

**NATIONAL CENTER ON
PERFORMANCE INCENTIVES**

Policy Evaluation Report

July 27, 2009

**Governor's Educator Excellence Grant (GEEG) Program:
Year Two Evaluation Report**

Texas Education Agency
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1701 North Congress Avenue
Austin, Texas 78701

Led By:

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Peabody College

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NATIONAL CENTER ON Performance Incentives

The National Center on Performance Incentives (NCPI) is charged by the federal government with exercising leadership on performance incentives in education. Established in 2006 through a major research and development grant from the United States Department of Education's Institute of Education Sciences (IES), NCPI conducts scientific, comprehensive, and independent studies on the individual and institutional effects of performance incentives in education. A signature activity of the center is the conduct of two randomized field trials offering student achievement-related bonuses to teachers. The Center is committed to fair and rigorous research in an effort to provide the field of education with reliable knowledge to guide policy and practice.

The Center is housed in the Learning Sciences Institute on the campus of Vanderbilt University's Peabody College. The Center's management under the Learning Sciences Institute, along with the National Center on School Choice, makes Vanderbilt the only higher education institution to house two federal research and development centers supported by the Institute of Education Sciences.

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EXECUTIVE SUMMARY

The Governor's Educator Excellence Grant (GEEG) program is part of a long history of performance pay programs and policies in Texas. The GEEG program was state-funded and provided grants to schools to implement three-year locally-designed performance pay plans. During the 2005-06, 2006-07, and 2007-08 school years, the GEEG program operated in 99 public schools in Texas.

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, policymakers 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 GEEG. Lessons learned include that (1) adequate, sustainable funding is imperative; (2) teacher involvement in program design fosters school personnel buy-in; (3) performance pay should reward educators for their contribution to student achievement outcomes as well as teacher and staff collaboration; and (4) programs will benefit from comprehensive, independent program evaluation.

This report presents findings from the second year of a multi-year evaluation of the GEEG program. An overview of key evaluation findings is presented below.

Second-year findings from the GEEG evaluation include the following:

- GEEG plans relied heavily on measures of student achievement – especially performance levels – and teacher collaboration to determine teachers' eligibility for bonus awards. The use of these design features changed little over the first two program years.
- The distribution of GEEG bonus awards varied noticeably among schools, and the actual distribution typically exhibited greater inequality than the proposed distribution of bonus awards.
- School personnel continued to hold generally positive views about performance pay and the GEEG program, specifically.
- Teacher turnover was greatly influenced by GEEG program participation and the design features of GEEG plans, most noticeably the size of bonus awards distributed to teachers.
- The evidence regarding GEEG program impacts on student achievement is inconclusive. Depending on the specification, the analysis indicates that GEEG had a weakly positive, negative or negligible effect on student achievement gains. The instability in the estimates may be related to common measurement problems associated with standardized tests or the statistical methods used to control for selection bias.

- There is no evidence of a significant association between student achievement gains and GEEG plan design features in schools. However, the small number of GEEG schools adopting any given plan design necessarily makes these estimates imprecise, and could be masking significant effects.
- Intermediate outcomes such as teacher attitudes, teacher behavior, and institutional dynamics associated with GEEG program participation may offer more appropriate outcomes measure for evaluating the GEEG program. Furthermore, teacher turnover and mobility provides another important outcomes measure.

These findings suggest that school and personnel characteristics and GEEG plan design features influence program outcomes. The attitudes and behaviors of school personnel and teacher turnover are certainly influenced by these factors. There is limited evidence that participation in the GEEG program had an effect on student achievement gains, and no evidence that GEEG plan design features affect student achievement gains. However, examination of the program's impact on student achievement is limited by the process of schools' selection into the program and the likely volatility of student performance measures available to measure outcomes.

Given these findings, key decision-makers in Texas 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.

Overall, the GEEG program provides a unique opportunity to learn about the differential effects performance pay plans have on the attitudes and experiences of school personnel, organizational dynamics within schools, teacher turnover, and student achievement gains. The GEEG program allows policymakers, practitioners, and researchers to learn about the impact of performance pay plans within high-poverty, high-performing schools. Future evaluation initiatives will continue to explore how the unique characteristics of this state-funded program – and the plans designed by participants – influence the quality of teaching and student learning within participating schools. This is increasingly important given the state's commitment to a much larger state-funded performance pay program – the District Awards for Teacher Excellence (DATE) program.

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