom teachers. TEEG guidelines require that schools use at least two of four pre-determined criteria when devising a plan for distributing Part 1 teacher awards. All participating schools are required to incorporate measures of student performance (Criterion 1) and teacher collaboration (Criterion 2) into their plans. They also have the option of including measures of teacher initiative and commitment (Criterion 3) as well as placement in a hard-to-staff area (Criterion 4). Each criterion can provide various pathways for teachers to receive Part 1 awards.

Methodology for Reviewing TEEG Applications

Evaluators conducted a systematic review of 1,040 TEEG program applications (91% of all 1,148 Cycle 1 schools) to record design features of these schools' performance incentive program.[37] With a focus on Part 1 funding, this taxonomy allowed evaluators to identify the following:

- Amount of total campus grant
- Proposed minimum and maximum amounts for individual teacher awards
- Indicators used to measure teacher performance on the four Part 1 criteria (i.e., student performance, teacher collaboration, teacher initiative and commitment, hard-to-staff areas)
- Strategies used to distribute teacher awards

Five evaluators coded program components. Evaluators then reviewed a random sample of applications to check inter-rater reliability. Any coding discrepancies were resolved using a third coder. These data were then used to generate descriptive information about the performance incentive programs proposed by TEEG Cycle 1 schools.

Due to variability in application quality, some taxonomy fields could not be completed for each of the 1,040 applications. Throughout the remaining sections of this chapter, such instances are properly noted. It should also be noted that actual programs implemented by TEEG Cycle 1 schools may vary from those defined in program applications. Administration of annual progress reports to TEEG schools will make clear whether TEEG programs changed upon implementation, if at all.[38]

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[36] The focus on Part 1 funding results from the information available in the TEEG applications. Information on the use of Part 2 funds was not submitted in a uniform fashion, making it difficult to gather information on Part 2 design. Progress reports administered during fall 2007 will collect information from TEEG Cycle 1 schools on their use of these Part 2 funds. Findings will be presented in subsequent reports.

[37] Appendix E provides a detailed description of key taxonomy components used to code program applications.

[38] Progress reports administered during fall 2007 will collect information from Cycle 1 schools on their use of Part 2 funds, ways in which their use of Part 1 funds may have changed during the course of program implementation, and other experiences during Cycle 1 of TEEG. Findings will be presented in subsequent reports.

Overview of Funding Information

TEEG Program Guidelines

TEEG guidelines distinguish between two program components—Part 1 and Part 2 funding. Part 1 funding represents at least 75 percent of a school's total TEEG grant. Part 1 funds are earmarked for classroom teachers at TEEG schools. Teacher awards are determined by four broad criteria, two of which are required. Teachers must meet quantifiable, objective measures of student performance (Criterion 1) and measures of teacher collaboration (Criterion 2) in order to receive a TEEG bonus award. Schools can also determine teacher award amounts using measures of teacher initiative and commitment (Criterion 3), as well as placement in hard-to-staff areas (Criterion 4).[39] TEEG Cycle 1 teacher awards were determined by their performance during the 2006-2007 school year. Schools were required to distribute the Part 1 awards to teachers by October 2007.

Cycle 1 schools earned various grant amounts based on the size of their student enrollment (i.e., average daily attendance). Table 5.1 provides an overview of the distribution categories used to determine grant awards to schools.

Table 5.2 provides a distribution of how many TEEG Cycle 1 schools received grants of various amounts, including an overview of all 1,148 schools and the 1,040 for which applications were coded. Over half of all Cycle 1 schools—and all schools coded—received grants of $75,000 or less. Approximately 30 percent more from both groups of Cycle 1 schools received grants ranging from $80,000 to $140,000. Few schools received TEEG grants of $165,000 or more.

As explained previously, TEEG guidelines specify that a school use at least 75 percent of its total grant for Part 1 performance awards to classroom teachers. Of the $90,172,739 that was distributed to the 1,040 Cycle 1 schools, over 75 percent (77%)—nearly $70,000,000—was allocated for Part 1 teacher awards.

Additionally, among the 1,040 schools for which applications were coded, the vast majority adhered to this guideline.[40]

- 816 schools (79%) used 75 percent of total grant funds for Part 1 awards.
- 217 schools (21%) used more than 75 percent of total grant funds for Part 1 awards.
- The other five schools (1%) used less than 75 percent of total grant funds for Part 1 awards; the lowest percentage used for Part 1 was 70 percent.

[39] Designated teacher shortage areas are identified using the Texas Education Agency's 2006-2007 proposal for the state-developed alternate methodology as specified in 34 CFR §682.210(q)(7). This methodology is based on surveys of school personnel administrators and private nonprofit school administrators. Using this methodology, shortage areas identified for the 2006-2007 school year are mathematics, science, foreign language, special education, bilingual education, technology applications, and English as a Second Language.

[40] Part 1 percentage amounts were rounded up to determine frequency distribution.

Table 5.1: Basis for Calculation of TEEG Cycle 1 Grant Amounts

School Student Enrollment	TEEG Grant Amount
30 – 249	$40,000
250 – 299	$45,000
300 – 399	$50,000
400 – 449	$60,000
450 – 549	$75,000
550 – 599	$80,000
600 – 649	$90,000
650 – 699	$100,000
700 – 849	$120,000
850 – 949	$130,000
950 – 999	$140,000
1,000 – 1,099	$165,000
1,100 – 1,199	$175,000
1,200 – 1,299	$180,000
1,300 – 1,399	$190,000
1,400 – 1,599	$200,000
1,600 – 1,799	$210,000
1,800 – 1,999	$220,000
2,000 – 2,199	$230,000
2,200 – 2,399	$240,000
2,400 – 2,599	$250,000
2,600 – 2,799	$260,000
2,800 – 2,999	$270,000
3,000 – 3,999	$290,000
4,000 or more	$300,000

Source: Texas Educator Excellence Grant (TEEG) Program Guidelines, Texas Education Agency.

Table 5.2: Distribution of Cycle 1 Grant Amounts

TEEG Grant Amount	All TEEG Cycle 1 Schools (n=1,148)	Coded TEEG Cycle 1 Schools (n=1,040)
$75,000 or less	60.5% (694)	59.7% (621)
$80,000 to $140,000	29.6% (340)	29.8% (310)
$165,000 to $200,000	6.4% (73)	6.9% (72)
$210,000 to $250,000	3.3% (38)	3.2% (33)
$250,000 or more	0.3% (3)	0.3% (3)

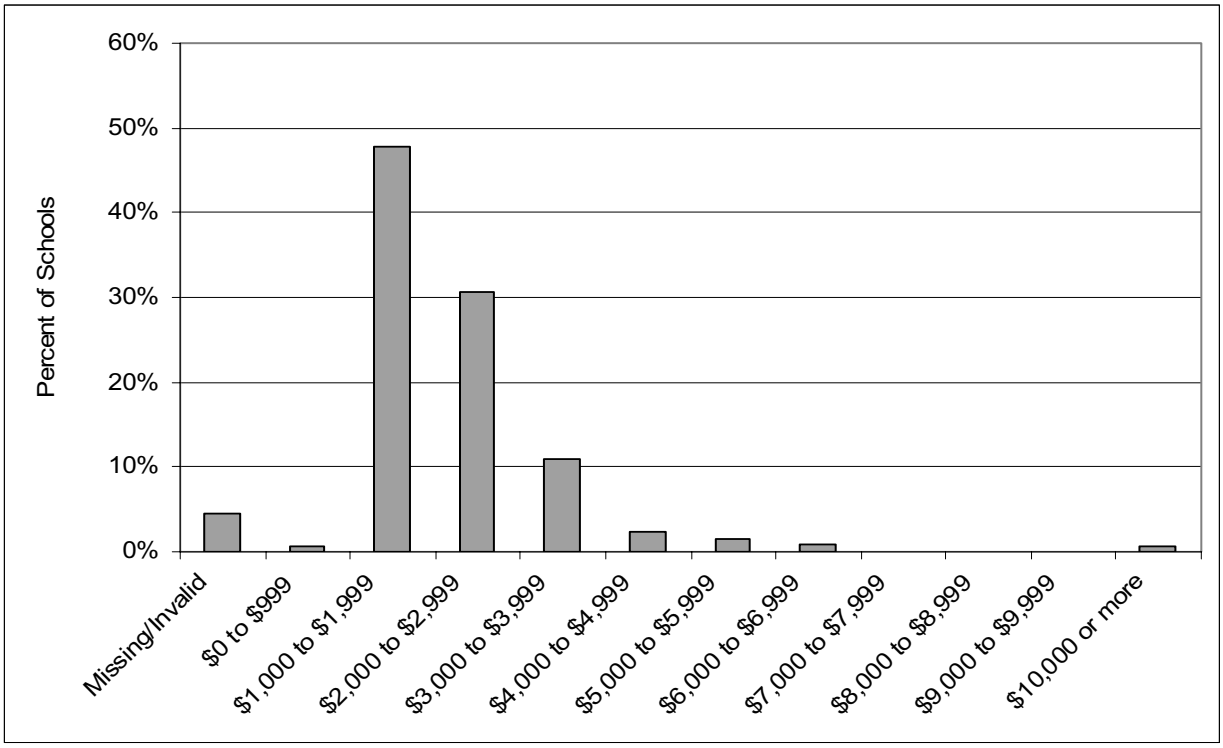
Source: Information based upon TEEG Cycle 1 eligibility list provided by the Texas Education Agency and by evaluators' analyses of 1,040 TEEG program applications during summer and fall 2007.

Part 1 Teacher Performance Awards

TEEG guidelines recommend that teachers receive awards ranging between $3,000 and $10,000 in order to provide meaningful award amounts to recipients.[41] Upon reviewing TEEG Cycle 1 applications, evaluators were able to estimate the maximum award amounts that schools intended to allocate to classroom teachers. Proposed minimum award amounts could not be determined with much reliability due to insufficient information in program applications. TEEG guidelines specify that teachers must achieve both Criterion 1 and Criterion 2 performance requirements before receiving any Part 1 award. However, it was not readily apparent in applications if schools were adhering to this guideline; therefore, it was difficult to determine the lowest possible award for which a teacher might be eligible according to a school's intentions.

Over three-quarters (79%) of Cycle 1 schools proposed maximum teacher awards of less than $3,000, below the recommended minimum in TEEG guidelines. Figure 5.1 displays the distribution of proposed maximum awards to teachers across the 1,040 Cycle 1 schools. Overall, nearly half of schools anticipated paying teachers a maximum ranging between $1,000 and $1,999, with another 31 percent ranging between $2,000 and $2,999. The lowest maximum award proposed was $250, while the highest anticipated maximum award was $10,000. Additionally, the average maximum award was $2,263.

Figure 5.1: Distribution of Maximum Proposed Part 1 Teacher Award Amounts



Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 program applications during summer and fall 2007. Valid maximum award amounts were available in 992 (95%) applications.

[41] Applicants were allowed to propose teacher award amounts falling out of the recommended range if approved by the local school board.

Subsequent TEEG reports will present teacher award distributions in greater detail and with higher reliability. During fall 2007, evaluators collected actual award distribution amounts made to each recipient using a secured online upload instrument. This enables identification of the award amounts as they were actually distributed to teachers and other school personnel.

Overview of TEEG Program Criteria

Table 5.3 presents the criteria used by schools during the TEEG Cycle 1 to determine Part 1 awards for teachers. Over half of Cycle 1 schools (56%) developed plans that incorporated only the required criteria—student performance and teacher collaboration. Another 406 schools (39%) used the optional Criterion 3 in addition to required criteria. The remaining schools used some other combination of the four possible criteria.

Table 5.3: TEEG Cycle 1 Criteria for Part 1 Teacher Awards

TEEG Criteria for Teacher Awards	Number of Schools	Percent of Schools
Criterion 1: Student Performance + Criterion 2: Teacher Collaboration	584	56.2%
Criterion 1: Student Performance + Criterion 2: Teacher Collaboration + Criterion 3: Teacher Initiative & Commitment	406	39.0%
Criterion 1: Student Performance + Criterion 2: Teacher Collaboration + Criterion 4: Hard-to-Staff Areas	8	0.8%
Criterion 1: Student Performance + Criterion 2: Teacher Collaboration + Criterion 3: Teacher Initiative & Commitment + Criterion 4: Hard-to-Staff Areas	29	2.8%

N=1,027 (The full extent of criteria used is unclear in 13 TEEG Cycle 1 applications.)
Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 program applications during summer and fall 2007.

The remainder of this chapter offers a more detailed analysis of each school's use of Part 1 funds during the TEEG Cycle 1. More specifically, for each TEEG criterion, evaluators identified the following program characteristics: [42]

- Indicators used to measure teacher performance
- Unit of accountability (i.e., which entity is being held accountable for performance)
- Structure of performance-level benchmarks (i.e., one-level versus tiered performance thresholds)
- Method(s) for distributing teacher awards

[42] For further details on each component of the coding scheme, see Appendix B: Glossary of Taxonomy Components.

Teacher Performance Measures

TEEG guidelines require that the distribution of Part 1 awards to classroom teachers be based upon teachers' contribution to student performance. Criterion 1 must use objective measures, such as local, state, or national benchmarking systems; portfolio assessment; end-of-course testing; and value-added assessment (e.g., measure of growth/change in student performance) to assess teachers' performance in improving student achievement. In developing their plans, schools could choose from various indicators of student achievement and performance, including campus-wide ratings of academic performance, results on standardized student assessments, and other nonacademic indicators related to student performance (e.g., student attendance, dropout rate, etc.).

TEEG guidelines also emphasize the importance of considering student achievement when developing measures of other program criteria. For example, indicators of Criterion 2 (teacher collaboration) and Criterion 3 (teacher initiative and commitment) are supposed to capture teacher behaviors that contribute to improving overall student achievement at the school. Criterion 4 (hard-to-staff areas) is intended to reward teachers assigned to hard-to-staff/shortage areas, often those in which student achievement struggles statewide (e.g., math and science).

Criterion 1 Indicators: Student Performance

TEEG guidelines allow schools to measure teachers' contributions to student achievement using a variety of indicators, including campus-wide ratings of academic performance, results on standardized student assessments, and other nonacademic indicators related to student performance. The only restriction, according to program guidelines, is that "[m]easures must allow for program administrators to evaluate teacher impact on student achievement at the individual or team level. Teams may be made up of grade or subject-area groups" (Texas Education Agency, 2006c, p. 11).

Table 5.4 presents the various Criterion 1 indicators employed by TEEG Cycle 1 schools to measure teachers' contributions to student performance. The most widely used indicators for Criterion 1 fall under the category of student assessments; that is, most schools (98%) use student performance on a variety of standardized tests to evaluate teachers' contribution to student performance at the classroom or team level. Aggregated measures of campus-wide performance, such as on the state accountability rating system or in terms of Comparable Improvement, were used less often (by only 16% of Cycle 1 schools).

More than half of Cycle 1 schools used some other measure not based upon students' academic performance. These indicators included student attendance rates, drop-out rates, and graduation rates, among others.

Overall, 1,022 schools (98%) used some form of student assessments in determining award eligibility for Criterion 1. Schools were able to use any of the Texas standardized assessments, including the Texas Assessment of Knowledge and Skills (TAKS), State-Developed Alternative Assessment (SDAA), the Texas Primary Reading Inventory (TPRI), and Tejas Lee.[43] Local assessments, such as

[43] Tejas Lee is the Spanish counterpart to the TPRI reading assessment and is administered in Kindergarten through Grade 3.

end-of-course exams or benchmark exams, could also be used to measure student performance. In total, 82 different combinations of various assessment measures were used to determine award eligibility.

Table 5.4: Criterion 1, Indicators of Student Performance

Type of Student Performance Measure	Number of Schools	Percent of Schools
Campus Rating Measure	166	16.0%
Exemplary rating	90	8.7%
Recognized rating	121	11.6%
Acceptable rating	42	4.0%
Comparable Improvement: Quartile 1	1	0.1%
Adequate Yearly Progress	29	2.8%
Student Assessments	1022	98.3%
TAKS	919	88.4%
SDAA	467	45.0%
TPRI/Tejas Lee	333	32.0%
Formative/benchmark tests	427	41.1%
End-of-year/course tests	143	13.8%
Student portfolios	98	9.4%
Other	461	44.3%
Other (Nonacademic) Indicators	62	5.9%
Student attendance	12	1.2%
Drop-out rate	5	0.5%
Graduation rate	4	0.4%
Other	42	4.0%
Not applicable	0	0.0%
Unknown	4	0.4%

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during summer and fall 2007.

In addition to pre-defined student assessment measures in the coding taxonomy (TAKS, SDAA, TPRI, local benchmark, end-of-course exam, and student portfolio), 461 (44%) schools used other measures of student performance. Commonly used alternative measures included Stanford 10[44] (13 schools, 1%) and Locally Determined Alternative Assessment[45] (11 schools, 1%). It should be noted that a number of these "other" student assessments are in fact widely used standardized assessments in Texas; evaluators, however, had not included them in the original coding taxonomy, and therefore they were initially coded as "other."

Overall, 166 (16%) Cycle 1 schools used an aggregate indicator of campus performance to evaluate teacher performance for Criterion 1. As with student assessments, schools employed a variety of campus rating measures, the most popular being a school's rating on the state accountability system.

[44] Stanford 10 is a formative assessment consisting of multiple choice questions that is designed to assess what students know and are able to do.

[45] Locally Determined Alternative Assessments (LDAA) are used for assessment of special education students for whom the TAKS and SDAA are inappropriate.

This annual accountability rating is assigned to schools by the Texas Education Agency and is determined by a combination of student passing percentages on state-level standardized assessments (e.g., TAKS), graduation rates, and completion rates. Schools can receive ratings ranging from Academically Unacceptable to Exemplary. Among those schools using a campus rating measure, the most popular was to make awards to teachers when the school attained a rating of Recognized (12%) and Exemplary (9%).

Evaluators also determined the way in which schools analyzed student performance data for determination of teacher awards. Applications were coded to identify if a school evaluated student performance as an achievement level or as a measure of growth (e.g., value-added). Table 5.5 displays these design features by campus rating and student assessment indicators.

Table 5.5: Indicators of Student Performance, Level v. Growth Measures

	Achievement Level	Measure of Growth	Unknown	Not Applicable
Campus rating indicator	15.3% (159)	0.5% (5)	0.6% (6)	84.0% (874)
Student assessment indicator	90.7% (943)	26.5% (276)	3.8% (40)	1.7% (18)

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during summer and fall 2007.

For both campus rating and student assessment indicators, determining awards by achievement levels was the most popular approach used by Cycle 1 schools. Among the 166 schools using a campus rating measure, 96 percent used achievement levels; four of those schools (2%) considered a measure of growth in combination with achievement level. Among the 1,022 schools using student assessment measures, 943 schools (92%) considered achievement levels for award determination; of those 943, 25 percent used a measure of growth in combination with an achievement level.

Criterion 2 Indicators: Teacher Collaboration

Criterion 2, a measure of teacher collaboration, is the second required component that schools must consider when determining Part 1 awards to classroom teachers. The TEEG guidelines refer to this criterion as

> Collaboration with faculty and staff that contribute to improving overall student performance on the campus. Collaboration may be measured by campus-based activities such as the following: attendance at professional development sessions; participation in curriculum development and instructional strategy meetings; participation in team teaching and classroom observation activities; participation in mentoring, induction, and coaching programs; and evidence of sharing lesson plans and student data (Texas Education Agency, 2006c, p.11).

Accordingly, evaluators identified the recommended Criterion 2 indicators along with other recurring measures used by schools. Table 5.6 below details the extent to which each measure of teacher collaboration was used by TEEG Cycle 1 schools.

As is evident in Table 5.6, while Cycle 1 schools used a variety of indicators, they had a tendency to use measures that can be defined under three categories of teacher collaboration: instructional and curricular planning activities (66%), participation in professional development (55%), and participation in staff meetings (44%). However, it should be noted that applications did not always clearly identify the nature of staff meetings; moreover, it could not be concluded whether staff meetings were actually used for instructional and curricular planning. Nor was it clear if these activities were in addition to similar activities already part of a teacher's duty in that school.

Table 5.6: Criterion 2, Indicators of Teacher Collaboration

Teacher Collaboration Activities	Number of Schools	Percent of Schools
Professional development	568	54.6%
Teacher PDAS rating[46]	52	5.0%
Instructional, curricular planning activities	686	66.0%
Staff meetings and committees	454	43.7%
Team teaching	228	21.9%
Mentoring, induction, coaching activities	137	13.2%
Sharing and analyzing student achievement data	210	20.2%
Parent involvement activities	63	6.1%
Other	250	24.0%
Unknown	11	1.1%

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information from evaluators' analyses of 1,040 Cycle 1 applications during summer and fall 2007.

Criterion 3 Indicators: Teacher Initiative and Commitment

TEEG schools had the option of using measures of teacher initiative and commitment to reward teachers. As defined in TEEG guidelines, Criterion 3 is described as follows:

> A teacher's demonstration of ongoing initiative, commitment, personalization, professionalism, and involvement in other activities that directly result in improved student performance, for example, working with students outside of assigned class hours, tutoring, creating programs to engage parents, and taking initiative to personalize the learning environment for every student. (Texas Education Agency, 2006c, p. 12)

Overall, 435 schools (42%) used Criterion 3 to distribute Part 1 awards to teachers. Among those schools, there was noticeable variability in terms of the type of indicators used to measure teacher initiative and commitment. The most popular indicators were teacher attendance (25%) and tutoring students/participation in after-school academic programs (20%). Schools also had a greater tendency to use parent involvement activities as a measure of Criterion 3 (14%) as opposed to a measure of Criterion 2 (6%).

[46] PDAS, the Professional Development and Appraisal System, is the state-approved appraisal system for teachers. It consists of at least one 45-minute observation and the completion of a Teacher Self-Report form. PDAS, consisting of eight domains addressing learner-centered instruction, was adopted by State Board for Educator Certification in 1967.

Table 5.7: Criterion 3, Indicators of Teacher Initiative and Commitment

Teacher Initiative Activities	Number of Schools	Percent of Schools
Professional development	73	7.0%
Teacher PDAS rating	30	2.9%
Tutoring students, after-school programs	210	20.2%
Parent involvement activities	140	13.5%
District leadership activities	31	3.0%
Teacher attendance	259	24.9%
Other	167	16.1%
Not Applicable	605	58.2%
Unknown	3	0.3%

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during summer and fall 2007.

Criterion 4 Indicators: Hard-to-Staff Areas

The TEEG program gave schools the option of using Part 1 funds to reward teachers assigned to critical shortage areas or those that have high turnover, such as math, science, special education, and bilingual/English as a Second Language (ESL). Thirty-seven schools (4%) used Criterion 4 as part of their Part 1 design.

Table 5.8 displays how TEEG Cycle 1 schools used funds for rewarding teachers assigned to critical shortage areas. The most common hard-to-staff areas were locally determined (2%), special education (1%), and math (1%). Locally determined areas were often those deemed high turnover, such as teachers assigned to high-stakes subjects and grades (i.e., TAKS).

Table 5.8: Criterion 4, Indicators of Hard-to-Staff Areas

Hard-to-Staff Areas	Number of Schools	Percent of Schools
Mathematics	10	1.0%
Science	8	0.8%
Foreign Language	4	0.4%
Special Education	11	1.1%
Bilingual Education	8	.8%
Technology Applications	1	0.1%
English as a Second Language	8	0.8%
Other (Locally determined)	24	2.3%
Not applicable	1002	96.3%
Unknown	0	0%

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during summer and fall 2007.

Unit of Accountability

Evaluators identified three units of accountability (i.e., the entity whose performance determines the distribution of an award), namely teachers, teams, and an entire campus. If awards were determined by the performance of individual teachers, then teachers were considered to be the unit of accountability. A team unit of accountability resulted from awards being determined by the collective performance of an entire grade level or subject area. The campus was considered the unit of accountability when campus-wide performance was used to determine award eligibility.

Tables 5.9, 5.10, and 5.11 provide an overview of the units of accountability for the key performance indicators used for each TEEG criterion discussed in the previous section. It is evident from these data that schools use a greater variety of accountability units for Criterion 1 than for any other program criteria (i.e., Criterion 2, Criterion 3, or Criterion 4).

Table 5.9: Criterion 1 (Student Performance) Unit of Accountability

Criterion 1 Indicators	Campus	Team	Teacher	Not Applicable	Unknown
Campus rating	12.2% (127)	1.7% (18)	1.7% (18)	84.0% (874)	0.5% (5)
Student assessments	8.4% (870)	32.4% (337)	67.4% (701)	1.7% (18)	4.4% (46)
Nonacademic indicators	1.3% (13)	0.5% (5)	3.5% (36)	94.0% (978)	0.5% (5)

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during summer and fall 2007.

The unit of accountability for student assessment indicators is unique in that schools used numerous combinations of entities for award determination. Over 700 schools (67%) used individual teachers as the unit of accountability, and 72 percent of those 701 schools used only a teacher accountability unit. Twenty percent of those particular schools combined teacher and team units of accountability, five percent used a campus accountability unit in combination with teachers, and two percent combined teacher accountability with team and campus-level accountability.

TEEG Cycle 1 schools almost exclusively used individual teachers as the unit of accountability for the other program criteria. Table 5.10 details the units of accountability for some of the more commonly used Criterion 2 indicators, clearly depicting the high tendency to hold teachers as the entities responsible for performance. Table 5.11 shows similar findings for the more common Criterion 3 indicators.

Table 5.10: Criterion 2 (Teacher Collaboration) Unit of Accountability

Criterion 2 Indicators	Campus	Team	Teacher	Not Applicable	Unknown
Professional development	0.2% (2)	0.4% (4)	54.0% (562)	45.4% (472)	0.0% (0)
Instructional, curricular planning activities	0.0% (0)	0.4% (4)	65.3% (679)	34.0% (354)	0.0% (0)
Staff meetings	0.1% (1)	0.4% (4)	42.4% (441)	56.3% (586)	0.3% (3)

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during summer and fall 2007.

Table 5.11: Criterion 3 (Teacher Initiative and Commitment) Unit of Accountability

Criterion 3 Indicators	Campus	Team	Teacher	Not Applicable	Unknown
Tutoring students, after-school programs	0.0% (0)	0.2% (2)	19.9% (207)	79.8% (830)	0.0% (0)
Parent involvement activities	0.0% (0)	0.1% (1)	13.3% (138)	86.6% (900)	0.1% (1)
Teacher attendance	0.0% (0)	0.0% (0)	24.8% (258)	75.2% (781)	0.1% (1)

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during summer and fall 2007.

Tables detailing the units of accountability for all performance indicators for each TEEG criterion can be found in Appendix F, Table F.1. The tables depicted in this chapter illustrate the broader tendencies for each program criterion.

Performance-Level Benchmarks

TEEG schools developed performance benchmarks—or thresholds—for their criterion measures. That is, they establish performance-level thresholds that a campus, teacher, and/or team would have to achieve in order to receive an award. Schools commonly used one of two structures for setting these performance benchmarks: one-level and tiered. One-level structures were those for which there was only one benchmark, and additional awards could not be earned for performing above that threshold. Tiered structures were those in which there were multiple thresholds, with higher awards associated with meeting more rigorous performance thresholds.

Tables 5.12, 5.13, and 5.14 provide a description of the performance benchmarks associated with the most commonly used indicators for each TEEG criterion. Overall, schools most typically used a one-level performance benchmark structure for the determination of teacher awards; however, this

design feature was not as dominant as the use of a teacher-level unit of accountability, as explained in the previous section.

While schools more typically used a one-level structure for campus rating and nonacademic indicators, most preferred a tiered system when evaluating student assessment performance. In fact, student assessment measures are the only indicator for which a tiered structure was more commonly employed than a one-level performance structure. It is also worth noting that 43 of the 401 schools—or slightly more than 10 percent—using a one-level structure for student assessments did so in combination with a tiered system.

Table 5.12: Criterion 1 (Student Performance) Performance Benchmarks

Criterion 1 Indicators	One-level	Tiered	Not Applicable	Unknown
Campus rating	9.8% (102)	5.8% (60)	84.0% (874)	0.2% (2)
Student assessment	38.6% (401)	61.4% (639)	1.7% (18)	2.1% (21)
Nonacademic indicators	3.2% (33)	2.2% (23)	94.0% (978)	0.3% (3)

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during summer and fall 2007.

Criterion 2 performance indicators were more often associated with a one-level benchmark structure. As seen in Table 5.13 below, among schools using various indicators of teacher collaboration, no more than one-third distributed awards based upon a tiered system. As described in Table 5.14, this tendency is similar among schools using Criterion 3 indicators; however, there is a slightly greater tendency to employ a tiered performance benchmark structure.

Table 5.13: Criterion 2 (Teacher Collaboration) Performance Benchmarks

Criterion 2 Indicators	One-level	Tiered	Not Applicable	Unknown
Professional development	40.3% (419)	14.1% (147)	45.4% (472)	0.0% (0)
Instructional, curricular planning activities	51.3% (534)	14.6% (152)	34.0% (354)	0.0% (0)
Staff meetings	34.1% (355)	9.0% (93)	56.3% (586)	0.2% (2)

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during summer and fall 2007.

Table 5.14: Criterion 3 (Teacher Initiative and Commitment) Performance Benchmarks

Criterion 3 Indicators	One-level	Tiered	Not Applicable	Unknown
Tutoring students, after-school programs	14.7% (153)	5.4% (56)	79.8% (830)	0.0% (0)
Parent involvement activities	9.3% (97)	4.1% (43)	86.6% (900)	0.0% (0)
Teacher attendance	17.2% (179)	7.7% (80)	75.2% (781)	0.0% (0)

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during summer and fall 2007.

Finally, among the few schools using Criterion 4 indicators to reward teachers in hard-to-staff areas, a similar pattern emerges as with Criterion 2 and Criterion 3. For example:

- Of those using locally determined shortage areas, 17 schools used a one-level structure and six used a tiered structure.
- Of those rewarding special education teachers, seven schools used a one-level structure and three used a tiered structure.
- Similarly, of those rewarding math teachers, seven schools used a one-level structure and three used a tiered structure.

Tables detailing the performance-level benchmarks for all performance indicators for each TEEG criterion can be found in Appendix F, Table F.2. The tables depicted in this chapter are indicative of the broader tendencies for each of the program criterion.

Award Distribution Method

Evaluators identified the methods used by schools to allocate teacher awards. Schools tended to use one of several strategies, including prerequisite requirements, flat award amounts, or weighting schemes.

- Prerequisite requirement – An award amount is not determined by performance on a given indicator; rather, that performance requirement must be achieved in order to qualify as an award recipient. The total award amount is then determined by performance on separate indicators.
- Flat award – Schools allocate awards at one flat amount for achieving performance requirements for a given indicator. This method is often associated with a one-level performance structure (i.e., there is only one benchmark, and additional awards cannot be earned for performing above that threshold.).
- Weighting scheme – This method is used to assign differential importance to performance measures. While commonly associated with a tiered performance structure, it can also be

used to allocate differential awards to teachers based upon their teaching assignment (i.e., as opposed to their actual level of performance on a given indicator).

Overall, for Criterion 1 indicators, schools' use of distribution methods mirrors their tendencies for using performance benchmark structures. That is, if an indicator was more commonly associated with a one-level benchmark, it was more likely to be associated with a flat amount distribution method. On the other hand, if an indicator was more often associated with a tiered structure, then it was also more likely to be associated with a weighting scheme.

Table 5.15 describes these distribution method strategies for Criterion 1. Schools more frequently employed flat award amounts for campus rating indicators, which were more likely to use one-level performance benchmarks. On the other hand, student assessment indicators were more often associated with a weighting distribution method, not surprising given the tendency for student assessment indicators to employ a tiered performance structure.

Table 5.15: Criterion 1 (Student Performance) Distribution Method

Criterion 1 Indicators	Prerequisite	Flat Amount	Weighting	Not Applicable	Unknown
Campus rating	0.5% (5)	9.3% (97)	5.7% (59)	84.0% (874)	0.2% (2)
Student assessment	0.5% (5)	37.1% (386)	63.8% (663)	1.7% (18)	0.6% (6)
Nonacademic indicators	0.7% (7)	2.3% (24)	2.7% (28)	94.0% (978)	0.1% (1)

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during summer and fall 2007.

Tables 5.16 and 5.17 illustrate how different patterns emerge for Criterion 2 and Criterion 3 indicators. Specifically, these indicators are more likely to follow the same pattern, as opposed to Criterion 1 indicators, which showed more diversity. Schools most often used a flat award strategy for distributing Criterion 2 and Criterion 3 awards. While weighting schemes were used most frequently after flat awards, a notable number of schools used prerequisite strategies as well— Criterion 2 more so than Criterion 3. This prerequisite method required that teachers meet the standards for performance on those indicators before they could be considered eligible for an award amount, which would be determined by performance on a separate indicator and/or criterion.

Among schools using Criterion 4 indicators of hard-to-staff areas, all used a flat amount distribution method. That is, one common award amount was distributed to teachers based upon their assignment to a particular hard-to-staff and/or high turnover area as expected of the criterion, especially since teachers had already met Criteria 1 and 2.

Table 5.16: Criterion 2 (Teacher Collaboration) Distribution Method

Criterion 2 Indicators	Prerequisite	Flat Amount	Weighting	Not Applicable	Unknown
Professional development	8.6% (89)	31.3% (325)	14.4% (150)	45.4% (472)	0.4% (4)
Instructional, curricular planning activities	12.0% (125)	37.8% (392)	15.9% (165)	34.0% (354)	0.0% (0)
Staff meetings	8.1% (84)	25.1% (261)	9.4% (98)	56.3% (586)	0.6% (6)

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during summer and fall 2007.

Table 5.17: Criterion 3 (Teacher Initiative and Commitment) Distribution Method

Criterion 3 Indicators	Prerequisite	Flat Amount	Weighting	Not Applicable	Unknown
Tutoring students, after-school programs	1.3% (14)	12.6% (131)	6.1% (63)	79.8% (830)	0.1% (1)
Parent involvement activities	0.7% (7)	8.3% (86)	4.4% (46)	86.6% (900)	0.1% (1)
Teacher attendance	0.9% (9)	15.8% (164)	8.1% (84)	75.2% (781)	0.2% (2)

N=1,040

Note: Percentages may not add up to 100 percent because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during summer and fall 2007.

Tables detailing the award distribution methods for all performance indicators for each TEEG criterion can be found in Appendix F, Table F.3. The tables depicted in this chapter are indicative of the broader tendencies for each of the program criterion.

Chapter Summary

This chapter provides a comprehensive overview of the key design features that characterize TEEG Cycle 1 schools' incentive programs. It discusses the performance measures, units of accountability, performance benchmarks, and award distribution methods employed by the schools. Overall, schools most frequently used measures of student performance and teacher collaboration to determine teacher awards; strikingly few employed awards for hard-to-staff areas.

CHAPTER 6
TEACHER ATTITUDES AND BEHAVIOR IN TEEG SCHOOLS

This chapter provides initial findings about teachers' attitudes and behaviors in TEEG schools during Cycle 1 (2006-2007). A survey of teachers was fielded during the spring 2007 semester to learn more about teachers' experiences and practice at an early stage in the TEEG implementation process. This chapter addresses key findings from the survey as well as differences by school characteristics.[47] While these findings are preliminary, they do offer insight into the experiences of educators during the first year of TEEG implementation. Further, the survey results provide a baseline that will be a foundation for comparison of future TEEG survey responses. It is too early to assume that teachers' responses during this first year of TEEG implementation are attributed to the TEEG program.

Key Policy Points

This chapter highlights and expands upon the following key policy points:

- The majority of teachers had generally positive reactions to their own school's TEEG program.
- Teachers tended to report that their school's TEEG program would not influence their behavior. Elementary teachers and teachers in charter schools typically reported higher levels of motivation than their counterparts.
- Most teachers reported positive attitudes among their peers (i.e., attitudes toward students and relations with colleagues); however, responses were mixed when asked about teacher satisfaction at the school.
- Teachers generally reported frequent use of high-quality professional practices related to curriculum and instruction, use of assessment data, and parent engagement.

Overview

This chapter addresses the following questions:

- What are teachers' attitudes about performance pay in general, and TEEG specifically?
- What is the climate of organizational dynamics and institutional practices in TEEG schools?
- Do teachers report any changes in their professional practices in response to TEEG?

[47] Researchers conducted chi-square analyses to evaluate the significance of differences between respondents of various teacher and school characteristics (e.g., grade-level, school type, TEEG eligibility criteria). To review these analyses, please contact the research team at the National Center on Performance Incentives or view the addendum that can be found on our website (www.performanceincentives.org).

Survey Overview and Methodology

This section summarizes results from a TEEG Cycle 1 teacher survey that provide preliminary findings to two of the project's research questions:

- What are teachers' attitudes about performance pay in general, and TEEG specifically?
- Do teachers report any changes in their professional practice in response to TEEG?

Teachers in schools with fully negotiated plans (NOGA'd) were asked questions about their attitudes toward TEEG, while teachers in schools still undergoing negotiations (non-NOGA'd) were asked about their attitudes toward performance-based pay in general. All teachers were asked about changes in classroom practices, specifically curriculum and instruction, use of assessment, and parent engagement. Both survey instruments can be found in Appendix G.

Survey Methodology and Sample

Instructional personnel in TEEG Cycle 1 schools were given the survey online in the spring of 2007. The survey was administered to full-time instructional personnel at 1,103 TEEG schools that were on the Cycle 1 eligibility list at that time.[48] Instructional personnel were given four weeks to respond, and all responses were anonymous.

At least one teacher at all 1,103 schools responded to the survey. The number of teacher responses overall was 43,316. Among Cycle 1 schools with NOGA'd plans at that time, 29,579 of the 35,935 teachers responded, yielding a response rate of 82 percent. Among non-NOGA'd schools at the time of survey administration, 13,737 of 15,774 teachers responded, resulting in an 87 percent response rate. The total usable respondent count totaled 37,220, or 72 percent of the 51,709 eligible to respond. [49]

Information generated from the spring 2007 survey is not without limitations. First, it is difficult to identify a valid comparison group for understanding how TEEG teachers' attitudes and behaviors measure up to the attitudes and behaviors of similar teachers in Texas who are not exposed to a performance incentive program. As described in Chapter 2 of this report, a large number of Texas schools are either implementing or in the initial stages of implementing a performance incentive program. Over 1,100 schools currently operate a TEEG Cycle 1 program and a comparable number are planning Cycle 2 TEEG applications; 99 operate GEEG programs; and currently 510 public-school districts have expressed intent to apply for a DATE performance incentive grant, which is currently in planning stages in 2007-2008 with plans for program implementation in 2008-2009.

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[48] The Texas Education Agency provided NCPI with a list of 1,103 TEEG Cycle 1 schools that were on the eligibility list as of January 2007. We recognize that, since that time, the final TEEG Cycle 1 eligibility list was finalized with a total of 1,148 schools. Using the 2006 full-time equivalent teacher count we estimated an eligible teacher count of 51,709 teachers in those 1,103 schools.

[49] Due to invalid responses and low response rates at individual schools (which would threaten guaranteed anonymity), the usable teacher responses were somewhat lower in both approved and nonapproved Cycle 1 schools. In the former, 25,585 of the 29,579 (87%) were usable; in the latter, 11,635 of the 13,737 (85%) were usable.

In addition to the large number of teachers in Texas that are currently or soon-to-be involved in a performance incentive program, the results of these surveys must be understood as coming from teachers in schools that self-selected into a performance incentive program. Participation in TEEG is voluntary for schools that meet eligibility criteria and the decision to participate had to involve teachers; therefore, teacher respondents may be systematically different from those who were either in schools that were not eligible for TEEG or those who were in eligible schools that decided not to apply.[50]

Tables 6.1 and 6.2 compare characteristics between teacher survey respondents and teachers in all TEEG Cycle 1 schools, revealing very similar patterns between the two groups.

Table 6.1: TEEG Teachers' Years of Teaching Experience, Respondents v. All Teachers

Response Category	Overall Years Teaching		Years Teaching at School	
	Respondents	All TEEG Cycle 1 Teachers	Respondents	All TEEG Cycle 1 Teachers
Missing/Undefined	N/A	9.4%	N/A	N/A
1 to 3 years	21.2%	20.4%	41.6%	44.6%
4 to 9 years	28.7%	26.6%	33.9%	34.0%
10 to 14 years	15.5%	13.3%	10.6%	10.1%
15 to 19 years	10.9%	9.8%	6.5%	11.3%
20 or more years	23.8%	20.7%	7.4%	

Respondents' N=37,220; all TEEG teachers' N=47,549

Note: Public Education Information Management System (PEIMS) does not provide information on teacher tenure at current campus. Therefore, that variable was constructed by evaluators using an 18-year panel of data; there was not sufficient information to distinguish between ranges 15 to 19 years and 20 or more years.

Source: Information on respondents comes from results of TEEG teacher survey administered in January 2007. Information on teachers in all TEEG schools comes from PEIMS 2006-2007.

The distribution of overall years teaching and years in their current school is similar between the survey respondents and all teachers in TEEG Cycle 1 schools. Additionally, education levels and annual salary reflect comparable patterns between both groups of teachers, with the exception that slightly more survey respondents hold a master's degree than their counterparts in all Cycle 1 schools.

[50] Chapter 7 provides an overview of interviews conducted with schools that were eligible for TEEG Cycle 1 but decided not to apply for grant funding.

Table 6.2: TEEG Teachers' Education Level and Salary, Respondents v. All Teachers

Highest Degree	% of Respondents	% of All Cycle 1 Teachers
Associate's	N/A	N/A
Bachelor's	71.6%	78.0%
Master's	27.3%	20.5%
Doctorate	0.8%	0.5%
Other	0.3%	0.9%
Annual Salary	**% of Respondents**	**% of All Cycle 1 Teachers**
Missing/Undefined	N/A	0.4%
$20,000 to $29,999	1.4%	1.9%
$30,000 to $39,999	24.3%	18.4%
$40,000 to $49,999	52.1%	53.4%
$50,000 to $59,999	17.1%	19.1%
$60,000 or more	5.1%	6.8%

Respondents' N=37,220; all TEEG teachers' N=47,549
Source: Information on respondents comes from results of TEEG teacher survey administered in January 2007. Information on teachers in all TEEG schools comes from PEIMS 2006-2007.

All schools included in this study were identified as having a record of academic success according to the Texas Education Agency identification criteria. The sample for this survey included four types of schools: regular schools, alternative schools, regular charter schools, and alternative charter schools.[51] However, 97 percent of the responses came from teachers in regular schools. The other three categories each represented about one percent of respondents. For the most part, results were the same across school type, so overall results are presented, with occasional comment when differences are noteworthy. Readers should also remember that, as a group, teachers in this study who were working in charter schools reported that they had less experience and earned less money than teachers in other schools. They were also more likely to report teaching out of field than teachers in other schools.

The schools represented four different grade-level configurations: elementary, middle, high school, and multi-grade. Slightly over half of the responses came from elementary teachers, about 20 percent came from middle-school teachers, and about 20 percent from high-school teachers. Only two percent came from teachers in multi-grade schools.

For the most part, there were no differences in responses by grade-level configuration, so again, this chapter emphasizes overall responses. When differences by grade level were noteworthy, they are discussed in detail. In thinking about these differences it is important to remember that charter

[51] These terms are used to describe the groups of schools throughout this section. The term "regular" refers to public schools (both traditional and charter schools) that are evaluated under the state's accountability rating system. "Alternative" refers to alternative education campuses (AEC) that qualify and are registered for evaluation under the alternative education accountability (AEA) procedures; they receive accountability ratings based on different performance standards and indicators/measures than those used for "regular" schools. In addition, the term "schools" refers to the combination of regular and alternative schools, and the term "charter schools" refers to the combination of regular and alternative charter schools.

schools (regular and alternative) are more likely to be multi-grade than other schools, and that alternative schools (other and charter) are more likely to be high schools than elementary, middle or multi-grade schools.

The evaluation also examines difference in responses by school performance type, that is, schools that were eligible for the program based on high performance levels compared to schools that were eligible based on relatively high measures of Comparable Improvement. Differences were small in most cases, and the exceptions are noted in the text. The high-performing schools were more likely to be elementary and the Comparable Improvement schools were more likely to be secondary (i.e., middle or high schools). In addition, alternative schools were almost exclusively found in the Comparable Improvement category.

Teachers' Attitudes about TEEG

The majority of teachers in approved schools had generally positive reactions to their school's TEEG program, although they did not think the program would influence their own behavior. Table 6.3 provides an overview of the nuances that led to this distinction.

Table 6.3: Teachers' Reactions to School's TEEG Program, NOGA'd Schools

Item	% (Strongly) Agreeing with Statement
I was already working as effectively as I could before the implementation of TEEG, so the program does not affect my work.	84.9%
I have a clear understanding of the criteria I need to meet in order to achieve a bonus.	77.6%
I have a strong desire to earn a TEEG bonus.	70.5%
Our TEEG program does a good job of distinguishing effective from ineffective teachers at the school.	59.9%
Our TEEG program does not measure important aspects of my teaching performance.	56.0%
The size of the top TEEG bonus award at my school is large enough to motivate me to try to earn the top award.	52.5%
I have noticed increased resentment among teachers since the start of our TEEG program.	27.3%
I have altered my instructional practices as a result of our TEEG program.	25.0%
The prospect that teachers at my school can earn a bonus discourages staff in the school from working together.	23.0%

N=25,585
Source: Spring 2007 TEEG Teacher Survey (January 2007).

Some of the key findings from Table 6.3 follow.

- Three-quarters of teachers agreed that they understood the criteria for receiving a bonus.
- Seventy percent reported that they strongly desired to earn a bonus.
- Sixty percent agreed that the TEEG program would do a good job of distinguishing between effective and ineffective teachers.
- Only about one-quarter of teachers reported that the prospect of bonuses increased feelings of resentment or had a negative effect on teachers working together.

Interestingly, over 80 percent of teachers reported that they were already working as effectively as they could, so the program would have no effect on their work. Consistent with this, only one-quarter of the teachers in NOGA'd schools agreed that they had altered their teaching in response to their school's TEEG program. Perhaps this is explained, in part, by the fact that only half of the teachers agreed that the bonus was large enough to motivate them to try to earn the top award.

For the most part, responses to the questions about TEEG were similar (within five percentage points) among elementary, middle-school, and high-school teachers. One exception was the item about understanding the criteria for achieving a bonus. Agreement was higher among elementary-school teachers (82%) and middle-school teachers (76%) than high-school teachers (67%).

In addition, elementary teachers reported the highest levels of motivation—they were more likely than high-school teachers to agree that the size of the award was large enough to motivate them (54% compared to 47%) and to agree that they had a strong desire to earn a bonus (73% compared to 65%). Middle-school teacher responses were in between.

Teachers in multi-grade schools had somewhat more supportive responses to most items than teachers in other schools. For example, they had a higher percentage agreeing that TEEG does a good job of identifying effective teachers (69%), and a lower percentage reporting that staff were discouraged from working together (16%). However, the number of teachers (313) in multi-grade schools was so small that these differences may not be reliable.

Responses from teachers in high-performing schools were similar to responses from teachers in Comparable Improvement schools. However, teachers in charter schools were more supportive (higher reports that TEEG distinguishes effective teachers, lower reports of resentment) and reported greater changes in practice than did teachers in other schools. There were also noteworthy differences in terms of motivation between teachers in charter schools and other schools. Teachers in charter schools were much more likely than teachers in other schools to report that the top award was large enough to motivate them (77% compared with 52%) and to report that they had a strong desire to earn a bonus (87% compared with 70%). It is worth recalling that teachers in charter schools tended to have less experience and earn lower salaries than teachers in other schools. It may also be the case that charter schools have different compensation policies that make teachers more attuned to performance bonuses. Due to the relatively small number of teachers in regular charter schools (120) and alternative charter schools (95), the responses for these schools should be interpreted with caution.

Teachers' Attitudes about Performance-based Incentives

Several survey items gauged teachers' attitudes in general, and toward performance-based incentives specifically. Responses to these items and noteworthy differences by school characteristics are described in the subsequent sections.

Importance of Performance Incentive Measures

Teachers in non-NOGA'd schools were asked a more general question about incentive pay programs rather than a question about TEEG in particular. Their responses indicate that most teachers would like to see many factors included in an incentive pay program; at least half of the teachers would give moderate importance or high importance to each of the 17 factors included in the survey (see Table 6.4). The factors endorsed by the greatest number of teachers were

- Improvements in students' test scores
- Collaboration with faculty and staff
- Time spent in professional development

The factors rated as important by the fewest number of teachers were National Board of Professional Teaching Standards (NBPTS) certification, student evaluations, and evaluations of teaching portfolios.

Slightly higher percentages of elementary-school teachers than teachers in other schools rated certain factors as important, including high average test scores (76%), performance evaluations by supervisors (85%), evaluations of students' work (77%), and parent satisfaction (65%). Slightly higher percentages of charter-school teachers than teachers in other schools rated most of the factors as important.

Table 6.4: Importance of Specific Factors for Designing an Incentive Pay Program Among Teachers in non-NOGA'd Schools

Item	% Identifying Measure as Having Moderate/High Importance
Improvements in students' test scores	91.4%
Collaboration with faculty and staff	89.4%
Time spent in professional development	87.2%
Efforts to involve parents in students' education	82.3%
Performance evaluations by supervisors	81.7%
Teaching in hard-to-staff schools	81.5%
Teaching in hard-to-staff fields	79.2%
Working with students outside of class time	76.4%
Evaluations of students' work (e.g., portfolios)	74.9%
Mentoring other teachers	74.3%
High average test scores by students	72.8%
Serving as a master teacher	65.0%
Performance evaluations by peers	62.2%
Parent satisfaction with teacher	61.6%
Evaluation of teaching portfolios	57.9%
Student evaluations of teaching performance	55.1%
NBPTS certification	53.6%

N=11,635
Source: Spring 2007 TEEG Teacher Survey (January 2007).

Overall Teacher Attitudes and Satisfaction

Teachers reported that there had been positive changes in the behavior of teachers in their school in 2006-2007 compared to the previous school year.[52] For example, over two-thirds of teachers agreed that in 2006-2007, teachers were more likely to encourage students to keep trying, felt more responsible to help each other, and could be counted on to help out even if it wasn't part of their job (see Table 6.5). Only one-quarter or fewer of teachers agreed with statements describing negative changes.

[52] All teachers, including those in NOGA'd and non-NOGA'd schools, responded to the remainder of the survey.

Table 6.5: TEEG Teacher Attitudes in NOGA'd and non-NOGA'd Schools, 2006-2007 Compared to 2005-2006

Item	% (Strongly) Agreeing with Statement
More often encourage students to keep trying even when the work is challenging	80.8%
More often expect students to complete every assignment	71.3%
Feel more responsible to help each other do their best	68.7%
Can be counted on more often to help out anywhere or anytime, even though it may not be part of their official assignment	67.6%
Seem more competitive than cooperative	25.0%
Trust each other less	22.2%
Less often think it is important that all of their students do well in class	18.5%

N=37,220
Source: Spring 2007 TEEG Teacher Survey (January 2007)

There were no major differences in responses between elementary, middle-school, high-school and multi-grade teachers, or among teachers in high-performing schools compared to Comparable Improvement schools. Teachers in charter schools were more likely than teachers in other schools to agree that teachers expect students to complete every assignment (about 80% compared to about 70%) and encourage students to keep trying (about 90% compared to about 80%). Teachers in regular charter schools were more likely than teachers in regular schools to report that teachers felt responsible to help each other (79% compared to 69%) and could be counted on to help out (80% compared to 67%).

Teachers' responses suggest that about half are more satisfied with various aspects of their school this year than last and about half are less satisfied (see Table 6.6). Perhaps most importantly, only about one-quarter of teachers agreed that they were thinking more about transferring to another school or district this year than last year. There were only slight differences in responses by level. Secondary teachers were more likely than elementary teachers to report thinking about transferring and to report greater stress and disappointment, though the groups did not differ in reported changes in overall satisfaction or in satisfaction about the running of the school. Teachers in regular charter schools were more likely to report satisfaction and less likely to report stress than other teachers.

Table 6.6: TEEG Teacher Satisfaction in NOGA'd and non-NOGA'd Schools, 2006-2007 Compared to 2005-2006

Item	% (Strongly) Agreeing with Statement
This year I like the way things are run at the school more than I did last year.	51.5%
I would describe teachers at this school as a more satisfied group than we were last school year.	49.1%
The stress and disappointments involved in teaching at this school are much greater than last school year.	42.0%
This year I think about transferring to another school/district more than I did last year.	27.9%

N=37,220
Source: Spring 2007 TEEG Teacher Survey (January 2007).

Changes in Classroom Practices

In addition to being surveyed about their perceptions and attitudes related to performance incentive programs, teachers in both NOGA'd and non-NOGA'd schools were also asked about their professional practices; specifically, how they perceive their practices during the current school year (2006-2007) and how it may have changed since the preceding school year. These survey items captured responses related to three types of professional practice:

- Classroom practices related to curriculum and instruction
- Classroom practices related to use of assessment data
- Classroom practices related to parent engagement

Curriculum and Instruction

This section describes curriculum and instruction in TEEG schools during the 2006-2007 school year. The results represent a baseline against which to compare future reports from TEEG schools. We identified a sample of five instructional behaviors that might be likely to change if teachers are highly focused on improving students' performance on achievement tests. The behaviors include the following concepts:

- Alignment of instruction with standards
- Peer tutoring
- Individualizing instruction
- Following a "pacing plan"
- Analysis of student work

Three-quarters or more of all teachers reported doing each of these behaviors at least once or twice a week, leaving little room for increasing their frequency in the future (see Table 6.7). In fact, the top

four actions were undertaken almost daily by half or more of the teachers (and the final action was undertaken almost daily by 40%). All of these behaviors were more prevalent among elementary teachers than secondary teachers (80% to 90% compared with 70% to 80%). Regular school teachers were more likely than other teachers to report following an instructional calendar or pacing plan (78% compared to about 66%).

Table 6.7: TEEG Teachers' Use of Curricular and Instructional Practices

Item	% Engaging in Behavior "once a week" or "almost daily"
I design my classroom lessons to be aligned with specific curricular standards.	92.2%
I have students help other students learn class content (e.g., peer tutoring).	87.8%
I plan different assignments or lessons for groups of students based on their performance.	84.7%
I follow an "instructional calendar" or "pacing plan" provided by the school or district to schedule my instructional content.	77.5%
I analyze students' work to identify the curricular standards that students have or have not yet mastered.	76.9%

N=37,220
Source: Spring 2007 TEEG Teacher Survey (January 2007).

We also asked about changes in a number of teacher behaviors related to curriculum and instruction from 2005-2006 to 2006-2007. The questions focused on assessment, instructional planning, tutoring, and professional development. For each of the behaviors, between 40 percent and 50 percent of the teachers said they were spending "a little more" or "much more" time on the behavior in 2006-2007 than in 2005-2006 (see Table 6.8).

For each behavior, between 16 percent and 23 percent of the teachers reported spending "much more" time this year than last year. Percentages reporting changes were generally consistent among elementary, middle-, and high-school teachers. Across all items, teachers in Comparable Improvement schools were more likely than teachers in high-performing schools to report changes (about five percentage points higher). Regular school teachers were less likely than the three other groups of teachers to report many of the changes (five to 10 percentage points lower).

Similarly, many teachers reported that their students spent more time on selected learning activities in 2006-2007 than in the previous school year (see Table 6.9). In particular, roughly half of all teachers said their students spent "a little more" or "much more" time engaging in hands-on learning, working in groups, and inquiry-based learning in 2006-2007 than in 2005-2006. These strategies are often associated with "constructivist" approaches to curriculum and instruction. On the other hand, about 40 percent of teachers reported that students spent more time in direct instruction.

A higher percentage of elementary teachers reported that their students spent additional time engaging in hands-on activities and homework than teachers in other grade levels (about five percentage points higher). Charter-school teachers were considerably more likely to report changes

on all items than other school teachers (about 10 percentage points higher), and Comparable Improvement teachers were more likely to report changes on items addressing time spent working in groups and engaging in inquiry-based learning (about five percentage points higher) than were high-performing teachers.

Table 6.8: Changes in TEEG Teachers' Use of Curricular and Instructional Practices, 2006-2007 Compared to 2005-2006

Item	% Engaging in Behavior "a little more" or "much more"
Re-teaching topics or skills based on students' performance on classroom tests	54.3%
Seeking help from/providing help to other teachers informally	53.3%
Aligning my classroom instruction with curricular standards	52.3%
Engaging in informal self-directed learning (e.g., reading subject-specific education research, using the Internet to enrich knowledge and skills)	51.6%
Tutoring individuals or small groups of students outside of class time	49.4%
Focusing on the classroom content covered by standardized achievement tests	47.6%
Administering benchmark assessments or quizzes	44.4%
Attending district- or school-sponsored professional development workshops	41.9%
Reviewing student test results with other teachers	41.6%

N=37,220
Source: Spring 2007 TEEG Teacher Survey (January 2007).

Table 6.9: Changes in TEEG Students' Time Using Learning Activities, 2006-2007 Compared to 2005-2006

Item	% Participating in Activities "a little more" or "much more"
Engaging in hands-on learning activities (e.g., working with manipulative aids)	52.7%
Working in groups	51.9%
Engaging in inquiry-based learning (i.e., students seek out and construct knowledge for themselves)	48.2%
Participating in direct instruction	39.6%
Completing assignments at home (i.e., homework)	32.7%

N=37,220
Source: Spring 2007 TEEG Teacher Survey (January 2007).

The survey also asked teachers about targeting instruction to certain groups of students this year compared to last year. This set of questions was intended to provide information about how the prospect of receiving a bonus was associated with teachers' decisions about how to allocate their time and efforts to students with different levels of performance.

The majority of teachers said that they focused "a little more" or "much more" effort on students at moderately low levels of achievement and on students at very low levels of achievement (see Table 6.10). Slightly more than 40 percent of teachers said they focused the same amount of effort on all students. Only about one-third reported focusing more effort on students at average or high levels of achievement.

Table 6.10: Changes in TEEG Teachers' Time Spent on Select Groups of Students, 2006-2007 Compared to 2005-2006

Item	% Spending "a little more" or "much more" time on students
I focus more effort on students at very low levels of achievement.	58.4%
I focus more effort on students at moderately low levels of achievement.	56.9%
I focus the same amount of effort on students at all performance levels.	44.1%
I focus more effort on students at average levels of achievement.	37.3%
I focus more effort on students at high levels of achievement.	29.9%

N=37,220
Source: Spring 2007 TEEG Teacher Survey (January 2007).

The largest differences between elementary and secondary teachers occurred for the items addressing students at moderately and very low levels of achievement; elementary teachers were more likely than secondary school teachers or multi-grade teachers to report increasing their focus on these groups of students. Teachers in regular and alternative charter schools were somewhat more likely to report change on all items than teachers in other regular and alternative schools.

Use of Assessment

Assessment practices are receiving growing attention in efforts to improve student performance. The vast majority of teachers in TEEG schools reported that they used student test score data "frequently" or "always or almost always" for a variety of purposes (see Table 6.11), including remediation, individualization, grouping, professional development, and parent engagement.

Higher percentages of elementary teachers reported using data for all purposes than did middle school teachers, who in turn were more likely to report use than high-school teachers. Reports from teachers in multi-grade schools were similar to middle-school teachers' reports. Teachers in high-performing schools reported greater use for all purposes than did teachers in Comparable Improvement schools (80%–90% compared to 75%–80%). Differences between teachers in charter and other schools were minimal.

Table 6.11: TEEG Teachers' Use of Assessment Data

Item	% Using data "frequently" or "always or almost always"
Identify individual students who need remedial assistance	85.5%
Tailor instruction to individual students' needs	84.7%
Identify areas where I need to strengthen my content knowledge or teaching skills	84.7%
Set learning goals for individual students	80.9%
Identify and correct gaps in the curriculum for all students	79.2%
Develop recommendations for tutoring or other educational services for students	78.9%
Assign or reassign students to groups	76.9%
Determine areas where I need professional development	76.0%
Target parent involvement in student learning	62.9%

N=37,220
Source: Spring 2007 TEEG Teacher Survey (January 2007).

Parent Engagement

Teachers engaged in a variety of efforts to involve parents in their student's learning. The most common activities involved contacting parents of students who were having academic problems or showed improvement in their academic performance (see Table 6.12).

Elementary teachers engaged in these activities far more than other teachers. For example, nearly 60 percent of elementary teachers required parents to sign off on homework, compared with 22 percent of middle-school teachers and only nine percent of high-school teachers. Similarly, almost nine out of 10 elementary teachers reported making contact with parents of students who were having academic problems, compared with three-quarters of middle-school teachers and two-thirds of high-school teachers.

Teachers in high-performing schools (which were more likely to be elementary schools) reported much higher parent involvement across all items (10 to 20 percentage points higher) than teachers in Comparable Improvement schools (which were more likely to be secondary schools). On most of the parent engagement items, higher percentages of regular school teachers than alternative school teachers reported doing the activity frequently (15 to 20 percentage points higher). The same differences were found for regular charter-school teachers compared to alternative charter school teachers.

Table 6.12: TEEG Teachers' Use of Parent Engagement Activities

Item	% Engaging in activity "frequently" or "always or almost always"
For those students who are having academic problems, I try to make direct contact with their parents.	80.2%
For those students whose academic performance improves, I send messages home to parents.	63.1%
Invite parents to visit or observe my classroom.	48.0%
I encourage parents to volunteer in the school.	46.6%
I require students to have their parents sign off on homework.	39.3%
I assign homework that requires direct parent involvement or participation.	34.2%
I send home examples of excellent student work to serve as models.	32.9%
I help engage parents in site-based decision making and advisory groups.	27.4%

N=37,220
Source: Spring 2007 TEEG Teacher Survey (January 2007).

Chapter Summary

The results of this initial analysis of TEEG teacher responses suggest fairly broad support for performance incentives in general and TEEG specifically. Although there is some evidence that teachers do not perceive themselves as being strongly motivated by the incentives, they also reported a number of ways in which their practices and their school environments had changed since the 2005-06 school year.

Recognizing these are baseline results, it is important the reader does not try to draw causal associations between TEEG Cycle 1 and teachers' perceptions, attitudes, and behaviors. Future reports will conduct additional analyses to better understand these relationships.

- Evaluators will group teachers on the basis of background factors and examine differences in responses associated with these teacher characteristics.
- Evaluators will group teachers on the basis of being TEEG award recipients or nonrecipients and examine differences in responses.
- Analyses will extract information on program characteristics in each of the schools and merge them onto the data set to permit analyses that associate responses with features of the specific programs.
- Evaluators will conduct multivariate analyses to examine the simultaneous effects of teacher, school, and program characteristics on responses.
- Evaluators will conduct exploratory analyses of relationships between changes in practice and responses to the incentive program as additional waves of data become available.

CHAPTER 7
UNDERSTANDING SCHOOLS NOT APPLYING FOR TEEG CYCLE 1

This chapter provides an overview of schools that were eligible for TEEG Cycle 1 funds, but decided not to apply. A total of 51 schools, approximately 4 percent of all eligible schools, declined participation. These schools offer a unique opportunity to study perceptions of performance incentive policies.

Key Policy Points

This chapter highlights and expands upon the following key policy points.

- Among TEEG Cycle 1 eligible schools, the campuses declining to participate are distinct from participants along select school characteristics, such as having more alternative instruction sites, lower accountability ratings, and TEEG Cycle 2 eligible schools.
- Cycle 1 decliners more often were eligible for smaller TEEG grants than those participating.
- Many nonparticipating schools did not involve teachers in their decision to decline TEEG participation.
- Cycle 1 decliners communicated several concerns about TEEG, including inequitable distribution of awards to school personnel, inadequate school selection criteria, and administrative burdens to design, apply for, and implement the program.
- Cycle 1 decliners responded more favorably to schoolwide performance awards than awards for teacher teams or individual teachers.
- While most schools reported reservations about future participation in TEEG, those that were eligible for Cycle 2 more frequently responded favorably to future involvement.

Overview

This chapter addresses the following questions.

- Who was involved in the schools' decisions not to participate in TEEG Cycle 1 and when was that decision made?
- What were the primary reservations that prompted the schools to forego participation?
- Which models of, or approaches to, performance incentives are preferred among these TEEG decliners?
- Would the school decline participation if eligible to participate in future cycles of TEEG?

Overview and Methodology

Much has been learned from the experiences of the more than 1,100 schools that are currently operating performance incentive programs with TEEG Cycle 1 grants. Another—albeit smaller—group, however, offers unique insight into why select schools chose not to participate in the TEEG program. This latter group consists of the 51 schools that were eligible for TEEG Cycle1 grants, yet turned down the opportunity to apply.[53]

These schools represent less than 5 percent of the total number of schools that could have operated TEEG Cycle 1 programs. However, as Texas continues to scale up statewide performance incentive programs with forthcoming TEEG cycles and DATE, it is important for policymakers to consider the perspective of those willing to decline offers for participation in the performance incentive program.

In an effort to understand why these 51 schools declined TEEG Cycle 1, evaluators interviewed key decision makers at each of the schools. Specifically, the interviews focused upon the following key research questions:[54]

- Who was involved in the school's decision not to participate in TEEG Cycle 1 and when was that decision made?
- What were the primary reservations that prompted the school to forego participation in TEEG Cycle 1?
- Which approaches for performance incentives, if any, are preferred among these TEEG Cycle 1 decliners?
- Would the schools respond similarly if offered the opportunity to participate in future cycles of TEEG?

Interview Procedures and Analysis

Evaluators contacted all 51 schools that declined to participate in TEEG Cycle 1 during the late summer and early fall of 2007. Thirty-seven interviews were successfully completed by phone, capturing responses for 40 of those 51 schools.[55] Among the 11 remaining schools, four refused to participate, one no longer employed anyone who was informed about the decision, and the remaining six did not respond to evaluators' efforts to contact them.

Evaluators elected to interview principals with the belief that principals would have the best understanding of issues surrounding the school's decision not to participate in TEEG. If the principal was not familiar with the school's decision or felt that another school or district official could offer better insight, interviews were conducted with that individual.

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[53] There were 53 schools that turned down TEEG Cycle 1 grants. However, two are no longer operational.
[54] Appendix H provides a more detailed overview of the interview protocol used for this initiative.
[55] Interviews were completed for 40 of the 51 potential schools. However, one interview accounted for four schools that were part of the same charter organization. The decision not to participate was made centrally.

Twenty-seven interviews were conducted with school principals, five with superintendents, and the remaining five with other district officials (e.g., assistant superintendents, grants director, etc.). Interviews lasted approximately twenty minutes. All interviews were structured and lasted approximately 20 minutes. Appendix H contains the interview protocol.

Most interviewees have been in their current professional position for three years or less. Specifically, 19 (51%) have been in their current position for no more than three years. Eight more have been in their position between four and six years; among those remaining, six have served more than six years and four had unclear responses. Despite the limited time served in their current positions, the vast majority (82%) have been in the field of education greater than six years.

Interview Limitations

There are a few limitations with implications for interpreting interview findings. First, due to confidentiality safeguards for interviewees, evaluators were not able to link interviewees with their campuses to associate specific interview findings with characteristics of schools. While evaluators tried to interview the person with most knowledge of the decision-making process, it should be understood that one person—whether it be a principal, superintendent, or other school official—can not fully represent the thoughts and preferences of other decision-making stakeholders (e.g., classroom teachers, noninstructional personnel, and district officials).

A number of noteworthy insights were offered by interviewees. First, TEEG Cycle 1 decliners and the 40 interviewees are similar on many observable characteristics, suggesting that interview findings may in fact be representative of the greater population of decliners. Decliners are unique from TEEG Cycle 1 participants across a number of characteristics, allowing interviews to offer insight into a subset of schools that policymakers may not have otherwise understood from other evaluation efforts.

Overview of Schools That Declined to Participate in TEEG Cycle 1

Overview of School Characteristics

Table 7.1 below provides an overview of key school characteristics by schools participating in TEEG Cycle 1, schools declining TEEG Cycle 1, and declining schools that successfully completed interviews.

The 40 TEEG decliners for which interviews were completed are very similar to the overall population of all 51 TEEG decliners across all study characteristics.

TEEG Cycle 1 decliners, however, are noticeably different from TEEG Cycle 1 participants along a number of characteristics. First, a higher percentage of decliners—both the overall group (18%) and interviewees (20%)—are alternative instruction schools, compared to just six percent of participating TEEG schools. Decliners also tend to serve different grade-level configurations than do participating schools; decliners are more likely to be all-grade schools and high schools, but less likely to be elementary schools. Grade-level differences are not surprising given that alternative instruction schools tend to serve either high school or all-grade populations.

Table 7.1: Overview of TEEG Cycle 1 Decliners v. Participants

	Participating TEEG Schools (N=1,148)	Declining TEEG Schools (N=51)†	Declining TEEG Interviewees (N=40)
School Type			
Regular instructional	94.3% (1,082)	82.4% (42)	80.0% (32)
Alternative instructional	5.8% (66)	17.7% (9)	20.0% (8)
Grade Type			
Elementary	57.7% (662)	33.3% (17)	35.0% (14)
Middle	18.4% (211)	17.7% (9)	17.5% (7)
High	18.6% (213)	33.3% (17)	27.5% (11)
All-grade	5.4% (62)	15.7% (8)	20.0% (8)
2004-05 Accountability Rating			
Exemplary	1.6% (18)	0.0% (0)	0.0% (0)
Recognized	35.0% (402)	15.7% (8)	12.5% (5)
Acceptable	56.5% (649)	70.6% (36)	72.5% (29)
AEA: Acceptable	5.7% (65)	13.7% (7)	15.0% (6)
N/A	1.2% (14)	0.0% (0)	0.0% (0)
2004-05 Economically Disadvantaged			
< 50%	3.6% (41)	2.0% (1)	0.0% (0)
≥ 50%	17.2% (197)	29.4% (15)	25.0% (10)
≥ 70%	47.0% (539)	45.1% (23)	50.0% (20)
≥ 90%	32.1% (369)	23.5% (12)	25.0% (10)
Cycle 1 Eligibility Criteria			
High performing	36.5% (419)	15.7% (8)	12.5% (5)
High improving	56.4% (647)	70.6% (36)	72.5% (29)
N/A	7.1% (82)	13.7% (7)	15.0% (6)
Cycle 2 Eligible	19.6% (225) ††	39.2% (20)	42.5% (17)

† The total number of schools that declined TEEG Cycle 1 (n=51) excludes two schools that are no longer operational.
†† The estimate of 225 TEEG Cycle 1 schools that are eligible for TEEG Cycle 2 is based upon an outdated eligibility list for Cycle 1 schools that includes 1,163 campuses as opposed to the final 1,148.
Source: TEEG Cycle 1 eligibility list and decliner list provided by the Texas Education Agency (summer/fall 2007).

TEEG Cycle 1 decliners also display different performance indicators than do the participating TEEG Cycle 1 schools. The 2004-2005 accountability ratings reveal that decliners are more likely to have been rated Acceptable under the state accountability system or Acceptable under the alternative education campus accountability (AEA) rating system. As would be expected, a higher percentage of decliners were also eligible for TEEG Cycle 1 based upon improvements in performance (i.e., performing in the top quartile on the Comparable Improvement measure). While nearly three-quarters of all TEEG Cycle 1 decliners (71%) and interviewees (73%) qualified by making performance improvements, only 56 percent of TEEG Cycle 1 participants did so.

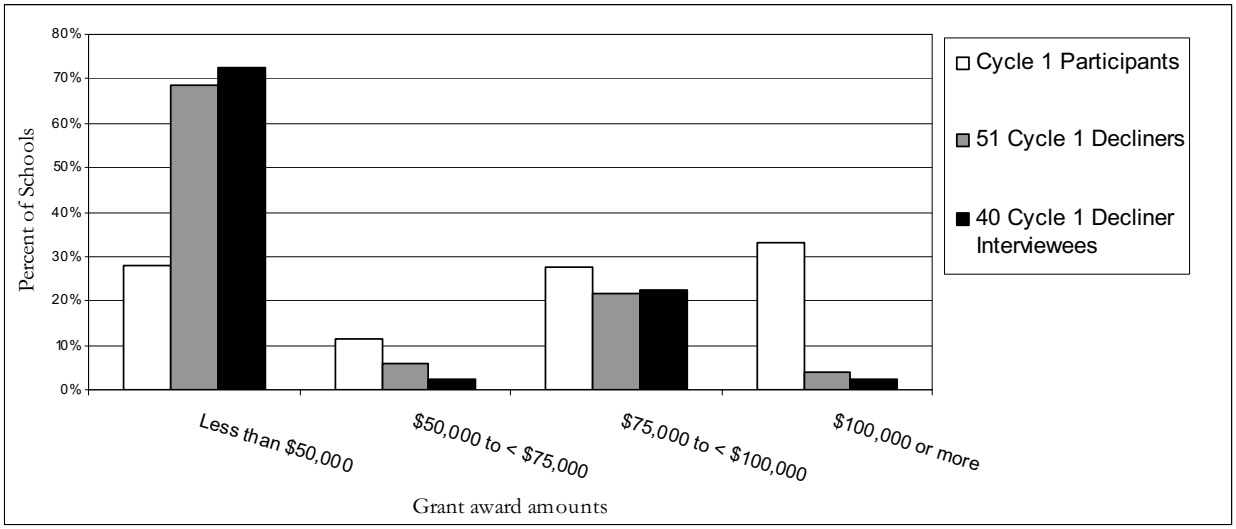
Interestingly, a greater percentage of TEEG Cycle 1 decliners are eligible for TEEG Cycle 2 than are the current Cycle 1 participants. While 20 percent of participating Cycle 1 schools are eligible for Cycle 2, 39 percent of all decliners, and an even greater percentage of interviewed decliners (43%), are eligible. This underscores the importance of knowing the motivation for these schools' decision to decline TEEG Cycle 1, if in fact state policymakers hope to encourage greater participation in future cycles of TEEG.

Overview of Cycle 1 Grant Awards

The 51 TEEG decliners were offered $2,780,000 in grant money, ranging in awards from $40,000 to $200,000. Among the 40 schools interviewed, the total Cycle 1 grants amounted to $2,070,000, ranging from $40,000 to $120,000.

Figure 7.1 provides an overview of how Cycle 1 grant award amounts were distributed among the 1,148 TEEG participants, the 51 potential decliners, and the 40 declining schools for which interviews were actually completed. A greater percentage of decliners were offered smaller grant award amounts than were schools participating in Cycle 1. While 69 percent of all 51 decliners and 73 percent of interviewees received offers less than $50,000, only 28 percent of participants received grants of that amount. Furthermore, a higher percentage of Cycle 1 participants (33%) received grants above $100,000 than did the decliners (4% of the 51 decliners; 3% of the 40 interviewed decliners).

Figure 7.1: TEEG Cycle 1 Grant Awards for Decliners



Source: TEEG Cycle 1 eligibility list and decliner list provided by the Texas Education Agency (Summer/Fall 2007).

Considering that grant amounts were determined by the size of a school's student enrollment (i.e., higher grant amounts for schools with higher student enrollment), it can be assumed that the Cycle 1 decliners tend to be smaller than those currently participating in TEEG.

Declining Participation in TEEG: Decision Process and Rationale

Interviews were structured to learn about the decision-making process and rationale that led schools to decline TEEG Cycle 1 grants. This section reports interviewees' responses to the following questions, highlighting recurring trends and other noteworthy findings:

- Who was involved in the school's decision to decline TEEG participation?
- When did the school reach a decision and how long did it take?
- What were the school's primary reservations about TEEG?
- Who, if anyone, disagreed with the school's collective decision and what was the reasoning?

Decision Involvement and Timeline

Guidelines for the TEEG program express the expectation that decisions about whether to participate in TEEG and how to design a performance incentive program should include a broad range of school-level stakeholders. As stated in the TEEG Program Guidelines,

> A campus-level decision-making body shall determine and approve the incentive plan and the distribution of incentive funds before consideration at the district level. The campus-level body should be composed of individuals representing a diverse and broad mix of teachers, including representation from different grade levels and subject areas. (TEA, 2006c, p. 14)

Despite these intentions, a significant percentage of decliner interviewees indicated that their schools used decision-making procedures that isolated teachers from the process. Of the 37 interviews conducted, 15 (41%) explained processes that did not involve teachers. Among these 15 interviewees,

- Seven identified decisions that were made among district administrators without involvement of school-level representatives; four of these involved only the superintendent.
- Another seven explained that decisions were made by district-level and school-level administrators.
- One school's decision was made by the school principal.

Slightly over half of interviewees (51%) reported that the decision to decline TEEG was made in the fall of 2006, that is, in the semester immediately following notification of their Cycle 1 eligibility. Four indicated that decisions were made in the spring 2007 semester. The remaining 14 could not recall when decisions were made.

Decliners tended to make their decisions rather quickly. Only six schools took longer than one month to reach their final decision. The remaining schools required less than one month. Eleven of these schools made decisions in less than one week, while seven took more than one week, but again, less than a full month.

Primary Reservations About TEEG

Interviewees were asked about the primary reservations that led their school to decline the TEEG Cycle 1 grant, and more specifically, what they believed to be the primary reservations held by administrative officials and classroom teachers. Interestingly, interviewees expressed common reservations held by administrators and teachers, the most frequent being the guidelines for distributing awards to school personnel and the impact the performance incentive program might have on the school's culture.

Distributing awards to school personnel

Both administrators and teachers were concerned about the ways in which schools, according to TEEG guidelines, must distribute awards to school personnel. The primary concern was that the guidelines did not allow schools to distribute awards evenly to all personnel. This was particularly troublesome when considering noncore teachers, paraprofessionals, and campus and administrative support staff (e.g., cafeteria workers, custodians, secretaries). As one interviewee explained,

> I think it was 75 percent that would be spent, distributed among the teachers. The other 25 percent went to the counselors, assistants and it's not even fair. I mean, that's not equal. So it did not make any sense for our campus. It honestly made it look like the teachers were more important than everybody else. And the teachers themselves said no we're all in the same boat regardless of the job description or whatever we do because we all work with kids every day.

This quote echoes a sentiment that arose often among those concerned about award distribution for school personnel. That is, the smaller percentage of grant funds that could be allocated to nonclassroom teachers (i.e., no more than 25%) did not accurately reflect their belief that all personnel work as a team to impact students' learning environment and award distribution should reflect that belief.

Impact on school culture

Another commonly expressed reservation was the way in which introducing a performance incentive program might impact the culture of a school, including organizational dynamics and interpersonal relations between personnel. Interviewees often described a sentiment that a TEEG performance incentive program would introduce competition that could create divisiveness and lower teacher morale. They also explained concerns that such a program would counter past initiatives to build a culture of teamwork and collaboration at the school. As one interviewee stated,

> I too felt like people would quit working together and helping each other. Right now, we plan together. We plan by department together and the activities are much the same, not all, but there is discussion every couple of weeks over what lessons, what's going to be taught, I mean they work very well together by departments.

Contributing to these concerns was the occasional revisiting of their past experiences with the Texas Teacher Career Ladder program that operated from 1984–1993. Among the 10 interviewees (27%) that brought up the Career Ladder program, all references reflected negative sentiments toward the program, recalling the way that it diminished teacher morale. One said that the old program "pitted teachers against one another"; another explained that it "killed camaraderie and collegiality"; and

another described the program as "very stressful." A number of these interviewees did acknowledge that TEEG is different from Career Ladder, but that their experiences with the past performance incentive policies, and the experiences of veteran teachers, left lingering animosity toward performance incentive pay.

School selection process

Several interviewees expressed reservations about the TEEG selection process, though the reasons prompting these feelings were quite varied. One concern was that other schools in the district might have actually outperformed the eligible school on the state's accountability rating system and that higher performing schools were not eligible for a TEEG grant. This created confusion as to the TEEG school selection process.

Other interviewees believed that the TEEG program did not adequately reflect the contribution that lower grades may have made to the performance of students. A number of interviewees mentioned the need to acknowledge the "pipeline" effect, that is, the idea that students' performance is cumulative. Thus, they felt as though the TEEG grant could not adequately acknowledge the contribution of so many grade levels. One interviewee explained it well, saying,

> We just feel like, well here we qualify for another grant, but we feel like some of the things, some of the foundation that was laid, you know maybe we improved you know our, our scores improved but the foundation that was laid was, had a lot to do with maybe the fifth-grade teachers, the fourth-grade teachers, the third-grade teachers. They are, we feel like they're important, you know, they do a lot of things to help us at the junior-high level.

Still other reasons prompting disagreement with the school selection process included confusion as to how a school with nontested grades (i.e., those not administering TAKS assessments) could qualify for the grant. Some others stemmed from the time lag in performance indicators used to select eligible campuses. More specifically, accountability ratings from 2004-05 were used to identify schools eligible for TEEG Cycle 1 grants, but upon notification schools were aware of their performance during the 2005-06 school year and felt that perhaps it did not justify the school receiving an award acknowledging performance (i.e., student performance in the latter year had diminished).

Administrative burden to design, apply for, and implement program

The administrative burden associated with the application process, as well as designing and implementing a performance incentive program, was commonly cited by interviewees as a key reason for declining participation. Interviewees explained that administrators perceived the burden to be more associated with trying to complete the application process given the time demands and paperwork, as well as the required technical expertise required to create a viable pay for performance program.

Interviewees also described teachers as being concerned with the administrative burden. Concerns among teachers had less to do with program design and application, as with principals, and more often involved reservations about monitoring and tracking performance criteria during program implementation. As one interviewee clearly explained,

> One of the things that I noticed our teachers were concerned about too is … because our school was successful in taking steps towards the next level which is we moved from acceptable to recognition … that it seemed to be a lot, it seemed a very tedious program in that there was lots of documentation, lots of time spent away from children and instruction that would require that they you know document, document meetings and exactly step by step what they're doing. It just seemed to be lots of record keeping outside of what their, their true love is. And that is the children and, and instruction and moving them forward.

Bad fit for a "small" district/school

Nearly a third of interviewees (12) discussed reservations about TEEG due to district and/or school size. The close-knit culture of small districts and schools leads to the belief that the distribution of differential awards is more transparent than in a larger setting. Teachers may be more aware of their award status compared to peers school- and districtwide, thereby engendering jealousy.

School personnel in small schools also wear "many hats" which complicate performance evaluation and targeting those responsible for student performance. When personnel service in multiple roles, the burden of actually designing an incentive program and completing the application process is more onerous. As one principal interviewee explained, "in a small school here where you are the counselor, assistant principal, and principal … it's very difficult to find the time to do all the stuff it takes."

Finally, several interviewees from small school districts also felt that isolating particular schools as recipients of grants based on performance did not appropriately recognize the more seamless flow of students from one school to another in a small community.

> My elementary/junior high is in a building, and my high school is in one building. They're all on the same block as, as you know together, the school is, I mean we're, we're not across town or anything. We're just all right here. So we might as well just be one school. Our concern was, was our high school qualified for something that our junior-high teachers and our elementary teachers also earned. Those students are a result of, of what those teachers did as well as what the high-school teachers did. So to give one group a monetary reward for the labor and the, and the achievements and, and the hard work that the other teachers did is not right.

Disagreement With Decision to Decline

Among the 37 interviewees, nearly half (46%) indicated that there was no dissention among decision makers to decline the TEEG Cycle 1 grant. These interviewees communicated a general consensus among administrators, teachers, and other school staff to decline the grant. Another seven interviewees were unclear if there was any dissent, most stemming from the belief that various stakeholders (e.g., school administrators, teachers) were not involved with the decision-making process.

Of the remaining 11 interviewees who were able to clearly identify instances of disagreement, all cited teachers as the most frequent dissenters. Administrators and other school staff were identified less often as disagreeing with the decision to forego participation in TEEG; four interviewees identified the former, while three identified the latter.

Reasons for dissent, at least as expressed by interviewees, were not as multi-faceted as the reservations that lead to declining TEEG in the first place. The most common reason was simply that school personnel wanted the money. As one interviewee recounted, the dissenting teachers said, "Hey, it's free money, why are we giving it up." Other less frequently cited responses included the belief that the school deserved recognition or that the TEEG program seemed worth trying (i.e., it would be something new and seemed workable).

Performance Incentive Preferences: Models and Measures

Interviews sought information about schools' preferences for performance incentive models and measures to better understand more general perceptions of performance incentive policies. This section explains interviewees' responses to the following questions:

- How do you feel about performance incentive models that provide awards to schools, teachers, and/or teams for above average achievement or above average gains?
- Which measures and/or behaviors do you consider most important for the design of a performance incentive plan?
- What nonmonetary awards might be equally or more motivating than cash awards to teachers?

Preferences for Performance Incentive Models

Interviewees were asked how they felt about performance incentives that provide awards for above average achievement or above average achievement gains—more specifically, how they felt about such awards directed to schools, to teams (i.e., subject area or grade-level teams), and to individual teachers. What emerged is a clear preference for schoolwide awards over team-based or individual teacher awards. While 26 interviewees (70%) responded favorably to schoolwide awards, only nine interviewees (24%) did so for team-based awards, and even fewer—four (11%)—did so for teacher awards. Remaining interviewees either opposed the idea altogether or favored it given certain conditions.

Schoolwide awards

The 26 interviewees shared very similar reasons for responding favorably to the idea of schoolwide performance incentive awards. Primarily, they felt that it reinforced the idea of teamwork and collaboration among school personnel, dynamics they held in high regard for the operation of a school. Additionally, they believed that schoolwide awards were an equitable way to distribute benefits to all school personnel, a sentiment expressed previously in the discussion of schools' reservations about TEEG.

Among the 11 interviewees opposed to schoolwide awards altogether or conditionally, it was evident that they were mostly concerned about the disparity introduced by student background and demographics. That is, there was a sense that the locus of control influencing student performance lies more with students' background than with the school. Therefore, schoolwide awards based on students' academic performance would not be an accurate assessment of school quality and effort.

Team-based awards

Fewer interviewees supported the idea of team-based awards based on above average achievement or achievement gains. The rationale among the nine interviewees responding favorably was similar to those supporting school-wide awards; that is, they believed it would reinforce a culture of teamwork and collaboration.

Among the 27 interviewees opposing this model either altogether or conditionally, a number of concerns were raised. The most common pertained to free-riding (i.e., team members not pulling their weight yet receiving an award). One principal explained this phenomenon quite well, saying,

> It's my experience that teams generally work best when every individual does their part. I think it's better to support the individual rather than a group of people because somebody might end up pulling the bulk of the load for the group, and then everybody gets rewarded when that's not appropriate.

Other recurring concerns reflected similar issues that were raised in response to schoolwide awards, one being that introducing incentives could be detrimental to school culture by diminishing teamwork and heightening a sense of competition. Another reservation was that the impact of student background characteristics would result in unfair comparisons between teacher teams; as one interviewee stated, "it's okay as long as their student populations are equivalent and have ability levels equivalent to what other teachers have."

A final concern, unique to team-based awards, is the difficulty implementing such awards in small schools. Interviewees explained that small schools may not have enough teachers with differentiated assignments to naturally group them by teams. One interviewee rationalized the following:

> It probably would be fine in the really big schools. But in the middle to small schools, in my core curriculum I have one teacher that teaches 6th, 7th, and 8th English; 6th, 7th, and 8th math; 6th, 7th, and 8th science. So in a small school, I don't know that it works as well as it would in the bigger schools where they have departments.

Individual teacher awards

The proposal of individual teacher awards based upon student performance received the least support among the three suggested models. Only four interviewees were favorable to these awards and unfortunately did not clearly expand upon the reasons for their support. Among the remaining interviewees who were opposed altogether or conditionally, some reservations arose similar to those associated with schoolwide and team-based awards. Namely, interviewees expressed concerns that performance incentives would introduce competition and diminish teamwork and teacher morale. They also felt that varying student background characteristics could complicate fair comparisons between teachers. As one interviewee quite frankly stated,

> Personally, I see that it could work if you're very careful with how you look at the demographics of the kids. I think that's one thing that the teachers particularly don't care for is being compared with one another especially if they have a different group of kids from one another. You can just listen to the teachers and they will tell you that the teachers with the gifted and talented kids and the higher academically performing kids just naturally are able to learn at a faster pace and feel like those teachers have the advantage over others.

Two other recurring concerns were more unique to the proposal of individual teacher awards. First was the insistence that such a performance incentive model must include a broad array of school personnel, such as noncore/nonstate-tested grades and subjects, paraprofessionals, and campus support staff.

A second issue is the qualification that performance measures for evaluating teachers be more transparent. One interviewee explained,

> I would want people to know going in that if your students reached this mark or you know it's some present criteria, they would know what they were working towards and they would know right off the bat if they qualified for that or not.

Preferences for Performance Measures and Incentives

Interviewees were also asked which measures or behaviors they consider most important for the design of a performance incentive plan. Interestingly, the three most commonly cited measures reflect the established criteria for TEEG performance incentive programs. That is, interviewees expressed the importance of student performance, professional activities, and professional demeanor, which closely resemble three of the four TEEG criteria: student performance, teacher collaboration, and teacher professionalism.

The majority of interviewees (70%) identified measures of student performance, and 10 (24%) also expressly stated the importance of using some measure of student improvement or growth over time. The other commonly cited performance measures can be categorized as either professional activities or professional demeanor and interpersonal relations. Professional activities most often included professional development, but also tutoring and the implementation of curricular and instructional initiatives. The latter category is defined by measures of teacher commitment to students and to collegial relations.

Finally, interviewees addressed the question of whether any nonmonetary awards might be equally or more motivating than cash awards to teachers. Interestingly, nearly one-quarter (24%) of interviewees expressed the opinion that nonmonetary awards would not be more motivating than cash. As one person stated, "Well, it's hard to argue with cash."

Among those identifying such nonmonetary incentives, most identified various types of professional resources or perks. For example, a number mentioned providing teachers with opportunities to advance their professional learning or standing in the school, or simply finding ways to recognize teacher performance more positively and publicly. One interviewee summed up these notions nicely when saying,

> Sometimes being placed in a situation of responsibility, for example lead teacher, lead mentor, those kinds of things where they can help other teachers develop. I think that's a big plus. Sometimes you can have some various incentive packets I think too for teachers to work toward like a oh, let's see, I'll go out on a limb here, allow a teacher to do some studies, give him some extra time to do some curricular studies with their, with their kids or maybe some incentives to go back to school to work on a master's degree, lots of things like that.

TEEG Decliners: Prospects for Future TEEG Participation

In concluding the interviews, evaluators posed the question of whether schools would reconsider participation in TEEG in the future. Responses to this question are of particular interest when considering which schools are or are not eligible to participate in TEEG Cycle 2. Additionally, this question tended to elicit interviewees' recommendations for the TEEG grant program. This section addresses interviewees' intentions for future TEEG involvement as well as their recommendations for policy and programmatic improvements.

Prospects of Future TEEG Participation

When asked whether their school would participate in TEEG in future years, interviewees reacted in varied ways; however, responses revealed a general hesitancy. Nearly one-third—12 interviewees (32%)—clearly stated that the school would not participate again if given the opportunity; another 11 said they would participate only given certain policy and programmatic changes. Among the remaining 14 interviewees, six agreed that the school would participate again if given the opportunity, while the other eight were entirely unclear as to how the school would respond.

Future participation and Cycle 2 eligibility

Reactions to the issue of future participation in TEEG become more interesting when considering which schools are or are not eligible for participation in TEEG Cycle 2. In theory, evaluators believed that Cycle 1 decliners facing the real prospect of grant money through Cycle 2 might react differently to the idea of future participation than would Cycle 1 decliners who had no immediate offer of additional funds.

Interviewee responses appear to support that supposition. Overall, interviewees from both eligible and ineligible schools for Cycle 2 were most likely to say that they either would not participate or would only participate given certain changes to the program. However, interviewees at eligible Cycle 2 schools were more likely than the ineligible counterparts to desire future participation in the TEEG program in its current form.

Of the 17 interviewees at schools that are eligible for Cycle 2, six (35%) expressed no plans to participate and one would participate only given certain changes to the program. Of the remaining 10, five (29%) stated that they plan to participate in Cycle 2 and the other five had unclear responses. Among the 20 interviewees at schools that are not eligible for Cycle 2, six (30%) had no plans to participate and 10 (50%) would only participate given changes to TEEG. Only one expressed the desire to participate, and the remaining interviewees were unclear in their responses.

Interestingly, among those expressing the desire to participate in TEEG in future years—including interviewees at both Cycle 2-eligible and ineligible schools—the most common reason was that they now had more time and informational resources to prepare and design a performance incentive plan that would work for their school. As one interviewee at a Cycle 2-eligible school explained,

> Now this year, we had a very long stretch, months, to be able to sit down and plan and you know try and come up with a way to make it work. Okay, and we had a very, very thorough planning time with the team that sat down and looked at it.

Among those expressing concerns about future participation—whether it be outright refusal to participate or hesitancy given certain program realities—subtle differences are apparent in the responses of interviewees at Cycle 2-eligible and ineligible schools. Those in the former group reiterated reservations that have been previously discussed. Specifically, they mentioned the inability of TEEG to work well in a small district/school; the inability of TEEG to recognize the "pipeline" effect in education; and concerns about too many restrictions on the breadth of school personnel who can receive awards.

Different concerns were raised by those in Cycle 2-ineligible schools. Many restated reservations about the school selection process and the limitations on which school personnel could be included as award recipients given TEEG guidelines. Additionally, others explained that the administrative burden of designing and applying for the grant is not worth the time and effort required. As one interviewee expressed,

> If your students and teachers have made above average gains, then you should not have to fill out mounds of paperwork in order to do that [get the grant]. The state is issuing criteria for their state tests. We've made it. We've reached that goal. We've gone even higher, then we should be rewarded for what we've already done. Not keeping up with a mound of paperwork.

Recommendations for Future TEEG

While interviewees were not expressly asked about their recommendations for the TEEG program, a number of them shared their unsolicited suggestions for policy and programmatic changes. These recommendations fall primarily within three categories or themes: (1) award criteria and use of money; (2) application process and logistics; and (3) state grant recipients.

Award criteria and use of money

As would be expected, a number of interviewees recommended that TEEG should allow schools greater flexibility to distribute awards more equitably to a broader array of school personnel. Specifically, they did not care for the TEEG guidelines specifying that no more than 25 percent of TEEG school grants be used for nonclassroom teachers.

Another common suggestion was that schools should be allowed to distribute money for campus activities and resources, rather than designating such a large grant percentage (75%) for teacher awards. One interviewee explained it like this:

> The 75 percent being used on teacher incentives, I think there's a possibility that could be tweaked a little bit. Maybe not just a direct pay to teachers but that money could be used in other ways to purchase needed items … you know that the teachers agree upon, that sort of thing. It doesn't necessarily have to be cash that goes into the teachers' pockets.

Application process and logistics

Interviewees also suggested that schools should be given more time and information to plan and apply for the TEEG program. Others believed that more explicit guidelines from the state would remove some of the burden placed on schools to design and apply for performance incentive programs. While most perceived the burden to be one of administrative time and effort, a few also expressed the idea that the design process strained teacher collegiality.

One interviewee was quite adamant about these issues, saying,

> If TEA is going to give performance-based incentives, then they need to make sure that districts are aware of what's going on, [so] we let the teachers know up front. And I don't think [they] did a very good job with that as far as this incentive package. The program was vague at best, and then all of a sudden we get a letter saying we qualified for the money, and you know then there's the decision of whether or not we want to go through with it.

Another interviewee expressed similar concerns that the application process was drawn out and difficult to understand, yet suggested a number of interesting ideas to improve schools' access to information and models of performance incentive programs. The interviewee went on to explain,

> I guess what I would like to do is in the future to see some of the grants that went through. I mean the whole grant that went through so that we can understand how other people structure their [program]. All right. I want to see how they structured their grant. That would be something that, that would be a huge help, and I know that we're just in the very beginnings of this but in the future that might be something that could be a good thing.

State grant recipients

A number of interviewees also suggested that targeting schools as TEEG grant recipients may not be the most appropriate strategy. Rather, they recommended that state grants be allocated districtwide. Motives for these districtwide grants stemmed from a few ideas. First is the previously mentioned concern among some small districts that, in their close-knit communities, introducing school-level grants creates interschool tensions.

Second is the recurring theme that school-level grants do not adequately align with the "pipeline" effect in education. An interviewee explained this recommendation nicely, saying,

> As long as they [the state] are looking at the whole picture, you know, the other campuses that contributed to that student being there. Because like I say, it just doesn't happen overnight. You know, you can't go in and say that … you know like our high school, that particular year in '06–'07 school year, did such a good job that we turned every one of those kids around. And back in the junior high campus you know where they didn't qualify [for TEEG]. You know [you can't say] that it all happened in that one year in high school, it didn't. Education is a kind of assembly line, and everybody's got to put their own little part in, and at any one given time when that falls down then you have gaps. And some of those gaps were fixed in junior high and when they went on to high school they were further fixed.

Misperceptions about TEEG Policy

When considering the recurring reservations that were expressed in response to TEEG, as well as other performance incentive models (e.g., schoolwide, team-based, individual teacher awards), it appears that interviewees were most preoccupied with ensuring equitable awards for a broad array of school personnel, not just classroom teachers. This sentiment is closely linked to further concerns that a more competitive award distribution strategy engenders competition and diminishes collegiality.

Other common concerns included the administrative burden on both administrators and teachers to design, apply for, and implement a TEEG program; the criteria and strategies for determining grant recipients (e.g., schools as opposed to districts); and the ill fit between the realities of small schools/districts and the guidelines for TEEG.

There were a number of misunderstandings or misperceptions about TEEG, issues that could possibly be attenuated by improving information resources for future grantees. First, as stated many times before, interviewees had concerns about a program that places restrictions on the type of school personnel that can receive incentive awards. Although TEEG does specify that only 25 percent of funds can be used for nonclassroom teachers, there is no outright restriction against providing awards to nonclassroom teachers (e.g., paraprofessionals, administrators, campus support staff). Other interviewees were concerned that they could not readily include noncore/nonstate-tested subject area teachers as award recipients. This is not a true restriction of TEEG; in fact, the program guidelines invite schools to use measures of student performance beyond those that can only be measured by statewide assessments.

Finally, several interviewees suggested that TEEG allow schools to use grants for purposes other than cash awards directly to teachers. They suggested that grants be used for campuswide activities and resources. In fact, this is something that can already be accomplished within the parameters of TEEG guidelines. Part 2 funds can be used to implement staff development, mentoring, induction, and other professional advancement activities.

Chapter Summary

As Texas continues to scale up statewide performance incentive programs with the continuance of TEEG and the 2008-2009 implementation of districtwide grants through DATE, it is worthwhile to consider the perspectives of those schools that turned down TEEG Cycle 1 grants. These 51 schools offer valuable insight into how the TEEG program is perceived. Furthermore, interview findings appear to suggest that schools' reservations are less about outright opposition to performance incentives and more about the nuances of TEEG guidelines and procedures.

CHAPTER 8
CONCLUSIONS AND IMPLICATIONS FOR POLICY AND RESEARCH

This chapter reviews findings from the first-year evaluation of TEEG Cycle 1 schools. Initial findings suggest that some of the traditional arguments against performance incentives, namely detriments to teacher collaboration and instructional quality, were not reported by teachers in TEEG Cycle 1 schools. Other program design and implementation issues further consideration by Texas policymakers and educators.

Key Policy Points

This chapter highlights and expands upon the following key policy points:

- The TEEG program is one of several statewide performance incentive programs in Texas stemming from years of policy debate and reform related to compensation.
- There was considerable turnover in schools eligible for TEEG from Cycle 1 to Cycle 2, much of which is attributed to the Comparable Improvement criterion used in the TEEG selection process.
- Schools' TEEG plans include a variety of performance indicators for measuring teacher performance, while other design features (e.g., performance benchmarks, unit of accountability) tend to be more homogenous across programs.
- Most teachers responded favorably to their school's TEEG program; however, preliminary evidence suggests that they are not strongly motivated to change their own behavior.
- Among eligible schools that decided not to participate in TEEG, most had reservations about program guidelines rather than outright opposition to performance-related pay.

Overview

This chapter addresses the following questions:

- How do first-year TEEG evaluation findings inform debate on performance incentive pay?
- What can be learned about the selection criteria and program design features of TEEG programs?
- What can be learned about teacher attitudes and behaviors in TEEG Cycle 1 schools?
- What can be learned from the perceptions and experiences of schools choosing not to participate in TEEG Cycle 1?

Discussion of Findings From Year 1 Evaluation of TEEG

Following the influential *A Nation at Risk* report in 1983, a number of school districts experimented with performance incentive pay programs as a means to improve student outcomes and reform the single-salary schedule. Research on these programs highlighted the difficulty inherent in creating a reliable process for identifying teachers, measuring a teacher's value-added contribution, eliminating unprofessional preferential treatment during evaluation processes, and standardizing assessment systems across schools (e.g., Hatry, Greiner, & Ashford, 1994; Murnane & Cohen, 1986). Criticisms stemming from these generally short-lived programs have since stigmatized more recent attempts to devise and implement performance incentive pay programs, claiming further that teachers do not support such performance-related pay policies (Darling-Hammond & Barnett, 1988; Murnane & Cohen, 1986). Such critiques and teacher experiences undoubtedly overshadow the performance-related pay programs of the Texas Educator Excellence Grants (TEEG).

Year 1 findings come together to inform early understandings of the program's implementation in the more than 1,100 public schools participating in TEEG throughout Texas. These first-year results are preliminary, but they suggest that many of the reservations stemming from the theoretical arguments against performance incentives (e.g., detriments to teacher collaboration, diminished instructional quality) were not realized, while other program features and concerns merit further attention.

Comprehensive Review of Year 1 Findings

History of educator incentives in Texas

Educator incentives, as designed under TEEG, reflect the policy experiences, challenges, and lessons learned from previous educator compensation reform and debate in Texas. As early as the Texas Teacher Career Ladder program in 1984, policymakers have attempted to reform the single-salary schedule and introduce performance-related pay for educators. Several lessons applicable to TEEG's implementation stemmed from these earlier programs and played a significant role in the design and implementation of TEEG, namely (1) the importance of adequate, sustainable funding; (2) the pertinence of teacher involvement for program design; (3) a focus on student achievement outcomes; attention to fostering teacher collaboration; and (4) the necessity for comprehensive, independent program evaluation.

Selection of TEEG programs

Given that TEEG eligibility is determined on a year-to-year basis, it was important for evaluators to consider how the sample of participating schools might change from one year to the next. This matter influences how long a performance incentive program might operate in these schools; how long teachers are exposed to incentives; and how evaluators might most appropriately structure an evaluation of the impact of TEEG programs on teacher attitudes and behavior, organizational dynamics, teacher labor market, and student outcomes.

Evaluators detected considerable turnover in the selection process used to identify eligible TEEG schools for Cycle 1 and Cycle 2. Less than half (approximately 40%) of Cycle 1 schools are also

eligible for Cycle 2. Of particular note is the fact that a good bit of turnover is attributable to the instability of the Comparable Improvement measure that is used to identify school eligibility.

These findings raise the question of how important sample volatility is to the expected impact of TEEG programs. The expected policy impact of TEEG is largely influenced by the amount of behavioral change the incentive elicits in teachers. It is assumed that one objective of the TEEG program is to encourage teachers to make investments in new teaching approaches and new teaching technologies. These are costly investments in terms of teacher time, and may involve other resource costs as well. In any reasonable economic model of decision making, the intent of the incentive is to make the expected returns on the skill investments large enough to cover these costs. The expected returns depend upon the size of the bonus (the prize), the probability of receiving the bonus, and the number of years the investment will potentially pay off.

Volatility of school eligibility criteria can weaken incentives by lowering the probability of a teacher's school being eligible for TEEG in multiple years. For an incentive to have value, there should be a proportional relationship between pay and work input; randomness can reduce the linkage between teacher and school performance and the resulting award (Barkin, 1957). Randomness may be somewhat inherent in measures of school outcomes, but program design that adds to this randomness may weaken incentives.

Design of TEEG programs

TEEG schools proposed a variety of indicators to measure teacher performance for award distribution. Along other program dimensions, however, schools tended toward similar approaches. For example, schools almost exclusively used individual teachers as the unit of accountability for Criterion 2 (teacher collaboration), Criterion 3 (teacher commitment and initiative), and Criterion 4 (hard-to-staff areas). Schools also tended towards one-level performance benchmark structures.

Most schools proposed maximum teacher awards under the state-recommended minimum of $3,000. Many scholars argue incentive awards must be at least $3,000 to incite change in professional practice and/or labor market selection.

These discoveries warrant consideration in future evaluation years, as the literature on performance monitoring speaks to the difficulty often surrounding the design and use of high-quality measures of teacher performance. Furthermore, findings of teacher attitudes and behaviors should be understood within the context of the behaviors and expectations that schools are incentivizing with their respective programs.

Teachers' attitudes and behaviors in TEEG schools

It is apparent from survey results that many of the concerns surrounding performance-related pay (e.g., detriments to teacher collaboration, diminished instructional quality) were not perceived to be a major issue in Cycle 1 schools. Many teachers reported the use of broad instructional practices that represent desirable professional practices, such as aligning instruction with curricular standards and individualizing instruction based upon students' needs. The majority of teachers also reported engaging in the use of assessment data and parent engagement activities on a frequent basis.

Most teachers responded favorably to their school's TEEG program and also indicated generally positive relations with colleagues and between teachers and students. However, there is some evidence that teachers do not perceive themselves as strongly motivated by the school's incentive program.

It is too early to infer that reported changes in teacher practice and attitudes are attributable to TEEG. During the first year of the evaluation, researchers were unable to compare TEEG teachers' responses with those of teachers in non-TEEG schools. Additionally, more time and analyses are needed to examine the relationship between attitudes, behavior, and the TEEG program itself. What these preliminary findings do suggest, however, is that concerns about performance incentives diminishing the culture of the teaching and learning environment were not apparent during these early stages of TEEG implementation.

Perceptions and experiences of nonparticipating TEEG schools

Interviews with schools that chose not to participate in Cycle 1 indicated that most TEEG decliners did not oppose performance incentives outright; rather, they held reservations about the program guidelines (e.g., eligible award recipients, school selection criteria) and administrative demands (i.e., designing, applying for, and implementing a TEEG program). Some of these reservations appear to be due to misperceptions about TEEG guidelines, such as not understanding their ability to use Part 2 funds for purposes beyond additional incentives, or the opportunity to include non-TAKS teachers as Part 1 recipients using locally devised assessments of student performance.

Next Steps for Policy and Research

Future evaluation efforts will refine findings related to the TEEG selection process, the nature of TEEG program design features, and teacher attitudes and behaviors. Evaluators will also examine how TEEG programs might be impacting teacher workforce trends, such as hiring practices and labor market selection. Finally, evaluators will study the impact TEEG is having on student achievement as the program moves forward.

These issues will guide research efforts in the coming years and set the agenda for future initiatives, which include the following objectives:

- Refining a system to classify TEEG programs and better identify the quality of performance measures and distribution strategies employed by TEEG schools
- Gathering actual award amounts distributed to school personnel in TEEG schools
- Conducting analyses of TEEG's impact on teacher workforce trends and student achievement
- Identifying the relationships between TEEG program characteristics, teacher attitudes, teacher behavior, and student achievement
- Identifying school system preferences for various TEEG program characteristics

The TEEG program provides a unique opportunity to study the differential effects of locally designed performance incentive programs and the outcomes associated with various design features. Preliminary findings during the first year of TEEG implementation suggest that many of the traditional arguments against performance incentives, namely detriments to teacher collaboration and instructional quality, were not evident in Cycle 1 schools. Texas' willingness to partner with an independent third party to provide a comprehensive evaluation of TEEG's impact on teaching and learning will inform future incentive systems both in Texas and in the United States.

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APPENDIX A: NAEP Analyses by Student Subgroups

Table A.1: Texas, Nation Scale Scores and Achievement Gaps on NAEP, 2000–2005 by Eligibility for Free and Reduced Price Lunch

Grade 4 Math				
		2000	**2003**	**2005**
National (Public)	**Eligible**	208	222	225
	Not eligible	235	244	248
	Gap	27	22	23
Texas	**Eligible**	222	229	233
	Not eligible	241	247	253
	Gap	19	18	20
Grade 8 Math				
		2000	**2003**	**2005**
National (Public)	**Eligible**	253	258	261
	Not eligible	283	287	288
	Gap	30	29	27
Texas	**Eligible**	260	264	268
	Not eligible	284	288	293
	Gap	24	24	25
Grade 4 Reading				
		2002	**2003**	**2005**
National (Public)	**Eligible**	202	201	203
	Not eligible	229	229	230
	Gap	27	28	27
Texas	**Eligible**	210	205	208
	Not eligible	228	226	232
	Gap	18	21	24
Grade 8 Reading				
		2002	**2003**	**2005**
National (Public)	**Eligible**	249	246	247
	Not eligible	271	271	270
	Gap	22	25	23
Texas	**Eligible**	248	246	247
	Not eligible	275	269	269
	Gap	27	23	22

Source: National Assessment of Educational Progress, National Center for Education Statistics, U.S. Department of Education. NAEP Data Explorer, from http://nces.ed.gov/nationsreportcard/nde/criteria.asp.

Table A.2: Texas, Nation NAEP Scale Scores and Gaps, 2000–2005 by Racial/Ethnic Subgroups

Grade 4 Math				
		2000	**2003**	**2005**
National (Public)	**White**	233	243	246
	Black	203	216	220
	Gap	30	27	26
	Hispanic	207	221	225

	Gap	26	22	21
Texas	**White**	241	248	254
	Black	220	226	228
	Gap	21	22	26
	Hispanic	223	230	235
	Gap	18	18	19
Grade 8 Math				
National (Public)	**White**	283	287	288
	Black	243	252	254
	Gap	40	35	34
	Hispanic	252	258	261
	Gap	31	29	27
Texas	**White**	286	290	295
	Black	250	260	264
	Gap	36	30	31
	Hispanic	262	267	271
	Gap	24	23	24
Grade 4 Reading				
		2002	**2003**	**2005**
National (Public)	**White**	227	227	228
	Black	198	197	199
	Gap	29	30	29
	Hispanic	199	199	201
	Gap	28	28	27
Texas	**White**	232	227	232
	Black	202	202	206
	Gap	30	25	26
	Hispanic	208	205	210
	Gap	24	22	22
Grade 8 Reading				
National (Public)	**White**	271	270	269
	Black	244	244	242
	Gap	27	26	27
	Hispanic	245	244	245
	Gap	26	26	24
Texas	**White**	276	272	270
	Black	247	247	246
	Gap	29	25	24
	Hispanic	250	247	248
	Gap	26	25	22

Source: National Assessment of Educational Progress, National Center for Education Statistics, U.S. Department of Education. NAEP Data Explorer, from http://nces.ed.gov/nationsreportcard/nde/criteria.asp.

APPENDIX B: Overview of State Performance Incentive Programs

Governor's Educator Excellence Grant (GEEG)	Texas Educator Excellence Grant (TEEG)	District Awards for Teacher Excellence (DATE)
Background 1. Established by Executive Order RP51. 2. Three year, non-competitive grant targeted to 99 high-poverty, high-performing campuses.	**Background** 1. Established by 79th State Legislature in House Bill 1 (T.E.C. Ch 21, Subchapter N, § 21.651). 2. Five planned cycles, non-competitive grant targeted to approximately 1,200 high-poverty, high-performing campuses annually.	**Background** 1. Established by 79th State Legislature in House Bill 1 (T.E.C. Ch 21, Subchapter O, § 21.701). 2. Implementation scheduled for 2008-2009; required planning year (2007-08).
Campus Eligibility 1. Fell in the top third of economically disadvantaged campuses. 2. Received either recognized or exemplary ratings, or fell in top quartile performance in comparable improvement during 2004-05.	**Campus Eligibility** 1. Fell in the top half of economically disadvantaged campuses. 2. Fell in the top half of campuses that: received either recognized or exemplary ratings, or fell in top quartile performance in comparable improvement during 2004-05 (Cycle 1) and/or 2005-06 (Cycle 2).	**District Eligibility** 1. All districts are eligible to opt in. 2. Districts determine which campuses participate and identify target campuses.
Funding 1. Titles II and V funded Year 1 of the grant at $10 million. Year 2 and Year 3 are funded at approximately $10 million with both federal funds and state appropriations. 2. 75% of the grant must be used for teacher awards and 25% may be used for teacher recruitment and retention activities.	**Funding** 1. State funds, annually at $97.5 million. 2. 75% of the grant must be used for teacher awards based on future performance and 25% may be used for teacher recruitment and retention activities.	**Funding** 1. Approximately $150 million, in state funds, for FY 2009. 2. At least 60% of the grant must be used to award classroom teachers who positively impact student academic improvement and/or growth. 3. Up to 40% of grant may be used on teacher stipends, staff and principal incentives, mentoring, and elements of the Teacher Advancement Program.

APPENDIX C: Executive, Legislative, and Regulatory Division Interviewees

Jerel Booker – Acting Director of Policy Initiatives, Texas Education Agency

Von Byer – Director of the Senate Education Committee, Texas Legislature

Robin Gelinas – Sr. Director of Policy Initiatives, Texas Education Agency

Rita Ghazal – Program Manager of Policy Initiatives, Texas Education Agency

Karen Harmon – Grant Manager, Division of Discretionary Grants, Texas Education Agency

Harrison Keller – Director of Research, Office of the Speaker of the House, Texas Legislature

Noell Lambert – Sr. Policy Advisor to the Commissioner, Texas Education Agency

Earin Martin – Director, Division of Discretionary Grants, Texas Education Agency

Melissa Oehler – Education Advisor to the Governor of Texas and formerly Sr. Policy Analyst, House Education Committee

Amie Rapaport – Manager, Program Evaluation Unit, Texas Education Agency

Lizzette Gonzalez Reynolds – Deputy Commissioner, Statewide Policy and Programs, Texas Education Agency

Christy Rome – Former Sr. Policy Analyst of the Senate Education Committee, Texas Legislature

Andrea Sheridan – Sr. Policy Analyst for the Lt. Governor of Texas

Joseph Shields – Deputy Associate Commissioner for Grants and Evaluation, Texas Education Agency

Jenna Watts – Policy Analyst for the House Education Committee, Texas Legislature

Todd Webster – Former Sr. Education Policy Advisor to the Governor of Texas

APPENDIX D: TEEG Selection Process, Further Analyses

Table D.1: Quartile Transitions 2005 to 2006: Math (All Campuses)

Transition Probabilities from Quartiles in 2005 to Quartiles in 2006		2006					Probability of Ranking in 2005
		Q1	Q2	Q3	Q4	--	
2005	Q1	0.355	0.252	0.220	0.173	0.000	0.258
	Q2	0.276	0.265	0.252	0.205	0.001	0.240
	Q3	0.228	0.249	0.253	0.270	0.001	0.242
	Q4	0.191	0.210	0.239	0.359	0.001	0.258
	--	0.067	0.133	0.067	0.067	0.667	0.
Probability of Ranking in 2006		0.262	0.243	0.240	0.252	0.002	1.000

N=6,340

Source: Data from the Academic Excellence Indicator System (AEIS), Texas Education Agency; Authors calculations.

Table D.2 Joint Probability of Reading and Math Quartiles in 2005

	Quartiles Math 2005			
Quartiles Reading 2005	Q1	Q2	Q3	Q4
Q1	0.11	0.07	0.05	0.03
Q2	0.06	0.06	0.06	0.05
Q3	0.05	0.06	0.07	0.07
Q4	0.03	0.05	0.07	0.11

N=6,322

Note: The schools with missing quartiles are not included since their share is negligible.

Source: Data from the Academic Excellence Indicator System (AEIS), Texas Education Agency; Authors calculations.

Table D.3 Joint Probability Reading and Math Quartiles in 2006

	Quartiles Math 2006			
Quartiles Reading 2006	**Q1**	**Q2**	**Q3**	**Q4**
Q1	0.11	0.07	0.05	0.04
Q2	0.06	0.07	0.06	0.05
Q3	0.05	0.06	0.06	0.07
Q4	0.04	0.05	0.06	0.10

N=6,326

Note: The schools with missing quartiles are not included since their share is negligible.

Source: Data from the Academic Excellence Indicator System (AEIS), Texas Education Agency; Authors calculations.

Table D.4: Quartile Transitions for TGI Scores 2005 to 2006: Math

Quartile Transition Probabilities 2005 to 2006		2006				**Probability of Ranking in 2005**
		Q1	**Q2**	**Q3**	**Q4**	
2005	**Q1**	0.372	0.277	0.206	0.145	0.267
	Q2	0.241	0.276	0.286	0.196	0.247
	Q3	0.196	0.257	0.272	0.275	0.244
	Q4	0.191	0.210	0.245	0.354	0.242
Probability of Ranking in 2006		0.253	0.256	0.251	0.240	1

N=6,318

Source: Data from the Academic Excellence Indicator System (AEIS), Texas Education Agency; Authors calculations.

APPENDIX E: Glossary of TEEG Taxonomy Components

Part 1 Funding Component
The Part 1 funding component of TEEG represents at least 75% of a school's total award. This award money must be used only for financial incentive payments to classroom teachers, and must be structured in such a way that teachers receiving payments demonstrate (1) success in improving student performance using objective, quantifiable measures, such as local benchmarking systems, portfolio assessment, end-of-course assessment, or value-added assessment; and (2) collaboration with faculty and staff that contributes to improving overall student performance on the campus.

Part 1 awards may also take into consideration the following two optional criteria: (1) a teacher's demonstration of ongoing initiative, commitment, personalization, professionalism, and involvement in other activities that directly result in improved student performance; and (2) a teacher's assignment in an area that is historically hard to staff or has had high turnover.

- **Amount $$**
    - **Total campus grant** – Total TEEG grant amount given to school.
    - **Total Part 1 funding** – Total amount of Part 1 funding awarded to the school. This amount should represent at least 75% of the total TEEG grant given to the school.
    - **Maximum $$ for teachers** – The maximum amount of money that an individual teacher could possibly earn from the Part 1 funding component.
    - **Minimum $$ for teachers** – The minimum amount of money that an individual teacher could possibly earn from the Part 1 funding component.
- **# Eligible teachers** – The number of teachers that could possibly earn money from the Part 1 funding component.

Criterion 1: Student performance
- **Indicator of student performance** – The type(s) of indicator(s) that a school uses to evaluate academic performance. These indicators are broken down into three distinct categories: campus ratings, student assessment instrument, and other non-academic performance measures.

Criterion 2: Teacher collaboration
- **Indicator of collaboration** – The type(s) of indicator(s) that a school uses to evaluate teacher collaboration.

Criterion 3: Teacher initiative and commitment
- **Indicator of initiative and commitment** – The type(s) of indicator(s) that a school uses to evaluate teacher initiative and commitment.

Criterion 4: Hard-to-staff areas
- **Indicator of hard-to-staff area** – The type(s) of indicator(s) that a school uses to define a hard-to-staff teacher.

Performance level benchmarks – For each criterion, the performance levels that must be met in order for a teacher or group of teachers to qualify for an award. A school might establish one threshold that a teacher or group of teachers must meet or exceed in order to qualify for the award. Others might establish a tiered threshold whereby teachers earn more money as they advance from a lower threshold to a higher one.

Unit of accountability – The unit (i.e., entity) that is held accountable for the performance used to determine award distribution. Some schools distribute awards to teachers based upon the performance of an "individual teacher," while others distribute awards based on the performance of a "team" of teachers (i.e., grade-level, subject department). A third approach is distributing awards based on "campus-wide" performance.

Award distribution method – Schools use varying methods to disseminate awards, including "weighting," "flat amount," and a "prerequisite."

- **Weighting** – This method is used to assign differential importance to criterion measures required to earn performance incentives. Measures that are weighted more should be associated with higher pay amounts. This method is often, but not always, associated with a tiered performance level benchmark structure. Common strategies for weighting include:
  - (1) Qualitative – Base award is assigned for achieving performance criterion measure, and supplemental awards are assigned based upon meeting some other additional measures or classification.
  - (2) Points – Points are assigned in an increasing fashion to performance criterion measures.
  - (3) Percentages – Percentages are assigned in an increasing fashion to performance criterion measures; therefore, highly weighted measures are assigned to a higher percentage of the total award amount associated with that criterion.
- **Flat amount** – A school does not use a weighting scheme to distribute awards; instead, it allocates awards at one flat amount based on the required performance threshold for a criterion. This method is often associated with a one-level performance benchmark structure.
- **Prerequisite** – An award amount is not determined by the performance on a given criterion; rather, the criterion performance must be achieved in order to qualify as an award recipient. The actual award amount is then determined by performance on a different criterion.

APPENDIX F: Overview of TEEG Taxonomy Findings

Table F.1: Unit of Accountability for All TEEG Indicators

	Campus	Team	Teacher	Not Applicable	Unknown
Criterion 1 Indicators					
Campus rating	12.2% (127)	1.7% (18)	1.7% (18)	84.0% (874)	0.5% (5)
Student assessments	8.4% (870)	32.4% (337)	67.4% (701)	1.7% (18)	4.4% (46)
Non-academic indicators	1.3% (13)	0.5% (5)	3.5% (36)	94.0% (978)	0.5% (5)
Criterion 2 Indicators					
Professional development	0.2% (2)	0.4% (4)	54.0% (562)	45.4% (472)	0.0% (0)
Instructional, curricular planning	0.0% (0)	0.4% (4)	65.3% (679)	34.0% (354)	0.0% (0)
Team teaching and class observations	0.0% (0)	0.4% (4)	21.4% (223)	78.1% (812)	0.0% (0)
Mentoring, induction, and coaching	0.0% (0)	0.2% (2)	13.0% (135)	86.8% (903)	0.0% (0)
Sharing and analyzing student data and lesson plans	0.1% (1)	0.3% (3)	19.6% (204)	79.9% (830)	0.1% (1)
PDAS evaluation	0.0% (0)	0.0% (0)	4.7% (49)	95.1% (988)	0.1% (1)
Staff meetings	0.1% (1)	0.4% (4)	42.4% (441)	56.3% (586)	0.3% (3)
Parent involvement activities	0.1% (1)	0.0% (0)	5.9% (61)	93.8% (977)	0.0% (0)
Other	0.1% (1)	0.2% (2)	23.0% (240)	76.3% (790)	0.8% (8)
Criterion 3 Indicators					
Tutoring	0.0% (0)	0.2% (2)	19.9% (207)	79.8% (830)	0.0% (0)
Parent involvement activities	0.0% (0)	0.1% (1)	13.3% (138)	86.6% (900)	0.1% (1)
District leadership activities	0.0% (0)	0.0% (0)	3.0% (31)	97.0% (1009)	0.0% (0)
Teacher attendance	0.0% (0)	0.0% (0)	24.8% (258)	75.2% (781)	0.1% (1)
Professional development	0.0% (0)	0.0% (0)	6.9% (72)	93.1% (967)	0.1% (1)
PDAS evaluation	0.0% (0)	0.0% (0)	2.9% (30)	97.1% (1010)	0.0% (0)
Other	0.7% (7)	0.5% (5)	14.8% (154)	83.9% (873)	0.1% (1)

Criterion 4 Indicators					
Mathematics	0.0% (0)	0.0% (0)	1.0% (10)	99.0% (1030)	0.0% (0)
Science	0.0% (0)	0.0% (0)	0.8% (8)	99.2% (1032)	0.0% (0)
Foreign language	0.0% (0)	0.0% (0)	0.4% (4)	99.6% (1036)	0.0% (0)
Special education	0.0% (0)	0.0% (0)	1.0% (10)	98.9% (1029)	0.1% (1)
Bilingual education	0.0% (0)	0.0% (0)	0.7% (7)	99.2% (1032)	0.1% (1)
Technology applications	0.0% (0)	0.0% (0)	0.1% (1)	99.9% (1039)	0.0% (0)
English as a second language (ESL)	0.0% (0)	0.0% (0)	0.7% (7)	99.2% (1032)	0.1% (1)
Locally-determined	0.0% (0)	0.2% (2)	2.0% (21)	97.7% (1016)	0.1% (1)

N=1,040

Note: Percentages may not add up to 100% because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during the summer and fall 2007.

Table F.2: Performance Benchmarks for All TEEG Indicators

	One-level	Tiered	Not Applicable	Unknown
Criterion 1 Indicators				
Campus rating	9.8% (102)	5.8% (60)	84.0% (874)	0.2% (2)
Student assessment	38.6% (401)	61.4% (639)	1.7% (18)	2.1% (21)
Non-academic indicators	3.2% (33)	2.2% (23)	94.0% (978)	0.3% (3)
Criterion 2 Indicators				
Professional development	40.3% (419)	14.1% (147)	45.4% (472)	0.0% (0)
Instructional, curricular planning	51.3% (534)	14.6% (152)	34.0% (354)	0.0% (0)
Team teaching and class observations	17.5% (182)	4.3% (45)	78.1% (812)	0.0% (0)
Mentoring, induction, and coaching	10.1% (105)	3.1% (32)	86.8% (903)	0.0% (0)
Sharing and analyzing student data and lesson plans	14.5% (151)	5.6% (58)	79.9% (830)	0.1% (1)
PDAS evaluation	3.8% (39)	1.0% (10)	95.1% (988)	0.1% (1)
Staff meetings	34.1% (355)	9.0% (93)	56.3% (586)	0.2% (2)

Parent involvement activities	4.3% (45)	1.6% (17)	93.8% (977)	0.0% (0)
Other	16.8% (175)	6.4% (67)	76.3% (790)	0.7% (4)
Criterion 3 Indicators				
Tutoring	14.7% (153)	5.4% (56)	79.8% (830)	0.0% (0)
Parent involvement activities	9.3% (97)	4.1% (43)	86.6% (900)	0.0% (0)
District leadership activities	2.1% (22)	0.9% (9)	97.0% (1009)	0.0% (0)
Teacher attendance	17.2% (179)	7.7% (80)	75.2% (781)	0.0% (0)
Professional development	5.0% (52)	2.0% (21)	93.1% (967)	0.1% (1)
PDAS evaluation	2.6% (27)	0.3% (3)	97.1% (1010)	0.0% (0)
Other	11.3% (118)	4.5% (47)	83.9% (873)	0.2% (2)
Criterion 4 Indicators				
Math	0.7% (7)	0.3% (3)	99.0% (1030)	0.0% (0)
Science	0.5% (5)	0.3% (3)	99.2% (1032)	0.0% (0)
Foreign language	0.3% (3)	0.1% (1)	99.6% (1036)	0.0% (0)
Special education	0.7% (7)	0.3% (3)	98.9% (1029)	0.1% (1)
Bilingual education	0.5% (5)	0.2% (2)	99.2% (1032)	0.1% (1)
Technology applications	0.0% (0)	0.1% (1)	99.9% (1039)	0.0% (0)
English as a second language (ESL)	0.5% (5)	0.2% (2)	99.2% (1032)	0.1% (1)
Locally-determined	1.6% (17)	0.6% (6)	97.7% (1016)	0.0% (0)

N=1,040

Note: Percentages may not add up to 100% because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during the summer and fall 2007.

Table F.3: Distribution Method for All TEEG Indicators

	Prerequisite	Flat Amount	Weighting	Not Applicable	Unknown
Criterion 1 Indicators					
Campus rating	0.5% (5)	9.3% (97)	5.7% (59)	84.0% (874)	0.2% (2)
Student assessment	0.5% (5)	37.1% (386)	63.8% (663)	1.7% (18)	0.6% (6)
Non-academic indicators	0.7% (7)	2.3% (24)	2.7% (28)	94.0% (978)	0.1% (1)
Criterion 2 Indicators					
Professional development	8.6% (89)	31.3% (325)	14.4% (150)	45.4% (472)	0.4% (4)
Instructional, curricular planning	12.0% (125)	37.8% (392)	15.9% (165)	34.0% (354)	0.0% (0)
Team teaching and class observations	3.9% (40)	13.3% (138)	4.5% (47)	78.1% (812)	0.2% (2)
Mentoring, induction, and coaching	1.8% (19)	8.0% (83)	3.3% (34)	86.8% (903)	0.1% (1)
Sharing and analyzing student data and lesson plans	3.7% (38)	10.0% (104)	6.3% (65)	79.9% (830)	0.3% (3)
PDAS evaluation	1.2% (12)	2.7% (28)	1.0% (10)	95.1% (988)	0.1% (1)
Staff meetings	8.1% (84)	25.1% (261)	9.4% (98)	56.3% (586)	0.6% (6)
Parent involvement activities	1.2% (12)	2.9% (30)	1.9% (20)	93.8% (977)	0.0% (0)
Other	4.0% (42)	13.0% (135)	6.6% (69)	76.3% (790)	0.7% (7)
Criterion 3 Indicators					
Tutoring	1.3% (14)	12.6% (131)	6.1% (63)	79.8% (830)	0.1% (1)
Parent involvement activities	0.7% (7)	8.3% (86)	4.4% (46)	86.6% (900)	0.1% (1)
District leadership activities	0.0% (0)	2.0% (21)	1.0% (10)	97.% (1009)	0.0% (0)
Teacher attendance	0.9% (9)	15.8% (164)	8.1% (84)	75.2% (781)	0.2% (2)
Professional development	0.6% (6)	4.0% (42)	2.3% (24)	93.1% (967)	0.2% (2)
PDAS evaluation	0.5% (5)	2.1% (22)	0.3% (3)	97.1% (1010)	0.0% (0)
Other	1.2% (12)	9.9% (103)	4.9% (51)	83.9% (873)	0.1% (1)
Criterion 4 Indicators					
Mathematics	0.0% (0)	0.7% (7)	0.3% (3)	99.0% (1030)	0.0% (0)

Science	0.0% (0)	0.6% (6)	0.2% (2)	99.2% (1032)	0.0% (0)
Foreign language	0.0% (0)	0.3% (3)	0.1% (1)	99.6% (1036)	0.0% (0)
Special education	0.0% (0)	0.7% (7)	0.3% (3)	98.9% (1029)	0.1% (1)
Bilingual education	0.0% (0)	0.4% (4)	0.3% (3)	99.2% (1032)	0.1% (1)
Technology applications	0.0% (0)	0.0% (0)	0.1% (1)	99.9% (1039)	0.0% (0)
English as a second language (ESL)	0.0% (0)	0.6% (6)	0.2% (2)	99.2% (1032)	0.0% (0)
Locally-determined	0.0% (0)	1.5% (16)	0.7% (7)	97.7% (1016)	0.0% (0)

N=1,040

Note: Percentages may not add up to 100% because numbers are based on duplicated counts (i.e., a school may use one or more of the program design characteristics).

Source: Information based upon evaluators' analyses of 1,040 TEEG Cycle 1 applications during the summer and fall 2007.

APPENDIX G:
Spring 2007 TEEG Teacher Surveys
for Approved and Non-Approved TEEG Campuses

NATIONAL CENTER ON
Performance Incentives

April 2007

Texas Educator Excellence Grant (TEEG)
Teacher Survey

Dear Teacher,

The National Center on Performance Incentives (NCPI), under contract with the Texas Education Agency (TEA), is conducting an on-going evaluation of the Texas Educator Excellence Grant (TEEG) program. This survey will collect information from full-time instructional personnel about their attitudes toward performance-based incentives, their school environment, and their teaching practices. The information you provide will be kept strictly anonymous.

We encourage you to complete the survey, as your responses will inform policymakers' decision-making process. If you have any questions about the survey or the study please contact:

Dr. Omar Lopez
(512) 341-0351
teeg@cpse-k16.com

Our estimate for completing the survey is approximately 15 minutes.

To begin the survey, proceed by pressing the "Next" button shown below.

Please enter your school's name from the drop down list:

School: (Click here to choose)

Note: ***To help you find your school, the list is alphabetized by district followed by your school's name. The type of school and 9-digit campus id are provided to you for clarification, if needed.***

SECTION A: PERFORMANCE-BASED INCENTIVES

(1) To what extent do you agree or disagree with the following statements about your school's TEEG program?

	(Click one response in each row.)			
	Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
a. Our TEEG program does a good job of distinguishing effective from ineffective teachers at the school.	○	○	○	○
b. The prospect that teachers at my school can earn a bonus discourages staff in the school from working together.	○	○	○	○
c. I have noticed increased resentment among teachers since the start of our TEEG program.	○	○	○	○
d. I was already working as effectively as I could before the implementation of TEEG, so the program does not affect my work.	○	○	○	○
e. I have altered my instructional practices as a result of our TEEG program.	○	○	○	○
f. The size of the top TEEG bonus award at my school is large enough to motivate me to try to earn the top award.	○	○	○	○
g. I have a strong desire to earn a TEEG bonus.	○	○	○	○
h. Our TEEG program does not measure important aspects of my teaching performance.	○	○	○	○
i. I have a clear understanding of the criteria I need to meet in order to achieve a bonus.	○	○	○	○

---

(2) To what extent do you agree or disagree with the following statements about the teachers in your school this year (2006-07) compared to last school year (2005-06)?

Teachers in my school:

	(Click one response in each row.)			
	Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
a. Seem more competitive than cooperative.	○	○	○	○
b. Trust each other less.	○	○	○	○
c. Feel more responsible to help each other do their best.	○	○	○	○
d. More often expect students to complete every assignment.	○	○	○	○
e. More often encourage students to keep trying even when the work is challenging.	○	○	○	○
f. Less often think it is important that all of their students do well in class	○	○	○	○
g. Can be counted on more often to help out anywhere or anytime, even though it may not be part of their official assignment.	○	○	○	○

(3) To what extent do you agree or disagree with the following statements about your satisfaction with teaching this year (2006-07) compared to last year (2005-06)?

	(Click one response in each row.)			
	Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
a. I would describe teachers at this school as a more satisfied group than we were last school year.	○	○	○	○
b. The stress and disappointments involved in teaching at this school are much greater than last school year.	○	○	○	○
c. This year I like the way things are run at the school more than I did last year.	○	○	○	○
d. This year I think about transferring to another school/district more than I did last year.	○	○	○	○

SECTION B: CURRICULUM AND INSTRUCTION

(4) How often do you engage in the following activities as part of your classroom instruction?

	(Click one response in each row.)					
	Never	**Once or twice a year**	**Once or twice a semester**	**Once or twice a month**	**Once or twice a week**	**Almost Daily**
a. I analyze students' work to identify the curricular standards that students have or have not yet mastered.	○	○	○	○	○	○
b. I follow an "instructional calendar" or "pacing plan" provided by the school or district to schedule my instructional content.	○	○	○	○	○	○
c. I design my classroom lessons to be aligned with specific curricular standards.	○	○	○	○	○	○
d. I plan different assignments or lessons for groups of students based on their performance.	○	○	○	○	○	○
e. I have students help other students learn class content (e.g., peer tutoring).	○	○	○	○	○	○

(5) How have you changed your teaching practices this year (2006-07) compared to last year (2005-06)? For each of the activities listed below, please indicate whether you are spending more time, the same amount of time, or less time this year than you did last year.

	(Click one response in each row.)				
	Much less than last year	A little less than last year	The same as last year	A little more than last year	Much more than last year
a. Aligning my classroom instruction with curricular standard.	○	○	○	○	○
b. Focusing on the classroom content covered by standardized achievement tests.	○	○	○	○	○
c. Administering benchmark assessments or quizzes.	○	○	○	○	○
d. Re-teaching topics or skills based on students' performance on classroom tests.	○	○	○	○	○
e. Reviewing student test results with other Teachers.	○	○	○	○	○
f. Seeking help from/providing help to other teachers informally.	○	○	○	○	○
g. Attending district- or school-sponsored professional development workshops.	○	○	○	○	○
h. Engaging in informal self-directed learning (e.g., reading subject-specific education research, using the Internet to enrich knowledge and skills).	○	○	○	○	○
i. Tutoring individuals or small groups of students outside of class time.	○	○	○	○	○

(6) How much change has there been in the time your students spend on the following activities this year (2006-07) compared to last year (2005-06)? For each of the activities listed below, please indicate whether your students are spending more time, the same amount of time, or less time this year than they did last year.

	(Click one response in each row.)				
	Much less than last year	A little less than last year	The same as last year	A little more than last year	Much more than last year
a. Engaging in hands-on learning activities (e.g., working with manipulative aids).	○	○	○	○	○
b. Working in groups.	○	○	○	○	○
c. Completing assignments at home (i.e., homework).	○	○	○	○	○
d. Participating in direct instruction.	○	○	○	○	○
e. Engaging in inquiry-based learning (i.e., students seek out and construct knowledge for themselves.)	○	○	○	○	○

SECTION C: ASSESSMENT AND USE OF ASSESSMENT RESULTS

(7) Teachers sometimes focus their efforts on improving the performance of specific groups of students. Compared to last year (2005-06), how regularly do you focus extra effort on students at different performance levels in your class(es) this year?

	(Click one response in each row.)				
	Much less than last year	A little less than last year	The same as last year	A little more than last year	Much more than last year
a. I focus the same amount of effort on students at all performance levels.	○	○	○	○	○
b. I focus more effort on students at high levels of achievement.	○	○	○	○	○
c. I focus more effort on students at average levels of achievement.	○	○	○	○	○
d. I focus more effort on students at moderately low	○	○	○	○	○

levels of achievement.					
e. I focus more effort on students at very low levels of achievement.	○	○	○	○	○

(8) To what extent do you use student test score data for each of the following purposes?

	(Click one response in each row.)			
	Never or almost never	**Occasionally**	**Frequently**	**Always or almost always**
a. Identify individual students who need remedial assistance.	○	○	○	○
b. Set learning goals for individual students	○	○	○	○
c. Tailor instruction to individual students' needs.	○	○	○	○
d. Develop recommendations for tutoring or other educational services for students.	○	○	○	○
e. Assign or reassign students to groups.	○	○	○	○
f. Identify and correct gaps in the curriculum for all students.	○	○	○	○
g. Target parent involvement in student learning.	○	○	○	○
h. Identify areas where I need to strengthen my content knowledge or teaching skills.	○	○	○	○
i. Determine areas where I need professional development.	○	○	○	○

SECTION D: PARENT ENGAGEMENT

(9) How often do you engage in each of the following activities involving students' parents (or guardians)?

	(Click one response in each row.)			
	Never or almost never	**Occasionally**	**Frequently**	**Always or almost always**
a. I require students to have their parents sign off on homework.	○	○	○	○
b. I assign homework that requires direct parent involvement or participation.	○	○	○	○
c. I send home examples of excellent student work to serve as models.	○	○	○	○
d. For those students who are having academic problems, I try to make direct contact with their parents.	○	○	○	○
e. For those students whose academic performance improves, I send messages home to parents.	○	○	○	○
f. Invite parents to visit or observe my classroom.	○	○	○	○
g. I encourage parents to volunteer in the school.	○	○	○	○
h. I help engage parents in site-based decision-making and advisory groups.	○	○	○	○

SECTION E: BACKGROUND INFORMATION

(10) Including this year, please check the number of years you have taught on a full-time basis.

- 1 - 3 years
- 4 - 9 years
- 10 - 14 years
- 15 - 19 years
- 20 or more years

(11) Including this year, please check the number of years you have taught on a full-time basis *at this school.*

- 1 - 3 years
- 4 - 9 years
- 10 - 14 years
- 15 - 19 years
- 20 or more years

(12) What is the highest degree you hold?

- Associate Degree
- Bachelor's Degree
- Master's Degree
- Doctorate or Professional Degree
- Other (specify)

---

(13) What percentage of your time is spent teaching in an out-of-field area?

- 0% to 10%
- 11% to 20%
- 21% to 30%
- 31% to 40%
- 41% to 50%
- 51% to 60%
- 61% to 70%
- 71% to 80%
- 81% to 90%
- 91% to 100%

(14) What is your annual salary?

- $20,000 to $24,999
- $25,000 to $29,999
- $30,000 to $34,999
- $35,000 to $39,999
- $40,000 to $44,999
- $45,000 to $49,999
- $50,000 to $54,999
- $55,000 to $59,999
- $60,000 to $64,999
- $65,000 to $69,999
- $70,000 to $74,999
- $75,000 or more

You have completed the survey.

Please click on the "Submit Survey" button below to submit your responses.

Submit Survey

NATIONAL CENTER ON
Performance Incentives

April 2007

Texas Educator Excellence Grant (TEEG)
Teacher Survey

Dear Teacher,

The National Center on Performance Incentives (NCPI), under contract with the Texas Education Agency (TEA), is conducting an on-going evaluation of the Texas Educator Excellence Grant (TEEG) program. This survey will collect information from full-time instructional personnel about their attitudes toward performance-based incentives, their school environment, and their teaching practices. The information you provide will be kept strictly anonymous.

We encourage you to complete the survey, as your responses will inform policymakers' decision-making process. If you have any questions about the survey or the study please contact:

Dr. Omar Lopez
(512) 341-0351
teeg@cpse-k16.com

Our estimate for completing the survey is approximately 15 minutes.

To begin the survey, proceed by pressing the "Next" button shown below.

Please enter your school's name from the drop down list:

School: (Click here to choose)

Note: ***To help you find your school, the list is alphabetized by district followed by your school's name. The type of school and 9-digit campus id are provided to you for clarification, if needed.***

SECTION A: PERFORMANCE-BASED INCENTIVES

(1) The teacher salary schedule rewards experience and education. Several additional factors have been suggested for determining incentive pay for individual teachers. If you were designing an incentive pay program for individual teachers, how much weight would you place on the following:

	(Click one response in each row.)			
	Not Important	Low Importance	Moderate Importance	High Importance
a. Time spent in professional development.	○	○	○	○
b. High average test scores by students.	○	○	○	○
c. Improvements in students' test scores.	○	○	○	○
d. Performance evaluations by supervisors.	○	○	○	○
e. Performance evaluations by peers.	○	○	○	○
f. Evaluation of teaching portfolios.	○	○	○	○
g. Evaluations of students' work (e.g., portfolios).	○	○	○	○
h. Student evaluations of teaching performance.	○	○	○	○
i. Collaboration with faculty and staff.	○	○	○	○
j. Working with students outside of class time.	○	○	○	○
k. Efforts to involve parents in students' education.	○	○	○	○
l. Serving as a Master Teacher.	○	○	○	○
m. Mentoring other teachers.	○	○	○	○
n. NBPTS certification.	○	○	○	○
o. Parent satisfaction with teacher.	○	○	○	○
p. Teaching in hard-to-staff fields.	○	○	○	○
q. Teaching in hard-to-staff schools.	○	○	○	○

If you identified another factor different than above, please describe in the space below and indicate its importance to you (i.e., Not Important, Low Importance, Moderate Importance, or High Importance) :

(2) To what extent do you agree or disagree with the following statements about the teachers in your school this year (2006-07) compared to last school year (2005-06)?

Teachers in my school:

	(Click one response in each row.)			
	Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
a. Seem more competitive than cooperative.	○	○	○	○
b. Trust each other less.	○	○	○	○
c. Feel more responsible to help each other do their best.	○	○	○	○
d. More often expect students to complete every assignment.	○	○	○	○
e. More often encourage students to keep trying even when the work is challenging.	○	○	○	○
f. Less often think it is important that all of their students do well in class	○	○	○	○
g. Can be counted on more often to help out anywhere or anytime, even though it may not be part of their official assignment.	○	○	○	○

(3) To what extent do you agree or disagree with the following statements about your satisfaction with teaching this year (2006-07) compared to last year (2005-06)?

	(Click one response in each row.)			
	Strongly Disagree	**Disagree**	**Agree**	**Strongly Agree**
a. I would describe teachers at this school as a more satisfied group than we were last school year.	○	○	○	○
b. The stress and disappointments involved in teaching at this school are much greater than last school year.	○	○	○	○
c. This year I like the way things are run at the school more than I did last year.	○	○	○	○
d. This year I think about transferring to another school/district more than I did last year.	○	○	○	○

SECTION B: CURRICULUM AND INSTRUCTION

(4) How often do you engage in the following activities as part of your classroom instruction?

	(Click one response in each row.)					
	Never	**Once or twice a year**	**Once or twice a semester**	**Once or twice a month**	**Once or twice a week**	**Almost Daily**
a. I analyze students' work to identify the curricular standards that students have or have not yet mastered.	○	○	○	○	○	○
b. I follow an "instructional calendar" or "pacing plan" provided by the school or district to schedule my instructional content.	○	○	○	○	○	○
c. I design my classroom lessons to be aligned with specific curricular standards.	○	○	○	○	○	○
d. I plan different assignments or lessons for groups of students based on their performance.	○	○	○	○	○	○
e. I have students help other students learn class content (e.g., peer tutoring).	○	○	○	○	○	○

(5) How have you changed your teaching practices this year (2006-07) compared to last year (2005-06)? For each of the activities listed below, please indicate whether you are spending more time, the same amount of time, or less time this year than you did last year.

	(Click one response in each row.)				
	Much less than last year	A little less than last year	The same as last year	A little more than last year	Much more than last year
a. Aligning my classroom instruction with curricular standard.	○	○	○	○	○
b. Focusing on the classroom content covered by standardized achievement tests.	○	○	○	○	○
c. Administering benchmark assessments or quizzes.	○	○	○	○	○
d. Re-teaching topics or skills based on students' performance on classroom tests.	○	○	○	○	○
e. Reviewing student test results with other Teachers.	○	○	○	○	○
f. Seeking help from/providing help to other teachers informally.	○	○	○	○	○
g. Attending district- or school-sponsored professional development workshops.	○	○	○	○	○
h. Engaging in informal self-directed learning (e.g., reading subject-specific education research, using the Internet to enrich knowledge and skills).	○	○	○	○	○
i. Tutoring individuals or small groups of students outside of class time.	○	○	○	○	○

(6) How much change has there been in the time your students spend on the following activities this year (2006-07) compared to last year (2005-06)? For each of the activities listed below, please indicate whether your students are spending more time, the same amount of time, or less time this year than they did last year.

	(Click one response in each row.)				
	Much less than last year	A little less than last year	The same as last year	A little more than last year	Much more than last year
a. Engaging in hands-on learning activities (e.g., working with manipulative aids).	○	○	○	○	○
b. Working in groups.	○	○	○	○	○
c. Completing assignments at home (i.e., homework).	○	○	○	○	○
d. Participating in direct instruction.	○	○	○	○	○
e. Engaging in inquiry-based learning (i.e., students seek out and construct knowledge for themselves.)	○	○	○	○	○

SECTION C: ASSESSMENT AND USE OF ASSESSMENT RESULTS

(7) Teachers sometimes focus their efforts on improving the performance of specific groups of students. Compared to last year (2005-06), how regularly do you focus extra effort on students at different performance levels in your class(es) this year?

	(Click one response in each row.)				
	Much less than last year	A little less than last year	The same as last year	A little more than last year	Much more than last year
a. I focus the same amount of effort on students at all performance levels.	○	○	○	○	○
b. I focus more effort on students at high levels of achievement.	○	○	○	○	○
c. I focus more effort on students at average levels of achievement.	○	○	○	○	○
d. I focus more effort on students at moderately low levels of achievement.	○	○	○	○	○
e. I focus more effort on students at very low levels of achievement.	○	○	○	○	○

(8) To what extent do you use student test score data for each of the following purposes?

	(Click one response in each row.)			
	Never or almost never	Occasionally	Frequently	Always or almost always
a. Identify individual students who need remedial assistance.	○	○	○	○
b. Set learning goals for individual students	○	○	○	○
c. Tailor instruction to individual students' needs.	○	○	○	○
d. Develop recommendations for tutoring or other educational services for students.	○	○	○	○
e. Assign or reassign students to groups.	○	○	○	○
f. Identify and correct gaps in the curriculum for all students.	○	○	○	○
g. Target parent involvement in student learning.	○	○	○	○
h. Identify areas where I need to strengthen my content knowledge or teaching skills.	○	○	○	○
i. Determine areas where I need professional development.	○	○	○	○

SECTION D: PARENT ENGAGEMENT

(9) How often do you engage in each of the following activities involving students' parents (or guardians)?

	(Click one response in each row.)			
	Never or almost never	Occasionally	Frequently	Always or almost always
a. I require students to have their parents sign off on homework.	○	○	○	○
b. I assign homework that requires direct parent involvement or participation.	○	○	○	○
c. I send home examples of excellent student work to serve as models.	○	○	○	○
d. For those students who are having academic problems, I try to make direct contact with their parents.	○	○	○	○
e. For those students whose academic performance improves, I send messages home to parents.	○	○	○	○
f. Invite parents to visit or observe my classroom.	○	○	○	○
g. I encourage parents to volunteer in the school.	○	○	○	○
h. I help engage parents in site-based decision-making and advisory groups.	○	○	○	○

SECTION E: BACKGROUND INFORMATION

(10) Including this year, please check the number of years you have taught on a full-time basis.

- ○ 1 - 3 years
- ○ 4 - 9 years
- ○ 10 - 14 years
- ○ 15 - 19 years
- ○ 20 or more years

(11) Including this year, please check the number of years you have taught on a full-time basis *at this school.*

- ○ 1 - 3 years
- ○ 4 - 9 years
- ○ 10 - 14 years
- ○ 15 - 19 years
- ○ 20 or more years

(12) What is the highest degree you hold?

- Associate Degree
- Bachelor's Degree
- Master's Degree
- Doctorate or Professional Degree
- Other (specify)

---

(13) What percentage of your time is spent teaching in an out-of-field area?

- 0% to 10%
- 11% to 20%
- 21% to 30%
- 31% to 40%
- 41% to 50%
- 51% to 60%
- 61% to 70%
- 71% to 80%
- 81% to 90%
- 91% to 100%

(14) What is your annual salary?

- $20,000 to $24,999
- $25,000 to $29,999
- $30,000 to $34,999
- $35,000 to $39,999
- $40,000 to $44,999
- $45,000 to $49,999
- $50,000 to $54,999
- $55,000 to $59,999
- $60,000 to $64,999
- $65,000 to $69,999
- $70,000 to $74,999
- $75,000 or more

You have completed the survey.

Please click on the "Submit Survey" button below to submit your responses.

Submit Survey

APPENDIX H: Declining TEEG Interview Protocol

Interview Protocol for Schools Declining TEEG Cycle 1
Summer 2007

Hello,

We are contacting you from the National Center on Performance Incentives at Vanderbilt University's Peabody College. We are working under contract with the Texas Education Agency to evaluate the Texas Educator Excellence Grant (otherwise referred to as TEEG).

As part of this evaluation, we are interested in talking to principals at schools that decided not to apply for this state program grant even though they met eligibility criteria to do so. We believe these interviews will be informative to state policymakers and provide them with a better understanding as to why schools decided not to apply and their perspectives on performance pay policy.

Participation in this interview is voluntary. You may refuse to answer any question you do not wish to answer. Additionally, you may also choose to end the interview at any time if you do not wish to continue.

Please note that your responses will remain confidential, as outlined in the Memo on Confidentiality that was previously sent to you, and we will not identify any individuals by name in our study reports. Your responses will be combined with others and reported in the aggregate. If quotations are used in any written reports, they will be included only for illustrative purposes and will not be attributed to any individual. At the end of the study, we will destroy any information that identifies you.

To keep your responses anonymous, we will refer to you during the interview as **PRINCIPAL [PSEUDONYM]** and your campus as [**GENERIC SCHOOL CODE]**. Is that okay with you?

With your permission, we would like to audio-record this conversation. At the end of the study we will destroy the tapes. Is it all right if we audiotape this interview?

This interview will take at least 20 minutes of your time.

Do you have any questions about the interview before we begin?

PART ONE: PRINCIPAL AND SCHOOL BACKGROUND INFORMATION

I want to begin by learning more about you and your school.

1. Your school was eligible for the Texas Educator Excellence Grant program during the 2006-07 school year, and declined to apply. Are you familiar with the school's rationale for that decision?

    a. [If yes]: Continue with question 2 below.

    b. [If no]: Might you recommend another administrative official at your school who was involved in that decision?

        i. Thank you for your time and cooperation today.

2. For how many years have you served as the principal at **[GENERIC SCHOOL CODE]**?

    a. For how many school years have you served as a principal at any school (excluding the years at your current school)?

3. Have you served in any other professional positions in the field of education?

    a. [If yes]: What types of positions and for how long?

4. How would you describe your school's overall performance in teaching and learning?

    a. In your opinion, what are its primary strengths?

    b. In your opinion, upon which areas could the school improve?

PART TWO: UNDERSTANDING SCHOOL DECISION-MAKING

I would now like to move on to some questions regarding your school's decision not to apply for a state grant under the Texas Educator Excellence Grant program. Throughout the following questions, we will refer to that program by its acronym – "TEEG".

5. Who was involved in the school's decision not to apply for the TEEG grant? Please do not identify anyone by name.

6. When did the school decide not to apply for the TEEG grant?

    a. How long did it take the school to come to that decision?

7. Tell me about the school's decision not to apply.

a. What were the primary reservations, if any, held by the school administration?

b. What were the primary reservations, if any, held by the school's teachers?

c. What were the primary reservations, if any, held by the school's staff?

8. Did anyone at your school disagree with the decision to decline the TEEG grant application?

    a. Did school administration disagree and if so, what was their reasoning?

    b. Did the school's teachers disagree and if so, what was their reasoning?

    c. Did the school's staff disagree and if so, what was their reasoning?

9. If you were designing an incentive pay program for teachers in your school, what three behaviors or measures of performance would you consider most important to include in the incentive pay program?

    a. [If clarification is needed:]
        i. A behavior might be a practice like taking on certain types of assignments, duties, roles, or engaging in desirable activities related to the job.
        ii. A measure might be an outcome related to performance.

10. Has the school used (or is it currently using) any type of performance incentive or differentiated pay programs for its teachers within the last five school years (beginning with the 2002-03 school year)?

    [If yes]: Ask the following:

    a. How does that program operate?

    b. What has been the school's experience with that program?

    c. Do you have any additional information about any of these programs that you could email to us or that we might get via the Internet?

    [If clarification is needed]: Ask the following:

    a. Does your school use merit pay for teachers?
        i. [If yes]: What is/was the school's experience with that program?

    b. Does your school use stipends for teachers certified in critical shortage areas?
        i. [If yes]: For which shortage areas?

ii. [If yes]: What is/was the school's experience with that program?

c. Does your school use stipends for mentor teachers?
   i. [If yes]: What is/was the school's experience with that program?

[If no]: Go to PART THREE

PART THREE: PERCEPTION OF EDUCATOR INCENTIVES AND TEEG

I would now like to ask some questions regarding your thoughts on educator incentives and the TEEG program.

11. How do you feel about a policy that provides awards to schools whose students show above-average achievement or above-average achievement gains?

    a. Do you think this type of policy will lead to improvements in education?

12. How do you feel about a policy that provides bonuses to teachers whose students show above-average achievement or above-average achievement gains?

    a. Do you think this will lead to improvements in education?

13. How do you feel about a policy that provides bonuses to groups of teachers (e.g, grade-level teams or departments) whose students show above-average achievement or above-average achievement gains?

    a. Do you think this will lead to improvements in education?

14. Are there any non-monetary incentives that teachers would find equally or more motivating than cash awards?

    a. [If yes]: What kinds of non-monetary incentives would motivate teachers?

15. How do you believe TEEG guidelines shape the implementation of incentive pay programs in schools?

16. What is your understanding of the selection criteria used to identify schools as eligible to apply for a TEEG grant?

PART FOUR: FUTURE INVOLVEMENT WITH EDUCATOR INCENTIVES

If respondent's school is eligible for TEEG Cycle 2:

17. Your school is eligible to apply for TEEG for the 2007-08 school year.

    a. Does your school plan on participating this time?

    b. [If yes] tell me about the decision to participate this time around.

If respondent's school is NOT eligible for TEEG Cycle 2:

18. If offered the opportunity to apply for TEEG in the future, would you respond in the same way?

    a. Why or why not?

    b. Do you think your staff would respond in the same way? Why or why not?

19. Is there anything else you would like to add about your experience with the TEEG program or other performance-based pay policies?

We appreciate your time and cooperation!

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