

NATIONAL CENTER ON
Performance Incentives



DISTRICT AWARDS FOR TEACHER EXCELLENCE:
RESEARCH BRIEF

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Since 2008 Texas's District Awards for Teacher Excellence (D.A.T.E.) program has provided grants to districts for the implementation of locally designed incentive pay plans. The 2010-11 school year is the third year of the D.A.T.E. incentive pay plans with approximately \$197 million in annual state funding.

This research brief summarizes the key findings from the *District Awards for Teacher Excellence (D.A.T.E.) Program: Final Evaluation Report*¹ with a focus on the characteristics of D.A.T.E. participants, design of locally developed D.A.T.E. incentive pay plans, the D.A.T.E. awards paid out to teachers, and the outcomes for students and teachers participating in the program.

OVERVIEW OF D.A.T.E. PROGRAM AND PARTICIPANTS

The D.A.T.E. program currently stands as the sole state-funded incentive pay program in Texas. It is a non-competitive grant program open to all school districts in the state. Participation is voluntary for districts.

D.A.T.E.'s first year of implementation in 2008-09 (*i.e.*, Cycle 1, Year 1) occurred at a time when Texas was operating several incentive pay programs, including the three-year Governor's Educator Excellence Grant (G.E.E.G.) program and the Texas Educator Excellence Grant (T.E.E.G.) program. Table 1 (all Tables can be found at the end of the research brief) provides a timeline for the rollout of the D.A.T.E., G.E.E.G., and T.E.E.G. programs, detailing funding and number of grantees participating in each year of each program from 2005-06 to the current 2010-11 school year.

Although D.A.T.E. was a continuation of state-funded incentive pay programs, it differed from its G.E.E.G. and T.E.E.G. predecessors on several key policy issues.

- D.A.T.E. provided grants at the district level, as opposed to the school level.

- D.A.T.E. grants were available to all districts, as opposed to limiting participation to only high-performing, high-poverty grantees.

- D.A.T.E. grantees had more flexibility in how they used funds—that is, only 60% as opposed to 75% of the grant had to be used as incentive awards to teachers.

- Unlike T.E.E.G. grants—which were provided to schools on a year-by-year basis—D.A.T.E. grants were continuous for districts, meaning they did not face the possibility of losing state grant funds after implementing an incentive pay program for only one year.

A total of 203 districts—or 16% of all Texas public school districts—volunteered to participate in Cycle 1, Year 1 of the program, and 1,896 schools within these districts participated.² Of those 203 Year 1 districts, 191 of them continued into Year 2 of the program, and 2,157 schools participated in Year 2.³ D.A.T.E. districts differed systematically from other districts in Texas on several characteristics.

- D.A.T.E. districts were typically larger districts (*i.e.*, enrolled larger student populations). The 203 districts served 2.4 million students, representing nearly 50% of all Texas public school students.

¹For a copy of the *D.A.T.E. Program: Final Evaluation Report* (Springer et al, 2010), visit http://www.tea.state.tx.us/index4.aspx?id=2928&menu_id=949

²The counts of participating schools are based on information submitted by districts in their Year 1 grant applications. Through a survey administered during spring 2009, it appeared that only 1,783 schools actually participated in Year 1 of the program.

³The counts of participating schools are based on information submitted by districts in their Year 2 continuing grant applications. Through a survey administered during spring 2010, it appeared that only 2,145 schools actually participated in Year 2 of the program.

- D.A.T.E. districts also had, on average, lower district wealth, a greater share of high-needs students (*i.e.*, minority, economically disadvantaged (ED), and Limited English Proficient (LEP) students), and were more likely to have participated in a previous state-funded incentive pay program.

DESIGN OF D.A.T.E. INCENTIVE PAY PLANS

The design of incentive pay plans under D.A.T.E. was delegated primarily to district-level planning committees. State guidelines, highlighted in Table 2, required Cycle 1 districts to use at least 60% of funds for Part 1 to directly reward classroom teachers based on measures of student achievement. Remaining funds were to be used for Part 2 purposes such as awards to other personnel, stipends for mentors/lead teachers, or funds for enhancing district data capacity or professional growth opportunities.

Evaluators examined the D.A.T.E. plan applications submitted to the Texas Education Agency. Several key highlights about the design of D.A.T.E. incentive pay plans are listed below.

- Districts could implement incentive plans district-wide or in select schools. During Year 1, 53% of the 203 D.A.T.E. districts implemented plans district-wide, whereas 64% of the 191 Year 2 districts did so.
- At least 70% of Year 1 and Year 2 districts dedicated more than the minimum of 60% of their total grant to fund Part 1 awards for classroom teachers.
- D.A.T.E. incentive plans became slightly more individualistic over time. In Year 1, 40% of D.A.T.E. schools used a hybrid approach (*i.e.*, combination of

individual and group-based performance) to determine teachers' eligibility for awards, and 17% of them used individual performance exclusively. In Year 2, 26% of D.A.T.E. schools used a hybrid approach, and 33% of them used individual performance exclusively.

D.A.T.E. AWARDS TO TEACHERS

D.A.T.E. incentive plans were typically designed so that only a fraction of teachers in participating schools would be eligible for awards, and a large number of those eligible teachers would each be eligible to receive relatively small award amounts. Table 3 provides details about how award dollars were proposed and actually distributed among teachers in D.A.T.E. schools, with several key features highlighted below.

- Overall, 68% of teachers in D.A.T.E. schools were included as possible recipients of Part 1 awards, and 42% of teachers actually received them.
- In Year 1, 46% of D.A.T.E. schools proposed minimum Part 1 award amounts below \$1,000; that is, 46% of D.A.T.E. schools would need to use Part 2 funds to make up the difference between the proposed Part 1 award amount and the \$1,000 requirement. In Year 2, only 22% of schools proposed a minimum Part 1 award to teachers of less than \$1,000.
- On average, the minimum Part 1 award amount proposed for teachers was \$1,076 and the average maximum Part 1 award amount proposed for teachers was \$3,940.
- For Year 1, 41% of teachers in D.A.T.E. schools received a Part 1 award, and, most of these teachers

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³The analysis of awards—as proposed and actually distributed to teachers—focuses on Year 1 because data on the distribution of Year 2 D.A.T.E. awards was not available for the final D.A.T.E. program evaluation.

(54.8%) received a total award amount from \$1,000 to less than \$3,000. Nearly 20% of teachers receiving a Part 1 award received a total award amount less than \$1,000.

- The average total award amount received by a teacher in D.A.T.E. schools was \$2,523.

The distribution of D.A.T.E. awards was also related to certain teacher characteristics.

- Newly arrived teachers in a district had a 12 percentage point lower probability of receiving a D.A.T.E. award, a finding that remained even when accounting for teachers' years of experience.
- More experienced teachers were less likely to receive awards and received smaller average awards than their less experienced counterparts under both types of D.A.T.E. plans.
- Teachers with self-contained classrooms in grades tested by the Texas Assessment of Knowledge and Skills (TAKS) received by far the largest incentive awards, while fine arts teachers, foreign language teachers and vocational/technical teachers received the smallest awards, on average.

D.A.T.E. AND OUTCOMES FOR STUDENTS AND TEACHERS

Overall outcomes were promising for students and teachers in D.A.T.E. schools. The program evaluation revealed higher student achievement gains in D.A.T.E. schools, declines in teacher turnover, and teachers' favorable attitudes about the program.

Student achievement gains on TAKS were higher among students in D.A.T.E. schools compared to students in non-D.A.T.E. schools. Additionally, while overall student passing rates on TAKS were lower in D.A.T.E. schools than in non-D.A.T.E. schools, the difference between performance of D.A.T.E. and non-D.A.T.E. schools decreased, indicating that pass-

ing rates in D.A.T.E. schools were catching up to rates in non-D.A.T.E. schools.

Teacher turnover was lower than expected following Year 1 of the D.A.T.E. program. Additionally, teachers in D.A.T.E. schools believed the incentive pay plans in their schools were fair, that the goals targeted by the plans were worthy, and that the correct teachers were identified as award recipients. While teachers in D.A.T.E. schools did not believe incentive plans were driving school improvements, they did not report negative effects from the incentive plans either. Generally, teachers in D.A.T.E. schools also had positive reports of teacher satisfaction, school climate, and teacher relations.

D.A.T.E. INCENTIVE DESIGN CONSIDERATIONS

While overall outcomes were favorable, there was notable variation among D.A.T.E. schools, prompting evaluators to understand how the design features of incentive pay plans might have influenced student achievement gains, teacher turnover, as well as teacher attitudes and practice. While no one type of incentive plan emerged as the universally promising approach, several themes related to incentive pay design choices did arise. Typically, but not universally, larger award amounts and greater expectancy among teachers for awards were associated with more desirable outcomes. The way in which teachers' award eligibility was determined had a significant influence on several outcomes, but not always in a clear direction.

Proposed value of awards, expectation for awards, and actual receipt of awards

Generally, incentive plans with higher-value awards and teachers with greater expectation for an award were associated with better outcomes for student achievement gains, teacher turnover, and teacher attitudes.

Larger *proposed* award amounts were associated with greater gains in student achievement in D.A.T.E. schools, particularly in math. The relationship was positive, small, and statistically significant. Increasing the maximum award by \$1,000 was associated with an increase in TAKS math scores of approximately one scale score point. Additionally, D.A.T.E. schools with the highest achievement gains had proposed award amounts of a significantly greater value than in other D.A.T.E. schools (*i.e.*, amounts in highest-performing D.A.T.E. schools were nearly \$1,000 larger, on average).

The probability of teacher turnover increased for districts with relatively small *proposed* maximum awards, while turnover decreased as the proposed maximum award increased. The probability of teacher turnover surged among teachers who did not receive a D.A.T.E. award at all, while turnover fell sharply among teachers who did receive an award. For teacher award recipients, awards greater than \$100 in district-wide plans and \$283 in select school plans were associated with a significant decrease in the probability of turnover. Awards for teachers in excess of \$1,500 in district-wide plans and \$2,500 for select school plans were not associated with any further decrease in the probability of teacher turnover.

Teachers reporting that they expected to receive an award had much more positive views of their schools' D.A.T.E. plans and reported a higher motivational value of the incentive plans than did their counterparts.

Determination of teacher award eligibility

D.A.T.E. schools could choose whether teachers could earn an award based on individual performance, team performance (*e.g.*, grade-level or subject area), and/or school-wide performance. The D.A.T.E.

evaluation findings revealed mixed implications of this design choice for teacher satisfaction, collegiality and student performance.

In most cases, schools using individual performance to determine award eligibility had higher gains in math than schools using another approach. Additionally, schools exhibiting the greatest student achievement gains during the program were more likely than others to base awards on school plus individual performance.

Teachers seemed to have greater personal satisfaction and they perceived a more collegial workplace when awards were based in part on school performance. In contrast, the use of awards based on individual performance was most often related to greater reports of motivation but also greater teacher competition.

CONCLUSIONS AND IMPLICATIONS FOR POLICY AND RESEARCH

In summary, the objective of the D.A.T.E. evaluation is not to recommend any one-size-fits-all approach for design and implementation of incentive pay in Texas. Rather, the evaluation informs policymakers about the implications of various program design and implementation choices. Overall, the D.A.T.E. program had promising results in its first years of implementation, but those outcomes did vary at least in part due to the design of locally developed incentive pay plans. Typically, but not universally, larger award amounts for teachers and greater expectancy among teachers for awards were associated with more desirable outcomes for students and teachers. These findings should be stimulus for continued study among the research community and examination by the policy community as to the impact of incentive pay design.

TABLE 1: OVERVIEW OF G.E.E.G., T.E.E.G., AND D.A.T.E. PROGRAMS FUNDING AND GRANTEES, 2005-06 TO 2010-11

Program	Funding and Grantees	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Total (over 6 years)
G.E.E.G.	Federal funding (in millions)	\$10	\$10	\$10	---	---	---	\$30 million
	Number of grantees	99 schools	99 schools	99 schools	---	---	---	99 schools
T.E.E.G.	State funding (in millions)	---	\$100	\$97	\$97	---	---	\$394 million
	Number of grantees	---	1,148 schools	1,026 schools	987 schools	---	---	2,150 schools
D.A.T.E.	State funding (in millions)	---	---	---	\$147.5	\$197	\$197	\$541 million
	Number of grantees	---	---	---	203 Cycle 1, Yr 1 districts	191 Cycle 1, Yr 2 districts	184 Cycle 1, Yr 3 districts	Cycle 1: 203 districts
							112 Cycle 2, Yr 1 districts	Cycle 2: 112 districts
Total (per year)	State and federal funding (in millions)	\$10	\$110	\$107	\$244.5	\$197	\$197	\$865.5 million
	Number of grantees	99 schools	1,247 schools	1,125 schools	987 schools			2,249 schools
					203 districts	191 districts	296 districts	315 districts

Note: Totals for “number of grantees” over six-year period do not equal the sum of all cells in each row. The same 99 G.E.E.G. schools participated over the three-year program. Due to the in-and-out nature of T.E.E.G. participation, approximately 2,150 distinct schools participated at some point over that three-year period. The 191 districts in Cycle 1, Year 2 were from the original pool of 203 Cycle 1, Year 1 districts.

Source: House Bill 1, Subchapters N and O of the 79th Texas Legislature report funding amounts for each program. Plan applications submitted to TEA by program grantees each year provide number of grantees.

TABLE 2: APPROVED STRATEGIES FOR USING PART 1 AND PART 2 D.A.T.E. FUNDS

Part 1 Funds – Teacher Incentive Awards	Part 2 Funds – Other Activities
<p>At least 60% of the grant must be used to award classroom teachers who positively impact student academic improvement, growth, and/or achievement.</p> <p>Annual incentive award amounts for teachers should be equal to or greater than \$3,000 unless otherwise determined by the local school board. Minimum awards must be no less than \$1,000 per teacher. If a teacher is listed as a Part 1 award recipient, he/she must at a minimum have an opportunity to earn \$1,000. This can be met with a combination of Part 1 and Part 2 funds.</p> <p>Funds should be distributed based on criteria that are quantifiable, reliable, valid, and objective. Criteria must be generally viewed as a measure of student excellence and quality.</p>	<p>Up to 40% of the grant can be used as stipends and awards for (1) the recruitment and retention of teachers; (2) teachers assigned to critical shortage subject areas; (3) teachers in subject areas with high percentages of out-of-field assignments; (4) teachers certified and teaching in their main subject area; (5) teachers with post-graduate degrees in their teaching area; or (6) teachers serving as career, mentor, or master teachers.</p> <p>Part 2 funds can also be used to implement activities such as (1) ongoing applied professional growth, (2) increasing local data capabilities to support instruction and accountability, (3) awarding principals who increase student performance or other school employees who demonstrate excellence, or (4) for implementing elements of TAP.</p>

Source: D.A.T.E. Cycle 1, Year 1 Request for Application and Frequently Asked Questions document.

TABLE 3: YEAR 1 D.A.T.E. INCENTIVE AWARDS

Features of D.A.T.E. Awards for Teachers	All D.A.T.E. Plans	District-wide D.A.T.E. Plans	Select School D.A.T.E. Plans
Proposed minimum Part 1 award amount for teachers (average)	\$1,076	\$907	\$1,157
Proposed maximum Part 1 award amount for teachers (average)	\$3,940	\$3,361	\$4,226
Percent of teachers in D.A.T.E. schools eligible for proposed awards	67.9%	63.0%	76.0%
Percent of teachers in D.A.T.E. schools where all eligible teachers could receive the proposed maximum award	41.7%	46.9%	39.0%
Percent teachers in D.A.T.E. schools receiving Part 1 awards	41.3%	41.8%	40.5%
Percent teachers in D.A.T.E. schools receiving Part 1 awards, excluding Dallas ISD and Houston ISD	40.0%	33.8%	49.1%
Total award for teachers receiving Part 1 awards (average)	\$2,523	\$1,601	\$3,930
Among Part 1 award recipients, percent of teachers receiving total award < \$1,000	19.8%	30.4%	3.5%
Among Part 1 award recipients, percent of teachers receiving total award >= \$1,000 and < \$3,000	54.8%	60.0%	46.8%
Among Part 1 award recipients, percent of teachers receiving total award >= \$3,000	25.5%	9.6%	49.7%

Note: Beginning teachers are those with less than four years of teaching experience. All other teachers are classified as experienced teachers. TAKS teachers are those assigned to TAKS tested subjects (mathematics, science, English/language arts) or to self-contained classrooms in grades 3-11.