

# Incentive Grant Programs

**A Report to the  
76th Texas Legislature**

---

**from the  
Texas Education Agency**

**Submitted to the Governor, Lieutenant Governor,  
Speaker of the House, and the Seventy-Sixth  
Texas Legislature**

## **Incentive Grant Programs**

Introduction and Recommendations .....	1
Background .....	2
Performance Incentive Programs .....	4
Texas Policy Overview .....	6
Texas Teacher Career Ladder .....	6
Principal Performance Incentive Program .....	6
Texas Successful Schools Award System .....	7
TSSAS Award Recipients .....	8
TSSAS Award Expenditures .....	9
Policy Issues and Recommendations .....	11
What criteria should be used to identify award recipients? .....	11
High Performance vs. Performance Gains .....	11
Scope .....	12
Equity .....	12
System Stability and Advance Knowledge .....	13
Should monetary awards be directed toward schools, classes of educators, or individual educators? .....	15
Data Issues .....	15
Tax Liability .....	15
Evaluation of Individuals .....	15
Incentives .....	17
What percentage of schools or educators should receive awards and how much state money should be appropriated to award programs? .....	17
Funding Equity .....	18
Appendix A: Proposed Changes to the <i>Texas Education Code</i> .....	19
Selected References .....	23

**Executive Management**

**Mike Moses**  
Commissioner of Education

**Ron McMichael**  
Deputy Commissioner for Finance and Accountability

**Criss Cloudt**  
Associate Commissioner for Policy Planning and Research

**Project Staff**

Nancy Stevens  
Project Director

Angela Spaulding  
Cheree Burleson  
West Texas A&M University

Vicky Killgore  
Graphics, Layout, and Design  
Research and Evaluation Division

# Incentive Grant Programs

## Introduction and Recommendations

**T**exas Education Code §21.357(d), Performance Incentives, directs the commissioner of education to develop a study on establishing an incentive grant program for all classes of educators focusing on objective methods for issuing grants in the areas of student performance, continuing education, and professional duties performed by teachers in addition to classroom duties.

In the 1980s, incentive programs focused on rewarding teachers for what they did rather than what students learned. Developed as part of campus accountability systems, incentive programs initiated in the 1990s reward schools, principals, and teachers for student learning. Texas was a leader in both movements. This report provides background information on the development of state-sponsored incentive grant programs directed toward schools and/or individual educators nationwide and provides an update on the status of performance incentive programs in other states. The report also presents an overview of Texas policy related to performance incentives directed toward individuals and schools. A discussion of policy issues related to the administration of incentive grant programs at the state level is drawn from the literature as well as from experience administering such programs in Texas.

## Recommendations

The report concludes with recommendations in response to the following three policy questions.

### *Issue 1: What criteria should be used to identify award recipients?*

- 1.1 Link performance incentive awards to the Academic Excellence Indicator System (AEIS) in order to provide schools with a consistent set of perfor-

mance goals and to assure awards are based on school-wide achievement on multiple indicators.

- 1.2 Base monetary awards on gains in student performance to complement the AEIS ratings system, which focuses on meeting performance standards, and recognize efforts of campuses that achieve high gains with diverse student populations.
- 1.3 Apply a stable set of criteria for award eligibility from year to year and inform schools in advance of the criteria on which awards will be based.

### *Issue 2: Should monetary awards be directed toward schools, classes of educators, or individual educators?*

- 2.1 Provide monetary awards to schools rather than individual educators, even if the money will ultimately be distributed to individuals, to avoid an additional data burden in administering the program.
- 2.2 Provide monetary awards to all professional staff on award campuses rather than a single person or class of educators to foster collaboration at the campus level.
- 2.3 Base awards on performance criteria related to the campus rather than criteria related to individuals.
- 2.4 Make determinations of eligibility for individual monetary awards at the district or campus level where individual employment records are maintained.

**Issue 3: What percentage of schools or educators should receive awards and how much state money should be appropriated to award programs?**

- 3.1 Fund a school-based performance incentive program at a sufficient level to reward 25 percent of professional educators annually with awards of \$750 per person.
- 3.2 Conduct a biennial evaluation of the performance incentive program.

Draft legislation implementing these recommendations appears in Appendix A.

## Background

Throughout the twentieth century policymakers and administrators have tried to improve education through the use of incentives. The first attempt at a teacher incentive plan was merit pay. The first merit pay plan was in Newton, Massachusetts in 1908 (Cramer, 1983b). By 1918, forty-eight percent of all American schools were using some form of merit pay system. However, the numbers began to drop off in the 1920s and continued to decline until the Soviets launched Sputnik in October 1957. This event led to a great push to improve the quality of both education and educators. Merit pay came back into vogue but only for a short time and was rarely tried in the 1970s and 1980s.

In 1983 the U.S. Department of Education released *A Nation at Risk*, a report that outlined the state of American education and recommended that teacher pay and continued employment be tied to performance. Using the findings of this report, various state governments began to implement new incentive programs focused on individual teachers.

The first incentive programs were revivals of merit pay systems and included the creation of career ladders. Career ladders created different levels of achievement for teachers. The criteria to reach a higher level on the career ladder included graduate or postgraduate education, taking on additional professional responsibilities, classroom per-

formance, student progress, and peer or administrator evaluations. Most of these plans were short-lived due to changes in or lack of funding, unfeasible evaluation systems, lack of support among teachers, disagreement about what criteria should be used, and distrust for the system and evaluators (Clotfelter, 1996; Cornett & Gaines, 1994; Cramer, 1983b; Murnane & Cohen, 1986; Odden & Kelley, 1997). Arizona, Idaho, Indiana, Iowa, Missouri, New York, Ohio, Tennessee, and Utah have career ladder/level systems currently in place. Arizona, in particular, has been committed to the career ladder program since 1984. The Arizona program has gone through many revisions: making participation voluntary, changing evaluation criteria, and passing some of the costs to the local level to save state money (Arizona Department of Education, 1998; Cornett & Gaines, 1992; 1994). Other states, such as Alaska, authorize career ladders but do not mandate them.

Another incentive program started in the 1980s was the mentor teacher program (Cornett & Gaines, 1992; 1994). This program served two purposes. First, it provided assistance and support to new teachers. Second, it provided experienced teachers who served as mentors monetary bonuses for the mentorship work and responsibilities. In 1994, 23 states had mentor programs; the programs were funded in 9 states. (Arkansas, California, Connecticut, Georgia, Hawaii, Idaho, Indiana, Louisiana, Massachusetts, Minnesota, Mississippi, Montana, New Jersey, New Mexico, New York, Pennsylvania, Rhode Island, South Dakota, Texas, Virginia, Washington, West Virginia, and Wisconsin had mentor teacher programs in 1994.)

Until 1994-95 Texas school districts were required to assign mentor teachers to all beginning teachers; this mandate was not funded by the state (19 TAC §149.22, 1992). In 1995 the Texas legislature established a State Board for Educator Certification (SBEC) to regulate the certification, continuing education, and standards of public school educators (TEC §21.031). In 1996, SBEC restored the provision requiring that beginning teachers who do not have prior teaching experience be assigned a mentor teacher (19 TAC §230.610). Teachers providing professional guidance as mentor educators can count up to six hours a year of

mentoring toward the continuing professional education requirement for certificate renewal (19 TAC §232.860).

The state-funded mentor teacher programs varied in how they were administered by the states and how funding flowed to districts. Participation by California districts in the mentor teacher program was optional, but for participating districts the state allocated funds to provide stipends for up to 5 percent of eligible teachers, plus funds to cover district program administration costs. In Louisiana the mentor teacher program was one of several instructional enhancement programs parish school systems could choose to implement with state funds. Minnesota's mentor teacher program was funded by competitive grants.

School districts in Indiana and Pennsylvania were required to have mentor teacher programs. Indiana's program was state funded. There were no earmarked state funds in Pennsylvania but districts could use formula funds for the programs. The California mentor teacher program provided \$4,000 stipends to teachers serving as mentors and \$2,000 per mentor to districts to cover program administration costs. In contrast, Indiana provided \$600 stipends plus \$200 per mentor to districts.

In California mentors were selected locally by committees composed of a majority of teachers. Georgia teachers had to complete a certification endorsement program to become mentors; Louisiana required a Master's degree and 10 years of teaching experience. Many programs included provisions for professional development for mentors; in Minnesota the state provided training and professional development.

School reform in the 1990s saw a shift in emphasis. Rather than focusing on individual teachers as the source of educational success or failure, student achievement was determined to be the responsibility of entire schools and districts (Cornett & Gaines, 1997; Massell, Kirst & Hoppe, 1997; Texas Education Agency, 1996a; Van de Water & Zradicka, 1997). Within the schools, individual teachers could be rewarded, but more and more states moved toward rewarding schools and dis-

## Mentoring

All of the first year teachers participating in a study of Texas teacher preparation programs reported needing to rely on veteran teachers in their schools for information and advice (TEA, 1996c). Mentoring arrangements provided for these teachers ranged from no official mentor being assigned to the teacher to a formal induction program provided jointly by a local university and school district. However, none of the teachers in the study who served as mentors was compensated for taking on this additional responsibility.

Teachers in the study who reported having strong mentoring and/or induction support received high marks for classroom performance. Their classes seemed paced most appropriately, with high rates of learner engagement and orderly sequences of activities, and the teachers frequently praised or affirmed student performance.

tricts. These new reward programs were often developed as part of larger school accountability systems.

Under state-administered school accountability systems, schools and districts are held accountable for student achievement, school improvement, and fiscal affairs. States have created systems either to reward or sanction districts and schools for their results in these areas. Rewards typically come in four forms: monetary awards, public recognition, waivers, and deregulation (Clotfelter & Ladd, 1996; Fuhrman & Elmore, 1995; King, 1996; King & Mathers, 1997). Sanctions typically include school reorganization, redirection of resources, financial penalties, loss of

accreditation, school choice, change or dismissal of staff, school closing, intervention of the state or other education officials, and district annexation or takeover (Cornett & Gaines, 1994; 1997). In Texas the Academic Excellence Indicator System (AEIS), which had its origins in 1984 with the annual performance reporting requirements of House Bill 72 (68th Texas Legislature, 6th Called Session), evolved into an integrated accountability system used to generate district and campus ratings, eligibility for rewards, performance reports to districts and campuses, and school report cards for distribution to parents (TEA, 1996a).

Along with greater local accountability has come greater local control (Cornett & Gaines, 1997; Florida Commission on Education Reform and Accountability, 1998e; Florida Department of Education, 1998c; Henry, 1996; Ladd, 1996). An outgrowth of this 1990s move to school site-based responsibility was a transfer of educational control from the state to the local school district level. While state legislatures set education standards, many allowed, or even required, districts and/or schools to create their own plans to meet those standards. Texas is one of at least 15 states that has been actively moving toward this form of decentralized education, providing greater local control. (Other states moving toward decentralized education systems are California, Colorado, Florida, Georgia, Hawaii, Kansas, Maryland, Michigan, Nevada, New Mexico, New York, North Carolina, and Wyoming. New Hampshire's education system always has been decentralized.) Part of this control is given to local committees. The committees serve a variety of purposes, including creation of improvement plans, implementation of incentive programs, on-site management, evaluation of a school's progress, and disbursement of monetary rewards.

In Texas the campus site-based decision-making committee assists the principal in developing a campus improvement plan that sets out campus performance objectives based on the AEIS. Following release of the AEIS report, the campus site-based decision-making committee is required to hold at least one public meeting to discuss the performance of the campus and the campus performance objectives. The campus committee is

also charged with determining use of performance award money.

## ***Performance Incentive Programs***

Performance incentive programs are in place in 14 states (ECS, 1997a). The programs are funded in 12 states. Typically part of larger school accountability systems, these programs provide monetary awards to schools that meet established standards for performance or performance gains. As Table 1 shows, Texas is one of ten states with funded programs that provide monetary incentive awards to schools; districts receive monetary awards in the other two states. Most performance incentive programs are designed to reward performance gains.

States typically put few restrictions on expenditure of award money and give school committees responsibility for determining how awards will be spent. The most common restriction imposed by states is to prohibit use of award money for salaries or bonuses. Three states, however, target educators by giving them a stronger voice in how the award money will be spent and by removing restrictions on use of award money for salary bonuses. In Georgia, Kentucky, and North Carolina the amount of the award each school receives is based on the number of targeted staff in the school. In Georgia and Kentucky this is certified staff while North Carolina also includes teacher aides. In all three states the targeted class of educators at each school decides whether to spend the school award for bonuses or other purposes.

The states that target educators provide some of the larger school awards, ranging from \$1,000 to \$2,300 per certified staff member at award schools. This is in contrast to states such as Indiana, New Jersey, and Texas where schools may receive awards of \$500 or less.

In addition to programs at the state level, the federal government offers incentives for improved school performance. Federal grants are available in the areas of student performance and achievement, pre-service and professional development

**TABLE 1. STATE PERFORMANCE INCENTIVE PROGRAMS**

State	Purpose/Criteria	Awards	Restrictions
Connecticut	Districts demonstrating improvement receive awards.	Awards of at least \$500 per district based on amount of gains and number of students.	No state restrictions. Local school board determines how award will be spent.
Florida	Districts receive awards under five different programs each of which focuses on a specific indicator. (A new recognition program for schools has not been funded.)	Award amounts vary. A total of \$75 million was appropriated for performance incentive programs in 1997-98.	No state restrictions. (The unfunded school recognition program designates that awards are for staff bonuses.)
Georgia	Schools achieving improvement goals receive awards.	Award amount is \$2,000 per certified staff member.	Certified personnel determine whether award money will be spent for salary bonuses or school improvement.
Illinois	The performance incentive program exists in statute but has not been funded.		
Indiana	Schools exhibiting relative improvement in two of five areas receive awards.	Awards of \$400 - \$16,500 per school in 1995-96.	State prohibits expenditure for athletics, salaries, or salary bonuses.
Kentucky	Schools that show progress over a two-year period receive awards.	Awards averaged \$1,100 - \$2,300 per staff member in 1996-97.	State prohibits expenditure for increases in base salaries. Certified staff determines whether to spend award for salary bonuses or other purposes.
Maryland	Elementary and middle schools demonstrating significant improvement over a two-year period receive awards.	Awards of \$25,000 - \$50,000 per school in 1996-97.	State prohibits expenditure for salary bonuses, increases in base pay, or to replace funds in the regular budget. School improvement teams determine how awards will be spent.
New Jersey	Schools with identifiable specializations or innovative practices and high student performance apply for awards through their districts.	Awards of \$500 and \$1,000 per school in 1995-96.	Awards must be used to expand a recognized program or replicate that program in another school.
New Mexico	Schools demonstrating performance gains receive monetary awards; those demonstrating high performance receive recognition.	Awards of \$6-7 per student with a minimum of \$1,000 per school in 1997-98, the first year for the program.	State prohibits expenditure for salaries or bonuses. School committees determine how awards will be spent.
North Carolina	Schools achieving exemplary growth standards receive awards.	Awards average \$1,000 per certified staff and \$500 per teaching aide.	No state restrictions. Award money may be spent for either salary bonuses or other purposes. Decision is outlined in school improvement plan and voted on by certified staff and teaching aides.
Pennsylvania	Schools that show improvement on statewide test results or in attendance and graduation rates will receive awards beginning in 1998.	Schools will receive awards of \$4 - \$35 per student based on the level of gains.	At least 50% of the award must be spent on the instructional program, including staff development; up to 25% may be spent on teacher rewards. School committees determine how to spend the awards.
South Carolina	Schools achieving high performance standards or significant gains in performance receive awards. Districts also receive awards if at least two-thirds of the schools receive awards.	Awards of \$2,500 - \$72,000 per school in 1996-97. Awards of \$10,000 - \$30,000 per district based on number of students.	State prohibits expenditures for salaries or salary bonuses. School improvement councils determine how to spend school awards; districts determine how to spend district awards.
Texas	Schools achieving high performance standards or significant gains in performance receive awards. (A second program to make grants based on performance gains has not been funded.)	Awards of \$500 - \$5,000 per school based on number of students in 1996-97.	State prohibits expenditures for athletics or to replace funds in the regular budget. School site-based decision-making committees determine how awards will be spent.
Washington	The performance incentive program exists in statute but has not been funded.		

for teachers, staff development, technology, drop-out rates, innovation, and reading. The private sector also provides incentive programs for education. For example, Motorola awards grants in the areas of mathematics, science, parental involvement, education environments, and programs that reach out to under-represented populations. The National Environmental Education and Training Foundation supports programs dealing with environmental issues, AT&T supports innovative technology programs in schools, and the Milken Family Foundation sponsors the National Educator Awards (TEA, 1996c). These are just a few of the incentive programs offered by the private sector.

## Texas Policy Overview

### ***Texas Teacher Career Ladder***

The Texas Teacher Career Ladder, in place from 1984-85 to 1992-93, provided salary supplements ranging from \$1,500 to \$6,000 to teachers at level two or higher on the career ladder (TEC §16.057, 1986). Career ladder supplements were derived through state foundation school program (FSP) funding as a separate allotment based on district average daily attendance (TEC §16.158, 1986). Teacher evaluations under the Texas Teacher Appraisal System (TTAS) and career ladder placement decisions were made by the employing district. Districts also had some flexibility in determining the amount of the salary supplement that teachers would receive if the FSP career ladder allotment did not fully fund the program. Advancement on the career ladder was based on classroom performance, evaluated through the TTAS; meeting specified professional development requirements; and years of experience at the prior level (TEC Chapter 13 Subchapter E, 1986). In addition, teachers on level four of the career ladder would be required to perform additional duties two out of every three years. Extra duties included supervising student teachers; acting as a team leader, mentor, or department chair; conducting advanced academic training; and assessing level four candidates. The career ladder program was abolished before level four was implemented. Legislation abolishing the career ladder in 1993

stipulated that teachers would continue to receive salary supplements earned while the program was in place.

In 1992-93, the last year the career ladder was authorized in statute, 132,855 teachers were reported on levels two and three of the career ladder. The career ladder allotment had increased from \$50 per student the first year of the program to \$90 per student, or \$291 million in 1992-93. Like other FSP allotments, the career ladder allotment was funded by both state and local revenues.

### ***Principal Performance Incentive Program***

Legislation passed in 1995 included provisions for a Principal Performance Incentive (PPI) program (TEC §21.357). This statute required that the award program focus on campus performance gain and not include subjective criteria. Maximum awards of \$5,000 would go directly to principals. An appropriation of \$5 million was to be distributed during the second year of the biennium; an advisory committee of principals appointed by the governor met during the first year of the biennium to advise the Texas Education Agency (TEA) on award criteria.

Distribution of awards under the PPI program was delayed pending resolution of a number of issues related to the awards, including federal income tax liability and contributions and credit under the Teacher Retirement System of Texas. Legislation was passed during the 1997 legislative session prohibiting TEA from distributing the \$5 million appropriated the previous session for the PPI program. Amendments to the Principal Performance Incentive statute required that the award be distributed to the school rather than the principal, and that the campus-level decision-making committee determine use of the money. New legislation also called for a study on establishing an incentive grant program for all classes of educators before the next legislative session. The \$5 million appropriation was carried forward to fund incentive programs during the 1997-98/1998-99 biennium. However, the PPI program was not funded.

## ***Texas Successful Schools Award System***

From 1990 through 1995, and beginning again in 1997, Texas provided monetary awards to campuses demonstrating the highest levels of sustained success or substantial gains in student academic performance. The school incentive award system began as the Governor's Educational Excellence Awards Committee in 1990. Two years later it was moved to TEA as the Texas Successful Schools Awards System, or TSSAS. During the time the TSSAS program has been at TEA, the total amount available for awards has varied from a high of \$20 million a year to \$2.5 million a year.

The TSSAS system was designed to comply with statutory requirements, which have not changed substantively since the 1994 awards, when schools demonstrating sustained success were first recognized. (In prior years awards went only to schools showing improvement in academic performance.) The following laws relating to TSSAS are currently located in Chapter 39 of the *Texas Education Code*.

- ◆ The TSSAS criteria must *include consideration of performance on the academic excellence indicators and each school's performance shall be compared to state standards and to its previous performance* (TEC §39.093).
- ◆ Awards are to go to schools with *the highest levels of sustained success or the greatest improvement* (TEC §39.092).
- ◆ Monetary awards are to be based on an amount per pupil, subject to limits on the total amount that goes to any one school (TEC §39.092).
- ◆ Monetary awards cannot be used *for any purpose related to athletics or to substitute for or replace funds already in the regular budget* (TEC §39.094).
- ◆ The campus site-based decision-making committee is charged with determining use of the monetary award (TEC §39.094).

Since 1994 the TSSAS awards have been linked to the Academic Excellence Indicator System (AEIS), an accountability system that integrates district

accreditation status, campus ratings, district and campus recognition for high performance and performance improvement, and campus, district, and state level reports. Although the TSSAS statute has not changed since 1994, award criteria have evolved as a function of changes in the AEIS. As new indicators and measures became available they were incorporated into the TSSAS criteria.

TSSAS has multiple award categories. Some years the award categories have been mutually exclusive, other years they have not. Some years monetary award amounts for the different categories have differed; in recent years they have been the same. The first three years TSSAS was administered by TEA there were acknowledgment categories that did not receive monetary awards.

Award categories for the 1997 TSSAS awards were exemplary performance, recognized performance, and performance improvement. Campuses rated *Exemplary* in the accountability system automatically received a TSSAS award for exemplary performance. Campuses rated *Recognized* in the accountability system automatically received a TSSAS award for recognized performance. Campuses rated *Acceptable* in the accountability system were eligible for awards if they met additional standards on criteria for performance gains. *Low-performing* campuses are not eligible for TSSAS awards.

In 1997 performance gains awards were based on a new measure of comparable improvement. The comparable improvement measure depends on campus comparison groups, which are constructed on the basis of dominant demographic characteristics of the campus student body. Characteristics used in constructing the groups are student ethnicity, socioeconomic status, limited English proficiency, and mobility.

Within each campus comparison group, the comparable improvement measure is based on analysis of growth on the Texas Learning Index (TLI). The TLI is a measure developed to assess a student's progress across grades on the Texas Assessment of Academic Skills (TAAS) reading and mathematics tests. TAAS, the state's criterion-referenced test, focuses on students' higher order

thinking and problem-solving skills. The reading and mathematics tests are administered to students statewide in Grades 3-8 and 10. Campuses rated *Acceptable* that were ranked in the top 25 percent of their comparison group on the comparable improvement measure for both TAAS reading and mathematics received performance gains awards.

In 1997 schools receiving monetary awards for exemplary or recognized performance, or performance gains, were eligible to apply for an additional monetary award for effective and innovative approaches to increasing the number of parents or guardians attending parent-teacher conferences. This award category was added to the TSSAS program for 1997 and 1998 through a rider to the biennial appropriations bill.

### ***TSSAS Award Recipients***

Both the total amount of money awarded and the number of campuses receiving monetary awards under TSSAS increased from 1992 to 1993, as

shown on Table 2. In 1993, a total award amount of \$20 million was distributed to 507 campuses, compared to \$10 million distributed to 139 campuses in 1992. In 1994 and 1995 the number of campuses receiving awards was even larger although the total award amount was only \$5 million per year. In 1997 awards totaling \$2.5 million were distributed to 2,668 campuses.

TSSAS awards based on 1997 ratings were presented to 44 percent of the 6,046 campuses rated under the standard accountability system. Eleven percent of campuses received awards for *Exemplary* performance, 27 percent received awards for *Recognized* performance, and 6 percent received performance gains awards. The schools receiving performance gains awards represent 10 percent of the schools rated *Acceptable*.

Schools receiving 1997 TSSAS awards differed based on the type of award received, as shown on Table 3. Campuses with the following characteristics were overrepresented among the 683 campuses receiving accountability ratings and

**TABLE 2. TEXAS SUCCESSFUL SCHOOLS AWARD SYSTEM**

	1992	1993	1994	1995	1997
Monetary Awards for High Performance*	0	0	580	1,237	2,300
Monetary Awards for Performance Gains	139	507	391	400	368
Total Schools Receiving Monetary Awards	139	507	971	1,637	2,668
Non-monetary	681	950	435	0	0
Total Schools Receiving Awards/Acknowledgments **	736	1,289	1,312	1,637	2,668
Award Amounts per School	\$25,000 - \$175,000	\$10,000 - \$150,000	\$250 - \$30,000	\$1,000 - \$10,000	\$500 - \$5,000
Total Amount Awarded	\$10 million	\$20 million	\$5 million	\$5 million	\$2.5 million

\* Some high performing schools would have been eligible for TSSAS monetary awards for performance gains.

\*\* Some schools received both monetary awards and non-monetary acknowledgments.

**TABLE 3. CHARACTERISTICS OF CAMPUSES RECEIVING 1997 TSSAS AWARDS**

Exemplary	Recognized	Performance Gains
Elementary campuses overrepresented	Fairly evenly distributed across campus types	Middle school/junior high and high school campuses overrepresented
Very small campuses overrepresented (less than 200 students)	Medium and small campuses overrepresented (less than 600 students)	Large campuses overrepresented (more than 600 students)
Suburban districts overrepresented	Rural districts overrepresented	Urban districts overrepresented
Campuses with few economically disadvantaged students overrepresented	Fairly evenly distributed across campuses by student socioeconomic status	Campuses with many economically disadvantaged students overrepresented

TSSAS awards for *Exemplary* performance: elementary grade levels, very small, suburban, and few economically disadvantaged students. The 1,617 campuses receiving accountability ratings and TSSAS awards for *Recognized* performance were more evenly distributed by campus type and socioeconomic level of students, but did include a disproportionate number of medium to small schools and rural schools. The 368 campuses receiving accountability ratings of *Acceptable* and TSSAS awards for performance gains included a disproportionate number of campuses with the following characteristics: secondary grade levels, large, urban, and large percentages of students who are economically disadvantaged.

***TSSAS Award Expenditures***

The TSSAS money provides schools with a much greater degree of latitude for spending than is the case with other budgeted funds. As noted earlier, the campus site-based decision-making committee determines use of the award money. The law states that campuses should give priority to aca-

demically enhancement purposes and protects the money from being used to replace funds already in the campus budget. The only restriction on use of the award money is that it cannot be used for any purpose related to athletics.

Information about award expenditures was collected through surveys mailed following administration of the 1992 and 1993 awards. Survey results and data on school and district characteristics available from TEA were used for an analysis of 1992 and 1993 TSSAS award expenditures (Hargrove, 1994).

In 1992 and 1993, award amounts per campus had some influence on the types of expenditures that were made by schools, as shown on Table 4 on page 10. Schools receiving the higher-dollar 1992 and 1993 performance gain awards, which ranged from \$25,000 to \$175,000 per campus in 1992 and \$30,000 to \$150,000 in 1993, spent more than one-third of the award money on purchases of computers and other technology-related hardware. In contrast, schools receiving the

smaller 1993 performance gain outstanding effort awards, which ranged from \$10,000 to \$25,000 per campus, spent relatively more on instructional materials and less on technology-related materials. It is possible that the lower award amount received by these schools allowed less freedom to purchase technology hardware.

In 1993, campuses that spent TSSAS award money on special incentive programs for teachers or students and school/community relations had higher

percentages of minority students and lower percentages of students passing all TAAS tests — characteristics that may indicate situations of disadvantage at the schools. Campuses that spent TSSAS award money for items that are usually covered by a school or district's budget such as instructional materials, school/office furniture or equipment, and professional development, had relatively higher enrollments, population densities, cost of education indices, operating costs per pupil, and average teacher salaries — characteristics

**TABLE 4. 1993 AND 1992 TSSAS MONETARY AWARD USE CATEGORIES BY PLANNED/ACTUAL EXPENDITURE AMOUNTS**

Categories Ranked by 1993 Gain Award Expenditures	Planned/Actual Expenditure			Percent of Total Awarded		
	1993 Gain*	1993 Effort*	1992 Gain**	1993 Gain*	1993 Effort*	1992 Gain**
1) Technology (hardware)	\$5,679,226	\$404,106	\$3,230,180	36.0%	24.0%	36.0%
2) Instructional materials	\$2,446,685	\$412,345	\$1,448,270	16.0%	25.0%	16.0%
3) Funds uncommitted, in reserve	\$2,398,607	\$116,347	\$1,141,280	15.0%	7.0%	13.0%
4) Technology (software)	\$1,238,596	\$127,621	\$ 691,277	7.9%	7.7%	7.7%
5) School/office furniture/equipment	\$ 917,644	\$142,369	\$ 505,437	5.8%	8.6%	5.7%
6) General enhancement to school	\$ 580,294	\$ 64,351	\$ 317,504	3.7%	3.9%	3.5%
7) Professional development	\$ 563,198	\$ 98,157	\$ 373,929	3.6%	5.9%	4.2%
8) Other/miscellaneous	\$ 556,676	\$ 63,155	\$ 342,368	3.5%	3.8%	3.8%
9) Future enhancements	\$ 411,345	\$ 41,187	\$ 446,478	2.6%	2.5%	5.0%
10) Student incentive programs	\$ 314,349	\$106,841	\$ 139,819	2.0%	6.5%	1.6%
11) Direct student rewards	\$ 176,762	\$ 26,749	\$ 123,740	1.1%	1.6%	1.4%
12) Teacher incentive programs	\$ 168,250	\$ 25,996	\$ 50,252	1.1%	1.6%	0.56%
13) Redirection of award funds	\$ 136,794	\$ 6,644	\$ 85,148	0.87%	0.40%	0.95%
14) School/community relations	\$ 99,506	\$ 18,059	\$ 42,660	0.63%	1.1%	0.48%
15) Direct teacher rewards	\$ 64,955	\$ 850	\$ 6,775	0.41%	0.05%	0.08%

**Data source:** TEA, Office of Policy Planning and Technology Services, Survey of Monetary Award Expenditures, 1992 and 1993 Texas Successful Schools Award System (TSSAS).

\*1993 Performance Gain Award and Performance Gain Outstanding Effort Award data from 483 of 507 schools receiving a total of \$20,041,006. Some expenditures include planned rather than actual amounts; results may not total 100% due to rounding. Each percent expenditure represents approximately \$200,410; for example, 36% for Technology (hardware) is equivalent to about 7.2 million dollars.

\*\*1992 Performance Gain Award data from 137 of 139 schools receiving a total of \$9,950,020. Some expenditures include planned rather than actual amounts; results may not total 100% due to rounding. Each percent expenditure represents approximately \$99,500; for example, 36% for Technology (hardware) is equivalent to about 3.6 million dollars.

that may indicate high demands on school and district resources.

The TSSAS statute does not restrict schools from spending the award on continuing education or to reward teachers for professional duties performed in addition to classroom duties. However, expenditures for professional development ranked seventh among categories of expenditures for TSSAS awards in 1992-93. About 3.6 percent of gain awards and 5.9 percent of effort awards were spent for professional development. Expenditure of TSSAS awards for teacher incentive programs and direct teacher rewards accounted for less than 2 percent of 1992-93 award money. Comparable information on expenditure of TSSAS awards for later years is not available.

## Policy Issues and Recommendations

### Issue 1: What criteria should be used to identify award recipients?

There are a number of policy issues associated with selecting criteria to identify recipients of performance incentive awards: whether high performance or performance gains will be rewarded, the breadth and depth of the education system represented by the indicators used as criteria, equity in comparing academic performance of a diverse set of schools, and stability of the criteria and performance incentive program over time.

**High Performance vs. Performance Gains.** State accountability systems, and the reward systems associated with them, are built on performance indicators. Oakes (1986, p.1) defines an educational indicator as “a statistic about the educational system that reveals something about its performance or health.” The most emphasized type of performance indicators in school accountability systems and incentive reward programs have been those based on student performance (Cornett & Gaines, 1994; 1997; Elmore, Abelmann & Fuhrman, 1996; Florida Commission on Education Reform and Accountability, 1998d; King, 1996; Massell, Kirst & Hoppe, 1997). This is usually measured by scores on standardized tests.

TEA developed a set of minimum requirements for a statistic to be included as an indicator in AEIS, on which existing performance incentive programs are based, from research regarding performance indicators (TEA, 1996a):

- ◆ It must generally be viewed as a measure of student/institutional excellence and equity.
- ◆ It must be quantifiable.
- ◆ It must have a standard definition.
- ◆ It must be reliable.
- ◆ It must be valid.
- ◆ It must be reported to the agency in a standardized format.

Two types of measures meet these requirements — measures of achievement and measures of improvement. Improvement can be measured using either a cross-sectional or longitudinal methodology. With a cross-sectional methodology, average performance of students in one year is compared to average performance of students in the same grade the prior year. With a cross-sectional comparison, the performance of two different groups of students is being compared. Required Improvement in the Texas accountability rating system is a cross-sectional measure of improvement. With a longitudinal methodology, each student's performance in one year is compared to his or her performance the prior year. With a longitudinal comparison, the performance of the same students at two different times is being compared. Comparable Improvement is a longitudinal measure of improvement based on the TLI. A longitudinal measure gives a better indication of the “value added” by schools to student performance (King & Mathers, 1997).

In 1988 Texas teachers, principals, superintendents, and school board members were surveyed about their opinions regarding performance incentive programs (TEA, 1989). Respondents expressed support for rewarding both high levels of student performance and significant improvement in performance. A majority of each of the four groups and over 60 percent of teachers and principals supported this option. About 28 percent of

the respondents thought only improvement should be rewarded.

Following release of the Principal Performance Incentive (PPI) program criteria in 1996, the program was criticized for failing to recognize high performance as well as performance gains — the same criticism that led to a 1993 change in the Texas Successful Schools Award System (TSSAS) statute. The criticism of the accountability rating system to which these programs are linked is that it acknowledges high performance but does not distinguish between those *Acceptable* schools that are improving their performance and those that are simply maintaining an *Acceptable* rating. Of the 6,053 campuses receiving 1998 ratings on August 1, 3,320 or 55 percent were rated *Acceptable*. If those campuses had been rated on the more stringent 1999 criteria, 4,301 or 70 percent would have received ratings of *Acceptable*.

As Table 2 on page 8 shows, the number of schools receiving TSSAS awards for performance gains has remained fairly constant since 1994. However, the number of schools receiving TSSAS awards for high performance almost quadrupled as the number of schools receiving accountability ratings of *Exemplary* or *Recognized* increased from 971 in 1994 to 2,668 in 1997.

**Scope.** Scope refers to the extent to which a set of performance indicators represent the breadth and depth of the education system they are designed to measure. Use of standardized test scores as performance indicators has been criticized as focusing too narrowly on a segment of the curriculum (Clotfelter & Ladd, 1996; Kelley, Milanowski & Heneman, 1998; King & Mathers, 1997). Some states are trying to move away from reliance on standardized multiple choice tests as the only performance indicators. Kentucky has tried to put greater emphasis on thinking and writing skills. For example, some items on mathematics tests require written explanations of answers to problems (King & Mathers, 1997). Like Kentucky, the *Florida Writes!* program attempts to encourage and assess skills that go beyond multiple choice tests (Cornett & Gaines, 1994; Florida Department of Education, 1998i). In Texas the TAAS testing program includes a writing test at grades

4, 8 and 10 that requires the student to provide a writing sample in response to a prompt.

Other performance indicators being used by states include dropout rates, student or teacher attendance, class size, teacher-student ratio, faculty qualifications, and fiscal responsibility. Promotion rates, graduation rates, and student preparedness for work or college are used by some states as well (Clotfelter & Ladd, 1996; Cornett & Gaines, 1994; 1997). In addition, Hawaii has an incentive program that rewards principals for each five years they spend in a single school (Cornett & Gaines, 1994). Reports indicate these criteria are not without problems (Elmore, Abelmann & Fuhrman, 1996). However, the fact that states are searching for performance indicators in addition to standardized tests displays an understanding of the need to consider other evaluation criteria (King & Mathers, 1997).

A reward program can be defined broadly to recognize school-wide achievement on multiple indicators, such as the TSSAS and PPI programs, or narrowly to focus on achievement in a specific area. Florida currently has five performance incentive programs, each of which rewards districts for performance on a single indicator or performance in one program area such as vocational education or dropout prevention. A recent legislative study of the Florida system concluded that the incentive program should be structured so that all districts can compete for rewards (Florida Legislature, 1998). This can be accomplished by eliminating restrictions based on district characteristics, such as incentive programs for rural districts, and by incorporating student demographic data into the methodology so that districts are not excluded due to their student populations. This study also recommended directing incentives toward educational programs that most need improvement.

**Equity.** Rewards based on direct comparisons of districts or schools with substantially different demographic characteristics can call into question the equity of a reward system (TEA, 1996a). Educators have rejected the option of setting differential expectations for campuses based on student demographics. However, some states take into account socioeconomic status and other factors

in determining gains or ranking schools for rewards. South Carolina takes into consideration the percentage of students approved for free or reduced-price lunches, readiness for first grade, and the median years of education of teachers (Clotfelter & Ladd, 1996). Schools are then placed into one of five groups and compete for rewards within those groups.

The comparable improvement measures used to determine eligibility for TSSAS awards in Texas depend on campus comparison groups. Student characteristics used to construct the comparable improvement campus comparison groups include socioeconomic status, ethnicity, limited English proficiency, and mobility. As Table 5 on page 14 shows, the comparable improvement measure succeeds in creating a ranking that evenly distributes campuses according to student demographics such as socioeconomic status, race/ethnicity, and mobility; teacher demographics such as race/ethnicity, average salaries, and education and experience; and campus characteristics such as size and grade levels. This means campuses that rank high on gains are representative of campuses across the state.

A measure of absolute gain ranks campuses based on comparison of gains across the state rather than within campus comparison groups. An example of such a measure would be a ranking based on TLI gains. In a ranking based solely on absolute gains, campuses with high percentages of economically disadvantaged and minority students would be overrepresented among high gain campuses. Use of a measure of absolute gain would be appropriate if a goal of the performance incentive program is to recognize those campuses that achieve high gains with diverse student populations that include student groups that traditionally demonstrate lower performance. Because ratings produced under the accountability rating system for Texas public schools rely heavily on meeting performance standards rather than performance gains, small homogeneous campuses with few economically disadvantaged students are overrepresented among campuses receiving the *Exemplary* rating. A performance incentive program based on absolute gain could provide balance to that system.

**System Stability and Advance Knowledge.** Features of the AEIS change each year as new indicators and standards are phased in, and others are modified based on feedback from the prior year. However, the basic structure of the system remains stable from year to year. Notifying schools and districts in advance of the criteria on which ratings and awards will be based is another characteristic associated with quality indicator systems (TEA, 1996a). If the award program is to serve as an incentive, eligibility criteria for the award must be known in advance and must show some stability from year to year. If the total amount available for awards is determined in advance (through the appropriations process, for example) and the incentive program is designed to reward gain, it may be difficult to set the standard that must be met in advance. However, the criteria on which eligibility will be based can be determined in advance.

The following recommendations are made in response to the question *What criteria should be used to identify award recipients?*

**Issue 1 Recommendations:**

- 1.1 Link performance incentive awards to the Academic Excellence Indicator System (AEIS) in order to provide schools with a consistent set of performance goals and to assure awards are based on school-wide achievement on multiple indicators.
- 1.2 Base monetary awards on gains in student performance to complement the AEIS ratings system, which focuses on meeting performance standards, and recognize efforts of campuses that achieve high gains with diverse student populations.
- 1.3 Apply a stable set of criteria for award eligibility from year to year and inform schools in advance of the criteria on which awards will be based.

**TABLE 5. COMPARISON OF RANKINGS OF TEXAS PUBLIC SCHOOLS  
BASED ON RELATIVE GAIN AND ABSOLUTE GAIN  
1996-97 SCHOOL YEAR**

	<b>Relative Gain (Comparable Improvement)</b>	<b>Absolute Gain (TLI Gains)</b>
<b>Campus Student Demographics:</b> – socioeconomic status – ethnicity – mobility	High gain schools representative of the state.	<b>Overrepresented:</b> High % economically disadvantaged High % minority High % Hispanic  <b>Underrepresented:</b> Low % economically disadvantaged Low % minority Low % Hispanic
<b>Campus Teacher Demographics:</b> – ethnicity – average salaries – education and experience	High gain schools representative of the state.	<b>Overrepresented:</b> High % minority teachers High % Hispanic
<b>Campus Type:</b> – size – grade levels	High gain schools representative of the state.	<b>Overrepresented:</b> Elementary and high schools  <b>Underrepresented:</b> Middle/junior high and K-12 Fewer than 200 students
<b>Campus Performance:</b> – AEIS rating – TAAS performance – dropout rate – SAT/ACT participation and performance	<b>Overrepresented:</b> <i>Exemplary and Recognized</i> High TAAS performance Low SAT/ACT performance  <b>Underrepresented:</b> Low TAAS performance High dropout rate High SAT/ACT performance	<b>Overrepresented:</b> <i>Recognized</i> High TAAS performance Low dropout rate Low SAT/ACT participation Low SAT/ACT performance  <b>Underrepresented:</b> High or very low dropout rate High SAT/ACT performance

**Relative Gain:**

- Campus must be rated *Acceptable* or higher under the standard accountability system
- Campus must have positive TLI gains in both reading and mathematics
- Campus comparable improvement ranking must be in the top quartile in either reading or mathematics and in the top half in the other subject

**Absolute Gain:**

- Campus must be rated *Acceptable* or higher under the standard accountability system
- Campus must have TLI gains of 5.5 or more in both reading and mathematics

## Issue 2: Should monetary awards be directed toward schools, classes of educators, or individual educators?

With the exception of the Texas Principal Performance Incentive (PPI) program, which was not implemented, no state-administered incentive award program provides grants directly to individuals based on campus-wide performance on objective criteria. Under incentive programs in Georgia, Kentucky, and North Carolina, schools are selected for awards based on objective criteria; however, the awards are not distributed directly to school faculty and staff by the state (Florida Legislature, 1998; North Carolina State Department of Education, 1998). Instead, campus staff determine how the awards will be spent, including the option of providing salary bonuses. School-based performance award programs for educators are in place in a number of school districts, including Dallas ISD and Houston ISD.

Before funding for the PPI was rescinded, a number of administrative complications were encountered with the state attempting to provide grants directly to individuals. These included data issues, questions of tax liability, and subjective evaluations of individual performance. This section covers those issues as well as positive and negative features of school-based performance incentive programs for educators.

**Data Issues.** Staff records submitted to TEA annually by school districts through the Public Education Information Management System (PEIMS) contain snapshot information about employment status of school staff as of a designated day in the fall of the school year. These records cannot be used to verify continuous employment in a specific position, campus, or district. Also, home addresses are not part of the staff data record submitted to TEA. Many organizations, including school districts, do not allow employees to receive payments from outside entities at the business address, necessitating access to principals' home addresses. Therefore, the two pieces of information about individual principals needed to administer the PPI program — verification of employment and home address — were not available through data collected by the agency. (In 1996

the Teacher Retirement System (TRS) allowed access to their data base to retrieve home addresses for principals. The project was discontinued before the success rate for matching records in the two databases was determined.)

**Tax Liability.** Unlike payments to schools, payments to principals under the PPI program would have been considered income for federal income tax purposes, even if principals donated the award money to their school. This would have effectively diverted a significant portion of the total award amount to the federal government. However, the PPI awards would not have been included in the salary amount used to compute retirement benefits by the TRS. Tax liability was of particular concern under this award program because many principals expressed the desire to use the award money for campus improvement since the principal was the only person receiving the award.

**Evaluation of Individuals.** Three issues arose in relation to awarding grants to principals based on campus performance. First, campuses on which the campus performance criteria were met but the principal's position was vacant could not be recognized through a system that awards the principal. Second, anecdotal information was received about campuses on which the campus performance criteria were met but the principal's performance was unacceptable based on local evaluations. In extreme cases the principal had been removed from that position at the end of the school year; nevertheless, based on the objective criteria used at the state level he or she would have been eligible to receive the award. Third, in acknowledging the significant role of the principal in campus improvement, the PPI program was seen as discounting the important role of teachers and other campus professionals. Any program that awards individuals or select groups based on campus-wide performance will be subject to this same criticism. Another criticism of selective awards is that they may foster competition between educators. A program that distributes awards to all professionals or all staff on the campus will avoid this problem. However, rewarding all staff may mean rewarding individuals who did not contribute to the overall campus performance (Clotfelter and Ladd, 1996).

**TABLE 6. ADVANTAGES AND DISADVANTAGES OF SCHOOL-BASED PERFORMANCE AWARD PROGRAMS FOR TEACHERS**

Advantages	Disadvantages
<p>Salary bonuses are seen by teachers as desirable rewards and research shows that teacher attendance and retention are affected by monetary incentives.</p> <p>(Heneman &amp; Milanowski, 1998; Jacobson, 1995; Kelley, Milanowski &amp; Heneman, 1998; King &amp; Mathers, 1997)</p>	<p>Salary bonuses must be sufficiently large to serve as a motivator.</p> <p>(Clotfelter &amp; Ladd, 1996; Heneman &amp; Milanowski, 1998; Kelley, Milanowski &amp; Heneman, 1998)</p>
<p>Schoolwide rewards encourage cooperation and play a role in improving skills of low-performing teachers, in contrast to individual merit pay, which encourages competition.</p> <p>(Clotfelter &amp; Ladd, 1996; King &amp; Mathers, 1997)</p>	<p>Educators who do not contribute to the school's success share in the reward.</p> <p>(Clotfelter &amp; Ladd, 1996; King &amp; Mathers, 1997)</p>
<p>School-based performance award programs provide clear goals for educators to focus their efforts.</p> <p>(Clotfelter &amp; Ladd, 1996; Kelley, Milanowski &amp; Heneman, 1998)</p>	<p>Award programs can provide too narrow of a focus on a segment of the curriculum.</p> <p>(Clotfelter &amp; Ladd, 1996; Kelley, Milanowski &amp; Heneman, 1998; King &amp; Mathers, 1997)</p>
<p>Salary bonuses bring with them non-monetary rewards such as recognition.</p> <p>(Heneman &amp; Milanowski, 1998)</p>	<p>Non-monetary rewards, such as satisfaction from improved student performance and public recognition, are a stronger motivator for teachers than monetary rewards.</p> <p>(Boe, 1990; Heneman &amp; Milanowski, 1998; Johnson, 1986; Kelley, Milanowski &amp; Heneman, 1998; King &amp; Mathers, 1997; Murnane &amp; Cohen, 1986; Odden &amp; Kelley, 1997)</p>
<p>Other types of incentives associated with education improvement goals are too often neutral or negative.</p> <p>(ECS, 1997b)</p>	<p>Sanctions are a stronger motivator than rewards.</p> <p>(ECS, 1998; Kelley, Milanowski &amp; Heneman, 1998; King &amp; Mathers, 1997)</p>

**Incentives.** A major concern underlying decisions made at the state level related to the accountability system is how those decisions will improve the quality of education for students by promoting the desired behavior at the school and district levels. Table 6 presents positive and negative features of school-based performance award programs for educators derived from the literature. School-based performance award programs for educators provide rewards to individual educators in the form of salary bonuses based on school-wide performance. In addition to being effective motivators for teachers, salary bonuses bring with them non-monetary rewards such as recognition, which are also strong motivators (Boe, 1990; Heneman & Milanowski, 1998; Jacobson, 1995; Johnson, 1986; Kelley, Milanowski & Heneman, 1998; King & Mathers, 1997; Murnane & Cohen, 1986; Odden & Kelley, 1997). School-wide performance award programs can provide clear goals for educators to focus their efforts and encourage cooperation (Clotfelter & Ladd, 1996; Kelley, Milanowski & Heneman, 1998; King & Mathers, 1997). Although the sanctions associated with accountability systems have been found to be stronger motivators than rewards (ECS, 1998; Elmore, Ableman & Fuhrman, 1996; Kelley, Milanowski & Heneman, 1998; King & Mather, 1997), reward programs may provide a balance to systems in which the incentives are too often negative.

The following recommendations are made in response to the question *Should monetary awards be directed toward schools, classes of educators, or individual educators?*

**Issue 2 Recommendations:**

- 2.1 Provide monetary awards to schools rather than individual educators, even if the money will ultimately be distributed to individuals, to avoid an additional data burden in administering the program.

- 2.2 Provide monetary awards to all professional staff on award campuses rather than a single person or class of educators to foster collaboration at the campus level.
- 2.3 Base awards on performance criteria related to the campus rather than criteria related to individuals.
- 2.4 Make determinations of eligibility for individual monetary awards at the district or campus level where individual employment records are maintained.

**Issue 3: What percentage of schools or educators should receive awards and how much state money should be appropriated to award programs?**

Funding incentive programs has proven to be complex. Even under conditions of stable funding from year to year, the number of campuses or individuals rewarded, size of the rewards, and/or standards for eligibility under a performance incentive program must vary. A specific amount of money set aside for the purpose of rewarding schools may be enough to provide significant awards one year but not the next if the number of schools earning the awards has increased, which research confirms is the purpose of any incentive program (Boe, 1990; Clardy, 1988; Cornett & Gaines, 1992; Henry, 1996; MacPherson, Cibulka, Monk & Wong, 1998). The option is to reduce either the award amount going to each school or the number of schools receiving the award.

Highly selective performance incentive award programs that reward few schools based on very high standards may be perceived as providing recipients with a more prestigious honor. However, a less selective program in which more schools have an opportunity to be recognized may serve as a greater incentive to schools at all performance levels. If the total award amount is fixed, there is a trade-off between number of campuses or individuals that receive an award and the amount of

**TABLE 7. PERCENT OF TEXAS PROFESSIONAL EDUCATORS RECEIVING \$750 PERFORMANCE AWARDS UNDER DIFFERENT FUNDING SCENARIOS**

Total Amount Awarded	% Professional Staff Receiving Awards
\$2,000,000	1%
\$10,000,000	5%
\$25,000,000	12%
\$40,000,000	19%
\$55,000,000	26%
\$70,000,000	33%

\* Based on 282,896 campus-based professional staff in 1997-98 school year.

the award going to each campus or individual. The number of campuses or individuals receiving awards can be controlled by the selection criteria. The challenge is to provide an award amount that is sufficiently large to serve as an incentive to a large enough group of campuses that all campuses have the perception that they can compete for the award.

Table 7 shows the percentage of professional staff receiving \$750 awards under different funding scenarios for Texas. Performance incentive programs in other states that target educators to receive bonuses are based on school awards of \$1,000 or more per certified staff on award campuses. The Dallas ISD local performance incentive program provides awards of \$1,000 per certified staff. Houston ISD administrators received a positive response to a local performance incentive program implemented in 1997 that provided awards of approximately \$200 per certified staff on award campuses.

Unfortunately, little information is available on the effects of performance incentive awards on schools. Although these programs have generated much interest, it is difficult to separate the effects of monetary awards from other rewards and sanctions associated with accountability systems. Few states have conducted comprehensive evaluations of their performance incentive programs,

and changes in funding for the programs are typically based on budgetary constraints rather than program effectiveness (Cornett and Gaines, 1994). Only a handful of states (Arizona, Missouri, Ohio, and Pennsylvania) have expanded and consistently funded some form of incentive program since the 1980s.

**Funding Equity.** Another consideration states must take into account in appropriating state funds for a performance incentive program is maintaining the equity of the funding system as a whole. The foundation school program (FSP) funding formulas used to distribute state funds to Texas school districts are designed to equalize funding to districts with varying property tax bases, cost differentials, and student programs. For an incentive grant program to upset the equity of a \$20 billion school finance system that is 97 to 98 percent equalized, such as that in Texas, a significant amount of money would have to be distributed outside the equalized funding system. The proportion of funds distributed through performance incentive programs is typically 1 percent or less of public school funding (Florida Legislature, 1998). For example, in 1997-98 Florida will award over \$75 million as financial incentives to schools and districts. This represents about 0.7 percent of the \$10.5 billion in state and local funds appropriated to Florida public schools. The \$2.5 million appropriated for TSSAS awards in 1998, in contrast, represents only 0.01 percent of public school funding for the state.

The following recommendations are made in response to the question *What percentage of schools or educators should receive awards and how much state money should be appropriated to award programs?*

**Issue 3 Recommendations:**

- 3.1 Fund a school-based performance incentive program at a sufficient level to reward 25 percent of professional educators annually with awards of \$750 per person.
- 3.2 Conduct a biennial evaluation of the performance incentive program.

## Appendix A. Proposed Changes to the *Texas Education Code*

The following changes to the *Texas Education Code* are proposed to implement the recommendations in this report to create a campus-based performance incentive program for Texas professional educators. Proposed amendments to TEC Chapter 39, Subchapter E, Successful School Awards, the current TSSAS statute, provide awards to professional educators at campuses showing high gains on the academic excellence indicators used to rate campuses. It is recommended that other statutes related to performance incentives be deleted. These changes will bring the statutes related to performance incentive awards together under TEC Chapter 39, Public School Accountability System.

### ***Summary of Changes***

TEC Chapter 39, Subchapter E. Successful School Awards (§§39.091-39.096)

The following proposed changes are listed in the order they appear in the statute.

1. Eliminate references to financial awards to districts.
2. Eliminate the provision of financial awards to schools based on high performance.
3. Transfer responsibility for presenting awards to the commissioner of education.
4. Base campus awards on number of professional staff rather than average daily attendance.
5. Set campus award amount at \$750 per professional staff full-time equivalent.
6. Eliminate the provision for limitation on campus award amount set by the commissioner.
7. Eliminate the provision for additional awards contingent upon pairing with *Low-performing* schools.
8. Specify that campus awards must be used to provide salary supplements to professional staff at the award campus and must be divided evenly among all staff who were employed in professional positions for at least 90 days during the school year for which the award is received.
9. Eliminate former restrictions on expenditure of campus awards and the role of campus level committee and district professional staff in determining use of award funds.
10. Specifically authorize the use of a small portion of the award funds for costs associated with presenting awards and conducting a biennial evaluation.

TEC §39.111. Recognition and Awards.

Eliminate statute.

TEC §21.357. Performance Incentives.

Eliminate statute.

---

**Sec. 39.091. CREATION OF THE SYSTEM.**

The Texas Successful Schools Awards System is created to recognize and reward those schools ~~and school districts~~ that demonstrate progress toward ~~or success in~~ achieving the education goals of the state.

---

**Sec. 39.092. TYPES OF AWARDS.**

- (a) ~~The commissioner~~ ~~governor~~ may present a financial award to the schools ~~or districts~~ that ~~the commissioner determines~~ have demonstrated ~~the highest levels of sustained success or the greatest improvement in~~ achieving the education goals. For each professional staff full-time equivalent student in average daily attendance, each of those schools ~~or districts~~ is entitled to \$750 an amount set for the award for which the school or district is selected by the commissioner, subject to any limitation set by the commissioner on the total amount that may be awarded to a school or district.
  - (b) ~~The commissioner~~ ~~governor~~ may present proclamations or certificates to additional schools and districts determined to have met or exceeded the education goals.
  - (c) ~~The commissioner may establish additional categories of awards and award amounts for a school or district determined to be successful under Subsection (a) or (b) that are contingent on the school's or district's involvement with paired, lower-performing schools.~~
- 

**Sec. 39.093. AWARDS.**

- (a) The criteria that the commissioner shall use to select successful schools ~~and districts~~ must be related to the goals in Section 4.002 and must include consideration of performance on the academic excellence indicators adopted under Section 39.051. For purposes of selecting schools ~~and districts~~ under Section 39.092(a), each school's performance shall be compared to state standards and to its previous performance.
  - (b) The commissioner shall select annually schools ~~and districts~~ qualified to receive successful school awards for their performance and report the selections to the governor and the State Board of Education.
  - (c) The agency shall notify each school district of the manner in which ~~the district or~~ a school in the district may qualify for a successful school award.
- 

**Sec. 39.094. USE OF AWARDS.**

A financial award received under this subchapter must be used to provide salary supplements to professional staff at the award school. The school award must be divided evenly among all professional staff who were employed in a professional position for at least 90 days during the school year for which the award is received.

- ~~(a) In determining the use of a monetary award received under this subchapter, a school or district shall give priority to academic enhancement purposes. The award may not be used for any purpose related to athletics, and it may not be used to substitute for or replace funds already in the regular budget for a school or district.~~
- ~~(b) The campus-level committee established under Section 11.253 shall determine the use of the funds awarded to a school under this subchapter. The professional staff of the district shall determine the use of the funds awarded to the school district under this subchapter.~~

---

**Sec. 39.095. FUNDING.**

The award system may be funded by donations, grants, or legislative appropriations. The commissioner may solicit and receive grants and donations for the purpose of making awards under this subchapter. A small portion of the award funds may be used by the commissioner to pay for the costs associated with ~~sponsoring a ceremony to recognize or present~~ presenting awards to schools ~~or districts~~ under this subchapter and with conducting a biennial evaluation of the awards program. The donations, grants, or legislative appropriations shall be accounted for and distributed by the agency. The awards are subject to audit requirements established by the State Board of Education.

---

**Sec. 39.096 CONFIDENTIALITY.**

All information and reports received by the commissioner under this subchapter from schools or school districts deemed confidential under Chapter 552, Government Code, are confidential and may not be disclosed in any public or private proceeding.

---

~~**Sec. 39.111. RECOGNITION AND REWARDS.**~~

~~The State Board of Education shall develop a plan for recognizing and rewarding school districts and campuses that are rated as exemplary or recognized and for developing a network for sharing proven successful practices statewide and regionally. The reward may be used to provide educators with summer stipends to develop curricula based on the cited successful strategies. The educators may copyright the curricula they develop.~~

---

~~**Sec. 21.357. PERFORMANCE INCENTIVES.**~~

- ~~(a) The commissioner shall design an objective system to evaluate principals that:
  - ~~(1) is based on types of information available as of January 1, 1995, through the Public Education Information Management System (PEIMS) and the state's public school accountability system;~~
  - ~~(2) focuses on gain at a principal's campus and includes a statistical analysis comparing current campus performance to previous performance; and~~
  - ~~(3) does not include subjective items.~~~~
- ~~(b) From funds appropriated for that purpose, the commissioner may award performance incentives to principals identified through the evaluation system as high-performing. Based on available appropriations, for each fiscal year, a performance incentive may not exceed:
  - ~~(1) \$5,000, for a principal ranked in the top quartile; or~~
  - ~~(2) \$2,500, for a principal ranked in the second quartile.~~~~
- ~~(c) A performance incentive awarded to a principal under this section must be distributed to the campus principal's school and used in the manner determined by the campus-level committee established under Section 11.253 in accordance with the requirements of Section 39.094(a).~~
- ~~(d) The commissioner shall develop a study on establishing an incentive grant program for all classes of educators, to be reported to the legislature no later than December 1, 1998. The study shall focus on developing objective methods for the issuance of grants in the areas of student performance, continuing education, and professional duties performed by teachers in addition to classroom duties.~~



## Selected References

- Alabama CIP Project Staff. (1987). *Alabama Performance-Based Career Incentive Program: A Report on the Norming Study of the Spring Semester, 1987*. Atlanta: Georgia State University.
- Arizona Department of Education. (1998). *The Arizona Career Ladder Program* [On-line]. Available: [www.ade.state.az.us/graham/clp.html](http://www.ade.state.az.us/graham/clp.html) (Date accessed: May 1998).
- Arkansas Department of Education. (1993). *Standards for Accreditation of Arkansas Public Schools* [On-line]. Available: [arkedu.state.ar.us/categories.html](http://arkedu.state.ar.us/categories.html) (Date accessed: May 1998).
- Ballou, D. E., & Prodgursky, M. (1993). "Teachers' Attitudes toward Merit Pay Examining Conventional Wisdom." *Industrial and Labor Relations Review*, 47, 50-61.
- Boe, E. E. (1990). *Teacher Incentive Research with SASS. The Entrepreneurial Restructuring of Public Education: School Incentives: The Merit School Component*. A paper presented at the annual meeting of the American Educational Research Association, Boston. EDRS #ED320 885.
- Cibulka, J. G. (1989). "State Performance Incentives for Restructuring: Can They Work?" *Education and Urban Society*, 21, 417-35.
- Clardy, A. (1988). *Compensation Systems and School Effectiveness: Merit Pay as an Incentive for School Improvement*. A paper presented to Dr. Stevens WDPA 862 Seminar: School Effectiveness, University of Maryland College Park. EDRS #ED335 789.
- Clotfelter, Charles T. and Ladd, Helen F. (1996). "Recognizing and Rewarding Success in Public Schools," in Helen F. Ladd (ed.), *Holding Schools Accountable: Performance-Based Reform in Education* (pp. 23-63). Washington, DC: The Brookings Institution.
- Connecticut State Department of Education. (1997). *Fact Sheet: Overview of Connecticut School Improvement Initiative* [On-line]. Available: [www.state.ct.us/sde/dixon/fact.html](http://www.state.ct.us/sde/dixon/fact.html) (Date accessed: May 1998).
- Consortium for Policy Research in Education. (1997). *Texas Teacher Development Profile*.
- Cornett, Lynn M., & Gaines, Gail F. (1997). *Accountability in the 1990s: Holding Schools Responsible for Student Achievement*. Atlanta: Southern Regional Education Board.
- Cornett, Lynn M. and Gaines, Gale F. (1994). *Reflecting on Ten Years of Incentive Programs*. The 1993 SREB Career Ladder Clearinghouse Survey. Southern Regional Education Board Career Ladder Clearinghouse. Atlanta: SREB.
- Cornett, Lynn M. and Gaines, Gale F. (1992). *Focusing on Student Outcomes: Roles for Incentive Programs*. The 1991 National Survey of Incentive Programs and Teacher Career Ladders. Southern Regional Education Board Career Ladder Clearinghouse. Atlanta: SREB.

- Council of Chief State School Officers. (1998). *Summary of the Selected State Accountability Systems*. Unpublished Document.
- Cramer, J. (1983a). "Heed These Voices of Merit Pay Experience." *The American School Board Journal*, 170, 35.
- Cramer, J. (1983b). "Yes — Merit Pay Can be a Horror, but a Few School Systems Have Done it Right." *The American School Board Journal*, 170, 28, 33-4.
- Crow, G. (1990). "Perceived Career Incentives of Suburban Elementary School Principals." *Journal of Educational Administration*, 28, 38-52.
- Education Commission of the States. (1998). *Designing and Implementing Standards-Based Accountability Systems*. Denver, CO: ECS.
- Education Commission of the States. (1997a). *Education Accountability Systems in 50 States*. Denver, CO: ECS.
- Education Commission of the States. (1997b). *A Policymaker's Guide to Incentives for Students, Teachers and Schools*. Denver, CO: ECS.
- Education Commission of the States. (1995). *Bridging the Gap: School Reform and Student Accountability*. Denver, CO: ECS.
- Elmore, R., Abelman, C., & Fuhrman, S. (1996). "The New Accountability in State Education Reform: From Process to Performance." In H. Ladd (Ed.), *Holding Schools Accountable: Performance-Based Reform in Education* (pp. 65-98). Washington, DC: The Brookings Institute.
- Ficklen, E. (1983). "At N.E.A., Leaders Erect a Wall of Words Around Opposition to Merit Pay." *The American School Board Journal*, 170, 39, 49.
- Florida Commission on Education Reform and Accountability. (1998a). *Accountability Update* [On-line]. Available: [www.firn.edu/doe/ac-upda.htm](http://www.firn.edu/doe/ac-upda.htm) (Date accessed: May 1998).
- Florida Commission on Education Reform and Accountability. (1998b). *1996-1997 End of the School Year Report for Schools with Critically Low Student Performance* [On-line]. Available: [osi.fsu.edu/clsreport/intro.htm](http://osi.fsu.edu/clsreport/intro.htm) (Date accessed: May 1998).
- Florida Commission on Education Reform and Accountability. (1998c). *1996-1997 Feedback Report* [On-line]. Available: [www.firn.edu/doe/ac-feed.htm](http://www.firn.edu/doe/ac-feed.htm) (Date accessed: May 1998).
- Florida Commission on Education Reform and Accountability. (1998d). *Annual Report* [On-line]. Available: [www.firn.edu/doe/asannual.htm](http://www.firn.edu/doe/asannual.htm) (Date accessed: May 1998).
- Florida Commission on Education Reform and Accountability. (1998e). *Mission and Belief Statements* [On-line]. Available: [www.firn.edu/doe/acmis.htm](http://www.firn.edu/doe/acmis.htm) (Date accessed: May 1998).

- Florida Commission on Education Reform and Accountability. (1998f). *Summary of Reform* [On-line]. Available: [www.firn.edu/doe/acblusum.htm](http://www.firn.edu/doe/acblusum.htm) (Date accessed: May 1998).
- Florida Department of Education. (1998a). *Closing the Gap: Standards and Accountability* [On-line]. Available: [www.firn.edu/doe/bin00069/stand.htm](http://www.firn.edu/doe/bin00069/stand.htm) (Date accessed: May 1998).
- Florida Department of Education. (1998b). *Commissioner Frank T. Brown's 1997 Legislative Agenda* [On-line]. Available: [www.firn.edu/doe/legenda2.htm](http://www.firn.edu/doe/legenda2.htm) (Date accessed: May 1998).
- Florida Department of Education. (1998c). *Deregulation and Local Control* [On-line]. Available: [www.firn.edu/doe/bin00048/section3.htm](http://www.firn.edu/doe/bin00048/section3.htm) (Date accessed: May 1998).
- Florida Department of Education. (1998d). *Florida School-Related Employee of the Year* [On-line]. Available: [www.firn.edu/doe/bin00023/yeartch.htm](http://www.firn.edu/doe/bin00023/yeartch.htm) (Date accessed: May 1998).
- Florida Department of Education. (1998e). *Florida Teacher of the Year Program* [On-line]. Available: [www.firn.edu/doe/bin00023/yeartch.htm](http://www.firn.edu/doe/bin00023/yeartch.htm) (Date accessed: May 1998).
- Florida Department of Education. (1998f). *Funding Opportunities Newsletter* [On-line]. Available: [www.firn.edu/doe/bin00010/fundltx.htm](http://www.firn.edu/doe/bin00010/fundltx.htm) (Date accessed: May 1998).
- Florida Department of Education. (1998g). *Indicators: Definitions* [On-line]. Available: [www.firn.edu/doe/bin00068/ind\\_def.htm](http://www.firn.edu/doe/bin00068/ind_def.htm) (Date accessed: May 1998).
- Florida Department of Education. (1998h). *Quality Education Professionals* [On-line]. Available: [www.firn.edu/doe/bin00048/section5.htm](http://www.firn.edu/doe/bin00048/section5.htm) (Date accessed: May 1998).
- Florida Department of Education. (1998i). *Waivers of State Statutes and State Board of Education Rules* [On-line]. Available: [www.firn.edu/doe/bin00071/lcwaiv.htm](http://www.firn.edu/doe/bin00071/lcwaiv.htm) (Date accessed: May 1998).
- Florida Legislature. (1998). *Public Schools and Performance-Based Program Budgeting: Challenges and Opportunities*. Office of Program Policy Analysis and Government Accountability Report No. 97-35. Tallahassee, FL: Florida Legislature.
- Fuhrman, S. H., & Elmore, R. F. (1995). *Ruling out Rules: The Evolution of Deregulation in State Education Policy*. New Brunswick, NJ: Consortium for Policy Research in Education.
- Furtwengler, C. (1987). "Lessons from Tennessee's Career Ladder Program." *Educational Leadership*, 44, 6-9.
- Georgia Department of Education. (1998). *Guidelines for the Pay for Performance Program* [On-line]. Available: [www.doe.k12.ga.us/osi/pfp.html](http://www.doe.k12.ga.us/osi/pfp.html) (Date accessed: May 1998).
- Hargrove, Linda L. (1994). *Expenditures of Texas School Performance Incentive Awards and Associated School Characteristics*. Paper presented at annual meeting of the American Evaluation Association, Boston, Massachusetts, November, 1994.

- Hargrove, Linda L. and Mellor, Lynn T. (1993). *Three Years of School Incentive Monetary Awards in Texas: Characteristics of Eligible Schools*. Paper presented at annual meeting of the American Evaluation Association, Dallas, Texas, November, 1993.
- Heneman, Herbert G., III, & Milanowski, Anthony. (1998). *Teacher Attitudes About Teacher Bonuses Under School-Based Performance Award Programs*. Paper prepared for presentation at the American Educational Research Association conference April 13-18, 1998, in San Diego, California. Madison, WI: Consortium for Policy Research in Education.
- Henry, G. T. (1996). "Community Accountability: A Theory of Information, Accountability, and School Improvement." *Phi Delta Kappan*, 78, 85-90.
- Indiana State Board of Education. (1998). *Rule 8: Performance-Based Award and Incentive Program*.
- Jacobson, S.L. (1995). "Monetary Incentives and the Reform of Teacher Compensation: A Persistent Organizational Dilemma." *International Journal of Educational Reform*, 4(1), 29-35.
- Johnson, S.M. (1986). "Incentives for Teachers: What Motivates, What Matters." *Educational Administration Quarterly*, 22, 54-79.
- Kelley, Carolyn, Milanowski, Anthony, & Heneman, Herbert G., III. (1998). *Changing Teacher Compensation: Cross-Site Analysis of the Effects of School-Based Performance Award Programs*. Paper prepared for presentation at the American Educational Research Association conference April 13-18, 1998, in San Diego, California. Madison, WI: Consortium for Policy Research in Education.
- Kentucky Department of Education. (1995). *703 KAR 3:060: Procedures for Determining Rewards and Sanctions* [On-line]. Available: [www.kde.state.ky.us/blrs/ocaa/dai/kar3030.html](http://www.kde.state.ky.us/blrs/ocaa/dai/kar3030.html) (Date accessed: May 1998).
- King, Richard A. (1996). *Standards, Assessments, and Dollars: The Role of Financial Incentives in the Improvement of K-12 Education*. Unpublished Document.
- King, Richard A. & Mathers, Judith K. (1997). "Improving Schools Through Performance-Based Accountability and Financial Rewards." *Journal of Education Finance*. 53 (Fall 1997), 147-176.
- Ladd, H.F. (Ed.). (1996). *Holding Schools Accountable: Performance-Based Reform in Education*. Washington, D.C.: The Brookings Institute.
- MacPherson, R.J.S., Cibulka, J.G., Monk, D.H., & Wong, K.K. (1998). "The Politics of Accountability: Research in Prospect." *Educational Policy*, 12, 216-29.
- Maryland State Department of Education. (1997). *School Performance Recognition Awards* [On-line]. Available: [www.msde.state.md.us/sco/factsheets/fact20.html](http://www.msde.state.md.us/sco/factsheets/fact20.html) (Date accessed: May 1998).

- Massell, D., Kirst, M., & Hoppe, M. (1997). *Persistence and Change: Standards-Based Reform in Nine States*. Philadelphia: Consortium for Policy Research in Education.
- Matthes, W.A., Tollerud, T.R., & Langeveldt, W. (1990). "Teacher Beliefs Regarding Career Ladders and Merit Pay." *Education*, 110, 535-40.
- McCormick, K. (1983). "At A.F.T., Merit Pay Might be Just About to Lose Its Taboo/Status." *The American School Board Journal*, 170, 36, 49.
- Mitchell, K.J. (1997). "What Happens When School Reform and Accountability Testing Meet?" *Theory Into Practice*, 36, 262-5.
- Murnane, R.J., & Cohen, D.K. (1986). "Merit Pay and the Evaluation Problem: Why Most Merit Pay Plans Fail and a Few Survive." *Harvard Educational Review*, 56, 1-17.
- Murphey, J.A., & Pimentel, S. (1996). "Grading Principals: Administrator Evaluations Come of Age." *Phi Delta Kappan*, 78, 74-81.
- New Jersey State Department of Education. Office of Innovative Programs. (1998). *1995-96 Best Practices/Star Schools Program* [On-line]. Available: [www.state.nj.us/education/bp-ss/fact.html](http://www.state.nj.us/education/bp-ss/fact.html) (Date accessed: May 1998).
- New Mexico State Department of Education. (1998). *Education 2000 — General Information* [On-line]. Available: [www.nmed2000.org/awards.html](http://www.nmed2000.org/awards.html) (Date accessed: May 1998).
- North Carolina State Department of Education. (1998). *Incentives and Recognition* [On-line]. Available: [www.dpi.state.nc.us/abc.html](http://www.dpi.state.nc.us/abc.html) (Date accessed: May 1998).
- Oakes, J (1986). *Educational Indicators: A Guide for Policymakers*. New Brunswick, NJ: Rutgers University, Center for Policy Research in Education.
- Odden, A., & Kelley, C. (1997). *Paying Teachers for What They Know and Do: New and Smarter Compensation Strategies to Improve Schools*. Thousand Oaks, CA.: Corwin Press, Inc.
- Ozcan, M. (1996). "Improving Teacher Performance: Toward a Theory of Teacher Motivation." Paper presented at the annual meeting of the American Educational Research Association, New York. EDRS #ED398 637.
- Pennsylvania Department of Education. (1997). *Summary of Performance Funding for Pennsylvania Schools* [On-line]. Available: [www.cas.psu.edu/docs/pde/issini.html](http://www.cas.psu.edu/docs/pde/issini.html) (Date accessed: May 1998).
- Rist, M.C. (1983a). "But U.S. Teachers Oppose Scarcity Bonuses." *The American School Board Journal*, 170, 25.
- Rist, M.C. (1983b). "Our Nationwide Poll: Most Teachers Endorse Merit Pay Concept." *The American School Board Journal*, 170, 23-7.

- Rist, M.C. (1983c). "Teacher Comments: From Growls to Gratitude." *The American School Board Journal*, 170, 27.
- Sax, R., & Kohn, A. (1996). "Should We Pay Kids to Learn?" *Learning*, 24, 6-7.
- Schrader, V.E. (1991). "Rewarding Improvements: The Effect of Cash Incentive Awards on Indiana Schools." *Contemporary Education*, 63, 266-272.
- South Carolina Department of Education. (1990). *South Carolina Principal Incentive Program, 1990-1991: Management by Results Model, Extended Evaluation Model, and Combination Model*. Report by the South Carolina Department of Education, Division of Public Accountability, Columbia, SC.
- State Board of Education. (1998). "Discussion of the *Framework for Educator Preparation and Certification*." *Minutes of the State Board of Education, January 18, 1998*. Austin, TX: Texas Education Agency.
- Tauber, R.T. (1991). *Praise: It Beats Getting Hit With a Stick. Maybe!* Paper presented at the annual meeting of the Association of Teacher Educators, New Orleans. EDRS #ED329.
- Texas Administrative Code*. (1998, 1992). Austin, TX: West Publishing Company.
- Texas Education Agency. (1998). *Public Education Information Management System (PEIMS)* [Electronic data base]. Austin, TX: TEA [Producer and Distributor].
- Texas Education Agency. (1997a). *1997 Accountability Manual*. Austin, TX: TEA.
- Texas Education Agency. (1997b). *Expanding the Scope of the Texas Public School Accountability System*. Austin, TX: TEA.
- Texas Education Agency. (1997c). *Review of the Literature Relating Professional Development and Appraisal System (PDAS) Criteria to Student Outcomes*. Austin, TX: TEA.
- Texas Education Agency. (1997d). *Snapshot '96: 1995-96 School District Profiles*. Austin, TX: TEA.
- Texas Education Agency. (1996a). *The Development of Accountability Systems Nationwide and in Texas*. Austin, TX: Author.
- Texas Education Agency. (1996b). *The Preparation and 'Staying Power' of New Texas Teachers*. Texas Teacher Preparation Study Final Report. Austin, TX: TEA.
- Texas Education Agency. (1996c). *Principal Incentive Awards Research from other States Awards Programs*. Unpublished Document.
- Texas Education Agency. (1995). *Texas Teacher Retention, Mobility, and Attrition*. Teacher Supply, Demand, and Quality Policy Research Project. Policy Research Report Number 6. Austin, TX: TEA.

- Texas Education Agency. (1993). *Snapshot '93: 1992-93 School District Profiles*. Austin, TX: TEA.
- Texas Education Agency. (1989). "Survey Reveals Support for Incentive Funding." *Research Briefs*, 89.2, 9-11.
- Texas Education Code*. (1998, 1996, 1994, 1992, 1986). Austin, TX: West Publishing Company.
- Twenhafel, D.W. (1989). *Designing a Performance Incentive Program for Texas Public Schools*. University of Texas at Austin Master of Public Affairs Professional Report.
- U.S. Department of Education. (1983). *A Nation at Risk: The Imperative for Educational Reform*. Washington, DC: U.S.D.E., The National Commission on Excellence in Education.
- Van de Water, G., & Zradicka, G. (1997). *Loosening the Reins: How Flexibility Policies Contribute to Student Achievement*. Denver: Education Commission of the States.

## PUBLICATION ORDER FORM

Purchaser Name \_\_\_\_\_ Date \_\_\_\_\_

Send to (name, if different) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

To place an order for a publication, fill out information below and make check or money order payable to:  
Texas Education Agency  
Price includes postage, handling, and state tax.

Publication Number	Title of Publication	Quantity	Price Per Copy	Total Price
GE9 600 01	Incentive Grant Programs	_____	\$5.00	_____

### *For Tax Exempt Orders Only*

To place an order for a publication, fill out information below and make check or money order payable to:  
Texas Education Agency  
Price includes postage and handling.

Publication Number	Title of Publication	Quantity	Price Per Copy	Total Price
GE9 600 01	Incentive Grant Programs	_____	\$4.75	_____

**FOR PUBLICATION INQUIRIES AND  
PURCHASE ORDERS\*, SEND TO:**

Texas Education Agency  
Publications Distribution  
1701 North Congress Avenue  
Austin, Texas 78701-1494

*\*Purchase orders are accepted only from Texas  
educational institutions and government agencies.*

**IF YOU ARE MAILING A CHECK OR  
MONEY ORDER, REMIT THIS FORM  
WITH PAYMENT TO :**

Texas Education Agency  
Publications Distribution  
P. O. Box 13817  
Austin, Texas 78711-3817

Make check or money order payable to:  
Texas Education Agency