

# Texas Educator Excellence Grant (TEEG) Program: Year Three Evaluation Report

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## EXECUTIVE SUMMARY

The Texas Educator Excellence Grant (TEEG) program was state-funded and provided annual grants to schools to design and implement performance pay plans during the 2006-07 to 2009-10 school year.<sup>1</sup> TEEG was implemented each year (i.e., Cycle) in approximately 1,000 high poverty, high performing Texas public schools.

Performance pay for teachers entered Texas state policy deliberations during the 1980s, a decade marked as one of the most active periods of school reform in Texas. As early as the Texas Teacher Career Ladder program in 1984, policy makers attempted to reform the single-salary schedule and introduce performance pay for educators. Several lessons emerged from those first generation programs and played a significant role in the design and implementation of contemporary performance pay programs in Texas, such as TEEG. Specific lessons include the importance of (1) adequate, sustainable funding; (2) teacher involvement in program design; (3) rewarding educators for their contribution to student performance and professional collaboration; and (4) conducting independent, comprehensive program evaluations.

This report builds on the previous TEEG evaluation reports, presenting findings from three years of the TEEG program.<sup>2</sup> Overall, the report discusses the participation decisions of eligible schools, the implementation experiences of TEEG participants, the manner in which performance pay plans were designed, and the program's outcomes. An overview of key evaluation findings is presented below.

### **TEEG Participation Decisions**

- During all three cycles of the TEEG program, at least 90% of eligible schools opted to participate. These participation decisions were most commonly made by teachers and school administrators.
- Eligible schools that decided not to participate in TEEG were systematically different than participant schools. They were more likely to be small schools, provide alternative instruction programs and non-traditional grade configurations, and serve a lower percentage of ED students.

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<sup>1</sup> It should be noted that during each cycle of TEEG, a school's performance pay plan had two distinct phases: a performance evaluation phase and a fund dissemination phase. For example, Cycle 1 schools implemented performance pay plans during the 2006-07 school year during which time teachers were evaluated to determine their bonus award eligibility. However, a school did not have to distribute bonus awards until the following fall semester (fall 2007) and funds for activities other than bonus awards could be spent into the 2007-08 school year. Therefore, while TEEG cycles are referred to by discrete school years for ease of explanation, each cycle lasted more than one school year (i.e., Cycle 1 implemented in 2006-07 with funds expended in their entirety in 2007-08; Cycle 2 implemented in 2007-08 with funds expended in their entirety in 2008-09; and Cycle 3 implemented in 2008-09 with all funds to be expended during 2009-10).

<sup>2</sup> See *Texas Educator Excellence Grant (TEEG) Program: Year One Evaluation Report* (2008) and *Texas Educator Excellence Grant (TEEG) Program: Year Two Evaluation Report* (2008). See <http://ritter.tea.state.tx.us/opge/progeval/TeacherIncentive/index.html> for full reports.

- Schools opting not to participate in TEEG were most often concerned about the program’s guidelines for bonus award distribution and school selection along with perceptions that application for and participation in TEEG would be burdensome. They were also dissuaded by previous negative experiences with performance pay. Volatile dynamics in schools (e.g., leadership turnover) also kept some eligible schools from applying.

### **Design of TEEG Performance Pay Plans**

- TEEG plans relied heavily on measures of student achievement – especially performance levels and results from state standardized assessments – along with teacher collaboration to determine teachers’ eligibility for bonus awards.
- Teachers’ eligibility for bonus awards was typically determined by an individual teacher’s performance as opposed to the performance of an entire school or team of teachers.
- The distribution of TEEG bonus awards varied noticeably among schools, but most proposed bonus award models that did not align with minimum and maximum dollar amounts recommended in state guidelines (i.e., \$3,000 and \$10,000 respectively). Nearly all schools (95.5% of Cycle 1 schools and 95.7 % of Cycle 2 schools) proposed a *minimum* award less than \$3,000, and most (82.3% of Cycle 1 schools and 70.0% of Cycle 2 schools) proposed a *maximum* award of less than \$3,000.
- The probability of receiving a TEEG bonus award and the actual amount received was related to several teacher characteristics, especially a teacher’s subject-area assignment. Differences in teacher credentials explained little of the variation in bonus awards received by individual teachers in TEEG schools.

### **TEEG Implementation Experiences and Challenges**

- Over half of principals in TEEG schools consistently reported that schools could have improved implementation of their performance pay plans, noting that clearer program guidelines from the state would have been of great importance.
- However, TEEG principals also had overall positive perceptions of the program’s impact in their schools.

### **Educator Attitudes, Instructional Practice, and School Environment in TEEG Schools**

- Most personnel in TEEG schools supported the principle of performance pay, while inexperienced teachers and professionals tended to be more supportive than their counterparts.

- Personnel did not believe the TEEG program undermined collaboration or workplace collegiality. In fact, the majority viewed their colleagues, principals, and overall work environment positively. Both bonus award recipients and non-recipients in TEEG schools, as well as new and experienced teachers, held these positive views. However, award recipients and inexperienced staff were more likely to hold these favorable opinions.
- Personnel in schools that remained in TEEG over time – rather than cycling in and out of the program – tended to have more positive opinions towards performance pay generally, the impact of TEEG in schools, workplace collegiality, and principal leadership.
- The majority of educators in TEEG schools reported frequent use of targeted and data-driven instructional practices. Those reporting the receipt of bonus awards indicated more frequent use of these professional practices than non-recipients of bonus awards.

### **Impact of TEEG on Teacher Turnover**

- There is no evidence that schools in the TEEG program experienced any systematic reduction in teacher turnover following the first two cycles of program implementation (i.e., fall 2007 and fall 2008). However, there is strong evidence that several design features of performance pay plans influenced teacher turnover within TEEG schools.
- The receipt and size of actual bonus awards had a strong impact on teacher turnover in the first cycle of TEEG; the probability of turnover fell as the size of the bonus award grew. However, many TEEG teachers received bonus awards so small that the program likely had a negligible or negative impact on their probability of turnover.
- Schools relying exclusively on student achievement levels to measure teachers' contribution to student success had significantly lower turnover rates than did schools relying solely on student gains.

### **TEEG and Student Achievement Gains**

- There is no strong evidence of a systematic TEEG treatment effect on student achievement gains. Additionally, evidence on associations between TEEG plan design features and student achievement gains is mixed.

These findings suggest that school and personnel characteristics, the criteria used to select schools into the TEEG program, and the plan design features of TEEG schools' performance pay plans influenced many outcomes of interest. The attitudes and behaviors of school personnel, school environment, and teacher turnover were certainly affected by these factors. However, evidence suggests that there is no strong, systematic treatment effect of TEEG on student achievement gains. Nor are there consistent associations between TEEG plan design features and student achievement gains.

While TEEG funding comes to an end, these findings are still relevant for key decision-makers in Texas. As other state-funded performance pay plans continue, policy makers and practitioners are advised to pay close attention to the manner in which schools are selected into performance pay

programs and the design of their performance pay plans; particularly how they determine teachers' eligibility for bonus awards and the size of those awards. Additionally, the state's continued commitment to performance pay programs – under the umbrella of the District Awards for Teacher Excellence (D.A.T.E.) program – allows researchers to refine their understanding of the ways in which locally-designed performance pay plans influence the quality of teaching and student learning within schools; an issue of increasing importance both state-wide and nationally as performance pay continues as a prominent strategy for education reform.