

InFOCUS

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Pay for Performance: Evaluating the Teacher Incentive Fund

A little less than half of the 153 districts in the study reported implementing all four required TIF components, suggesting that full implementation may be challenging.

The U.S. Department of Education's Teacher Incentive Fund (TIF) provides grants to support performance-based compensation systems for teachers and principals in high-need schools. Grant incentives and support aim to raise student achievement by improving teacher effectiveness and workforce quality. Congress mandated a rigorous evaluation of the TIF grants awarded in 2010, when the number of awards grew significantly compared to prior years.

The first report from Mathematica's multiyear study of the 2010 TIF grants (1) describes the early implementation experiences of the 2010 TIF districts, and (2) examines intermediate educator outcomes in a subset of districts participating in a random assignment evaluation of the pay-for-performance component.

KEY FINDINGS

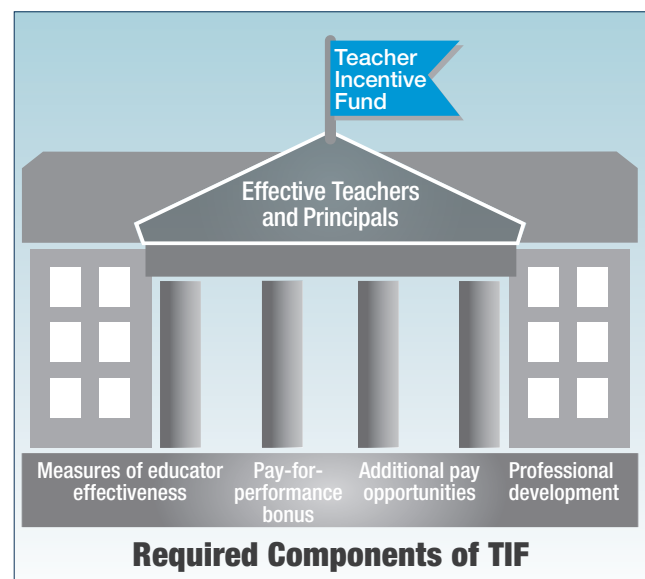
The study found the following for all 2010 TIF districts:

Fewer than half reported implementing all four required TIF components, suggesting that full implementation is a challenge. Although 85

percent reported implementing at least three of the four required components, a little less 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 amount equal to about 4 percent of the average U.S. educator's salary. The maximum pay-for-performance

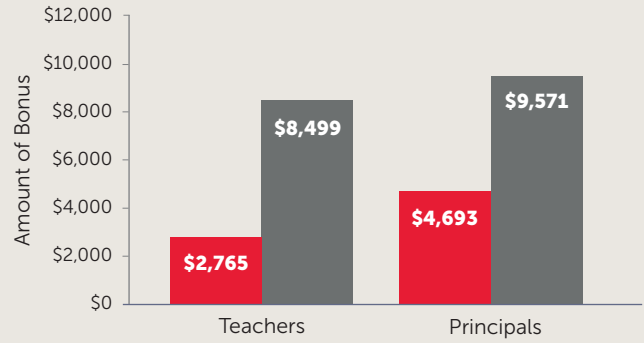
bonus districts planned to award teachers was twice as large as the average bonus, and the maximum bonus for principals was 50 percent larger than the average bonus. These targets fell short of the guidance in the TIF grant notice that bonuses should be substantial, differentiated, and challenging.



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

Educator Report

District Report



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.

Figure 1

Many educators misunderstood the performance measures and the pay-for-performance bonuses.

For the 10 districts participating in the in-depth evaluation of the pay-for-performance component, the study found 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. In addition, more than half of teachers did not know they were eligible for these bonuses, and those who did know reported a maximum bonus that was lower than the amount districts reported (Figure 1).

Most teachers and principals were satisfied with their professional opportunities, school environment, and the TIF program. About two-thirds of teachers were satisfied with their jobs overall and were glad to be participating in TIF.

Educators in schools that offered pay-for-performance bonuses tended to be less satisfied than those in schools that did not offer such bonuses. For example, 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, more teachers in these schools were satisfied with the opportunity to earn additional pay (64 versus 59 percent).

Sample and Methods

The analysis of TIF implementation for all 2010 grantees is based on a sample of 153 TIF districts, including 12 evaluation districts and 141 non-evaluation districts. In 10 of the evaluation districts, we examined the experiences, behaviors, and attitudes of all principals and 826 teachers in 137 study schools. To measure the impact of TIF pay-for-performance bonuses, we randomly assigned schools within each evaluation district into two groups; one group offered educators a pay-for-performance bonus and the other group provided a one percent bonus for all educators.

ABOUT THE STUDY

This study, conducted by Mathematica for the U.S. Department of Education's Institute of Education Sciences, examines TIF implementation for all 2010 grantees as well as impacts of pay-for-performance bonuses offered as part of the TIF program in a subset of 12 TIF districts. This is one of the largest, multi-site, random assignment evaluations conducted on the impact of pay-for-performance bonuses. Findings from the first year of implementation of the 2010 TIF grants are available at <http://www.mathematica-mpr.com/~media/publications/pdfs/education/TIF-evaluation-impacts-pay-for-performance.pdf>. Future reports will examine changes in the findings presented here and assess the impact of the pay-for-performance component on student achievement and educator mobility after one or more years of TIF implementation.

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