

## Early Implementation Experiences of the 2010 Teacher Incentive Fund Grantees

After the first year of implementation, fewer than half of the districts receiving Teacher Incentive Fund (TIF) grant funds in 2010 reported implementing all four of the required program components for teachers. However, a large majority of TIF districts implemented at least three of the four components. In the subset of 10 evaluation districts, educators did not always understand the performance measures and pay-for-performance bonuses used for TIF. More than half of teachers did not know they were eligible for pay-for-performance bonuses and teachers underestimated the size of pay-for-performance bonuses they could earn through TIF.

### The policy context

The Teacher Incentive Fund (TIF) provides grants to support performance-based compensation systems for teachers and principals in high-need schools.<sup>1</sup> The grants have two goals:

- Reform compensation systems to reward educators for improving students' achievement, and
- Increase the number of high-performing teachers in high-need schools.

The number of TIF grants funded by the U.S. Department of Education grew significantly in 2010, with 62 grants awarded that year compared to 16 grants in 2006 and 18 in 2007. As part of the additional funding used to support these grants, Congress required a rigorous evaluation of the 2010 TIF grantees.

### Program details

The 2010 TIF competition differed from previous competitions by providing more detailed guidance on the measures used to evaluate educators and on the design of the pay-for-performance bonuses. The 2010 grants required four program components: 1) measures of educator effectiveness that included students' achievement growth and observations of classroom or school practices; 2) pay-for-performance bonus designed to incentivize and reward educators solely for being effective; 3) additional pay opportunities for educators to take on

additional roles or responsibilities such as becoming a master or mentor teacher; and 4) professional development to inform teachers about the performance measures and to provide support based on educators' performance on the measures. To provide a strong incentive to the most effective educators, bonuses were to be differentiated and substantial enough to lead to a change in the behavior of teachers and principals to improve student outcomes.

Another difference between the 2010 TIF grants and prior rounds is that applicants could apply to two competitions: a main competition and an evaluation competition. Applicants who applied to the evaluation competition (hereafter referred to as evaluation districts) were eligible for additional funding and more intensive implementation support in exchange for participating in a random assignment study of the pay-for-performance component of TIF.

### Study approach

This study examined TIF implementation for all 2010 grantees as well as implementation and impacts for a subset of 12 districts selected through the evaluation competition. For evaluation districts, the study measured the impact of pay-for-performance bonuses as part of a comprehensive reform system within a large, multisite random assignment study design. In each evaluation district, schools serving grades 4 through 8 were sorted by lottery into two groups. The treatment

schools were to implement all components of their performance-based compensation system. The control schools implemented the same performance-based compensation system with one exception—the pay-for-performance bonus was replaced with an across-the-board one percent bonus for all educators. Because the two groups of schools were assigned by lottery within each district, the only difference between the two groups was that educators in treatment schools were eligible to earn a pay-for-performance bonus, while educators in control schools received an automatic bonus regardless of their performance. All other aspects of the program and the school characteristics (measured and unmeasured) were similar by design.

This first report describes early implementation of all the 2010 TIF grants—with a focus on the four required program components—based on a district survey administered in spring 2012. For the 10 evaluation districts that were prepared to conduct a lottery by spring 2012, the study team collected additional information through surveys administered to teachers and principals in study schools, interviews with districts, and documents collected through technical assistance activities.

## Research questions

This report addresses two research questions:

1. What are the characteristics of all TIF grantee districts and their performance-based compensation systems? What implementation experiences and challenges did TIF districts encounter?
2. How do teachers and principals in schools that did or did not offer pay-for-performance bonuses compare on key dimensions, including their understanding of TIF program features, exposure to TIF-funded activities, allocation of time, and attitudes toward teaching and the TIF program?

Future reports will describe the impact of pay-for-performance bonuses on student achievement and teacher mobility, and examine the features of performance-based compensation systems that are related to these outcomes.

## The findings

The study found that among all 2010 TIF districts:

- Fewer than half of districts reported implementing all required components of the TIF program, evi-

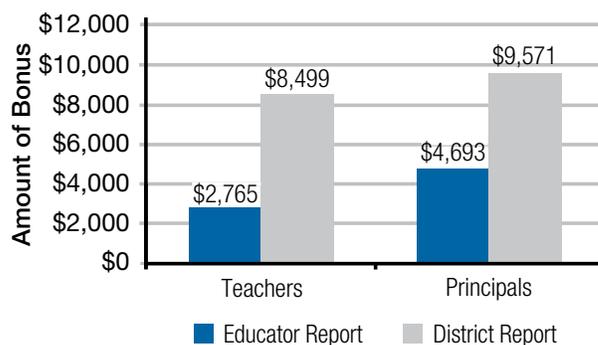
dence that full implementation is a challenge. Although 85 percent of TIF districts reported implementing at least three of the four required components for teachers, slightly fewer than half (46 percent) reported implementing all four.

- Districts expected to award a pay-for-performance bonus to more than 90 percent of eligible educators, with the average payout about 4 percent of the average U.S. educator's salary. The districts expected a maximum pay-for-performance bonus for teachers that was twice as large as the average bonus, and a maximum bonus for principals that was 50 percent larger than the average bonus.

The key findings for the 10 evaluation districts that conducted the lottery by spring 2012 include the following:

- Many educators misunderstood the performance measures and the pay-for-performance bonuses used for TIF. For example, the measures that educators indicated were used to evaluate their performance sometimes differed from those reported by districts. More than half of teachers (52 percent) did not know they were eligible for pay-for-performance bonuses. In addition, teachers and principals reported a maximum bonus that was lower than the amount districts reported (Figure 1).

**Figure 1. Maximum Possible Size of Pay-for-Performance Bonuses for Teachers and Principals in Treatment Schools, as Reported by Educators and Districts**



Source: Teacher, principal, and district surveys.

Note: Figures indicate respondents' average report of the maximum possible size of teachers' or principals' pay-for-performance bonuses. A total of 395 treatment teachers and 67 treatment principals responded to this survey question from 10 of the evaluation districts.

- Most teachers in treatment and control schools were satisfied with their professional opportunities, school environment, and the TIF program (Table 1). About two-thirds of teachers were satisfied with their jobs overall and were glad to be participating in the TIF program.
- Teachers in schools that offered pay-for-performance bonuses tended to be less satisfied than those in schools that did not offer such bonuses (Table 1). In schools that offered bonuses, fewer teachers were satisfied with opportunities for professional advancement (68 versus 76 percent) and school morale (48 versus 55 percent). However, in schools offering pay-for-performance bonuses, more teachers were satisfied with the opportunity to earn additional pay (64 versus 59 percent).

### Looking ahead

Because educators' understanding of and responses to this policy may change over time, the research team is following the districts throughout the five-year grants. In addition to examining any changes in the findings presented here, future reports will assess the impact of the pay-for-performance component on student achievement and educator mobility after one or more years of TIF implementation.

### Endnote

<sup>1</sup>In the TIF 2010 grant application notice, high-need schools are defined as those with 50 percent or more of students from low-income families, based on eligibility for a free or reduced-price lunch.

**Table 1. Teachers' Satisfaction with Performance Measures, Professional Opportunities, School Environment, and the TIF Program**

	Treatment Group	Control Group	Impact
<b>Attitudes Toward Aspects of Teaching</b>	<b>Percentage Who Are Somewhat or Very Satisfied</b>		
Classroom Observations as an Evaluation Measure	68.4	77.0	-8.6*
Opportunities for Professional Advancement	67.8	75.7	-7.8*
Quality of Interaction with Colleagues	73.6	80.6	-7.0*
School Morale	48.1	54.9	-6.8*
Opportunities to Earn Extra Pay	64.0	58.9	5.1*
Overall Job Satisfaction	67.6	72.9	-5.3
Number of Teachers—Range <sup>a</sup>	<b>405-408</b>	<b>405-412</b>	
<b>Attitudes Toward TIF Program</b>	<b>Percentage Who Agree or Strongly Agree</b>		
My Job Satisfaction Has Increased Due to the TIF Program	27.1	32.0	-4.9*
The TIF Program Is Fair	53.0	57.6	-4.6*
I Feel Increased Pressure to Perform Due to the TIF Program	62.9	54.1	8.7*
I Am Glad That I Am Participating in the TIF Program	67.0	64.9	2.1
Number of Teachers—Range <sup>a</sup>	<b>399-403</b>	<b>394-403</b>	

Source: Teacher survey.

<sup>a</sup>Sample sizes are presented as a range based on the data available for each row in the table.

\*Impact is statistically significant at the .05 level, two-tailed test.

IES develops these study snapshots to offer short, accessible summaries of complex technical evaluation reports. For the full report with technical details, see <http://ies.ed.gov/ncee/pubs/20144019>.

Max, Jeffrey, Jill Constantine, Alison Wellington, Kristin Hallgren, Steve Glazerman, Hanley Chiang, and Cecilia Speroni (2014). **Evaluation of the Teacher Incentive Fund: Implementation and Early Impacts of Pay for Performance After One Year** (NCEE 2014 4019). Washington, DC: National Center for Education Evaluation and Regional Assistance, Institute of Education Sciences, U.S. Department of Education.