NATIONAL CENTER ON
Performance Incentives

Texas Educator Excellence Grant (TEEG) Program:

Year One Evaluation Report

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Policy Evaluation Report
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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.