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Teacher Incentive Fund: First Implementation Report, 2006 and 2007 Grantees

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Executive Summary

The Teacher Incentive Fund (TIF) supports projects that are designed to reform teacher and principal compensation. Initially, the Department of Education (the Department) made two rounds of awards, in 2006 and 2007, to a total of 34 grantees. The specific goals of TIF were to reward teachers and principals for improving student achievement, increase the number of effective teachers and principals in hard-to-staff schools, increase the number of effective teachers in hard-to-staff subjects, and sustain the project beyond the life of the grants. The specific requirements of the program have been refined in the third round of awards in 2010, although the goals of the program remain similar. This interim report describes the first two cohorts of TIF projects, examines their implementation experiences, and reports educators' perceptions of the projects and what they accomplished.

The experience of the first two cohorts of TIF grantees underscored the technical, cultural, and contextual complexity of compensation reform. Projects were implemented by these grantees in varying local contexts with shifting leadership, policy, and reform agendas. Many grantees reported having to rebuild their data systems, build understanding and support from educators for the new system, and add new evaluation responsibilities to administrators or accomplished teachers. In addition, many grantees had to develop support systems that would allow educators to make the changes necessary to succeed under a new compensation system. Moreover, grantees had to confront traditional attitudes and beliefs about how educators should be judged and differentiated.

This interim report is part of a five-year national implementation evaluation (running from 2008 to 2013) focused on the first two cohorts of TIF grantees. It is guided by a document review of proposals and reports, telephone interviews of key project staff, teachers, and principals from grantees, and site visits to 12 grantees. The final implementation report (expected October 2012) will include data from all previous data collection efforts, as well as surveys of teachers and principals from the 33 remaining TIF grantees, a second round of site visits to 12 grantees, an examination of payout data, and an analysis of the distribution of effective teachers in two states with multiple TIF grants and third-party evaluations.

Characteristics of TIF Projects

Local education agencies (including charter schools that operate in their states as local education agencies), state education agencies, and nonprofit organizations in partnership with a state or local education agency, or both, were all eligible to apply for TIF grants. The Department awarded 16 Cohort 1 grants in November 2006 and 18 Cohort 2 grants in July 2007[1], ranging from approximately $500,000 to $20 million over five years.[2] One grantee

[1] In 2010, the Department awarded 62 Cohort 3 grants, which are not covered in this report. For further detail about Cohorts 1, 2, and 3 of the TIF program, including a comparison of the key features of each cohort, please see Appendix E.

[2] Sources: U.S. Department of Education. (March 2010). Teacher Incentive Fund (TIF). [PowerPoint presentation]. Retrieved from http://www.serve.org/uploads/files/TIF%20Presentation_3.30.10.pdf; Center for Education Compensation Reform website (http://www.cecr.ed.gov/); and documents grantees provided to the U.S. Department of Education.

withdrew partway through data collection, leaving 33 projects still in operation.[3] Of those 33 projects, all offered performance pay to administrators (a requirement of TIF) and 31 offered performance pay to teachers.[4]

The 33 grantees were distributed across 19 states and the District of Columbia.[5] Seven grantees were located in predominately rural areas, and the rest were largely urban school districts or charter school networks. Grantees varied widely in their demographic composition, although they generally served schools with high concentrations of minority students and high proportions of low-income students, often above and beyond the TIF requirement of 30 percent of students receiving free or reduced-price lunches.

Eligible teachers and administrators participated in the TIF projects at high rates.

Although TIF only required that the performance pay system include principals, almost all grantees (31) also included teachers in their projects. In most of these grantees, all teachers were eligible to participate; only three projects restricted teacher participation to those in "tested" subjects and grades (i.e., those for which there is an associated state assessment) or those that were Nationally Board Certified. In addition, 25 projects supplemented their TIF funds to include teachers' aides, counselors, and other staff.

Of the 31 grantees that included teachers in their projects, 12 made participation in their performance pay programs voluntary. Of those 12, eight had "opt-in" provisions. Under these provisions, an individual participant had to actively "enroll" in the system as well as meet performance criteria in order receive an incentive award. Generally, this "enrollment" process was not extensive and only required teachers to complete a simple form or check a box. In the remaining grantees, educators could elect to opt out if they did not want to participate. Most eligible teachers, though, did elect to participate, and teacher participation rates were below 90 percent in only four projects.[6] Administrator participation rates were also high across the board with nearly all administrators participating in all grantees.

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[3] The grantee that withdrew was one small charter school, Mare Island Technology Academy. During interviews with school officials, they reported the school lacked the capacity to fully implement its performance pay plan and the leadership was concerned about its ability to meet the financial matching requirements. Data discussed in this report include data collected from all 33 grantees. The Department has since withdrawn funding from one additional grantee, Lynwood Unified School District, which will no longer be included in future data collection activities.

[4] In the remainder of the report, "teacher projects" refer to the portion of the 31 TIF projects that target teachers, while "administrator projects" refer to the portion of the 33 TIF projects that target administrators. Under these definitions, 31 TIF projects are composed of both a teacher and an administrator project, while the remaining two only have an administrator project.

[5] One grantee is a consortium of charter schools from across the country. It was not included when counting the number of states with TIF grantees.

[6] Project participation rates were calculated based on the number of administrators and teachers eligible for and taking part in any element of the program, regardless of whether or not they actually received an award.

Rewarding educators for improvements in student achievement was a central component of TIF projects.

As required, all grantees rewarded principals for improved student achievement, while 30 grantees[7] also rewarded teachers for student achievement. Measures of teacher contributions to student achievement varied and included status, growth, value added measures (VAM), [8] or some combination of the three. With regard to teacher incentive awards, 12 grantees used VAM alone, seven used growth alone, and 10 used status combined with VAM, growth, or both to reward teachers (see Exhibit ES-1). Administrator incentive awards based on achievement were similarly arrayed, with 10 grantees making awards based on VAM alone, 12 using growth alone, one using only status, and the remaining 10 using some combination of VAM, growth, and status.

Exhibit ES-1. Student achievement measures used to determine teacher incentive awards

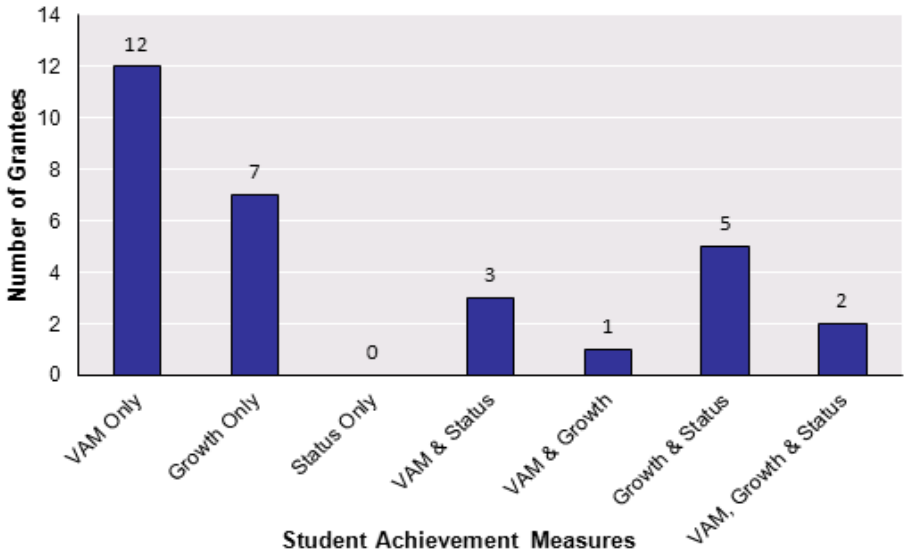

Exhibit reads: Twelve grantees used only VAM as a student achievement measure.

Source: Project Documents, Interviews with grantees

Note: Data pertain to the 30 grantees (out of a total of 31 grantees that gave incentive awards to teachers) that used student achievement measures to determine those teacher incentive awards. One of the grantees included in the VAM, Growth and Status column in this graph is actually a combination of four different projects implemented in four school districts across a state: two included only VAM, one included only growth measures, and one included both growth and status in their incentive award formulas.

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[7] In the 31st grantee that included teacher incentive awards, the union was not in favor of implementing a performance pay program and did not allow the project to include student achievement in the award formula at the teacher level, although there are incentive awards for student achievement given to principals. Instead, teachers in their program were given incentive awards for becoming a Nationally Board Certified teacher, teaching at a hard-to-staff school once certified, and delivering professional development to other teachers.

[8] *Status* measures typically indicate the number of students who meet a set performance standard (e.g., Percent Proficient). *Growth* measures calculate a student's progress between two points in time without consideration of the trajectory of the student's prior performance. *VAM,* in contrast, assess changes in student progress compared with a prediction (based, for example, on the student's prior performance trajectory) of how much their performance should have improved.

TIF projects included more than just a series of pay for performance policies; they offered complementary supports designed to improve educator practice.

Grantees varied greatly in how they rewarded educators for their performance, including whether groups or individual teachers were rewarded and how they handled individual teacher-level incentive awards for teachers who do not teach tested subjects. Of the 30 grantees that offered performance pay to teachers based on student achievement, six rewarded teachers only at the school or group level (e.g. department or grade level), three rewarded teachers only at the individual level, and another 21 rewarded teachers at both the group and individual levels. Ten grantees gave teachers of untested subjects a lower maximum award than teachers in tested subjects, while two grantees designed projects that excluded teachers in untested subjects from receiving incentive awards. Four grantees developed tests or selected measures to cover every subject and every grade, and seven grantees adjusted the compensation formula for teachers in untested subjects, most often more heavily weighting schoolwide measures.

In addition to student achievement measures, a majority of grantees made incentive awards to educators based on their evaluation results.[9] Sixteen of the 31 grantees that included teachers in their projects directly tied incentive awards to measures of their teaching quality, typically assessed through classroom observations. Administrators at more than half of the grantees (18) received part of their performance pay based on the results of their job performance evaluations.

The TIF legislation allows grantees to provide incentives for educators to work in hard-to-staff schools and subjects. Five grantees rewarded teachers for working in hard-to-staff schools, five grantees rewarded administrators for working in such schools, and eight grantees rewarded teachers for teaching hard-to-staff subjects.

Most grantees recognized the importance of providing teachers opportunities to learn how to improve their practice. Ten grantees offered teachers additional pay for attending professional development, and at least 13 grantees provided teachers professional development in their schools through coaches and master and mentor teachers. Finally, some of the 16 grantees that incorporated formal evaluations into their performance pay formula used these evaluations as a professional development tool to help teachers improve their practice.

While some grantees paid incentive awards to a small proportion of participants, the majority made awards to more than 95 percent of participating educators, and across all grantees the overall average incentive award was large.

During the first round of data collection, researchers collected all available payout information for the 2008–09 school year from the 33 grantees. The grantees reported payments of approximately $70 million in incentive awards—$63 million to teachers and $7 million to principals.

Projects typically used one of two strategies to give incentive awards to educators. In one scenario, only a small number of eligible educators received an award. A few grantees (7)

[9] While evaluation systems can include student achievement, among the 33 Cohort 1 and 2 TIF grantees included in this study, we did not find this to be the case. Instead, student achievement and evaluation results were two separate components of their performance pay systems. Therefore, throughout the report, the term "evaluation" refers only to a system which encompasses classroom or school observations, the rubric used to score teacher and administrator performance, and any feedback that might be provided after the observations are completed.

followed this strategy, and this group included some of the larger grantees in Cohorts 1 and 2. In the other strategy, nearly all educators received some kind of award, the size of which varied based on degrees of achievement. Nineteen of 31 grantees made awards to more than 95 percent of teachers within their projects, and 17 of 33 followed this strategy for administrators (see Exhibit ES-2).

Across grantees, the overall average incentive award was large (6 percent of a regionally-representative teacher salary and 5 percent of an average administrator salary), but there was considerable variation across grantees in the size of the average participant award. Eleven administrator projects and seven teacher projects paid out less than 2 percent of an average salary, while 11 principal projects and 16 teacher projects paid more than 6 percent of a typical salary on average.

Exhibit ES-2. Percentage of participating teachers and administrators receiving an incentive award

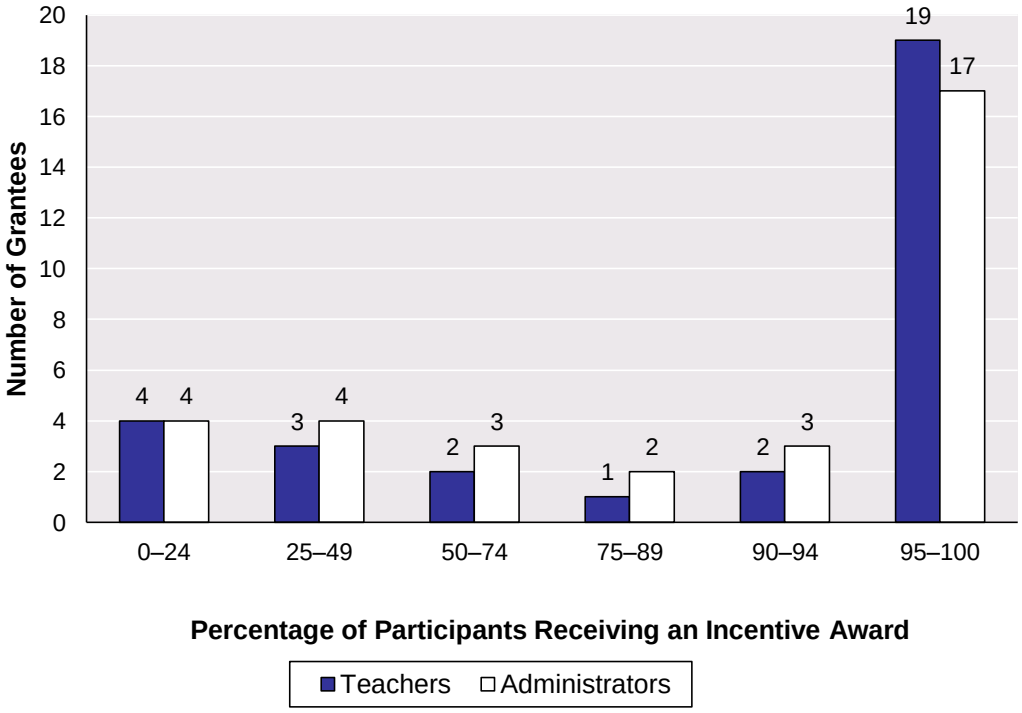

Exhibit reads: Four grantees made incentive awards to between 0 and 24 percent of teachers and four grantees made incentive awards to between 0 and 24 percent of participating administrators.

Note: This exhibit presents data for the 31 grantees that included teachers in their TIF project and the 33 grantees that included administrators in their TIF project.

Source: Grantee-submitted payout data from the 2008–09 school year (or from the 2007–08 school year in two grantees) collected during phone interviews conducted in 2010.

Of the 31 projects that made incentive awards to teachers, student achievement was the primary factor accounting for differences in these awards in 15 projects, while in 16 other projects, factors other than student achievement were the main determinants.

Researchers analyzed payout data to determine which factor—student achievement, additional roles (e.g., becoming master or mentor teachers), teaching in hard-to-staff schools or subjects, teacher evaluation, or multiple factors—was the primary contributor to differences between small and large performance pay amounts.[10] Student achievement was the primary contributor to differences in incentive award size within 15 grantees, but rewards for taking additional roles, working in hard-to-staff positions, or some combination of these components was the primary driver of differences in small and large awards in the other 16 projects (see Exhibit ES-3).

Exhibit ES-3. Primary factors leading to differentiation in teacher incentive award amounts

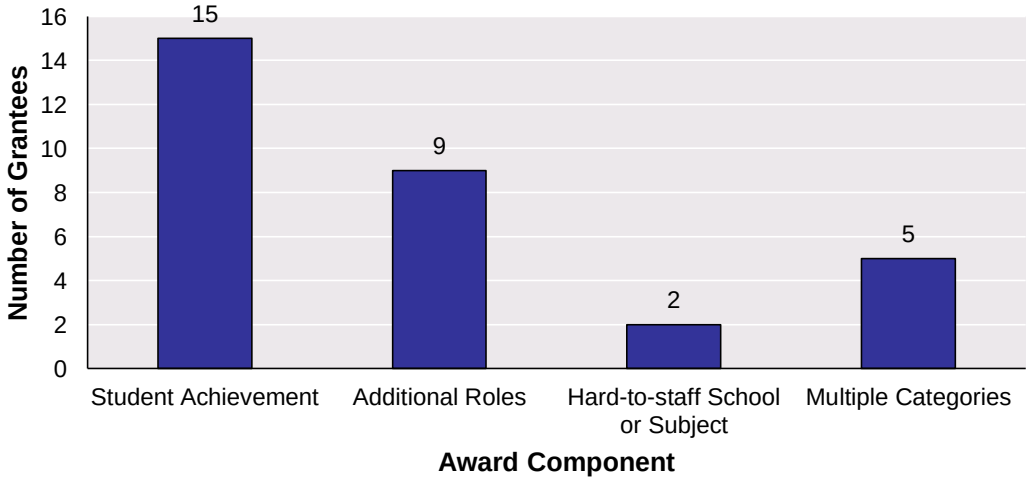

Exhibit reads: Student achievement was the primary factor leading to differentiation of teacher incentive award amounts in 15 grantees.

Note: This exhibit presents data for the 31 grantees that included teachers in their TIF project.

Source: Grantee-submitted payout data from the 2008–09 school year (or from the 2007–08 school year in two grantees) collected during phone interviews conducted in 2010.

A similar analysis of payouts for administrators revealed a very different pattern in the primary factors contributing to differentiation in their incentive awards. In contrast to teacher incentive awards, for administrators, variations in award amounts were driven almost entirely by student achievement components (25 grantees).

[10] For a more detailed discussion of this analysis, including how "primary factor" was defined, please see pages 24 through 31.

Project Implementation

The primary source of data on implementation is interviews with project staff, state and district leaders, educators, and other stakeholders, such as union members and school board members, conducted during phone interviews and the first round of site visits. These interviews suggested that the degree to which teachers' perceived performance pay to be fair largely determined their support of the new compensation system. Teachers' reports of their perceptions of the fairness of the incentive award system were related to their reported level of support for the compensation system. Teachers' reported understanding of the performance-based compensation system is related with the thoroughness of the projects' communication strategies. In addition, teachers' reports of their interaction with each other varied across projects that had different program features, most commonly supporting additional collaboration despite the potential for competition. Teachers also reported that combining both intrinsic and extrinsic rewards in a performance pay program more strongly motivated them to improve their practice. Finally, teachers and administrators reported that implementation of the performance pay program was facilitated by system capacity, such as stable leadership and financial support.

Eligibility for incentive awards, measures used, and accuracy of payments were tied to educators' perceptions of their fairness.

When interviewed, educators most often discussed fairness in relation to eligibility for incentive awards, the performance measures used, and the accuracy of award calculations. Eligibility for awards was often affected by the availability of test data, requiring grantees that provided teacher-level incentive awards for student performance to either exclude teachers of "untested subjects" (i.e., subjects or grade-levels that did not have a standardized test) from those measures or to develop alternate measures of performance for teachers of untested subjects. Both of these "solutions" to the problem of how to include teachers of untested subjects reportedly raised concerns about fairness. The choice of measures was a difficult decision for project leaders because currently there is no single valid and reliable measure of all aspects of educator performance (Goe, Bell, and Little, 2008). In spite of the technical improvements made in recent years to VAM (such that the most sophisticated models provide the best estimates to date of educator contributions to student outcomes), grantees had to choose among multiple imperfect measures. Educator interviews suggest that they did not understand VAMs and were particularly distrustful of them despite their apparent technical superiority to other measures. Finally, when the grantees' data systems were unable to accurately identify and pay award recipients, participants perceived performance pay to be arbitrary and unfair.

Grantees reported challenges with communicating their performance pay projects. Where there was an effective communication strategy, this helped to foster educator buy-in.

Many grantees reported finding it challenging to effectively communicate with educators about the program. Reports from interviews with teachers and administrators suggest that grantees tended to have greater success building buy-in when they found ways to give educators a sense that they could help shape the project. Conversely, buy-in tended to be lower when educators perceived their voices were not a part of the planning process.

TIF project leaders reported that communicating the intricacies of their project was one of their greatest implementation challenges. Grantees used a variety of formal mechanisms for communicating with educators, including newsletters, websites, formal presentations, and direct

contact. Project leaders reported that helping teachers understand the new performance pay system required intensive effort and that the most successful communication strategies required a sustained effort and a mechanism to respond to educator concerns.

Educators reported that the projects were more likely to foster collaboration than competition.

Research on collaboration and competition has long posited that competition can create a negative dynamic when individuals believe that the only way they can achieve their goal is for their colleagues to fail (Deutsch, 1949, 1962). Thus, critics of performance pay sometimes argue that it discourages teamwork and harms social cohesion in the schools (Miner, 2011).

Educators in this study reported the view that the TIF projects promoted collaboration more often than they encouraged negative competition. The most common structure implemented by the projects to support individual improvement through collaboration was the use of mentor or master teachers. Many grantees also established collaborative meeting times and provided schoolwide incentive awards in an effort to encourage and support collaboration.

In addition, educator reports suggested that some grantees may have incited a positive form of competition, in which educators held themselves and their colleagues accountable for meeting goals, thus competing against their own prior performance. Alternatively, a tournament system in which either the number of winners is limited or the total payout is limited has the potential to encourage competition between educators. While counterintuitive, educators did not view these structures as creating a competitive atmosphere in their schools.

Both extrinsic and intrinsic rewards reportedly motivated teachers in TIF programs.

In TIF performance pay projects, rewards in the form of increased compensation were intended to motivate teachers and administrators to improve their practice. TIF grantees also provided supports for professional growth (e.g., professional development) that were intended to increase the intrinsic rewards of teaching or being a school administrator. At the same time, a few projects implicitly (usually not explicitly) attempted to draw on some teachers' and administrators' failures to earn incentive awards to motivate them to leave the profession.

There is a rich literature on features of the occupational culture of teaching that emphasizes intrinsic rewards rather than extrinsic ones, and the reluctance to differentiate teachers by their effectiveness (Lortie, 1975). Performance pay, with its emphasis on financial rewards tied to measures of teacher effectiveness, tends to run counter to this view of the culture of teaching. When teachers and administrators in this study were asked if the TIF awards motivated a change in their behavior, the responses ranged from claiming money was irrelevant to expressions of appreciation for "the pat on the back;" only a small minority respondents indicated they were motivated by the monetary incentives. Others reported being motivated by the intrinsic rewards of improving their practice and meeting goals.

Based on these educator responses, projects that created structures through which teachers could improve their practice (intrinsic award) and effectively used signals created by financial awards (extrinsic awards) to build educators' investment in the improvement effort have the greatest potential for enhanced teaching and learning. In other words, educators perceived value in the combination of supports for improvement and motivation to take advantage of those supports.

Educators reported low turnover among leadership improved implementation.

Project leaders, administrators, and teachers reported that project implementation was enhanced when the superintendent in the district and the principal in the school consistently placed performance pay at the top of their reform agenda. Districts where top leadership changed and the new leadership set different priorities encountered many implementation challenges. Within grantees, implementation often varied at the school level, with implementation proceeding more smoothly in schools where leadership established a culture focused on improving instructional quality and embraced performance pay.

In the current environment, it is challenging to develop sustainable funding for performance pay projects.

Based on interviews with project staff, 15 grantees found external grants to support the increased personnel costs associated with performance pay in the short term. Grantees were slower to make fundamental changes to build in sustainability, although at least four secured long-term revenues or cut some aspect of personnel costs. Three grantees planned to entirely alter the teacher salary schedule. In the grantees that did not receive additional performance pay grants and did not find sufficient places in their budget to cut costs to fund performance pay awards, sustainability appeared unlikely.

Since grantees received their initial TIF awards, local budgets have declined, in some cases precipitously, across the country. Budget cuts have made meeting the required match and ensuring sustainability even more challenging than when grantees made their initial proposals.

Perceived Outcomes

Ultimately, the outcomes that matter are related to improvements in teaching quality and student learning, which are not directly assessed by this study. Rather, this study did ask teachers and administrators about their perceptions of changes in educator recruitment and retention, teacher collaboration, teacher effectiveness, and student outcomes. Although many respondents were cautious about the extent to which they attributed changes solely to TIF, respondents generally reported a sense that TIF was having some positive effects.

Grantees generally reported perceptions that the program was having favorable effects on teacher retention and improved teacher collaboration and practice.

Respondents in 12 grantees reported feeling that their TIF project contributed to better teacher retention, but few reported feeling that their project was a recruitment tool. Respondents in five grantees reported that TIF was at least partially responsible for ineffective teachers leaving the workforce. Respondents in five grantees reported perceptions of positive effects of TIF on the recruitment and retention of effective principals.

Educators across grantees reported believing that the structures put in place to promote collaboration were helping to improve teacher practice and increase teacher collaboration and collegiality. Many respondents were reluctant to express any view about likely impacts of the program on students. However, many grantees reported feeling that TIF had the potential to improve student outcomes.

Some grantees saw TIF as part of broader, systemic reform.

Perhaps the most significant perceived outcome was the view among some grantees that compensation reform was one piece of a broad change in their education system. In these places, grantees built compensation reform on a foundation of improved evaluation systems, new professional development approaches, redesigned principals' roles and responsibilities, aggressive use of data, enhanced assessment systems, curriculum alignment with standards and assessments, and high expectations for principals and teachers.

Conclusion

The experiences of the first grantees underscore the complexity of implementing compensation reform, in part because of its intersection with the human resources, management, and instructional systems of a district and school. This experience also illustrates some of the significant technical challenges in implementing compensation reform, especially those associated with measuring educator effectiveness and dealing effectively with political challenges associated with building educator understanding and support.

Notably, the experience of the TIF grantees revealed variation in implementation from school to school. TIF projects encountered schools ready to embrace performance pay, schools that rejected the idea, and schools in between. The variations within and across grantees, in terms of the design and implementation of programs and the contexts in which they were enacted, should serve as a cautionary tale for policymakers eager to quickly introduce fundamental change to educator compensation. Notwithstanding the challenges grantees faced, their experiences and successes are instructive for others interested in implementing performance pay.

Introduction

The Teacher Incentive Fund (TIF) is a federal program designed to promote changes in the ways teachers and principals are compensated in order to reward effective educators and attract these effective educators to high-need schools and content areas with the ultimate goal of improving student achievement. The program encourages grantee school districts (including individual or coalitions of charter schools that operate in their states as school districts), state education agencies, and nonprofit organizations in partnership with a local education agency, or a state education agency, or both, to initiate projects that give awards educators for their effectiveness rather than for their years of experience and education level.

As part of a national evaluation of the first two cohorts of TIF grantees (awarded in 2006 and 2007), this interim report documents the early implementation of TIF projects. It presents data from recent case studies of 12 grantees, telephone interviews with participants from all 34 grantees, and a review of documents that grantees submitted to the U.S. Department of Education (the Department).

Overall, the experience of the first two cohorts of TIF grantees reveals the technical, cultural, and contextual complexity of compensation reform. As the grantees learned, implementing compensation reform required more than adding bonuses on top of the traditional salary schedule. Projects were implemented in varying local contexts with shifting leadership, policy, and reform agendas. Many grantees reported having to rebuild their data systems, build understanding and support from educators for the new system, and add new evaluation responsibilities to administrators or accomplished teachers. In implementing their projects, grantees were forced to grapple with changing the teacher and administrator culture, including deeply embedded conceptions about how educators relate to each other, how they should be judged, and how their performance should be differentiated. To support educators who might be motivated by the new compensation plan, grantees also had to develop systems that would enable the educators to make the changes in their practices necessary to succeed under that plan. In short, TIF catalyzed changes that reached into all areas of the education system.

This interim report explores these challenges and highlights some of the more ambitious efforts to reinvent educator compensation in the first two cohorts of TIF grantees. The final implementation report will draw on additional evidence from a second round of TIF grantee case studies, surveys of teachers and administrators, and analysis of the most recent round of award payout data. To begin this report, we summarize the basics of the TIF program and describe our research questions and methods. The rest of the report is divided into four sections. First, the report describes the variation among TIF grantees and their performance pay projects. The second section provides detailed analyses of the findings regarding the first two cohorts of grantees' implementation of TIF projects. The third section offers a description of the perceived outcomes of the TIF project from the grantees' perspective. The report ends with conclusions on lessons learned from grantees' experiences.

The TIF Program

In 2006, the Department of Education launched the TIF program and established five goals: [11]

1. Improve student achievement by improving teacher and principal effectiveness
2. Tie teacher and principal compensation to increases in student achievement
3. Increase the number of effective teachers in hard-to-staff schools and subjects
4. Create sustainable performance pay systems.
5. Examine multiple approaches to providing teacher incentives.

In 2006 and 2007, the Department made a total of 34 TIF grants to three state education agencies, 23 local education agencies, and eight nonprofit organizations across two cohorts. One grantee withdrew, leaving 33 participating grantees at the time of data collection.[12]

The TIF program set few stipulations on grantees, thus allowing for a range of project designs tailored to local needs. The Department had the following requirements:

- Grantees had to propose differentiated compensation for principals but not necessarily teachers.
- Differentiated compensation was to be based "primarily on student achievement gains at the school and classroom levels."
- Grantees were required to conduct classroom evaluations two or more times per year for a teacher to receive an award.
- Grantees had to provide educators with incentives for undertaking additional responsibility and leadership roles.
- TIF funds could be used only for high-needs schools (schools with more than 30 percent of enrollment from low-income families).
- Grantees with existing performance pay programs could apply for TIF funds to expand their program.
- Grantees were required to conduct an evaluation of their TIF project.[13]
- In the final year of their grant, grantees were required to pay 75 percent of differentiated compensation costs from sources other than TIF funds.

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[11] The TIF program was first authorized in P.L. 109-149, the *Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006*, Title V, Part D. The five goals listed were established by the Department of Education and included in the cover letter in the TIF Cohort 1 and 2 application package.

[12] One grantee withdrew partway through data collection, leaving 33 projects still in operation. The grantee that withdrew was one small charter school, Mare Island Technology Academy. During interviews with school officials, they reported that the school lacked the capacity to fully implement its performance pay plan and the leadership was concerned about its ability to meet the financial matching requirements. Data discussed in this report include data collected from all 33 grantees. The Department has since withdrawn funding from one additional grantee, Lynwood Unified School District, which will no longer be included in future data collection activities.

[13] As part of our evaluation activities, we collected information about grantee evaluations. However, the quality of these evaluations varied dramatically and did not consistently yield useful data for further analysis.

In 2010, a third round of awards was made, and while the specific requirements of the program have been refined, the goals of the program, as discussed above, remain similar. [14]

For purposes of clarification, the term *performance pay* is used to refer to the reforms sometimes referred to as "merit pay," "pay for performance," and "incentive pay." Performance pay denotes systematic efforts to compensate educators for their performance or the performance of their students. This definition reflects the lessons from recent research (see Heneman, Milanowski, and Kimball 2007; Podgursky and Springer 2006) and is sufficiently broad to encompass the full range of the TIF grantees' projects.

Research Questions and Methods

The report addresses the following research questions:

- What are the main characteristics or components of local TIF performance pay plans in terms of strategies (incentivizing educators to increase student learning, attracting more effective educators to specific schools or content areas, and rewarding educator knowledge and skills), targets (all professional staff; principals and academic teachers; principals only, schoolwide or classroom), and size of incentive awards (in absolute terms as well as percentage of teacher salaries and expenditures)?
- To what extent are grantees implementing performance pay systems as planned?
- What system supports (planning and buy-in, clear communication, program and funding stability, adequate data systems, and alignment with other human resource policies) and broader contextual factors impede or enhance implementation of performance pay systems?
- In terms of stakeholder satisfaction and percentage of a district's personnel budget that is used for performance pay, what evidence exists that the performance pay systems are being established in the local grantee sites? What does this evidence indicate about prospects for sustainability beyond the life of the grant?

As a first step in data collection, researchers analyzed extant data on the 34 original grantees' individual projects by reading their proposals and annual performance reports. Additionally, researchers analyzed documentation about planned and existing local evaluations, ranging from abbreviated logic models to full-blown annual reports, from the 20 grantees that submitted them to the Department. The study's leadership trained the entire research team to code the documents for information on grantee characteristics, the design of performance pay projects, reported implementation progress, and the evaluation plan. Researchers used a

[14] Cohort 3 of the TIF program (competed in 2010), which is not covered in this report, changed some of the grant requirements. For example, grantees were required to include teachers in their program and to base performance awards on an objective, evidence-based rubric for teacher evaluations as well as on gains in student achievement. Funding for Cohort 3 was also set aside for grantees selected to be part of a national evaluation, which included additional specific requirements for program design than those required of other grantees. Finally, although Cohort 3 grantees must still contribute an increasing share of the differentiated compensation costs from non-TIF funds each year, the requirement that grantees must pay 75 percent of these costs from non-TIF funds by the final year of their grant was eliminated. For further detail about Cohorts 1, 2, and 3 of the TIF program, including a comparison of the key features of each cohort, please see Appendix E.

structured form to create a profile for each grantee, which was used to develop a policy brief for the Department, protocols for qualitative data collection, and material for training researchers for later data collection activities.

The research team conducted telephone interviews in spring 2010 to obtain an update on project design and implementation from multiple perspectives within each grantee. Interview protocols (included in Appendix A) covered local contextual factors, planning processes, project design and implementation, the local evaluation, and perceived outcomes. Each grantee was assigned a pair of researchers who conducted interviews. Across all grantees, researchers conducted 266 telephone interviews with project leaders, district and school staff members, union representatives, and other stakeholders, such as School Board members and evaluators. As part of the telephone interviews, researchers gathered the most recent payout data on the teacher and administrator incentive awards. Once grantee interviews were completed, site visitors used a structured debriefing guide to report objective facts and preliminary analyses to the broader research team. The entire research team then met to discuss emerging themes. Analysts subsequently coded debriefing guides based on these key topics and emerging themes. The research team prepared an internal memorandum to the Department based on the telephone interviews.

From September through November 2010, the evaluation team conducted two- to four-day site visits to 12 of the TIF grantees. The purpose was to gather more in-depth data in a representative sample of grantees. The researchers selected grantees for site visits using a stratified random sample. All grantees were assigned strata by grantee cohort, payment of incentive awards based on teacher evaluations, and prior experience with performance pay. Although the grantees were not stratified on characteristics such as urbanicity, type of grantee, or implementation of a specific project model, the resulting sample varied on those dimensions as well. Site visitors used the same training, data collection, and analysis processes as the telephone interviewers. Researchers conducted a total of 349 interviews during the site visits, with participants similar to those represented in the telephone interviews—project leaders, district staff members, educators, and stakeholders, such as school board members—but with larger samples of teachers and school leaders. Exhibit 1 shows how interviews were distributed across various types of respondents for both the phone interviews and site visits. Because phone and site visit interviews were both the most current and extensive data collected, they are the main source of data used in the current report, unless it is stated otherwise.

Exhibit 1. Interview participants

Respondent Type	Phone Interview	Site Visit Interview
Project directors and co-directors	42	15
District leaders and project staff	57	43
Evaluators and data managers	54	14
Union or association representatives	20	6
Teachers	47	218
School leaders	37	47
Other stakeholders	9	6
Total	**266**	**349**

Exhibit reads: Forty-two phone interviews and 15 site visit interviews were conducted with the "Project directors and co-directors" respondent type.

The evaluation's current and upcoming activities include administration of principal and teacher surveys, a second round of site visits, an analysis of award payout data, an analysis of the distribution of effective teachers in two states, and a review of local evaluations of each grantee. The surveys, designed to gather data from a representative sample of educators across all grantees, are being administered from January to June 2011. A second round of site visits and collection of award payout data will take place during fall 2011. Researchers will examine the distribution of teacher quality in Florida and North Carolina, which have multiple TIF grantees and sophisticated data systems that allow longitudinal tracking of students linked to teachers and schools over time. The researchers will not estimate the student achievement effects of TIF but will examine changes in the teacher workforce. Finally, the research team will collect, analyze, and summarize the remaining 33 grantees' local evaluations. The research methods described above are designed to complement each other and enable the evaluation to contribute to the larger body of research on educator performance pay.

Characteristics of the TIF Projects

The TIF grants were awarded to a range of districts, schools, and other entities. From a district in Alaska with schools accessible only by plane or boat to large urban school districts to charter schools, TIF grantees in the first two cohorts represented the full range of the nation's rural and urban schools. Grantees' approaches to compensation reform varied as well, as they developed performance pay systems that both adhered to program guidelines and accounted for local circumstances.

This chapter of the report describes the characteristics of the TIF projects. It begins with an overview of the grantees and how they launched their TIF projects. From there, the chapter describes the breadth of projects in terms of eligibility requirements and participation rates. Next, the chapter describes the ways grantees gave awards to educators for student achievement, evaluation results, and filling high-demand positions. The chapter concludes with a detailed description of the actual incentive awards that were made to teachers and administrators, highlighting the variation in award size and identifying the accomplishments and activities that were most valued by the projects' performance pay systems. Throughout, it is clear that grantees made the most of the flexibility allowed in project design to structure their reform attempts in ways that responded to local contexts.

The TIF Grantees

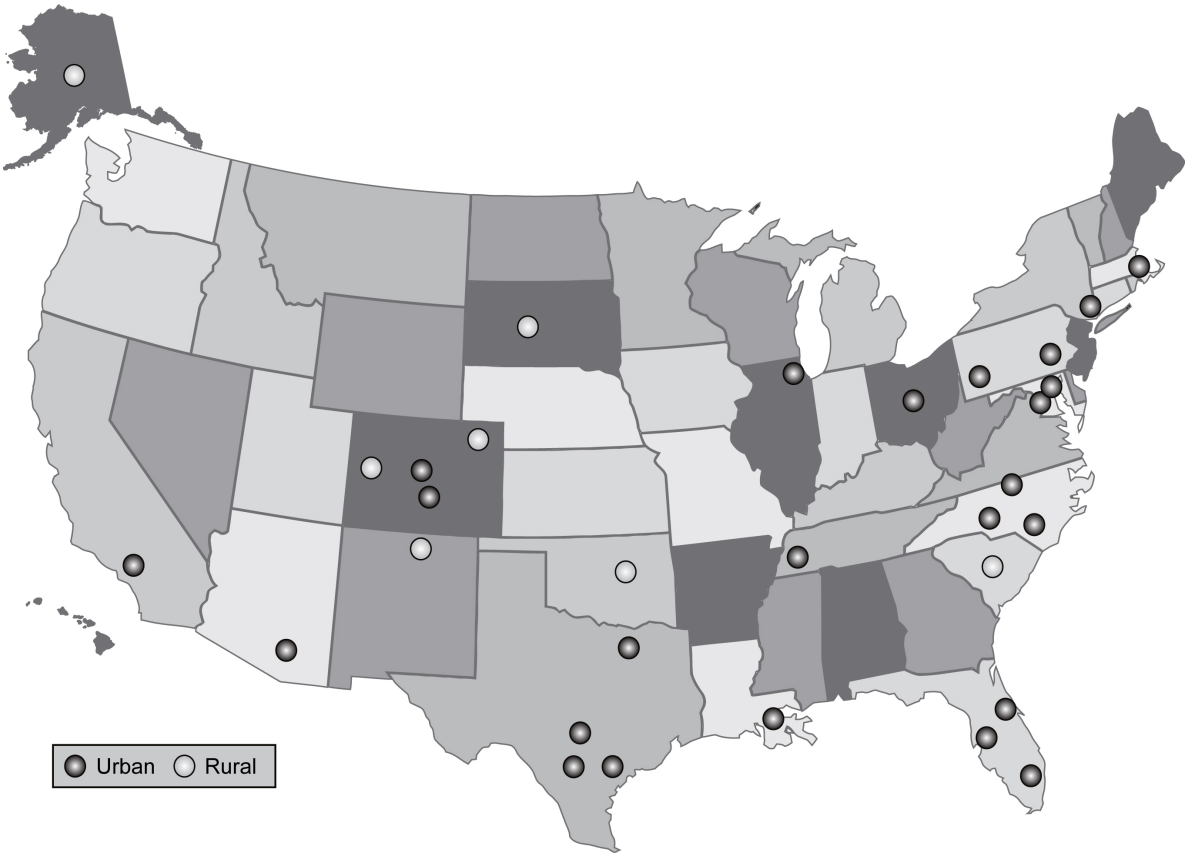
Local education agencies, state education agencies, and nonprofit organizations in partnership with a local education agency, a state education agency, or both were eligible to apply for TIF grants. The Department awarded 16 Cohort 1 grants in November 2006 and 18 Cohort 2 grants in July 2007, ranging from approximately $500,000 to $20 million over five years.[15] One grantee withdrew, leaving 33 participating grantees at the time of data collection.

These 33 grantees were widely distributed across more than 19 states and the District of Columbia.[16] Seven grantees were located in predominately rural areas, and the rest were largely urban school districts or charter school networks (see Exhibit 2).

[15] Sources: U.S. Department of Education. (March 2010). Teacher Incentive Fund (TIF). [PowerPoint presentation]. Retrieved from http://www.serve.org/uploads/files/TIF%20Presentation_3.30.10.pdf; Center for Education Compensation Reform website (http://www.cecr.ed.gov/); and documents provided by grantees to the U.S. Department of Education.

[16] One grantee is a consortium of charter schools from across the country. It was not included when counting the number of states with TIF grantees.

Exhibit 2. Geographic distribution of TIF grantees



Notes: This exhibit shows the location of the 33 grantees in operation at the time of data collection. Urban and Rural are based on the NCES classifications in the Common Core of Data. For this report, Urban includes City and Suburb classifications; Rural includes Town and Rural classifications.

The New Leaders for New Schools grantee consisting of a consortium of charter schools implementing Effective Practice Incentive Community (EPIC) is not depicted because of its large geographic spread across many states.

In Ohio, South Dakota, and Northern New Mexico, multiple locations are implementing a statewide TIF grant. South Carolina has two TIF grants operating within the state in multiple locations.

Grantees varied widely in their demographic composition, although they generally served schools with high concentrations of minority students and high proportions of low-income students, often above and beyond the TIF requirement of 30 percent of students receiving free or reduced-price lunches. (Appendix B provides basic descriptive data on the 33 grantees.) This requirement limited the schools that some grantees could target. Yet almost half of the grantees (14) were able to implement districtwide reforms and make all schools eligible for their performance pay projects because either all the schools met this poverty threshold or the grantees supplemented TIF funds with other sources of funding to cover those additional schools. Grantees varied not only in their observable characteristics but also in the extent to which their previous experience with performance pay influenced the implementation of the TIF project.

Getting Started

Twenty-three of the 33 grantees had prior experience with performance pay. Such experience often provided them with lessons learned and served as a barometer of receptivity of teachers, administrators, and union leaders to performance pay. Thirteen of the grantees used TIF to expand their existing performance pay projects. Expansions included adding schools to a project, offering incentive awards to more educators, adding award categories, and increasing the size of awards for project components. For example, one grantee used TIF funds to add a principal performance pay project to its preexisting teacher performance pay system. Another grantee used TIF to extend administrator performance pay from a small group of the neediest schools to a districtwide project and add a principal evaluation component to the performance compensation scheme.

Several grantees were able to use this prior experience to inform the planning process of their current performance pay projects, according to interviews conducted in those sites. One grantee, for example, reported that a previous project had been discontinued because teachers and administrators had become overburdened with paperwork so it avoided this mistake in the development of its TIF project. In some grantees, past experiences with performance pay were predictive of how successfully the implementation process proceeded. For example, when past projects had struggled with implementation problems, grantees reported that they were challenged by that legacy. In two cases when teachers reported that a previous project had not paid incentive awards because of a lack of funding, that experience led them to mistrust that funding for TIF would continue.

Only about one-third of grantees reported choosing to use the first year of their grant as a planning year. Grantees that had a planning year generally found it very beneficial. As one project director said, "I feel like if we had rushed implementation it might not have been as successful." Overall, grantees without planning periods reported that they needed one. Grantees that did not have a full year to plan TIF implementation often took a few months at the start of the grant to bring various aspects of their project online. Regardless of its duration, grantees used the planning time to convene groups of stakeholders to refine plans and build support. The planning committees formed at this time often remained in place through implementation, in some cases helping guide grantees through major project revisions. For example, one grantee found that the model used to calculate payouts in the first year was overly complex and caused confusion and anger among district teachers. The next year, the planning committee decided to use a simpler, more flexible model for calculating payouts. Grantees attempting innovative compensation reforms required ongoing planning processes to ensure that the project could respond to educators' needs while helping them adapt to changes in their compensation.

To support grantees in project refinement and implementation, the Department established the Center for Educator Compensation Reform (CECR) to provide ongoing technical assistance and develop resources to share on its website. In practice, the amount of technical assistance grantees received varied, depending on their perceived needs and their awareness of and receptiveness to the supports available. The close alignment between project monitoring and technical assistance reportedly made some grantees feel uncomfortable admitting the need for technical assistance. Grantees that did receive this assistance found it to be valuable in designing their TIF projects.

The remainder of this chapter describes the projects grantees created.

Eligibility and Participation

As the Department interpreted the TIF legislation, grantees had to implement their TIF-supported performance pay systems for principals, but could also include instructional staff. Twenty-eight projects allowed all teachers to participate regardless of subject or grade level taught, and three more projects included a substantial number of teachers but restricted eligibility to those who taught tested subjects or were Nationally Board Certified. [17] Principals in all 33 grantees were eligible to participate (as required by program regulations), and of the 32 grantees that had assistant principals, 30 included them in their projects. Furthermore, many included even more staff than the teachers and administrators allowed under TIF regulations by using non-TIF funds. Twenty-five projects used funding from other sources to include at least some "noninstructional" staff (e.g., counselors, teachers' aides) in a performance pay plan. Most grantees appear to have gone out of their way to ensure that nearly all employees were eligible for some type of incentive award, but extending eligibility was only part of maximizing a project's reach; educators also had to decide to participate.

Of the 31 grantees that included teachers in their projects, 12 made participation in their performance pay programs voluntary. Of those 12, eight had "opt-in" provisions. Under these provisions, an individual participant had to actively "enroll" in the system as well as meet performance criteria in order receive an incentive award. Generally, this "enrollment" process was not extensive and only required teachers to complete a simple form or check a box. In the remaining grantees in which participation was voluntary, educators could elect to opt out if they did not want to participate.

While some believe that educators are opposed to performance pay, participation rates among teachers and administrators in TIF projects were high. In 2008–09, the participation rate[18] was 100 percent in 22 of the 33 grantees. Even among the 12 teacher projects that were voluntary where teachers had a choice of "opting in" or "opting out" of the projects, most eligible teachers chose to participate. Five had participation rates of 100 percent, and only four had a participation rate below 90 percent.[19] Participation was even higher among administrators, with nearly all administrators participating in all grantees. With only a few exceptions, almost all teachers and administrators on TIF campuses were both eligible for and participated in TIF projects.

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[17] One of the three projects completely restricted eligibility to tested subjects only at the middle school level. All high school teachers were eligible for at least one type of award, and some elementary classroom teachers could be paid for school-level growth. Additionally, that particular grantee had a professional development component that all teachers were required to participate in, but participation was not associated with an award. Another project targeted only Nationally Board Certified teachers in addition to administrators. Therefore, in the rest of this report, we describe 31 teacher pay for performance programs.

[18] Program participation rates were calculated based on the number of administrators and teachers eligible for and taking part in any element of the program, regardless of whether or not they actually received an award.

[19] Of the four projects below 90 percent, three either had or was perceived to have had considerable burden associated with participation. For instance, in one grantee, teachers had to complete 70 hours of professional development beyond what the district expected of them. In the other grantee, teachers reported a high frequency of errors in the computer system used for them to register their participation in the project, leading to misunderstandings about whether or not teachers had opted in, low participation, and eventually formal grievances. Data suggest that if the system had had fewer glitches, the participation rate would have been higher in this grantee.

Components of Performance Pay Projects

TIF was never designed to be merely a compensation program, and grantees created projects with components that encompassed both financial rewards and other types of supports for educators to improve their practice. Projects included a complex blend of activities and reward structures but in general had three main components:

1. Compensation of administrators and teachers for their performance, measured primarily by gains in student achievement and often by evaluations.
2. Incentives for teachers to work in hard-to-staff schools or subjects in order to redistribute teachers to schools and subjects most in need.
3. Incentive awards for undertaking activities designed to improve professional practices, including attending professional development and assuming additional roles.

Not surprisingly given the TIF legislation, almost all grantees that gave incentive awards to teachers included student achievement as one of the award components and all administrator projects had student achievement as an award component (see Exhibit 3). About half of the grantees (for both teacher and principal projects) also based incentive awards on evaluation scores, which directly measured teacher or principal quality. Teacher and administrator projects differed, however, in the frequency with which they included components for hard-to-staff schools or subjects and supports for improving practice.

Exhibit 3. Components of teacher and administrator incentive awards

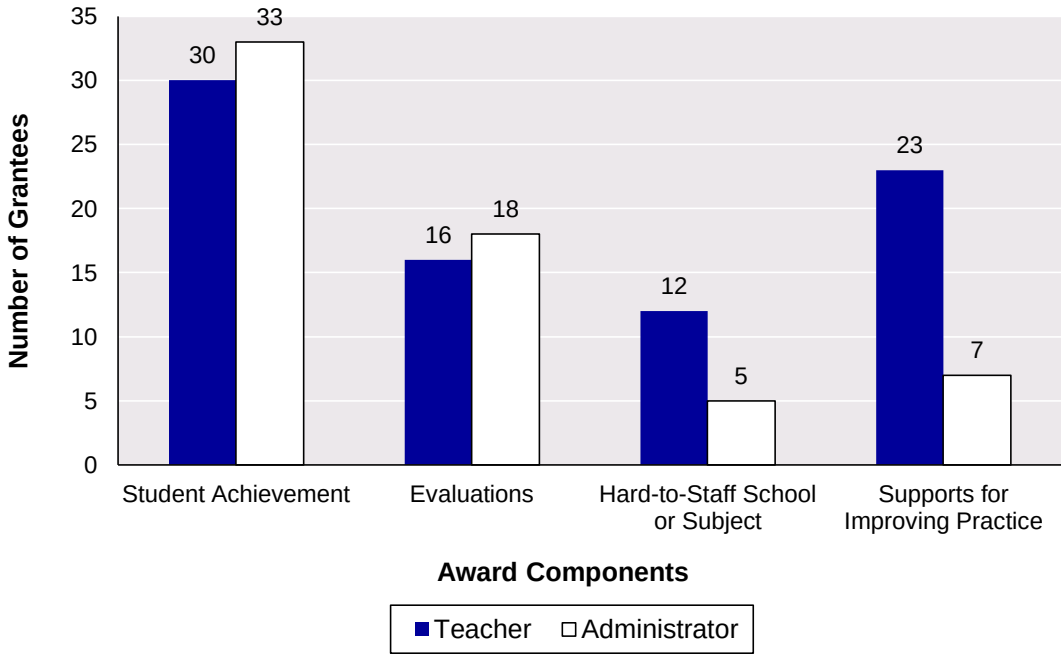

Exhibit reads: Thirty grantees compensated teachers for their performance as measured by student achievement and 33 grantees compensated administrators for their performance as measured by student achievement..

Note: This exhibit presents data for the 31 grantees that included teachers in their TIF project and the 33 grantees that included administrators in their TIF project.

Source: Project documents, interviews with grantees.

Pay for Performance

Giving incentive awards to administrators and teachers for their performance rather than basing compensation solely on a traditional salary schedule is a hallmark of performance pay. Under the traditional salary schedule, teachers' salaries are determined by years of teaching experience, credentials, and university course work or other professional development. Research has shown that these are not strong predictors of student achievement (Hanushek et al. 2005; Hanushek, Kain, and Rivkin, 1998; Rockoff 2004; Goldhaber 2006). TIF requires that grantees link educator pay to student achievement, which moves grantees away from paying teachers based on characteristics that are weakly related to student outcomes to paying directly for desired outcomes. Grantees also were required to evaluate teachers at least twice a year and could choose to link administrator and teacher incentive awards to evaluation results.

Giving Incentive Awards to Teachers and Administrators for Student Achievement

Among the 31 grantees that gave incentive awards to teachers, 30 rewarded them at least in part for improvements in student achievement.[20] However, the grantees varied significantly in how and at what level (classroom or school) they measured student achievement and how they addressed the issue of making awards to teachers who do not teach tested subjects. Administrator incentive awards were based primarily on the performance of the students in their school, and a variety of measures were used to assess that performance.

Grantees based incentive awards on a range of student performance measures. Statewide standardized tests were used by all but one grantee, and at least eight grantees used other standardized measures (e.g., Dynamic Indicators of Basic Early Literacy Skills [DIBELS], Northwest Evaluation Association [NWEA] assessments) to expand the grade levels covered by tests. Additionally, three grantees used district- or teacher-created tests as the basis for performance awards for teachers for whom standardized measures did not exist. On the basis of these tests, grantees could calculate three types of measures: status, growth, and value-added measures (VAM). *Status* measures typically indicate the number of students who meet a set performance standard (e.g., Percent Proficient). *Growth* measures calculate a student's progress between two points in time without consideration of the trajectory of the student's prior performance. *VAM* is a more complex version of growth that assesses changes in student progress compared with a prediction based on their prior performance trajectory of how much their performance should have improved. Additionally, five grantees calculated at least some portion of performance awards based on *teacher-developed metrics*. Teacher-developed measures are based on growth or status measures from a variety of tests, but they are classified separately because decisions about how to measure acceptable performance were often left to individual teachers and administrators.

[20] In the 31st grantee that included teacher incentive awards, the union was not in favor of implementing a performance pay program and did not allow the project to include student achievement in the award formula at the teacher level, although there are incentive awards for student achievement given to principals. Instead, teachers in their program were given incentive awards for becoming a Nationally Board Certified Teachers, teaching at a hard-to-staff school once certified, and delivering professional development to other teachers.

To measure teachers' contribution to student achievement, 30 grantees used some kind of growth measure or VAM, and none used status measures alone (see Exhibit 4).[21] Moreover, half of the grantees reported using a VAM or some combination of VAMs with growth or status measures. Grantees using VAMs typically contracted with an external organization to calculate their VAM scores.

Exhibit 4. Student achievement measures used to determine teacher incentive awards

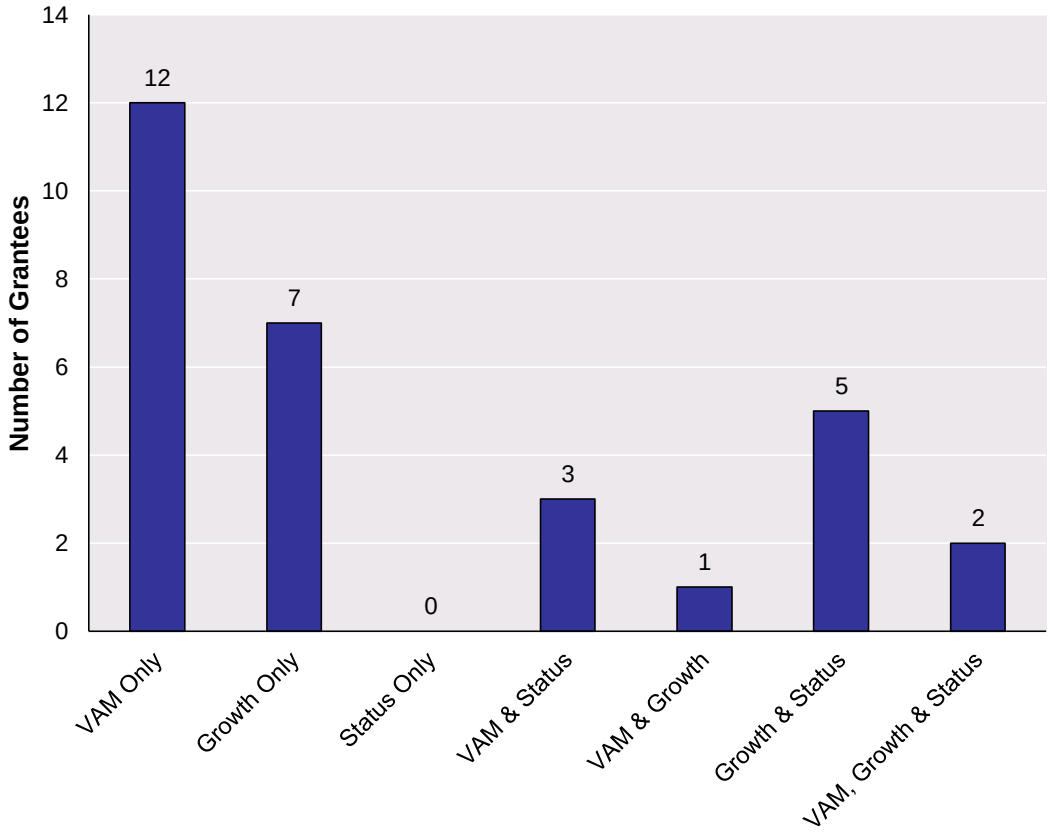

Exhibit reads: Twelve grantees used only VAMs as a student achievement measure.

Note: Data pertain to the 30 grantees (out of a total of 31 grantees that gave incentive awards to teachers) that used student achievement measures to determine those teacher incentive awards. One of the grantees included in the VAM, Growth and Status column in this graph is actually a combination of four different projects implemented in four school districts across a state: two included only VAM, one included only growth measures, and one included both growth and status in their incentive award formulas.

Source: Project documents, interviews with grantees

Using these various measures, grantees made incentive awards to teachers for student achievement based on individual classroom performance or schoolwide performance. Proponents of individual classroom incentives argue that they can more accurately reflect variation in

[21] In categorizing measures as a growth measure versus a value-added measure, we deferred to state and grantee self-description of the measures.

teacher quality, which is masked by group incentives, and serve as a stronger motivator to improve teaching. Advocates for schoolwide performance incentives, however, argue that they promote collaboration, ameliorate the potential for competition, and under some circumstances might provide stronger motivation for improvement than individual performance measures.[22] Among the 30 grantees that provided incentive awards to teachers for improvements in student achievement, a majority (21) tried to balance both sides of this argument by giving awards both at individual and group (grade, department, or school) levels. Six grantees gave awards to teachers only at the group level, and three grantees awarded teachers only at the individual level (Appendix C1).[23]

Grantees that gave awards to teachers for student achievement at the individual teacher level struggled with how to compensate teachers who do not teach tested subjects (e.g., art, music, early elementary) and therefore have no student achievement results upon which to base incentive awards. The 24 grantees that paid based on achievement at the individual teacher-level[24] chose to address this issue in a variety of ways. Two grantees designed projects that excluded teachers in untested subjects from receiving incentive awards, and 10 designed their projects so that teachers in untested subjects were not eligible for all components and did not qualify for the maximum award. Four grantees found a way to link all their teachers to some type of test score, including one grantee that developed tests to cover every subject and every grade. Seven other grantees ensured that teachers in an untested subject could earn the maximum incentive award by making other measures of performance, most often schoolwide test scores, count for a larger portion of the award formula for them than their colleagues in the tested subjects and grades. Finally, one grantee that gave awards to teachers at both the group and individual levels allowed for considerable autonomy in how its 10 participating schools dealt with teacher-level awards.

Student achievement was also a key performance measure for administrators in all 33 grantees, and as with teacher incentive awards, grantees used status, growth, VAMs, or some combination of the three, to reward administrators for student achievement (see Exhibit 5). Seventeen of the 33 grantees used VAMs, either by itself or in combination with another measure, to make the awards, and one grantee used only status measures as the basis for awards. Not surprisingly, administrator incentive awards for student achievement were all based on school-level performance.

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[22] For a discussion of these issues see Neal (2009) and the Center for Educator Compensation Reform at http://www.cecr.ed.gov/researchSyntheses/Research%20Synthesis_Q%20C15.pdf

[23] In three cases, grantees used multiple methods to reward teachers for achievement, and they are included in the count of grantees that made awards both at the individual and group levels. In some cases, this varied based on how long a particular school had been in the project (e.g., schools did group awards only in year one but awarded for individual performance later in the life of the grant), and in one grantee, multiple projects were implemented in four separate districts across a state.

[24] This count includes the 21 grantees that paid at both the group and individual teacher levels as well as the three that paid only at the individual teacher level.

Exhibit 5. Student achievement measures used to determine administrator incentive awards

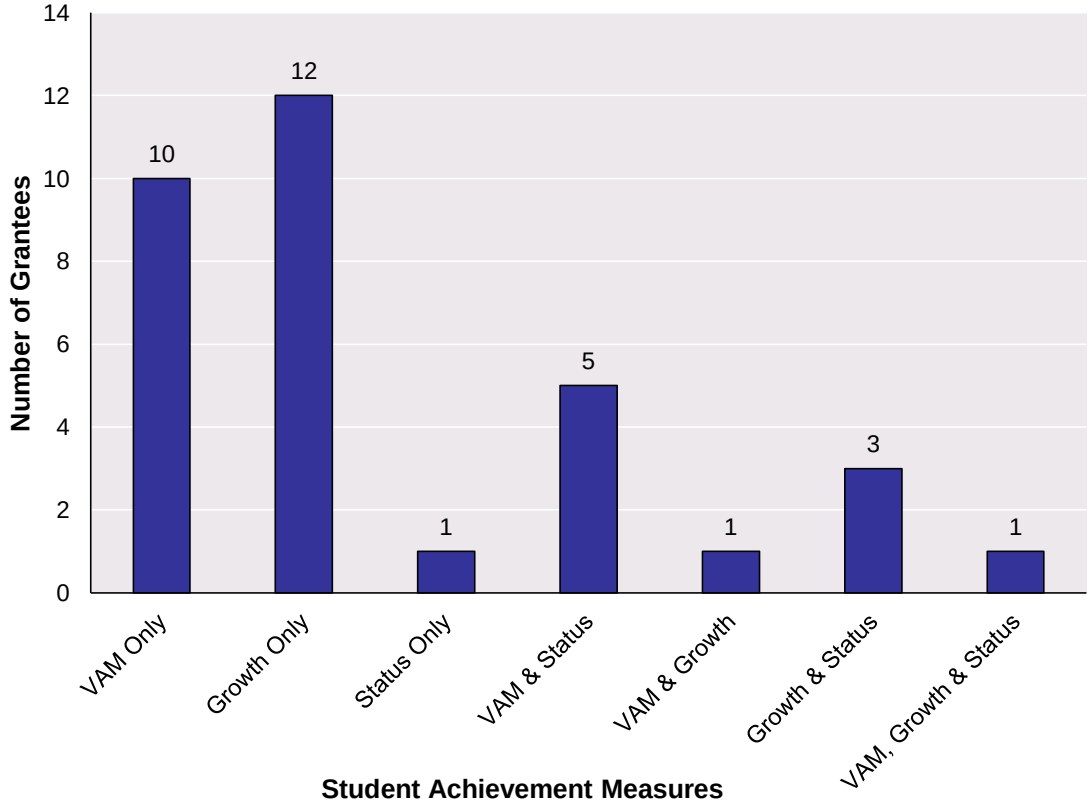

Exhibit reads: Ten grantees used only VAMs as a student achievement measure.

Note: This exhibit presents data for the 33 grantees that included administrators in their TIF project. The one grantee included in the VAM, Growth, and Status column was a combination of four different projects implemented across a state: two paid on VAM only, one on growth only, and one on growth and status.

Source: Project documents, interviews with grantees

Teacher and Administrator Evaluations

Although student achievement is one of the desired ultimate outcomes of teaching, standardized student achievement tests do not assess all desired student outcomes. Additionally, many factors other than educator quality affect student achievement. For these reasons, there is interest in developing improved measures of educator quality to use as part of performance pay projects. Although the TIF program set few stipulations on grantees, one requirement was that grantees evaluate participating teachers two or more times per year. Whether those evaluation results were to be tied to incentives was not prescribed, but 16 of the 31 grantees that included teachers in their project directly tied incentive awards to these evaluations.[25] For example, in

[25] While evaluation systems can include student achievement, among the 33 Cohort 1 and 2 TIF grantees included in this study, we did not find this to be the case. Instead, student achievement and evaluation results were two separate components of their performance pay systems. Therefore, throughout the report, the term "evaluation" refers only to a system which encompasses classroom or school observations, the rubric used to

grantees implementing the Teacher Advancement Program (TAP), schools set threshold evaluation scores, and teachers who meet the threshold are eligible for an incentive award. The exact award amounts are then determined by the distribution of evaluation scores. All teachers receiving the same evaluation score get identical incentive award amounts, so if there are three teachers who receive a "5" (the maximum score), they would all receive the same award amount, which would be larger than a teacher who received a "3". Four other grantees used satisfactory evaluation results as a precondition for teachers to receive an award (i.e., teachers must be evaluated multiple times a year and/or they must receive a specific score on their evaluations to be eligible for an award).

Recent reports have made the limitations of traditional teacher evaluation systems clear (Pecheone and Wei 2009). One implication of these findings is that traditional teacher evaluation systems provide poor measures upon which to base performance pay. Grantees moved away from their existing evaluation systems by having non-administrators conduct formal teacher evaluations (at least 10 grantees) or using a rubric specifying performance levels across multiple domains to evaluate a teachers' performance (at least 16 grantees). Teachers in TAP, for example, were observed multiple times per year by the principal, a master teacher, or a mentor teacher using the four dimensions of the TAP rubrics (instructional, learning environment, design and planning, and responsibilities). The textbox, "Evaluation Rubrics Across the Grantees," provides additional information about these new evaluation systems.

Evaluation Rubrics Across the Grantees

Sixteen grantees paid teachers based on the results of administrative evaluations. While the exact rubrics used to perform these evaluations varied, the most common starting point was Charlotte Danielson's *Framework for Teaching*, which consists of four broad domains of teacher practice: planning and preparation, the classroom environment, instruction, and professional responsibilities. Within each domain, teachers are given detailed scores on specific components of their practice.

Each component is supported by a long list of characteristics of practice, allowing evaluators to give more specific feedback and more elaborate evidence for a given score. For example, one grantee used a rubric based closely on the Danielson framework that listed seven different characteristics of practice that needed to be present for a teacher to receive the top score for managing student behavior. There were also six explicit characteristics for the middle score and six for the bottom rating. To receive the highest rating, a teacher was expected to demonstrate mastery of all seven descriptors including items like "uses several techniques such as social approval, contingent activities, and consequences to maintain appropriate student behavior when appropriate" and "overlooks inconsequential behavior when appropriate."

Sources: The Danielson Group's *The Framework for Teaching,* interviews with grantees

For some of the 16 grantees that incorporated classroom observations and ratings of instructional practice into teacher performance pay formulas, the formal evaluations served not only as a measure of teacher performance but also as a kind of professional development tool to help teachers improve their practice. In these grantees, either trained teacher leaders (e.g., master or mentor teachers) or administrators conducted observations using a rubric that clearly defined the desired instructional practices and created a common language for describing what "good" instruction looks like. The results of these evaluations were then discussed and analyzed to

score teacher and administrator performance, and any feedback that might be provided after the observations are completed.

determine areas of weakness and to set goals for future growth. As one teacher said about her evaluation system (which was based on the Danielson *Framework for Teaching*), "It's a form of PD [professional development] and helps each of us to grow. It is much more of a conversation about the practice of teaching and teacher capacity and also improving the leader's capacity to be an in instructional leader and not just building manager."

Administrators at a little over half of the grantees received performance pay for the results of their evaluations. In 11 sites, the evaluation focused on their performance as a school leader and manager. For example, in one case, the school's board used a rubric covering school sustainability, financial concerns, and general operations to determine administrators' evaluation awards. Administrators in eight of the 18 grantees were explicitly evaluated on the implementation of their particular performance pay project. One TAP site is included in both counts: A portion of administrators' evaluation awards were based on the results of the Vanderbilt Assessment of Leadership in Education (VAL-ED), a 360-degree review completed by teachers and the principal's supervisor that measures the effectiveness of school leadership behaviors that influence teacher performance and student learning such as setting high standards for learning and building a culture of professionalism; another portion was based on an evaluation of TAP program implementation.

Incentives to Recruit and Redistribute Teachers and Administrators to Hard-to-Staff Schools or Subjects

The TIF legislation allows grantees to provide incentives for educators to work in hard-to-staff schools and subjects. This responds directly to one of the core criticisms of the traditional salary schedule, namely that it is insensitive to variations in the labor market demands for educators to teach in subjects (e.g., mathematics, science, or special education) or schools with chronic shortages. The impetus to give teachers incentive awards in this manner is based on the logic of supply and demand. When the supply of teachers does not meet the demand of high-needs schools and subjects, price (or compensation) must be adjusted to incentivize principals and teachers to redistribute themselves to areas with the highest need, creating a new equilibrium in supply and demand.

Five grantees (out of the 31 grantees that included teachers in their project) gave additional compensation to teachers for working in hard-to-staff schools, five grantees (out of the 33 that included administrators in their project) gave administrators incentive awards for working in such schools, and in eight grantees, teachers received awards for teaching hard–to-staff subjects. Additionally, five grantees (out of the 33 grantees) targeted higher need schools in their state or district for TIF, making their entire project a form of hard-to-staff bonus. Finally, other grantees reported, to varying extents, that they hoped TIF would give them a competitive advantage in the local labor market in which they are not perceived as the most desirable employer. In these ways, most grantees used TIF funds in an attempt to redistribute high-quality educators to high-priority schools and subjects.

Supports for Improving Practice

The findings of the recent study in Nashville have spurred debate over whether incentives alone are enough to influence educators to increase student achievement (Springer et al., 2010). Recognizing the importance of providing teachers with opportunities to learn how to improve their practice, grantees sought to balance incentives with the support needed to earn them, which

varied widely from grantee to grantee. Exhibit 6 displays the number of grantees employing some of the more common supports.

Exhibit 6. Supports offered to teachers to improve practice

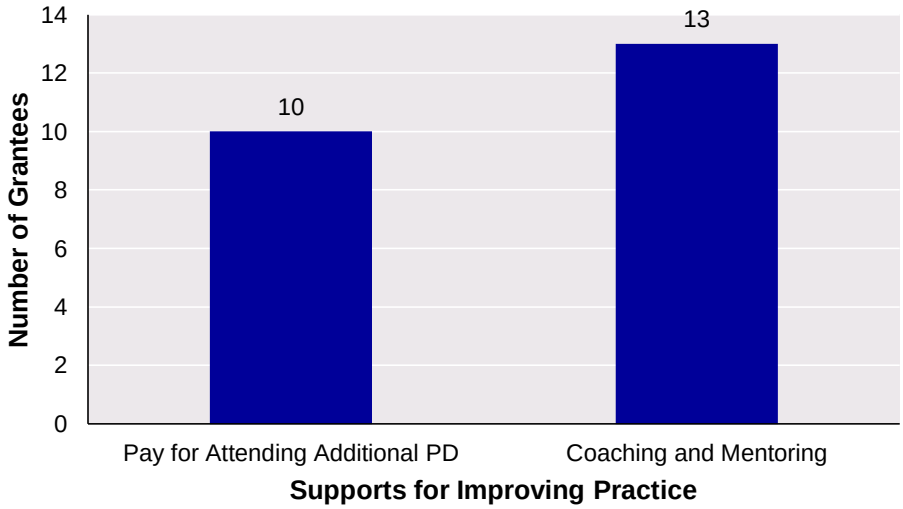

Exhibit reads: Ten grantees offered additional pay for attending additional professional development.

Note: This exhibit presents data for the 31 grantees that included teachers in their TIF project.

Source: Project documents, interviews with grantees

At one end of the spectrum, grantees encouraged more teachers to take advantage of existing professional development opportunities, and 10 grantees offered teachers additional pay for attending these types of activities, which included familiar formats (e.g., workshops after school, reimbursement for college classes) as well as more recently developed reforms (e.g., implementing a professional learning community [PLC] model).

At the other end of the spectrum, at least 13 grantees offered teachers new opportunities to take on instructional leadership roles in their schools as coaches and master or mentor teachers. These roles were designed to be learning opportunities for the teacher leaders as well as the teachers they worked with. Furthermore, this approach has the potential to transform the teaching profession by changing the way teachers interact with each other and offering a way for teachers to progress in their career without becoming administrators. The textbox, "Improving Practice Through Coaching and Mentoring," provides more detail on coaching and mentoring.

Improving Practice Through Coaching and Mentoring

In one grantee, TIF funds provided additional resources to hire instructional coaches, often teacher leaders from within the district, to work directly with teachers on their instructional practices. According the project director, these coaches served as a critical link between the improvements that the district would like teachers to make and paying them for getting these higher results.

Across all schools in this grantee, these coaches were reported to have been instrumental in providing professional development and served as a useful resource for teachers in helping them plan their curriculum, look at data, and facilitate collaboration time between teachers in the building they work in. At one school, for example, the instructional coach signed an agreement with teachers whereby they, in conjunction with the coach and the principal, identified a goal to work on for six weeks. During that period of time, they received support from the coach on strategies they could use to achieve that goal, including observations and feedback to reflect on what they had done and what more they needed to do to reach the goal. In addition, the coach at this school was responsible for leading PLCs and professional development workshops during the school year and throughout the summer. At another school, the coach was available to model a lesson for the teacher in her classroom if there was technique that a teacher was struggling to master.

Teachers and school leaders said that these coaches were one of the most positive aspects of the TIF program, particularly for new teachers, and that it was the aspect that they believed would be most likely to actually lead to a change in teacher practice.

One-third of the 33 grantees implemented one of two national program models, the National Institute of Excellence in Teaching's Teacher Advancement Program (TAP) or New Leaders for New Schools' Effective Practice Incentive Community (EPIC). Each has core components designed to support improvements in educator practice.[26] TAP has four core components: (1) multiple career paths, (2) ongoing applied professional support, (3) instructionally focused accountability, and (4) performance pay (described in textbox, "TAP Program Components," below).

[26] For more information on TAP, see http://www.talentedteachers.org/. For more information on EPIC, see http://www.nlns.org/epic.jsp.

TAP Program Components

Implemented by seven grantees, the Teacher Advancement Program is a comprehensive school reform system that provides opportunities for career advancement and extensive support to teachers. In this model, master and mentor teachers serve as a cornerstone of the support provided to participating teachers and principals. Strong career teachers are identified and provided with opportunities to be mentors or master teachers for their colleagues as steps along a career path. After additional training, they are then tasked with leading "cluster" meetings (collaborative weekly professional development sessions) and working with teachers to share best practices they have field-tested in classrooms with small groups of students.

The TAP teacher observation and evaluation rubric, as discussed above in "Evaluation Rubrics Across the Grantees," is also focused on instructional practice. It has reportedly helped to guide changes in teacher practice, as one English teacher noted when describing her experience with the TAP rubric,

> [The TAP rubric] make[s] you question what you are doing in class…. I wish I had time to go through it every day. It really does make you aware of what you are doing in class….

For the four grantees implementing the EPIC model, the program offers teachers and school leaders supports by identifying effective instructional practices and disseminating them to educators. Grantees implementing EPIC used a schoolwide VAM to identify their highest performing schools. After the announcement of award recipients, educators in those schools then work with a team from New Leaders for New Schools to document their effective practices using case studies and, at times, videos. EPIC then posts this documentation of effective practices on its website so that educators can see examples, although interviews suggested that few educators in TIF's EPIC grantees regularly consulted the website.

As this section of the report has shown, the grantees gave educators additional pay for student achievement, for job evaluation results, and for filling high-demand positions, and they supported educators to improve their practice and earn awards through professional development, coaching and mentoring, and feedback from evaluations. Next, we present data on the amount of incentive awards teachers and administrators received.

Payouts to Administrators and Teachers

During the first round of data collection, researchers collected all available information related to payouts for the 2008–09 school year from the 33 grantees.[27] Those data show that the 33 grantees paid approximately $70 million in incentive awards to approximately 20,000 educators (out of the total of pool of around 45,000 participants)—$63 million to teachers and $7 million to administrators. These figures reflect all incentive payouts—from both TIF and non-TIF sources—in schools that received at least some TIF funding. This section examines the amount of incentive awards teachers and administrators received in three ways. First, we look at the number of awardees and non-awardees to describe the ease or difficulty of receiving an incentive award. Then we use the best available grantee average salary data for administrators and teachers to describe the average incentive payments as a percentage of base salary. Finally,

[27] Two grantees provided payout data from 2007–08 because a delay in receiving state test results had created a backup in payouts.

we examine the sources of variation between the largest and smallest awards within each grantee to determine what made the difference in the amount of educator compensation, which provides a signal for what accomplishments and activities were most valued.

Percentage of Participants Receiving Awards

Projects used one of two basic models to award educators. In one scenario, only a small number of teachers or administrators received an incentive award while the rest of the participants received no incentive. Winners in these grantees typically received a set amount with minimal variation between the highest and lowest payout for incentive award winners. Variation was binary: teachers and administrators either received a fixed incentive award or they received nothing. The other general model for making awards to teachers and administrators was to give a bonus to nearly everyone but vary incentive award amounts based on degrees of achievement.

Exhibit 7 shows that the majority of projects followed the second model and paid incentive awards to nearly all participants. While the payout data in total showed that only about 20,000 out of 45,000 participants won incentive awards across the 31 projects that included teachers, most non-awardees came from the nine grantees that restricted incentive awards to a smaller number of teachers (and gave incentive awards to anywhere between 6 to 67 percent of teachers).[28] In the remaining 22 projects, there were just over 13,000 participating teachers; only about 600 received no incentive award. The same pattern existed in the administrator portion of the 33 projects; only 10 grantees paid incentive awards to less than two-thirds of participants.

[28] These nine included some of the programs with the largest numbers of participants, which helps explains why less than half of participants overall (20,000 out of 45,000) earned awards, even though the majority of projects paid awards to nearly all participants.

Exhibit 7. Percentage of participating teachers and administrators receiving an incentive award

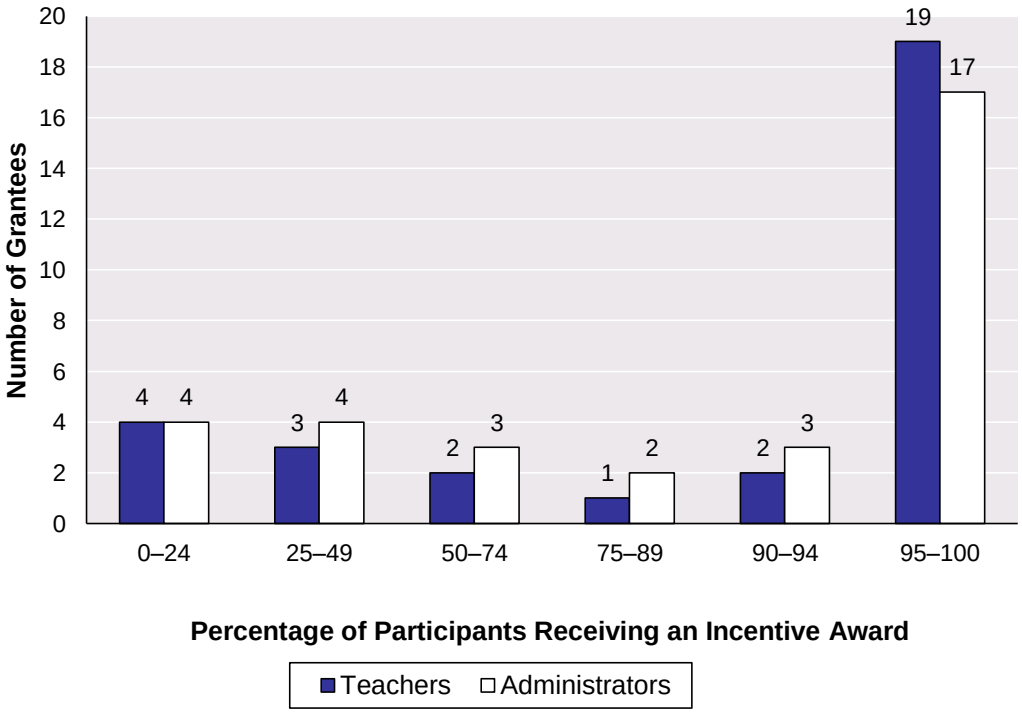

Exhibit reads: Four grantees made incentive awards to between 0 and 24 percent of teachers and four grantees made incentive awards to between 0 and 24 percent of participating administrators.

Note: This exhibit presents data for the 31 grantees that included teachers in their TIF project and the 33 grantees that included administrators in their TIF project.

Source: Grantee-submitted payout data from the 2008–09 school year (or from the 2007–08 school year in the case of two grantees) collected during phone interviews conducted in 2010.

The variation in incentive award size within TIF projects is discussed in the "Within-Grantee Differences in Incentive Award Amounts" section below, but first we turn to a discussion of average award size.

Average Incentive Award Payment

Prior research has suggested that if the size of the award falls below a certain threshold, awards have little potential to stimulate improved outcomes. This research suggests that incentives that are less than 2 percent of base pay are insufficient but that incentives greater than about 4 percent might be effective (Heneman, Milanowski, and Kimball 2007; Odden and Wallace 2007; Varadarajan and Futrell 1984).

Relative to findings of prior research, the incentive awards TIF grantees paid as a percentage of base salary were quite large (see Exhibit 8). Across the 31 teacher projects, the average incentive award was 6 percent of a regionally representative teacher salary.[29] The

[29] Each grantee's incentive awards were compared with a relevant benchmark salary. Wherever possible, these data were collected from the grantee, but in cases in which average salary was unavailable for teachers,

administrator projects, although slightly smaller, still averaged nearly 5 percent of an average administrator salary. On an absolute scale, those incentive awards equated to an average incentive across projects of nearly $2,800 for teachers and $3,800 for administrators.[30] The maximum awards were considerably higher as a percentage of the average local salary: The average site had a maximum teacher bonus of 23 percent of the average salary, whereas, on average, administrators could expect to reach 11 percent.

Although the overall average incentive award across grantees was large, there was considerable variation in the size of the average participant award by grantee.

administrators, or both, the researchers relied on averages taken from the Department of Labor's Bureau of Labor Statistics 2008 data.

[30] There were two possible measures for what the "typical" educator earned under TIF, the median and the average. The selection of which measure to use was challenging because of the distribution of incentive award levels in some grantees. Some grantees had relatively few teachers who received incentive awards that were substantially higher than those of most of their peers. Because averages are sensitive to outliers, the median appeared to be a better choice. However, in seven grantees, more than half of the participants did not receive any incentive award. In those grantees, the median award for participants would have been $0, which does not convey what incentive award recipients earned. Dropping participants who earned no incentive award from the analysis would lead to a figure that was a poor representative of what the typical participant received. Under expectancy theory, educator motivation is likely to be linked both to the amount of the incentive award and the expectation that an award is achievable (Kelley, Heneman, and Milanowski 2002). Dropping those who earned no incentive award would potentially overestimate the motivational effects of a particular award system (Taylor, Springer and Ehlert 2009). Given the data, using the average for all participants appeared to be best way to summarize the distribution in a single number. See Appendix D for details on incentive award levels.

Exhibit 8. Average teacher and administrator incentive awards as a percentage of base salary

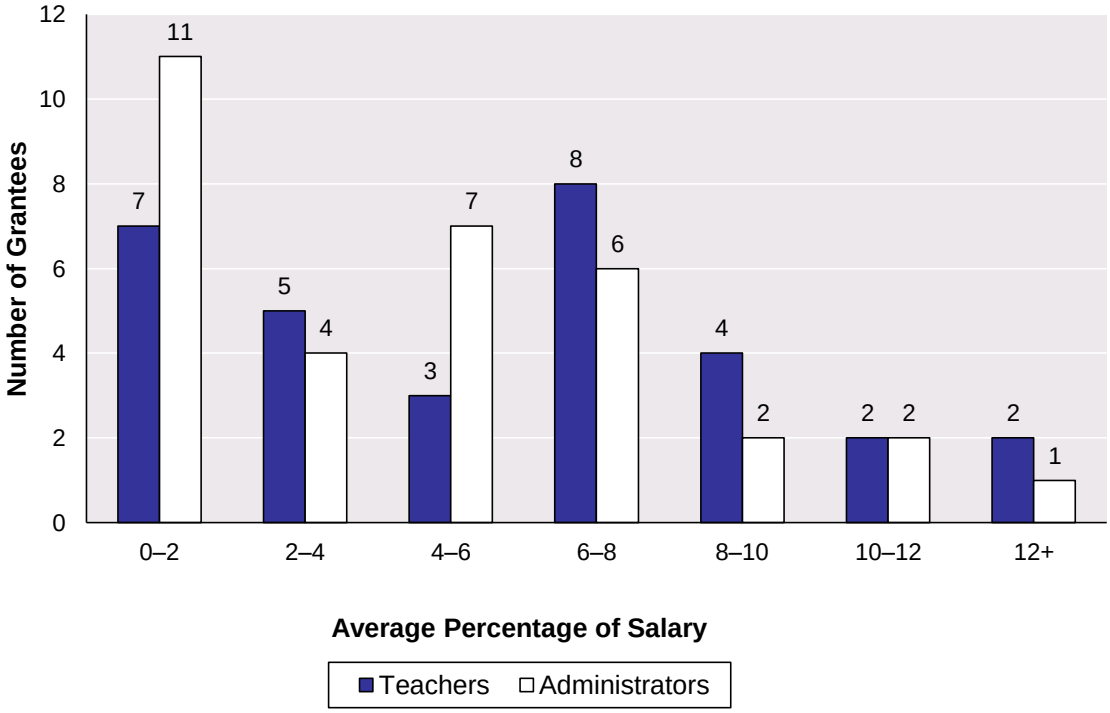

Exhibit reads: Seven grantees gave awards to teachers that were between 0 and 2 percent of their base salary. In 11 grantees, administrators received an incentive award that was between 0 and 2 percent of their base salary.

Note: This exhibit presents data for the 31 grantees that included teachers in their TIF project and the 33 grantees that included administrators in their TIF project.

Source: Grantee-submitted payout data from the 2008–09 school year (or from the 2007–08 school year in the case of two grantees) collected during phone interviews conducted in 2010.

Many of the teacher projects represented in the lowest groups of Exhibit 8 are there not because their actual incentive award amounts were smaller than 2 (or 4) percent of salary, but because they followed the binary award model (i.e., many nonawardees are included in the average for both teachers and administrators). In those programs, although more than half of educators did not win awards, those that did often received large amounts of money ($8,000 per teacher and $10,000 per administrator in one grantee). Exhibit 9 shows the proportion of participating teachers winning an incentive award in these seven grantees, along with the percentages of salary represented by both the average award across all participants and the average across only awardees. Across these seven grantees, an average of 22.5 percent of teachers won an award. When averaged over all participants, the award was only 1.4 percent of an average salary, but for winners, it averaged 6.7 percent. For administrators, an average of 20.7 percent of administrators won an award in these seven grantees. When their award is averaged over all participants, the award was only 0.9 percent of average salary, but for winners, it averaged 5.4 percent.

Exhibit 9. Incentive awards for teachers in seven grantees with largest number of nonawardees

Grantee	Percentage of Participants Winning	Percentage of Salary	
		Across All Participants	Across Only Awardees
1	6.3	0.8	13.0
2	8.2	0.4	4.8
3	9.6	0.5	5.5
4	19.1	0.5	2.8
5	32.9	2.7	8.3
6	36.3	1.9	5.2
7	44.9	3.2	7.1
Average	22.5	1.4	6.7

Exhibit reads: In Grantee 1, 6.3 percent of TIF project participants earned a performance award. The amount of the average award per TIF project participant was 0.8 percent of the average teacher base salary; the amount of the average award per TIF awardee was 13.0 percent of the average teacher base salary.

Source: Grantee-submitted payout data from the 2008–09 school year (or from the 2007–08 school year in the case of two grantees) collected during phone interviews conducted in 2010.

Within-Grantee Differences in Incentive Award Amounts

The size of incentive awards varied from project to project, and it often varied substantially within projects as well. As discussed above, nine projects created variation within their projects by not paying incentive awards to many teachers. However, even in teacher and administrator projects in which more than two-thirds of all participants received an incentive award (22 and 23 projects, respectively), there was still substantial variation. In these projects, the variation occurred not between nonawardees and awardees but between awardees receiving small incentive awards and those receiving larger incentives. Because nearly everyone won an incentive award in these projects, it is particularly necessary to examine the variation in the size of the awards within each grantee. The within-grantee variation shows the difference between the amount of the incentive award received for high performance as opposed to the award received just for participating in the program. This section examines that variation for those 22 grantees' teacher projects, as well as the sources of variation for all 33 TIF projects.

To analyze each grantee's incentive awards, we separated all teachers and administrators in each grantee into quartiles based on the total dollar value of incentive payout. We then calculated the average incentive award amount for each quartile and how that amount was divided (on average) among award components. Exhibit 10 shows the average award size for each quartile and components for the 22 grantees that awarded additional pay to most teachers.[31] The incentive award size was substantial for even the lowest quartile of teachers receiving an award, and it was quite large for teachers in the top quartile. Expressing these incentive awards as a percentage of

[31] These data are available for all grantees in Appendix D. We excluded grantees where most participants did not receive an incentive award in this exhibit because including nine "$0" in the average for the first quartile would not accurately represent the average incentive awards received by those who received awards.

regionally representative salaries, those in the lowest quartile received an award equal to 2.7 percent of their base salary while those in the highest quartile received an award that was 14.3 percent of base salary. Even in the lowest quartile of awards, the average incentive award was above the threshold research suggests is required for some incentive effect.[32] Among the 22 grantees that paid more than two-thirds of their teachers, there was a clear difference between the highest and lowest payouts, but even at the bottom of the award distribution, the size of the incentive awards was fairly substantial.

Exhibit 10. Average incentive award size by quartile across 22 grantees awarding most teachers

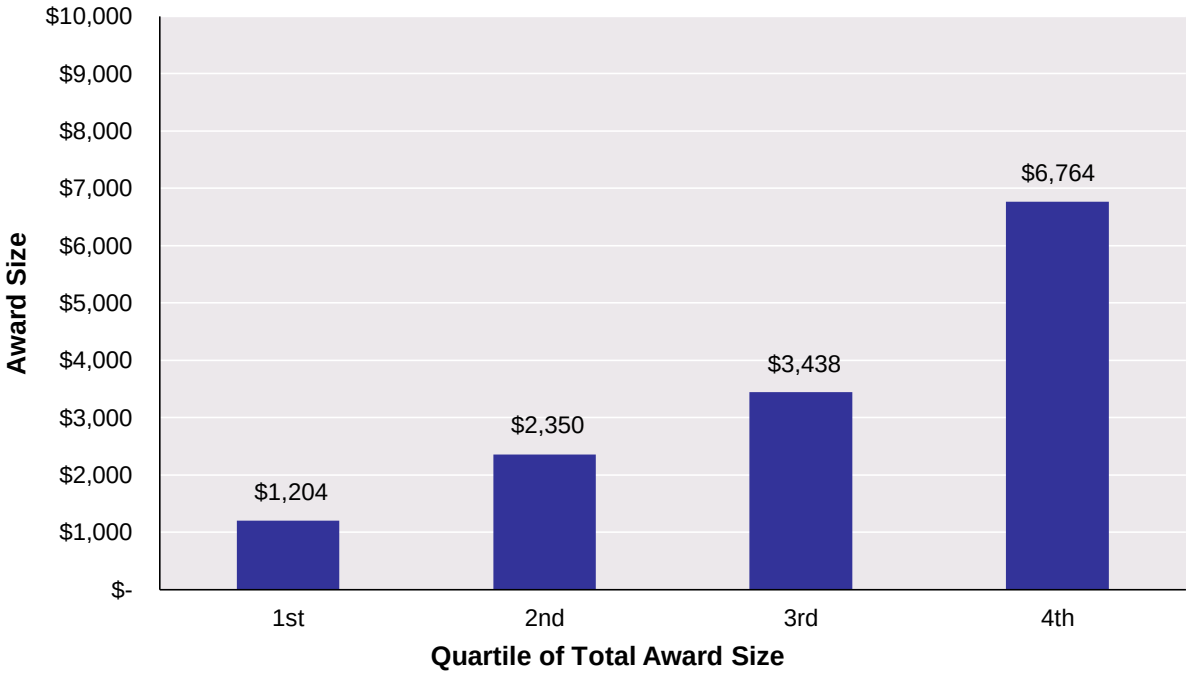

Exhibit Reads: Teachers in the first quartile of total award size for the 22 grantees that gave awards to most teachers earned an average award of $1,204.

Source: Grantee-submitted payout data from the 2008–09 school year (or from the 2007–08 school year in the case of two grantees) collected during phone interviews conducted in 2010.

The sources of the pay differentiation for educators within TIF grantees (i.e., the reasons that one educator received a larger performance award than another) are the key to understanding grantees' TIF projects. The factors that drove whether an incentive award was relatively modest or relatively large reflect what grantees value. In other words, they show the attributes of educators who command more compensation in the performance pay marketplace. By examining pay differentiation within a grantee, it is possible to see what a teacher who wants to earn more

[32] This average includes one grantee that gave the average teacher in the lowest quartile a 16.2 percent bonus. Outliers like that do not skew the mean though because the median award size for the lower quartile of these 22 programs was 2.7 percent as well.

pay while remaining in a given grantee would be motivated to do by the performance pay program.

The analysis began by rank ordering the incentive awards received by all project participants (including those who earned an award of $0) within each grantee. The next step was to calculate both the average incentive award level for each quartile as well as the value of each award component (e.g., student achievement, teacher evaluation score) for each quartile. Separating the award payouts by quartile facilitated categorization of grantees based on which components led to the range in award amounts.[33] These factors were student achievement, teacher evaluation, additional roles, hard-to-staff subjects or schools, and multiple factors (for grantees in which no one category was the primary determinant of within-grantee variation). Two contrasting examples (see Exhibits 11 and 12) illustrate how grantees' projects varied and how that variation was categorized.

For one of the grantees, the difference in average payout from the first to the fourth quartile was approximately $6,000 (see Exhibit 11). This differentiation was based almost solely on variation in measured student achievement. As a result, this grantee's project was categorized as "differentiating on student achievement."

[33] Because analysis on the source of incentive award variation applies to all projects (not just those that paid an incentive award to most teachers), this analysis was performed on all projects including those that gave incentive awards to just a small percentage of teachers.

Exhibit 11. Incentive award amount differentiated by student achievement in one grantee

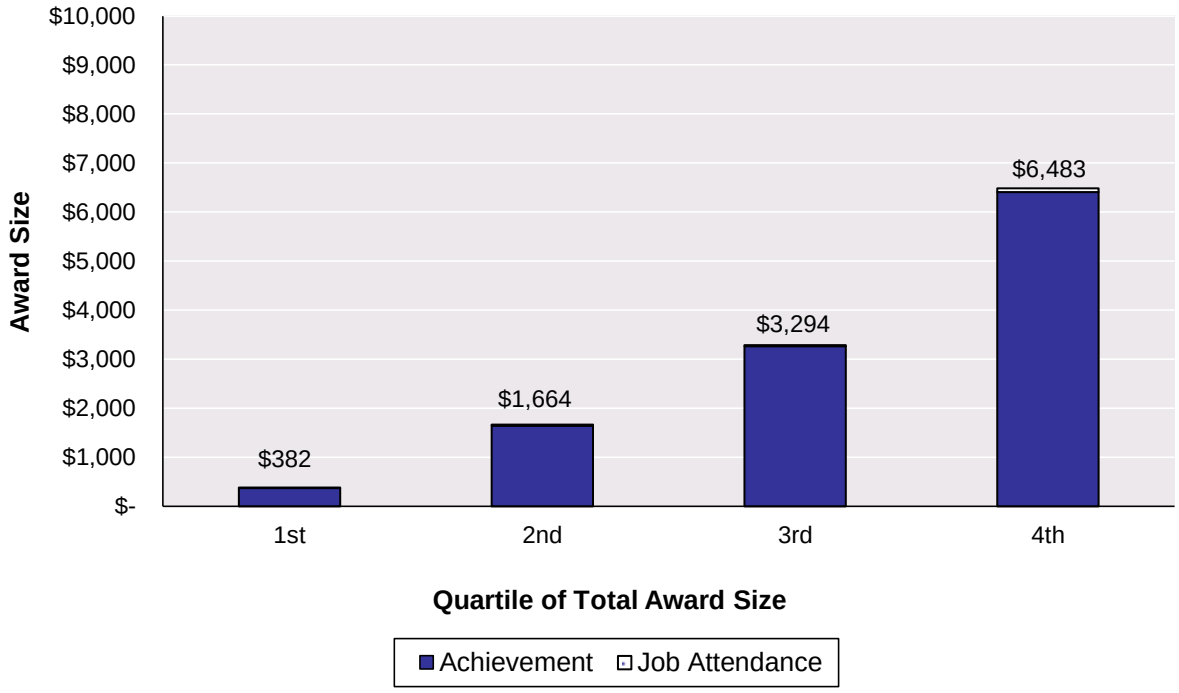

Exhibit Reads: Teachers in the first quartile of payouts for this grantee earned an average award of $382, of which $379 was for student achievement and $3 was for job attendance (such a small amount that it is invisible on all columns until the fourth quartile where it was $74).

Source: Grantee-submitted payout data from the 2008–09 school year (or from the 2007–08 school year in the case of two grantees) collected during phone interviews conducted in 2010.

Another grantee paid incentive awards for student achievement gains, teacher evaluation scores, and teachers taking on additional roles and responsibilities (see Exhibit 12). This grantee had an approximately $5,300 difference in average payout between the first and fourth quartiles. The major contributor to differences in the size of the incentive awards across the quartiles was not student achievement gains or evaluation scores, for which all participating teachers received a similar award. Instead, this grantee differentiated teacher incentive awards on the basis of whether or not teachers assumed additional roles.[34]

[34] Teachers selected to assume additional roles such as those of a master or mentor teacher were believed to be high-performing teachers. Such a performance pay system implies a strategic decision that the most effective way to deploy the best teachers is to have them help other teachers improve their performance as opposed to solely teaching students.

Exhibit 12. Incentive award amount differentiated by additional roles in another grantee

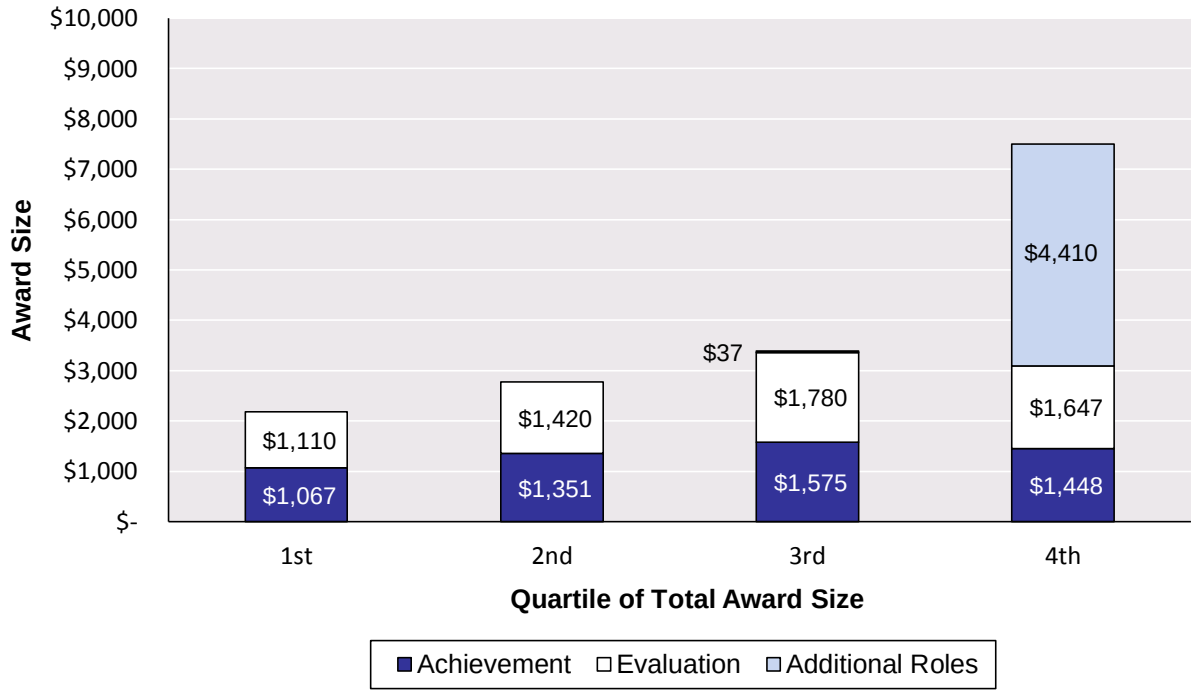

Exhibit Reads: Teachers in the first quartile of payouts for this grantee earned an average incentive award of $2,177, of which $1,110 was for teacher evaluations, $1,067 was for student achievement, and $0 was for additional roles.

Source: Grantee-submitted payout data from the 2008–09 school year (or from the 2007–08 school year in the case of two grantees) collected during phone interviews conducted in 2010.

This example (see Exhibit 12) shows that the quartile variation analysis is not necessarily an examination of what components a grantee spends the most money on. While in many cases the two overlap, in this example, there is a difference between the components that drive quartile variation in award amounts and the components the grantee spends the most money on. In this grantee, 72 percent of the overall incentive awards to teachers were paid based on either achievement or evaluation, while the remaining 28 percent went to teachers taking on additional roles.[35] However, when we compared teachers in the bottom quartile to teachers in the top quartile, 83 percent of the difference came from pay for additional roles. The differentiation analysis looks at what grantees pay for through the lens of comparing the components that make up the average of the highest quartile of payouts and the average of the lowest quartile of payouts. In this case a teacher that improves his or her evaluation score from low to high might expect an increase in pay of slightly more than $600 ($1,110 to $1,780), but the real driver of a large award in this grantee comes from additional roles.

After completing the quartile variation analysis for teacher incentive awards in all 31 grantees that provide teacher awards under TIF, we categorized each grantee by the primary factor that led to variation within it (see Exhibit 13). To identify the primary factor, we used the payout data to first determine the difference in the average incentive award for teachers in the

[35] Similar data for all grantees is included in Appendix D along with other data on incentive awards.

highest and lowest quartiles. We then identified which individual award components made up that difference. If any individual component made up more than 50 percent of the difference between the low and high payouts, that component was classified as the primary[36] differentiation factor.

Exhibit 13. Primary factors leading to differentiation in teacher incentive award amounts

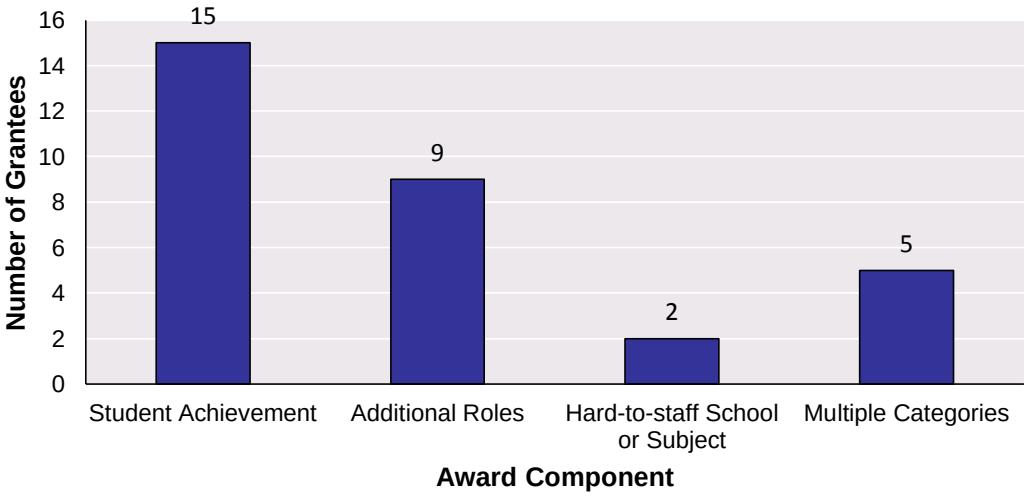

Exhibit reads: Student achievement was the primary factor leading to differentiation of teacher incentive award amounts in 15 grantees.

Note: This exhibit presents data for the 31 grantees that included teachers in their TIF project.

Source: Grantee-submitted payout data from the 2008–09 school year (or from the 2007–08 school year in the case of two grantees) collected during phone interviews conducted in 2010.

For example, in one grantee, the average teacher in the first quartile of total payouts earned an incentive award of $1,091. The average teacher in the top quartile of the same grantee earned an average incentive award of $7,484. The difference of $6,393 was driven by three award components: student achievement, evaluations, and additional roles. Nineteen percent of the difference in incentive award amount came from student achievement, and 18 percent came from the evaluation component, but the primary differentiating factor was taking on additional roles, which made up 63 percent of the difference. In some grantees, no single component made up more than 50 percent of the difference in incentive award size. In those cases, the grantees were classified as having multiple differentiation factors.[37]

[36] The word "primary" is a critical part of the classification scheme because in many cases there were significant secondary or tertiary drivers of award differences. While we used the 50 percent threshold to delineate a primary factor, four grantees' teacher projects with one "primary" factor (that contributed to over 50 percent of the differentiation) had a secondary factor that accounted for between 30 and 40 percent of the increase in the average incentive award between the low and high quartiles.

[37] In two cases, grantees were classified as having "multiple" differentiation factors because the differences between low and high payouts were driven by only two components and both components accounted for about half the differentiation.

Although student achievement was the primary source of differentiation in 15 grantees, in just over half the grantees one or more other categories of awards were the primary source of differentiation of award amounts. While all these award components met TIF guidelines, they represent different implicit theories about how to stimulate improved instructional quality and student achievement. Grantees in which student achievement was the primary differentiating factor assigned monetary value directly to student test scores. The other grantees' program designs placed greater value on one or more of the following strategies for using compensation to support improved outcomes: investing in individuals holding positions designed to enhance the skills of other educators (additional roles), redistributing teachers to hard-to-staff teaching assignments, or direct measures of teaching skills (teacher evaluation scores).

One grantee (described in the textbox, "Reforming the Traditional Salary Schedule," below) took the idea of differentiating teacher pay based on performance far beyond other TIF grantees. In 2009–10, this grantee began the transition to a teacher salary schedule based primarily on performance.[38] In this case, the grantee developed and introduced tests of student performance in all subjects and grades, aligned the district curriculum to these tests and the state assessment, trained all administrators to observe and measure instruction, and provided intensive professional development to support teachers to meet the new expectations.

[38] The payout data for this particular grantee included in the preceding analysis represents payouts from the 2008-09 school year based on its original TIF project design.

Reforming the Traditional Salary Schedule

Between the 2009–10 and 2010–11 school years, one grantee made changes that made its pay for performance program markedly different from all the other teacher-focused programs. It abolished the old salary schedule and required principals to place all their teachers into performance bands. Every teacher received a guarantee that he or she would never make less than the salary received in 2009–10.

This new system represents a permanent change to the teacher salary schedule and will be based on the principal's observation (50 percent) and on student achievement data from various sources (50 percent). This new pay system has important implications for all three areas of payout analysis presented in this section of the report:

Percentage of Participants Winning an Award

A district panel determined that of the 522 returning teachers, 129 would receive no pay raise and 60 were “distinguished.”

Average Incentive Award Payment

When the new salary was set, the average teacher received a permanent pay raise of $4,330 or 10.7 percent of their average salary. Some distinguished teachers who had been paid much less than colleagues with more seniority before the new plan received raises of more than $20,000 that will be phased in over the next few years.

Within-Grantee Differences in Award Amount

The program increased the range of the incentive awards and established awards based on teacher evaluation scores and student achievement. Some additional leadership activities that teachers must master in order to reach the highest scales of the salary schedule also will be measured. However, in contrast to some pay for performance programs that explicitly pay teachers for taking on roles like mentoring or leading committees, in this program, teachers must satisfy that requirement in addition to leading their students to large gains to receive an award.

A similar analysis of administrator incentive award payouts within each grantee showed that teacher and administrator projects have one noteworthy difference. For administrators, variations in bonus amounts were driven almost entirely by achievement-based components (25 grantees). Of the remaining eight sites, three had differentiation driven by evaluation-based components, one by additional roles, and four by multiple categories.

Taken as a whole, these data show that about half of grantees differentiated teacher awards primarily by student achievement, a key proxy for the variation in teacher quality. However, many other grantees differentiated pay on the basis of other factors, most frequently teachers assuming additional roles.

Implementation Findings

Performance pay is designed to improve educator quality by motivating educators to teach or lead more effectively, increasing the recruitment and retention of the most effective educators, and incentivizing the least effective educators to leave. "Successful" implementation, therefore, must position a project to motivate educators to achieve the desired outcomes. Given the centrality of motivation, the first topic considered is educators' perceptions of program fairness because research (cited below) indicates that educator motivation is negatively impacted if they do not believe the performance pay program is fair. Additionally, if a program were successfully implemented, educators would understand the program, report that the program spurred collaboration and healthy competition, and be motivated by the program. This chapter discusses these issues in turn. The chapter closes with a discussion of two aspects of project implementation—district and school leadership and sustainability—which influenced the quality of implementation and the likelihood that performance pay would continue after the conclusion of the TIF grant.

Perceived Fairness of Performance Pay

The purpose of performance pay is to use compensation as a lever to motivate educators to achieve desired outcomes. Prior research on educator performance pay suggests that if educators believe the program is unfair—either in their perceptions of project design or award calculations—motivation to achieve program goals is negatively impacted (McCaffrey, Han and Lockwood 2009; Kelley and Finnigan 2003; Kelley, Odden, Milanowski and Heneman 2000). As a result, a core goal of program implementation is to convince educators that the performance pay program is "fair" so that it can motivate them to achieve program goals.

The primary source of data on implementation is interviews with project staff, state and district leaders, educators, and other stakeholders, such as union members and school board members, conducted during phone interviews and the first round of site visits. These interviews suggested that the degree to which teachers' perceived performance pay to be fair largely determined their support of the new compensation system. Interview data suggest that educators believed their performance pay program was "fair" if they believed that they could affect their compensation. When educators assessed whether they could affect their compensation under TIF, they tended to focus on two project features: (1) incentive awards for teachers in untested grades and subjects and (2) performance measures used to determine incentive awards. In addition, educators felt that the performance pay program was fair if they believed their resulting compensation was consistent with their performance. The following subsections describe these three aspects of grantee projects and their effect on perceptions of fairness and ultimately educator motivation to achieve certain outcomes.

Incentive Awards for Teachers in Untested Grades

When teachers discussed fairness in their interviews with the researchers, how the various TIF projects dealt with the issue of incentive awards for teachers in untested subjects and grades was reported as a major concern. While 30 grantees used standardized tests as one measure of teacher performance, standardized tests were typically not administered in the early primary grades, not administered frequently (or at all, depending on the subject) in subjects other than

mathematics and language arts, and typically covered only a portion of grades and classes in middle and high schools.

When grantees used standardized tests of student achievement as the basis for teacher-level performance awards (12 grantees), they were open to criticism for how their system treated teachers of untested subjects. If those teachers were excluded entirely from earning incentive awards based on student performance (two grantees) or could earn a lower maximum incentive award than their colleagues who taught tested subjects (10 grantees), the fairness of the performance pay project was criticized because these teachers did not have an equal opportunity (compared with peers in tested subjects) to positively affect their compensation through high performance. As one teacher who taught an untested subject reported, "You are punishing me for something over which I have no control." On the other hand, educators in tested subjects sometimes defended the fact that they were eligible for a higher bonus because of the increased pressure associated with teaching a tested subject. Even if the restriction in eligibility were seen as fair (which, based on educator interviews, it typically was not), it reduced the proportion of teachers in a given school who could participate in performance pay or the amount some teachers could earn, thus reducing the potential motivation generated by the performance pay project.

Eleven grantees pursued other strategies for giving teachers incentive awards for student performance while including teachers of untested subjects. One way to include all teachers in performance pay while using measures based on standardized tests is to measure student performance at the school level. Twenty-seven grantees included school-level student performance awards in their teacher performance pay project (including six grantees that only made incentive awards based on school-level student performance and 21 grantees that provided teacher- and school-level awards).[39] Most teachers did not have concerns about the fairness of schoolwide incentive awards even though such awards are vulnerable to the problem of "free riders."[40] Two less common solutions to allowing teachers in untested subjects to participate in teacher-level student performance measures involved developing measures of student achievement for every grade and subject or letting teachers determine their own goals for student learning based on the measure of their choice. Grantees using these strategies faced questions about the validity and reliability of the tests and the comparability of teacher-developed goals.

Performance Measures

The type of performance measures projects used to determine incentive awards was the second feature that educators reported raised concerns about fairness. As described earlier, grantees based performance awards on a wide range of measures. Exhibit 14 summarizes the strengths and weaknesses of these measures.

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[39] The literature is inconclusive as to whether school-level or individual-level awards are more effective in education. There are theoretical justifications as well as empirical support for paying at either level (Ahn and Vigdor 2010; Neal 2009; Marulidaran and Sundararaman 2006). The point of this section, however, is not to debate the pros and cons of this decision writ large but rather to discuss how teachers perceive the fairness of their performance pay projects because that perception is one of the aspects of performance pay projects related to how much the performance pay project will be likely to motivate teachers.

[40] Free riders are individuals who receive a group award without putting forth equal effort to earn it. They thus pose a challenge to the fairness of group awards.

Exhibit 14. Educator-reported perceptions of measures based on student achievement

Measure	Strengths	Weaknesses
Student achievement status	Measure is well known by teachers	Teachers with the lowest performing students have low chances of achieving awards
Student growth	Teachers with low-performing students can achieve	May be more difficult for teachers of high-achieving students to achieve given ceiling effects
VAM	Teachers with low-performing students can achieve	Difficult to understand; some model specifications may be biased or unreliable*
District-developed assessments	Teacher participation in the process	Lack the psychometric rigor of standardized tests
Teacher-developed metrics	Customized around each teacher's goals	Insufficient standardization and monitoring to prevent cheating

Note: Value-added models refer to a range of ways to statistically estimate the effects of educators on student achievement. Different types of VAM differ in terms of validity and reliability. For a discussion of variation among different VAM models, see McCaffrey, Han and Lockwood (2009).

Through interviews, we learned that teachers' beliefs about the fairness of the performance measures were based on their understanding of the measures. When measures were transparent, teachers understood them, and their perceptions were closely aligned with the measures' technical strengths and weaknesses. When measures were more complicated and had not been sufficiently explained to teachers, confusion and allegations of unfairness were more commonly reported. Two measures (teacher-developed metrics and VAMs) aroused more concerns among educators about fairness than other measures.

Teacher-Developed Metrics

Five grantees made incentive awards to teachers based in part on teacher-developed metrics. For this type of incentive award, educators typically needed to have a supervisor approve their goals to ensure that they were relevant and challenging. Despite this safeguard, educators voiced numerous concerns about whether such measures could ever be implemented fairly. As one teacher commented, "I haven't read anyone else's [goals]. But if you let somebody write their own objective and set their own standard of measure and you're *tying money* to it, they're going to stack the decks in their favor." In addition to concerns about various forms of cheating or "gaming" the system, both teachers and administrators pointed out the challenge that approving goals proved for administrators. A high school administrator could, hypothetically, be asked to confirm that the student learning goals set by teachers of AP Physics, dance, and a vocational class all met similar standards for rigor. Overall, educators' concerns about the fairness of this type of measure are consistent with the technical concerns.

Value-Added and Growth Measures

The use of VAMs to estimate teacher quality has received a lot of attention among both scholars and the media in recent years. Some researchers have emphasized the potential of VAMs, noting that VAMs encompass a range of statistical model types that are at the cutting

edge for isolating the contributions of teachers or schools to student performance on standardized tests relative to other contributing factors (Glazerman et al. 2010). However, researchers have also raised concerns about noise in the estimates (Schochet and Chiang 2010), year-to-year test score instability (Sass 2008), nonrandom student assignments (Baker et al. 2010), and a host of other issues (Newton et al. 2010; National Research Council and the National Academy of Sciences 2010). Even proponents recommend VAM only as one of multiple measures of teacher effectiveness for important decisions. As one group of researchers concluded:

> We do not advocate using value added measures alone when making decisions about hiring, firing, tenure, compensation, placement, or developing teachers, but surely value added information ought to be in the mix given the empirical evidence that it predicts more about what students will learn from the teachers to which they are assigned than any other source of information. (Glazerman et al. 2010)

VAMs and growth measures consistently generated the most comments about fairness.[41] Some educators reported that using growth or VAMs was substantially fairer than using status measures because teachers with low-performing students had a realistic chance of earning an incentive award. One comment came from a high school teacher in a grantee that used a student achievement status measure the first year of TIF and then switched to a VAM:

> Everyone understands the difference between growth and attainment. Everyone gets that, even if you're not totally clear about how the state got your growth total …. 30 percent of our kids are at a fifth grade [level]. Everyone was frustrated [when incentive awards were based on student achievement status] because you're never going to get them to tenth grade. They came in so low you just can't do that…. When we went to the growth model, and it was, 'Here's where they were, how far did we move them?' It was like, 'I am working; they are moving….' People do recognize they are getting paid out for working hard to help the kids…. I think if we were just paying on attainment, teachers would say, 'Just forget it.'

Even though a key purpose of these measures is to level the playing field by including prior achievement (and sometimes other factors) in setting the expectation for student achievement, educators often believed the measures were unfairly biased toward some educators over others.[42] In terms of educators' beliefs about the potential strengths and weaknesses of

[41] TIF educators consistently failed to differentiate between growth and VAM measures in describing how their performance was assessed (e.g., stating that awards were given on the basis of how much student achievement improved during a year when in fact their project in some way compared annual growth to an expected growth trajectory) showing that, with a few exceptions, they did not have a good conceptual understanding of VAMs. As a result of this comingling, educators raised the same technical concerns about both types of measures, although their responses showed additional concerns about the transparency of VAMs. Teachers did not raise all the experts' technical concerns about the fairness of these measures (e.g., that teacher-level VAM measures are more reliable for teachers at the extremes of the distribution than those nearer the center of the distribution), although some project leaders familiar with the calculations were quite precise in describing technical strengths and concerns of their VAM or growth measures.

[42] It is outside the scope of this study to evaluate the specific methods used to calculate growth and VAM measures in each grantee in order to assess the merits of these concerns.

VAMs in producing fair measures of educator quality, these statements were consistent with those found in the research community (McCaffrey, Han and Lockwood 2009).

Additionally, however, VAM measures raised educator concerns about fairness that were not associated with other performance measures and were not fully attributable to the measures' technical properties. Most commonly reported were comments that indicated general distrust and misunderstanding of complicated statistical formulas. In one grantee, for example, a union leader described the calculations as being done by a "mad scientist." Many teachers interviewed in that grantee did not have faith in the calculations, which they viewed as mysterious, and cited ways they believed the calculations were biased against them. One teacher explained her perceptions of VAM, and how when she did not receive an award she dismissed the VAM model as an unfair measure rather than perceiving it as an accurate measure of deficiencies in her instruction:

> That [measure] is so murky.... The [teacher-level VAM] is supposed to be a way to measure the student growth. They calculate it by projected measurements—that they decide—the kids should grow the amount…. I'm not comfortable with it at all. It's not really clear. They use a lot of terminology that we're not used to. It's not in laymen's terms…. They try to explain it online and there are sessions you can go to. It still doesn't make sense to a lot of people…. I don't know. I consider myself a wonderful teacher. I'm not the best; I'm not the worst…. Last time [I got my value added information], many students did not reach the growth targets necessary for me to receive an award. So that was unfair to me.

While one could counter that this comment is merely an example of the teacher's human instinct to rationalize her situation, VAM measures were more prone to this type of rationalization than other measures because they were not transparent to teachers. Absent extensive communication and education by the grantee, VAM was not well understood by teachers or principals and was vulnerable to accusations that the calculations were somehow unfair. This was problematic for grantee implementation in that failure to receive an incentive award could be rationalized away as a problem with the calculation of an unfair measure, rather than serving as a motivator to improve instructional quality.

Accurate and Appropriate Incentive Award Payments

The third major aspect of grantee projects that teachers reported as a concern was about fairness as it related to the accuracy and appropriateness of incentive award payments. Grantees' ability to calculate and distribute incentive award payments without error is a fundamental data capacity issue that affected the extent to which educators believed their performance pay project was fair. Grantees entered TIF aware, to some extent, of the fact that their data capacity might be stretched by project implementation. Analysis of TIF proposals and early reporting documents showed that six grantees planned to update their data systems to meet the needs of their TIF program, and 12 grantees were developing whole new data systems with funding from TIF and other sources (Humphrey et al. 2009). Grantees' efforts have led to improvement of capacity in a wide variety of areas. Yet perhaps given the scope of the task, challenges persist for some grantees.

In one grantee, teachers reported that the district's procedures for establishing eligibility were prone to error. Many teachers reportedly believed they had opted in and were eligible to receive incentive awards only to find out later that the system had no record of their

participation. One teacher, whose students reportedly reached the levels of performance that would have qualified her for a bonus and who believed she had opted in, described her feelings when she found that the data system had no record of her participation in the project and that she would not be getting an incentive award:

> You offer us the opportunity to earn more money if you do ABCD…. We did ABCD, but you didn't hold up your end. Don't dangle a carrot and then [not pay the award]…. I don't think that's ethical….

In this grantee, the perception that data system problems led to teachers being unfairly excluded from the performance pay project prompted the union to file appeals and formal grievances on behalf of teachers. In the school in which the teacher quoted above taught, other teachers appeared to be aware of these problems, which negatively colored their perception of the project's fairness.

Other grantees made errors in payouts, which were also reportedly quite damaging to participants' perceptions of the program. For example, one grantee received national media attention for mailing teachers incorrect bonus checks. In another, principals reported to researchers that the incentive award checks they were sent for teachers did not match information they were provided about the amount of the award each teacher would receive. A project leader in another grantee, whose records supporting incentive award calculations were being maintained in manila folders, reported that approximately 10 percent of participants appealed the amount of their award during the initial round of payouts. Because of the inadequacies of their data systems, the grantee was unable to contest any teacher's claim, resulting in additional incentive award payments that might or might not have been warranted.

Calculations of VAMs presented a special data capacity challenge for grantees because they require a high-capacity data system to accurately link students to their teachers over time. Whereas some grantees that used a growth or VAM model did the calculations internally, others that lacked the internal data capacity sent data out to experts for calculation. Neither way seemed inherently preferable. In a grantee doing its own calculations, teachers who were interviewed raised doubts about the accuracy of the district's calculations. On the other hand, several project leaders complained in interviews that if an outside expert conducted the calculations, even those experts were unable to verify accuracy. In both cases, there were concerns about the fairness of the incentive award calculations. As a general safeguard, several grantees that contracted out calculations of the measures used to determine performance pay awards conducted their own analyses on the raw data to confirm that there was a high correlation between the results they would expect and those received from outside contractors. In all known cases, this exercise reportedly bolstered project leaders' confidence that the calculations were fair. Educators, though, seemed unaware of concerns of project leaders' in grantees that had contracted with outside vendors for calculations or corroboration processes.

Overall, it appears that grantees with initial limitations in their data capacity made improvements as they implemented their performance pay projects. These improvements were critical for project implementation. Based on educator reports, when interviewees perceived that the basic procedures for identifying and paying award recipients were flawed, the connection between educator work toward project criteria and the resulting incentive award was eliminated, reducing the potential motivation of performance pay.

Perceived Fairness and Support for Compensation Reform

Few educators interviewed stated that they were inherently opposed to performance pay as an idea. Many did, however, raise the various concerns discussed above about the particular measures on which their performance pay was based. But even within grantees, there was variation in perception of fairness, leading researchers to consider not just the overall perceived fairness of project design and implementation but also whether there were any patterns that might explain which teachers were more or less likely to believe that a project was "fair."

The educator surveys currently under way will provide more conclusive data on the correlation between teacher characteristics and beliefs, but the interviews suggest two hypotheses to be examined with forthcoming survey data. First, educators newer to the profession were more likely than veterans to believe that performance pay was fair. In one grantee, for example, a newer teacher reported, "Younger teachers bought in very easily. For us, it just seemed like a benefit. We could be compensated for our production." Some veterans, on the other hand, complained about the rigidity of teaching under the new system, and others had reportedly left the district entirely. The second hypothesis is that those whose compensation increased because of performance pay were likely to believe that their project was fair.

These hypotheses are related because in the traditional teacher salary schedule, a major determinant of compensation is years of experience. As a result of newer teachers' lower base salary, performance bonuses offer a proportionately higher increase in compensation for newer teachers compared with veterans. Interviews with both veteran and novice teachers suggested that veterans were sometimes as supportive of their performance pay project as novices (and novices sometimes equally opposed as veterans) based on whether they believed their compensation would increase under the performance pay project.

Looking across all the educator comments about fairness, no one measure is perceived by educators as always fair, yet every measure that TIF grantees are using is viewed as having strengths. Grantees' implementation of performance pay, in terms of how projects addressed the issue of teachers in untested grades and subjects, which performance measures they employed, and the perceived accuracy of incentive awards all influenced educator perceptions about the fairness of performance pay.

Using Communication to Build Educator Understanding of Performance Pay

Technical assistance and prior research on performance pay ensured that all grantees knew they needed educator buy-in to successfully implement TIF. Reports from interviews with teachers and administrators suggest that grantees tended to have greater success building buy-in when they found ways to give educators a sense that they could help shape the project. Yet for many grantees, communication with educators was a very difficult part of implementation. There were notable differences in the intensity of grantees' efforts and the resulting educators' perceptions. Some grantees effectively used their initial and ongoing planning processes to establish two-way communication between project leaders and educators about their performance pay project. Others effectively communicated by offering educators a way to get answers to their own individual questions in addition to providing project information through more centralized communications strategies. Researchers' interviews with educators suggest that when educators understood the project and when they believed that their feedback was taken into consideration in designing and revising it, they were more likely to believe their performance pay plan was fair.

Planning Processes

Regardless of where grantees began, their first opportunity to inform educators about the performance pay project was during the development of their TIF grant application. Unions, teachers, and school leaders were included in roughly two-thirds of project designs but typically not until after the decision to apply was made or in some cases after the grant had been won. The nature of involvement in the proposal preparation varied as well. In many cases, most of the major decisions about the project were made by the handful of people involved in writing the proposal. Even if educators had a seat on a planning committee, they often did not get to make key decisions. As one principal who served on a planning committee explained, "Downtown made all the decisions, which was very frustrating. It was a waste of time to get our input and not use it." Another principal in the same grantee who participated in the planning concurred that in spite of their presence on the planning committee, those designing the project did not consider issues important to principals.

In another grantee, however, the district used focus groups to gain educators' feedback as it initiated reform of the entire salary structure through an ongoing planning process. One teacher reported attending a focus group meeting, hearing many issues discussed, and then seeing the outcomes of that meeting as changes were implemented in ways that were responsive to educator input:

> I was able to be part of the…focus group a couple times last year. You heard a lot of questions and answers, and we saw a lot of things change and shift and ideas shift…. At times it was a little messy with…people going, "What is this going to be?" and throwing rumors left and right…. [But] there were opportunities to learn more, and you saw a lot of the rumors dispelled as you saw changes.

In this case, important decisions about project design and implementation were made with educator input through the focus group planning structure. For example, educators convinced project leaders that when the new evaluation system was rolled out, educators' salaries should not be reduced in the first year of implementation, even if the evaluation results showed that an educator was being paid more than was merited by his or her performance in the new system. This planning process reportedly not only helped educators learn about the performance pay project but also built their trust in the resulting design because they could see how their communications with project leaders were considered.

Finally, grantees varied in how long their planning processes lasted and whether they provided teachers enough time to understand and buy in to the project. One grantee operating in a charter school network put all components of Teacher Advancement Program (TAP) in place, aside from performance pay, during the first year of project implementation. When new schools joined the network, they had their own year of TAP without pay attached to performance measures before attaching financial stakes to the results. One TAP principal explained why she believed it was important for schools to spend an entire year doing a dry run of TAP before adding performance pay into their project:

> That first year it was really about getting to know TAP. It's a critical piece…. It's very difficult to do [this project] without the pre-TAP year because you are jumping in to change the culture of the school. Because that is really what TAP will do if you do it right. But you are giving performance pay [as well], which

> is a whole different [layer]. So if you don't have time to get the culture piece right [first]…it can create toxicity in your culture.

The data do not enable a precise count of the number of grantees that used some type of extensive planning process to build participant understanding of and comfort with their performance pay project. However, it seems that few successfully used planning processes to build a broad base of educator support for their performance pay project. Nonetheless, the examples suggest how planning processes could fulfill this function.

Communication Processes

Grantees used a range of formal mechanisms for communicating with educators, with varying levels of customization for individual schools. Communication strategies included newsletters, websites, formal presentations, and information about how to contact someone to answer questions. Implementation of these strategies varied, as did their reported success in building educator understanding and buy-in.

For example, one district relied mostly on a few short presentations made in several centralized locations throughout a large urban district and a website to give teachers information about the project. Project leaders reported that principals played a vital role in providing information to teachers in each school, but interviewed principals were not aware that they were expected to fill this role. When questions and concerns arose during the most recent round of payouts, the voicemail of the district employee responsible for answering educators' questions was too full to accept any new messages.

Another large district, which included VAM models among its measures, took a much more proactive approach to communication than most grantees. The approach is worth highlighting because the communication seemed to have generally alleviated the widespread suspicion of VAM models seen in other grantees stemming from poor understanding of the calculation methods. (Some concerns remained, but they could generally be classified as similar to experts' technical questions about using VAMs for performance pay.) At the start of every year, the district made a presentation on TIF on the campus of each participating school. The district leadership reported that the most important communication strategy, however, was simply personal contact and outreach by the entire staff. One key member of the project implementation team described the team's philosophy and how the members did their job:

> We do what [teachers] want us to do…. It was clear that our teachers didn't want to leave their buildings, so now the trainings are in the buildings…. [Teachers] email us and, if I'm at my computer, I drop everything and answer their email. That's my policy. We all answer everything within 24 hours. The other day I had a teacher call me and say she was having trouble with the [software used for the performance pay project]. I said, "Well, I'll come out." And the teacher said, "What do you mean?" And I said, "No, seriously, if you can't describe what the problem is, let me come out and see. I'm sure you're not the only one having the issue, so now the next time someone calls I'll be able to help."

Researchers found evidence of this intensive and personalized communication when walking through this grantee's schools with project staff members. Teachers knew staff members by name, and many spontaneous conversations occurred referring to previous communication

between teachers and the staff members about their performance pay project. The confusion prevalent among educators in many grantees about VAM measures and the resulting distrust in "mad scientists" calculating VAM scores was uncommon here. In contrast, the district official charged with calculating the VAM scores was affectionately referred to as the "data guru." The extensive outreach to teachers had helped them understand the basics of the VAM model and built their trust in the TIF project. While educators had many questions and concerns about VAM measures, educators did not report that these concerns undermined the project. The communication efforts in this grantee were atypical among grantees and could be very instructive for others.

A more common approach to ensuring that teachers had easily accessible and customized access to information about the TIF project was to include it as part of master or mentor teachers' role. For example, an area of some performance pay projects that might be more difficult for teachers to understand is the performance measures used. In projects that use TAP, regular interactions about instruction among classroom and mentor teachers served both to support teachers' improvements in practice and to communicate about the measures by which that practice would be measured.

According to TIF project leaders, in general, communication was among the greatest challenges for implementation. It was not uncommon to hear project leaders assert that educators paid little attention to attempts to communicate about the project before they received their first incentive award payments. At that point, if educators received a lower amount than they had anticipated, they sought communication from the grantee but only after they questioned the fairness of their performance award.

None of the planning or communications strategies described above were effective on their own, and most were used in combination with other strategies. Based on interviews, it is clear that few grantees, especially if the performance pay project had any degree of complexity, were able to establish buy-in without intensive effort. Those grantees created a bidirectional flow of information and provided educators with avenues to individually access project leaders who could address their questions and concerns. When these efforts succeeded, educators believed they understood the project and also believed that the leaders designing and implementing it would respond to educator concerns. As a result, they were more likely to believe that their performance pay project was relatively fair overall, even when they had questions or concerns about particular processes or measures.

Collaboration and Competition

Research on collaboration and competition has long posited that competition can create a negative dynamic when individuals believe that the only way they can achieve their goal is for their colleagues to fail (Deutsch 1949, 1962). Thus, critics of performance pay sometimes argue that it discourages teamwork and harms social cohesion in the schools (Miner 2011). TIF grantees' performance pay projects had some features designed to promote collaboration while other features had the potential to foster competition. Literature on competition and motivation among educators has little on potentially healthy forms of competition. Educator reports, however, suggest that some grantee projects may be inciting a positive form of competition in which educators hold themselves and their colleagues accountable for meeting goals, thus competing against their own prior performance. Overall, while respondents varied in their assessments of whether their performance pay projects had a positive or a negative effect on

collegial relations, reports that TIF promoted collaboration outnumbered reports of TIF-related negative competition.[43] We turn first to collaboration, then healthy competition, and finally competition.

Educator Collaboration

As a strategy for improving teacher quality, many grantees included features in their TIF project that required teacher collaboration. In some cases, incentive awards based on the performance of the entire school were used to promote collaboration. The expectation was these schoolwide incentive awards would motivate teachers to coordinate instruction or support the improvement of new or struggling teachers. However, the teachers we interviewed rarely attributed increases in collaboration to schoolwide incentive awards. Instead, the use of rubrics designed to measure effective teaching, the use of master and mentor teachers as instructional coaches, and the introduction of dedicated time for collective professional development reportedly facilitated collaboration.

Most TIF projects employed one or more of these strategies. The projects that adopted the Teacher Advancement Program (TAP) employed all three strategies. TAP is profiled below.

The TAP Program

The TAP model's use of master and mentor teachers is central to its school improvement strategy. While mentor teachers were typically released for one hour of the day, master teachers were fully released from their regular teaching duties. Together they were charged with a variety of responsibilities, including:

- Organizing and leading weekly professional development meetings of small groups of teachers
- Observing and rating teachers using the TAP rubric
- Developing new strategies for teaching and piloting them in their colleagues' classrooms
- Assisting individual teachers in improving specific aspects of their teaching
- Collaborating with the principal, assistant principal, and mentor teacher to lead the school improvement efforts
- Other duties as needed (e.g., filling in as substitute teachers, attending outside meetings).

Master and mentor teachers usually had to apply for these positions and were selected on the basis of a written application, an interview, and classroom observations. The use of master and mentor teachers to evaluate their peers is an important feature of the TAP model not found in other TIF grantee projects. While the core work of master or mentor teachers was to facilitate collaboration around instruction, their authority to both support and evaluate their colleagues could be a powerful school improvement strategy. Interviews suggest that when they fulfilled this role well, master and mentor teachers had the potential to improve the professional culture in schools and to increase the intrinsic rewards teachers received from their work.

[43] The sampling for interviews does not permit tests of the generalizability of findings; survey data will be used to test hypotheses (such as the hypothesis that more educators report that TIF promotes collaboration than report that it generates negative competition) for the final implementation report.

Educators gave both positive and negative reports about the TAP model. In some grantees, both principals and teachers reported that it provided an opportunity for deep conversations about student learning and instructional improvement.

When principals employed master and mentor teachers as partners in overall school improvement efforts, the TAP model helped build a teacher support system that fostered collaboration. As one principal explained the value of the master and mentor teachers in her school, "There are four teachers in the cluster who are brand new to TAP…. They appreciate the fact that they have master and mentor teachers who want to be there and give them a hand." In fact, in many interviews with educators in TAP schools, researchers found that the contributions of the master and mentor teachers dominated the educators' perspectives of the performance pay project.

The TAP model proved difficult to implement with fidelity if master and mentor teachers were seen as ineffective. For example, in one grantee when teachers received performance pay for attending collaborative meetings, one teacher reported, "I went to [the collaborative] meeting. I really didn't do anything but sign my name, and I got a check." In contrast, in schools that reported success implementing the TAP model, the meetings provided an opportunity to collaborate on developing and implementing a shared vision of high-quality instruction. The TAP model was also difficult to implement with fidelity if the principal did not support it, as in one school in which the principal told her teachers that TAP representatives were "playing favorites."

Healthy Competition

While concerns about negative competition in performance pay are well-known, less has been written about the way performance pay could spur healthy competition. By "healthy competition," we mean educators individually or collectively competing to exceed their own past performance. Reports of healthy competition centered on differentiating levels of performance, giving educators a target for professional growth, providing extrinsic rewards for improvement, and offering supports to change. Some principals reported that they used their TIF project to stimulate healthy competition. One principal described holding a staff meeting at the start of the third year of the TIF project after her school had won a second-tier incentive award for its performance last year:

> Once the teachers receive that incentive, they want to do it again… [But] you have to keep it in front of them. "This year we're going for [the top award] and we're going to go with science [the focus of their improvement plan] to get that."

Educators mentioned aspects of healthy competition for schoolwide awards more frequently than for teacher-level incentive awards. Nonetheless, some educators in grantees with both teacher-level and school-level incentive awards mentioned that their TIF project inspired healthy competition for them personally.

Educator Competition

In contrast to project designs that increase collaboration, some features of TIF projects reportedly had the potential to pit educators against each other to earn incentive awards. We use the term "tournaments" to describe 15 grantees' calculations of incentive awards. A tournament

can be established in two ways: first, if grantees limited the number of winners by paying only the top portion of educators (e.g., paying a performance award based on teacher-level VAMs to the top 30 percent of teachers); second, if grantees limited the total payout regardless of how many teachers qualified. This second format has the potential unintended consequence of encouraging teachers to hope there are fewer winners to share the pool with. The TAP model fits into the latter categorization, setting aside a certain amount per teacher for award payouts. Under that plan, if more teachers met higher performance thresholds, the amount of their individual bonuses declined. The other national model, EPIC, is an example of the former category because it limited the number of schools that could win each award.

Tournaments are attractive from a budgetary perspective because their costs are known in advance. As a district leader in one grantee explained, a performance pay project in which everyone could win the maximum for every award component "is most appealing on a number of fronts. But how do you model that? We could bankrupt our system really quickly if we set it and then everybody starts getting it." Accurately budgeting for performance pay is more straightforward with a tournament model than a model in which an unknown number of individuals could win incentive awards of fixed size.

Despite the potential for tournaments to increase competition, educators did not report having strong concerns about whether or not their performance pay project was a tournament. Other aspects of projects, including perceived flaws in measures, data capacity deficits, and the supports provided for improvement, dominated educators' comments on their project, even in grantees implementing tournaments. However, a few reports of competition attributed to performance pay emerged.

In one grantee, principals could receive incentive awards for multiple measures but competed directly against each other for several components when only the top performers won awards. One principal reported that she perceived the project as competitive and described a reduced willingness to share best practices under a system in which she needed to outperform other schools:

> [Our school staff is] supposed to look at strategies and provide evidence, and I'm supposed to outperform other middle schools…. [But] I have to show middle school teachers [from other schools] next month what [we're] doing in math because [our school is] showing growth, but I need to outperform them.... Why do we have to share our playbooks?

Her comment highlights the potential tension between stimulating competition between schools to encourage them to strive for higher scores and promoting collaboration in pursuit of the common goal of raising the achievement of all students. However, this principal's concern was an exception among administrators in the grantees in which researchers conducted site visits. In another grantee whose teachers and administrators in the higher deciles of the VAM rankingsreceived incentive awards, no educator interviewed reported any adverse effects of competition. A union representative, when asked explicitly about whether the project led to competition among educators, noted that there were rumors of "unsavory practices" in some schools, but researchers were unable to substantiate that claim. In projects implementing TAP in particular, when the pool for incentive awards was split among those who met certain performance metrics, educators generally did not mention the performance pay aspects of the model unless asked about it directly. Even though interviews suggested that some educators,

mostly those whose incentive award payments declined from one year to the next as more of their colleagues attained awards, were aware of the tournament nature, without exception educators interviewed believed TAP promoted collaboration more than competition.

A final example connects two implementation issues discussed previously—perceptions of the fairness of measures and the importance of successful communication—to show how project implementation can influence educators' views about competition at least as much as project design. In one grantee, the largest incentive award component was paid on the basis of a state-calculated measure of schoolwide growth. All teachers in schools that exceeded the 50th percentile on the state's measure received up to a $3,000 incentive award. The project design allowed for all teachers in all schools to receive this incentive award in any given year. Objectively, the only competition in this project was between schools in this district and schools across the state; hypothetically, the project could encourage schools in the district to strive for improvement together. Yet educators in the district did not understand how the growth measure was calculated, and many (especially in one school that had not won) believed the measure was biased. As a result, the project director reported that they perceived this project as spurring negative competition among schools in the district because some schools had won the incentive award more often than others.

Objectively, this grantee's project did not appear likely to generate competition. The competitive dynamic seemed to be created by the project's implementation challenges and the context of a small community in which everyone knew who won and who had not. Researchers did not hear of schoolwide incentive awards creating competition among schools in other grantees, even in those schools that actually did compete against each other for a fixed number of incentive awards. Next, we look more closely at participants' motivation.

Motivation for Improvement

Businesses and other organizations outside education adopted performance pay systems long before the TIF program began, and this previous experience with performance pay has been used to both support and oppose compensation reform in education.[44] The core argument in support of performance pay is that the extrinsic rewards (pay increases) in education currently are not aligned with educator quality; performance pay would, in theory, provide extrinsic rewards for desired outcomes (Podgursky and Springer 2007; Adams et al. 2009). In TIF performance pay projects, rewards in the form of increased compensation typically were used to motivate teachers and principals to improve their practice. TIF grantees also provided supports for professional growth (e.g., professional development) that should increase the intrinsic rewards of teaching or being a school leader. At the same time, a few projects implicitly used some teachers' and principals' failure to earn incentive awards to motivate them to leave the profession. In this section, we take a closer look at the issue of motivation.

[44] Performance pay outside education typically relies more on qualitative assessments of quality than the more quantitative measures being proposed for education and used in TIF. As a result, it is unclear the extent to which all findings about the effectiveness (or flaws) of those performance pay systems fully apply to thinking about performance pay in education (Springer 2009).

Extrinsic and Intrinsic Motivation

Research on the motivational power of performance pay has emphasized the importance of teachers valuing the incentive award, seeing the link between performance and pay, and believing that effort will result in an award (Heneman, Milanowski, and Kimball 2007). Earlier research on motivation suggests that individuals are motivated by both extrinsic (e.g., money) and intrinsic (e.g., internal satisfaction) rewards (Bandura 1997; Deci and Ryan 1985). The most recent research suggests that financial rewards alone are insufficient to motivate teachers to improve their practice. One recent performance pay project that was studied offered financial incentives for performance but no supports for teachers to improve their practice. The study found no significant student achievement gains among Nashville middle school mathematics teachers who participated in a performance pay program and those who did not (Springer et al. 2010).

Most TIF projects included both extrinsic and intrinsic rewards. Educators varied in the extent to which they reported being motivated by intrinsic rewards, extrinsic rewards, or both. Their comments did not paint a simple and consistent picture of the extent to which educators were reportedly motivated by the performance pay provided by TIF, perhaps because professional norms may make educators uncomfortable saying that they are motivated by money.

As described in preceding sections, TIF grantees included project elements designed to support collaboration and instructional improvement. These aspects of TIF projects could provide intrinsic rewards to participating educators, and interviews suggest that some educators found these meaningful. One teacher described how the intrinsic rewards in TIF motivated her to improve this way:

> I have had more feedback in three months here than in six years in my previous district. I knew I was good, but not as good as I could be.… I am already a better teacher.… The feedback is positive and gives me ways I can improve.… I push to have high-quality lessons every day, to challenge my students, to expose them to technology, to develop student engagement strategies.… I am thirsty to continue to improve.

As in this case, some teachers found great satisfaction in seeing their teaching skills and knowledge improve and reported that supports to achieve those improvements were what they most appreciated.

Responses about the extent to which extrinsic rewards motivated educators were more mixed. When researchers asked educators in TIF grantees about performance pay, one common response was that the educators appreciated the "pat on the back" of receiving an incentive award. Only a few educators reported being motivated by the extrinsic rewards, most reporting that they did not do anything different to earn an incentive award. For example, one teacher who found real value in TAP nonetheless dismissed the importance of the financial rewards embedded in TAP:

> At the end of the day, will it change me as an educator? No. I was always like this. Does it help me get things done? Yes. Does it make clear what's expected of me? Yes. Was I on that road anyway? Yes.

This educator exemplified those who reported that they were happy to earn an incentive award but were not motivated to do anything different to attain one. Some educators reported

that when TIF leaders introduced the TIF project, the leaders explained that the performance pay would reward them for what they were already doing (as opposed to presenting the awards as an incentive to improve). These reports were not consistent across or even within grantees, and our interviews did not support any inferences about whether the way performance pay was presented to teachers made it more likely for them to see it as a reward for good practice as opposed to an incentive to improve practice. Nonetheless, the reports raised a question about whether leaders' framing of performance pay may have reduced the extent to which educators saw the awards as incentives to improve.

The few educators who reported being motivated by financial incentives suggested that the size of the incentive award mattered. For example, one teacher explained how the amount of the incentive award affected her attention to project goals:

> They [the grantee] did some [awards] back a few years ago that were $200–$400. By the time they take out taxes, [it's] one dinner out at a restaurant; why bother if you're going to give me $100? But $9,000, I'm really paying attention to my scores. Not that I wasn't teaching hard before, but maybe I'm a little more focused on my teaching because that's kind of significant.... Now you're starting to say, "Wow, that's something I can say that really made a difference in my pay."

The reported experience of teachers in one school district exemplified the potential of extrinsic motivation when the stakes are extremely high. Teachers there experienced a bonus system based on student achievement at the school and individual levels before the TIF grant, as well as a total revision of the salary schedule during the life of the grant. Teachers suddenly found their salary largely determined by multiple student achievement measures and observation data. As teachers reported, they did not pay much attention to the bonus program, but the radical change in the salary schedule got their attention:

> A year ago October at the grade level meeting, the principal rolled it out.... Being a veteran teacher, I thought it was not equitable. For me to make more money, I had to be exemplary [while new teachers could earn a substantial raise for lower-levels of performance]. It is not equitable. That is one of the pitfalls for veterans. A fourth-year teacher [was] rated distinguished and got a $20,000 raise. Then I got fired up inside. I was rated one of eight in the district to be exemplary.

While data do not paint a clear picture about the extent to which the financial awards in TIF provided extrinsic motivation, this might not be the most important question about motivation because the line between extrinsic and intrinsic motivation was not always clear among many of the TIF grantees.

Overall, both extrinsic and intrinsic motivators described in interviews showed potential to change educators' practice, but it was actually a combination of the two that appeared to have the most saliency for respondents. The TIF legislation, which required incentive awards for both student performance and teachers taking on additional roles, facilitated the development of performance pay projects that included both intrinsic and extrinsic rewards for educators. Those projects that created structures (e.g., coaches) through which teachers could improve their practice (intrinsic award) and effectively used signals created by financial awards (extrinsic awards) to build educators' investment in the improvement effort, appeared to have the greatest

potential for better teaching and learning. For example, some principals who modified their roles to share instructional leadership with master or mentor teachers or who spent more time observing instruction reported being extrinsically motivated by the financial awards and intrinsically motivated by their belief that the changes in their job were improving teaching and learning in their school. Similarly, some teachers reported making changes in their instructional practices both because of the extrinsic motivation of financial awards and the intrinsic motivation of believing that they were becoming better teachers.

Finally, in considering the extent to which intrinsic, extrinsic, or a combination of both types of rewards motivated educators, it is important to examine how social desirability may have affected educators' responses. It is socially desirable for educators to report that collaborating with each other and with instructional coaches helped them improve their practice, and many respondents reported these intrinsic rewards from TIF. On the other hand, for educators to admit to being motivated by money might suggest that they were not trying to do their job well before the financial incentive. And in fact, some educators reported negatively perceiving teachers who were motivated by money. One principal in a TIF school reported that he does not mention performance pay until after a new teacher has been hired because he does not want to hire a teacher he believes is motivated by the possibility of earning additional compensation for good performance: "We just weed out people who are here for the money." While few teachers reported responding to financial awards from TIF, teachers have long been motivated to earn master's degrees or additional credentials at least in part for the financial benefits. A relatively typical response that communicated both the norms of the teaching profession and also an appreciation of the financial awards came from one teacher who had received an incentive award. She explained, "It was nice to get the money, don't get me wrong. But like I said, I think everyone here is going to do their job whether they get the money or not. It just makes you feel good [to get an award]." In the context of educators' professional norms and the variation in TIF project design and implementation (which could also affect the extent to which TIF motivated educators), it is hard to draw conclusions about whether educators appreciated earning incentive awards enough to be motivated by them or were merely appreciative of additional compensation.

Leaders' Role in Implementing Performance Pay

Based on our interviews, project implementation was enhanced when the superintendent, other district or charter management organization leaders, along with principals and other school leaders consistently placed performance pay at the top of their reform agendas. In doing so, leaders connected performance pay to other initiatives, making performance pay part of the organization's vision and strategic plan. In districts and schools in which performance pay was integrated in these ways, performance pay was in a position to effect broader structural and cultural changes.

In districts with turnover among leadership, shifting priorities made full implementation of TIF projects difficult. For example, one district received a grant to pilot TAP in a small number of schools. After the project's first year, the superintendent, who supported the TIF grant proposal, and the project staff, who authored and founded the project, left the district. The new superintendent was interested in performance pay but had different ideas about how to improve the district. As a result, the TIF-funded project never became fully integrated into the district's reform plans, and the pilot project will not be expanded once the grant funds run out.

In contrast, another urban district with a superintendent who was reported to be staunchly committed to performance pay was able to keep the TIF grant central to the long-term reform agenda. The superintendent made everyone aware that the TIF grant was a further step down the district's path to a comprehensive restructuring of teacher compensation. In successfully conveying this message, the superintendent reportedly convinced educators that performance pay was inevitable and worked to coordinate TIF with other initiatives. The place of performance pay in this district's future was never in doubt.

School-level leadership on performance pay was also critical for implementation. Teachers' reports about the performance pay project varied substantially within grantees, shaped partially by the interpretation of performance pay policies at the school level. Prior research outside of performance pay highlights the importance of local actors, such as principals and teachers, in adapting policies during implementation (Mehan, Hubbard and Datnow 2010; Cuban 1998; Lipsky 1982). As suggested by this research, principals played a substantial role in interpreting the policy in ways that either increased or reduced the perceived relevance of TIF within a school.

For example, one grantee's TIF project included professional learning communities (teacher collegial work groups that met during specified times in the contract day) as a key strategy for instructional improvement in addition to incentive awards for student performance, additional roles, and additional credentials. In two visited schools, the principal and facilitator supported the PLC component of the project; the PLCs reportedly offered teachers the opportunity for meaningful collaboration on instruction. During PLC time, teachers worked together to analyze data on student performance and devise strategies for differentiating instruction to increase student performance. In contrast, at a third school in which the principal did not outwardly support the PLC component (and focused almost solely on the financial incentive component of TIF), the PLCs were seen as just another mandatory meeting. In fact, a teacher who was assigned to lead a book discussion the afternoon of her interview with researchers reported not yet having read the book. Teacher reports suggest that teachers in these three schools experienced a very different performance pay policy, as enacted, based on the principals' prioritization of PLCs. In the schools in which principals focused on PLCs, teachers reported that TIF gave them supports to improve and provided financial incentives for success. In the third school, teachers reported perceptions of TIF as a one-dimensional financial award project.

Researchers found similar contrasting examples in nearly all the TIF grantees. When TIF projects tried to change routines and traditional practices, they ran into schools ready to embrace a new approach, schools that rejected new ideas, and schools in between. As the grantees discovered, even the best designed performance pay system could not quickly overcome a deeply ingrained school culture that emphasized the equality of teachers and rejected the identification of more and less effective teachers. In such schools, it will, at a minimum, take longer to realize true changes from TIF. In schools with progressive leadership and collective ownership of the changes under way, TIF projects could be highly successful in the shorter term.

Across grantees, leadership from school administrators and formal teacher leaders (e.g., facilitators such as master and mentor teachers) was related to teachers' reports about their performance pay project. Yet while grantees aspired to make the principal the center of a more collaborative and instructionally focused school culture, few grantees invested significant local resources in professional development to help principals become instructional leaders. The

majority of grantees focused more on supports for teachers than on reinventing the principal's role and helping principals become expert evaluators of teaching and facilitators of instructional improvement. Based on interviews from key stakeholders in each grantee, it appears that overall, in comparison to the supports provided to teachers, support for principals to improve their practice was the less developed component of the TIF grantees' projects.

The combination of all the factors discussed previously—project design, whether implementation built a broad base of support among educators, and whether leaders had strong support for the project—all affected the likely sustainability of grantees' projects after their funding ended.

Program Sustainability

Performance pay is intended to motivate people to improve their skills and to make decisions (e.g., enter or leave the profession, pursue desired job assignments, assume new roles). Some changes are best seen as a process of continuous improvement. To allow for continuous improvement, performance pay projects must be sustained, and the Department required that the grantee match 75 percent of the federal support by the fifth year of the grant in an attempt to establish sustainability after the grant period.[45] This section describes grantees' reports about their prospects for sustaining performance pay and the main strategies they were pursuing.

The performance pay projects initiated in all 33 grantees had an inherent financial challenge given the funding versus payout structures they used. None included immediate pay cuts for any educators, and all offered more financial compensation for award recipients. Thus, payroll costs increased in all 33 grantees. To make such projects sustainable in the long run, grantees could either reallocate existing resources or find additional funds. Since grantees received their initial TIF awards, most grantees have experienced tight budgets. This change has made meeting the required match and ensuring sustainability even more challenging than when grantees submitted their initial proposals.

The most common strategy for addressing the increased personnel costs of performance pay was to pursue additional grant funding. Three of the 33 grantees won large grants from a national foundation, one received a modest award from a local foundation (and appears likely to win additional private funding), and 10 won TIF Cohort 3 awards. Ten grantees are in states that will be participating in performance pay as part of the Race to the Top initiative. Some grantees had multiple new funding streams, such as Memphis and Hillsborough, which are participating in a Gates Foundation-funded performance pay program, received a TIF Cohort 3 grant, and are in Race to the Top states.[46] For 15 grantees, these relatively large influxes of funding for performance pay will ensure that some form of the program continues past the grant period.

However, these sources of outside funding will themselves run out at some point. Grantees have been slower to make fundamental changes to build sustainability in to their performance pay plan by cutting costs or securing long-term funds. Denver is well known for getting a property tax increase passed to fund ProComp, the district's teacher performance pay program. To fund the project for principals, Denver eliminated cost of living increases (COLAs) in the

[45] Later implementation reports will examine grantees' required reporting on whether they met the matching requirement. Final data are not available at this time because the grants are ongoing.

[46] Grantees are named in this section because the data are publicly available.

principal salary schedule and deferred pension funding. Dallas made more modest changes, eliminating a $75 per year increase in base salary for every year a teacher remains in the district. In the short term, this will not reduce personnel costs sufficiently to fund a major performance pay initiative, but it was a concrete change in the compensation system.

Two grantees appear to be moving forward with fundamental changes in the salary schedule, with one additional grantee reporting that one desired outcome of a TIF grant is an entirely new compensation structure.[47] Harrison School District Two in Colorado is beginning to implement a reformed salary structure in which none of teachers' compensation is tied to their years of experience or additional degrees (in contrast to the traditional salary schedule). In Charlotte-Mecklenburg, the superintendent is championing major changes in educator compensation, and educators believe some change is imminent although the details remain vague. In Memphis, Hillsborough, and Pittsburgh, participation in an initiative funded by the Bill & Melinda Gates Foundation required a promise to overhaul the traditional salary schedule. Proposals in these five districts have the potential to take performance pay to a level of differentiation much greater than that funded by bonus awards under TIF. As one project director mentioned, in the long run these reforms would mean that some teachers are paid less than they might have expected to be paid if a traditional salary schedule had remained in place:

> We need to make this sustainable. We're not going to rely on grant money, which means we need to redistribute the money that we already have for salaries. And that means some people are going to get less.

Some educators expressed concerns about how such educator compensation reforms might affect them. Others, however, realizing the possibility that their own compensation could increase if they performed well, believed these changes could affect them positively.

For grantees who have not received additional performance pay grants and have not found ways to cut costs to fund performance pay awards, sustainability seems unlikely. Recognizing this reality, at least two grantees hired outside development experts to raise funds.[48] Others are reportedly planning to scale-back their performance pay project, reducing or eliminating performance awards even if they retain collaborative meeting time or other capacity-building project components. No project director reported that a project would end entirely when TIF funding runs out, but the prospects appeared bleak in some grantees. For example, in one group of charter schools whose final year of matching funds had to come from school budgets, four of the 11 participating schools dropped out of the TIF project from 2009–10 to 2010–11. In such grantees, the end of TIF will most likely be the end of performance pay, at least in the short term. The next section of the report describes the participants' and leaders' beliefs about the contributions of the TIF projects.

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[47] Some other grantees that have received grants to undertake performance pay are probably also in the planning stages of major compensation reform. However, grantees that have received additional funding for performance pay have done so mostly in the last year. In winter 2009–10, when the research team conducted telephone interviews with all 33 grantees, the grantees had not applied, had not won, or were in the very early stages of work on these awards. Findings from those interviews on planned compensation reforms are now outdated. Therefore, detailed descriptions of proposed major changes and the outlook for sustainability can be provided only for the subset of 12 grantees where site visit data were collected in fall 2010.

[48] As described in the previous footnote, because of the timing of data collection, a comprehensive, up-to-date count based on all 33 grantees cannot be provided.

Perceptions of Outcomes

This evaluation was not designed to estimate the effectiveness of TIF, rather to inform policy by describing implementation. All TIF grantees, however, have been implementing performance pay long enough to generate opinions among project and district leaders, educators, and stakeholders about their project's contributions to outcomes. Educators' perceptions of effectiveness may not be accurate. Nonetheless perceptions are important to describe in an implementation report because they may influence educators' participation and buy-in to their performance pay project as well as leaders' decisions about whether to sustain these projects beyond the life of the TIF grant. Many respondents were cautious about the extent to which they attributed changes solely to TIF, noting that schools and districts typically undertake multiple simultaneous initiatives (in addition to TIF) designed to improve educator quality and student performance. Respondents recognized that they did not have the information necessary to disentangle the effects of multiple interrelated initiatives to be certain about the unique contributions of TIF. With that caveat, respondents in most grantees generally reported a sense that TIF was having at least some positive effects.

This section describes grantee and participant perceptions of TIF's influence on principal and teacher recruitment and retention, instructional and leadership practices, and student outcomes. We conclude with a discussion of grantees' efforts to make major changes to their systems.

Recruiting and Retaining Effective Educators

TIF is meant, in part, to help grantees recruit and retain high-quality educators. For example, grantees may offer signing bonuses for working in hard-to-staff schools or subjects. For a few grantees, TIF is helping district or charter schools offer potential salaries that are more competitive with neighboring areas' or schools'. However, given the many contextual factors that influence whether principals and teachers choose to work in a particular school or area (e.g., the economy, geography), many respondents had difficulty attributing changes in the labor force directly to TIF. Still, perceptions were mixed on the extent to which TIF made a difference in recruitment and retention.

Teacher Recruitment

A third of TIF grantees (11 of the 33) explicitly included incentives to attract teachers and principals to hard-to-staff schools or subjects, or both, which some respondents reported to be largely ineffective. Two grantees allowed their participating districts' discretion in making decisions about incentives. For example, in one grantee, a pool of $6,000 for teachers and $4,000 for administrators was allocated to each district, and they were allowed to distribute recruitment incentives based on the identified needs of their districts. Two other grantees that once used recruitment bonuses stopped offering them because they did not believe they worked. The HR director of one district described the rationale:

> At the onset people were running to the table…. We were paying people who were qualified but not as good as they needed to be. We stopped doing that. [Now] they have to have a proficient evaluation [to receive an award].

For two grantees, TIF was an effort to attract educators to their rural settings. Both had difficulty attracting educators from outside the local labor market and project leaders perceived the incentives as insufficient to overcome their geographic challenges.

In 11 grantees, both with and without incentive awards for hard-to-staff schools or subjects, at least some respondents believed that TIF was a factor that aided teacher recruitment. In seven grantees, there was a perception of a higher quality and quantity of candidates since the TIF project began, with some respondents providing anecdotal evidence of teachers choosing TIF schools over non-TIF schools. As one district representative said, "We're seeing a change in the types of applicants, especially when they know it's a TAP school or when they know it's performance pay. We're seeing higher quality." Yet respondents in only three grantees explicitly mentioned using TIF as part of recruitment pitches.

Teacher Retention

Although many respondents acknowledged that the economy probably played a part in limiting teacher mobility, respondents in 12 grantees still felt that TIF was facilitating teacher retention. Respondents from 10 grantees cited improved retention rates in recent years and attributed them to the bonuses or the structures put in place under the TIF project. One principal said, "Once we have teachers in the door, people value getting the performance-based bonus." Several respondents reported that TIF was keeping teachers in less desirable situations. Meanwhile, some teachers in a district with participating and nonparticipating schools said they decided against transferring to nonparticipating schools because they would not receive the bonus. Similarly, the external evaluator for another grantee stated, "Teachers felt strongly that if their incentives were to go away, their schools would lose a lot of good teachers." In some cases, however, TIF was not enough to help districts compete with neighboring areas. For example, the substantial difference in base pay between one grantee and surrounding districts reportedly led some veteran teachers to leave because their state retirement was calculated on the basis of the higher salary that surrounding districts offered.

TIF also could potentially improve teaching quality by pushing less effective teachers out of the workforce. Respondents in at least five grantees perceived this effect, explaining that teachers left because they did not like the greater accountability introduced by the TIF project or the amount of work and time it required. According to one district leader, teachers who were reticent about participating in more intense and open inquiries into the effectiveness of current instructional practices, which might have highlighted their instructional shortcomings, left after the TIF project was announced. One district grantee used TIF to overhaul its salary schedule, but respondents reported that rather than attracting new principals or teachers, it prompted resistant veteran teachers to leave the district. Some respondents felt this was a positive effect of the project, as teachers who left were seen as weaker.

Principal Recruitment and Retention

In 28 TIF grantees, respondents indicated that their projects had little or no influence on attracting and retaining effective principals. While principal turnover was quite high among some grantees, changes in school leadership were generally not perceived to be related to TIF.

However, there were some positive reports from the remaining five grantees. In one of those grantees, pay tied to serving in a hard-to-staff school was perceived as effective in attracting principals and limiting attrition. In another grantee with reports of positive effects on

principal staffing, TIF was perceived as causing initial attrition of "C- and D-quality" principals. Because of investments to better support existing principals and other new district policies designed to improve the leadership pipeline, the caliber of school principals was seen as substantially higher than before TIF. A project director for an EPIC program reported hearing from principals that after their schools were recognized, they found it easier to recruit assistant principals and had internal candidates seeking the positions.

Instructional and Leadership Practices

In addition to changing the composition of the educator workforce, TIF projects attempted to increase the number of effective teachers and administrators by changing educators' practices. Educators in at least eight grantees believed that the structures established through the TIF grant (e.g., professional development, professional learning communities, instructional facilitators such as master and mentor teachers, observations and evaluations) were helping to improve teacher practice. These interviewees noted a change in the school culture as a result of TIF that made teaching a more public activity and thereby increased good instruction, collaboration, and student achievement.

In grantees that implemented systemic, rubric-based evaluations and collaborative groups, respondents reported that those structures stimulated conversations about good instruction and helped teachers become more reflective about their practice. Teachers and principals reported that rubrics helped teachers understand the elements of effective teaching and expectations for what their classroom practice should cover. Knowing they could be observed at any time reportedly led teachers to be more thoughtful about their lesson plans and pay more attention to the rubrics on which they were assessed. Teachers generally reported appreciating the feedback they received after evaluations and observations. A teacher from a grantee that provided professional development and instructional facilitators (who conducted evaluations) for teachers said, "The program can make teachers more thoughtful, deliberate, and aware of how their instructional decisions impact kids." Teachers in a district implementing TAP perceived the cluster meeting as making teachers more professional and changing their conversations: "When they sit in cluster meetings, now it's about students and not about activities we have to plan for. When we meet, we only meet to talk about student achievement. It's been a great shift for us."

The teachers in at least 13 grantees reported increased collaboration and collegiality that they perceived to be a result of collaborative structures implemented through TIF. For example, a teacher from a grantee working with high-poverty schools felt that the PLCs instituted through the grant helped foster community building in schools in which high teacher turnover typically had prevented it. Interviews suggest that the success of these meetings, however, depended on the skill of the facilitator and the teachers' level of trust.

Through this collaboration and feedback from evaluations and instructional facilitators, teachers reported trying new instructional strategies. Teachers at schools implementing collaborative meetings reported that the structured time enabled them to share what works in their classroom and to offer and receive suggestions. For example, a teacher reported learning about inquiry in science:

> I do not have a traditional teaching background. I am a Teach for America corps member, so some of the pedagogy I didn't know as well as some other

> teachers, so being able to have that conversation allowed me to have a better understanding of science pedagogy in terms of teaching things via inquiry.

A teacher in a grantee using TAP perceived the cluster meetings and observation rubric as helping her become better at providing academic feedback: "That's one thing that's improved in me because it's not just saying good job to a child but saying why that is. Or if they get something wrong, tell them why it's wrong. That has worked for me." These positive feelings were not universal, however. A few teachers reported that collaborative structures and facilitators were not helpful or that less motivated teachers did not take advantage of them and participated in activities only because they were mandatory.

With the emphasis on performance pay to improve student outcomes, respondents also reported that TIF focused more attention on data and data-based instruction. Discussions about data often occurred in the collaborative groups or with instructional facilitators. A teacher from a grantee that based part of teacher incentives on attendance at professional development said that one of the professional development sessions on data transformed her approach to classroom instruction. The course was intended to help teachers use data to guide reading instruction and create action plans in the classroom. She said, "It was so phenomenal that the information I got I was able to turn around the next day and start using it, which is rare." Teachers in some grantees, though, felt the increased attention on data put more pressure on them, particularly those in tested subjects and grades.

Respondents also believed that TIF influenced leadership practices, although the effects on principals were perceived to be less prevalent than the effects on teachers. Respondents described two main ways that they believed TIF was improving principal leadership. First, in projects in which principals were responsible for observing and evaluating teachers, respondents felt principals' roles were shifting from those of school managers to instructional leaders. Respondents with systematic, rubric-based evaluation systems (e.g., TAP or Charlotte Danielson's framework) credited the evaluation systems with providing principals and teachers with a common language for discussing instruction and a shared understanding of what counts as evidence of effective practices. Though data are limited, respondents in at least four grantees said that principals improved in their abilities to observe and give feedback to teachers and provide and use data. Second, in projects in which teachers assumed some significant additional roles, respondents reported that the new structure caused principals to practice more distributed leadership. There were a few negative reports of principal effects, however, with some respondents suggesting that TIF made principals focus more on test scores and encourage teaching to the test.

Given the largely positive reports of TIF's influence on teacher and principal quality, many respondents felt TIF had the potential to improve student achievement. The next section describes respondents' perceptions of TIF's effect on student outcomes.

Student Achievement

Many respondents recognized that they could not disentangle the effects of TIF from other initiatives under way at the schools and districts. Evaluators interviewed raised similar cautions about inferring that TIF had "caused" any changes based on data currently available. Others felt there were not enough years of data to be confident about results.

Respondents in many grantees believed TIF had the potential to improve student outcomes, particularly through the changes in leadership and instructional practices described above. The project director of one grantee said, "You will see huge pockets of teachers from certain schools having their students' test scores jump or steadily improve, and those are the ones who are getting the TIF money. When the fellow teachers see the payouts, they get encouraged." Some respondents cited anecdotal evidence in support of the hypothesis that TIF was already improving student outcomes. A teacher at a TAP school that saw gains in student achievement attributed them to "the way teachers are implementing [TAP] and making sure kids are getting all the information they need." Whether or not improvements in student outcomes actually can be tied to the TIF projects, educators' beliefs that they are linked provided motivation for them to keep participating. We report perceptions of the effects of TIF on student outcomes because stakeholders' beliefs about TIF's effects can influence implementation and sustainability.

Systems Change

Of all the perceived outcomes, perhaps none is more significant than the view of compensation reform as one piece of a broad change in the education system. Grantees that held this view turned the many implementation challenges into opportunities to change evaluation systems, professional development approaches, principals' roles and responsibilities, their use of data, their assessment systems, their curriculum, and their expectations for teachers. Moreover, through these changes, they attempted to transform the culture of the schools, the traditional attitudes and beliefs of classroom teachers and principals, and the roles and responsibilities of district administrators.

Changing the entire system will take considerable time, much longer than the life of the TIF grant. Denver's ProComp program is often viewed as the pioneer in replacing the traditional salary schedule for teachers. While Denver's TIF grant was devoted to developing a new compensation system for principals, Denver's prolonged effort to reinvent teacher compensation, garner educator and public support for compensation reform, and craft a fair and understandable system is a testament to the challenges associated with making system change. Plans to revamp its systems and to replace the traditional salary schedules are under way in Charlotte-Mecklenburg but will not be realized until after that TIF grant ends. Efforts in progress to overhaul the salary schedules in Memphis, Hillsborough County, and Pittsburgh are being fueled by large grants from the Bill and Melinda Gates Foundation. Six grantees included charter schools that have the advantage of being smaller and more nimble systems, but they, too, need time to build the evaluation, assessment, and professional development components to support compensation reform.

Perhaps the most ambitious changes that have taken place under TIF occurred in Harrison School District in Colorado Springs, Colorado. Harrison replaced its old salary schedule, which was based on experience and education, with an eight-step system incorporating multiple measures of performance. The new salary schedule began in the 2010–11 school year, after more than four years of reinvention of the teacher and principal evaluation systems; realignment of the curriculum to state and local standards; development of an assessment system that measures student performance in every grade and subject; major changes in the roles, responsibilities, and skills of principals; establishment of a new data system; and a rethinking of its professional development strategies.

Harrison's leadership viewed performance pay as the last piece of the comprehensive change in the education system. Harrison first focused on building instructional leadership of district officials, principals, and assistant principals. As part of the new system, beginning teachers are observed 16 times per year, while veteran teachers are observed eight times a year. The large number of required observations has had the effect of restructuring the jobs of school leaders. Principals reported that they retained all of their former responsibilities but that their priority during the school day was to conduct observations. All observers undergo continuous training, including regular workshops in which videotapes of teaching are used to improve interrater reliability. The hiring of new principals and assistant principals includes rating their ability to conduct classroom observations and accurately assess the quality of the instruction they witness.

The teacher evaluation system also includes the use of student test scores from both the state tests and locally developed assessments of every subject and every grade. Teachers administer the local assessments every eight weeks, and the results are quickly returned to the teachers and the principals, who are then expected to use the data to refine their instructional practices. Similarly, principals and assistant principals are expected to provide teachers with written and oral feedback after each classroom observation. Teachers' placement on the eight-step salary schedule is determined by an equal combination of observation ratings and student achievement.

Teachers' introduction to the new emphasis on instructional leadership and feedback began when the superintendent ordered that all classroom doors remain open during instruction. Since then the district has worked to ensure that teachers have a clear understanding of what is expected of them and provide them with multiple supports to help improve their practice. Schools are organized into PLCs, and teachers receive clear guidance on the curriculum they should use and the skills their students need to acquire. In addition, teachers are involved in developing the local assessments and are represented on a panel (two teacher representatives from each school) charged with making recommendations to improve the system.

Notably, both district leadership and teachers emphasized that all of the system changes were works in progress. Our respondents readily acknowledged that the local assessments need to be refined to become valid and reliable, that the observations were still lacking interrater reliability, and that some special circumstances (e.g., how to assess the effectiveness of special education teachers) had not been anticipated when the system was developed. Indeed, many in the district were not happy with the ambitiousness of the change or the added stress of working under the performance pay system. Still, the majority of individuals we interviewed believed that the district was working to resolve these problems and that the teacher evaluation and compensation system would be better in a few years.

The Harrison example, as well as the examples from the other grantees that see themselves as engaged in systems change, should give pause to policymakers eager to quickly implement compensation reform. Remaking so many components of the education system in an era of declining resources has not been fully realized in the short term by even the most ambitious grantees. At the same time, these grantees' perception of the progress they have made in advancing systems change is perhaps the most significant undertaking related to the TIF program to date.

Conclusion

Performance pay is prominent in policymakers' reform agendas, in part because of its commonsense appeal of paying teachers on the basis of how well they teach and their students' academic achievement. As states and districts embark on performance pay reforms, they can look to the experience of the 33 TIF grantees to provide some lessons. The grantees implemented varied projects in diverse contexts, providing an instructive sample from which others can learn. One major lesson learned is that despite the straightforward logic of performance pay, implementation proved to be a complex endeavor. The TIF grantees soon realized that compensation reform requires high-capacity human resources, management, information, and instructional support systems. Moreover, compensation reform challenges deep-seated traditions of teacher and school culture that have not embraced the idea of differentiating teachers based on their performance, much less compensating them based on those differences. To engage educators in such substantial change, grantees needed to not only design their systems thoughtfully and administer them fairly, but also attend to how they were perceived by educators. Perhaps because this work was so multi-faceted, even for the most ambitious TIF grantees, systems and culture change is slow going. Yet even in the early stages, respondents perceive that some of their hard work may be paying off in improvements in educator quality and the systems and culture in their schools and districts.

Existing knowledge about how to make performance pay a transformative reform is relatively sparse. The tendency of those charged with developing and supporting new performance pay projects is to identify the variety of implementation challenges and then develop lists of ways to overcome them. Expert advice to those planning new performance pay projects typically includes broad guidance:

> Several elements contribute to effective performance-based accountability systems: establishing goals that are widely shared among the groups involved, providing clear and observable measures, and offering incentives to individuals or organizations with control over the process. Creating an effective system also requires choosing the right design for it and then monitoring, evaluating, and adjusting it to meet performance goals (Buddin and McCaffrey 2010–11, p. 4).

Such advice is consistent with the TIF grantees' experience. However, general advice and long checklists of components that must be in place may not be enough to overcome the uneven implementation from one school to the next, even within the same grantee, that was so apparent among the TIF grantees.

Our analysis highlighted the importance of planning, leadership, accurate and believable assessments of teaching and learning, communications, supports to help educators earn incentive awards, the proper size of awards, the appropriate level of accomplishment to earn an award, sustainability planning, and more. Grantees that did not consider all these design aspects found that their project was slow to fundamentally change the way educators' approach teaching and leading.

Looking across the grantees, it appears that the variation in TIF project implementation ultimately was determined in the day-to-day operations and the culture of the individual school. Grantees needed a receptive culture in schools, one in which educators were willing to take a chance at reforms that closely scrutinized their practice and a proactive plan for helping other schools and educators become increasingly receptive. While reformers are right to call attention to the challenges of remaking the human capital systems at the state and district levels, our informants emphasized that the successful implementation of the new systems is dependent on a school-level acceptance of a culture of differentiation by performance. The experience of the TIF grantees suggests that acceptance of a culture of differentiation cannot be imposed but must be infused into all levels of the system.

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Appendixes

To date, the evaluation team has undertaken three data collection and analysis activities to understand TIF program implementation and educator perceptions of performance pay: (1) in fall 2009, review of the 34 grantees' proposals, annual performance reports, and any existing local evaluation reports; (2) in spring 2010, telephone interviews in 34 grantees; and (3) in fall 2010, site visits to 12 grantees. A snapshot of the data collected during all three data collection and analysis activities is presented here in the following appendixes:

Appendix A—The interview protocols

Appendix B—Overview of the demographics of the grantees and the number of grantees with preexisting performance pay projects

Appendix C—Data on eligibility and participation and the number of grantees that used the award components represented in this appendix as they were described to the research team during the telephone interviews and the first round of site visits. Multiple attempts were made by the research team to collect the most accurate and up-to-date data on all of the components. For the 21 grantees that were not selected for site visits, their data are current as of May 2010, and for the 12 site visited grantees, their data are current as of December 2010.

Eligibility and participation data come from a variety of sources. When possible, the numbers used are those provided by project staff. However, in some cases, when these data were unavailable, grantee-provided payout data were used to calculate approximate numbers of eligible and participating administrators and teachers.

Data on project components largely come from interviews with project staff or from documents that project staff provided to the research team. In some cases, given the complexity of the grantee projects and the need for clarity when providing counts of grantees that use a particular award component, researchers had to establish decision rules on how to classify grantees. One statewide grantee, for example, has four participating districts, each of which is implementing the performance pay project differently. Therefore, if these award component categories applied to any of these four districts, the grantee was counted as a *Yes*. Footnotes are used throughout to explain our classifications.

Appendix D—The most recent payout data collected from grantees. These data include all non-TIF and TIF performance payments but only in schools included in TIF-funded projects. In all but two grantees, data were from the 2008–09 school year. The other two grantees provided 2007–08 data because they had not made a 2008–09 payout at the time of researchers' data collection. Grantee identification numbers used for the teacher payout awards exhibit do not correspond with numbers used in the administrator payout exhibit.

Appendix E—Comparison of project requirements across TIF cohorts based on Federal Register notices

Appendix F—Glossary of terms used in the body of the report

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Appendix A: Interview Protocols

Interview Protocol: TIF Project Staff

(*project directors, other project staff, TA providers, and evaluators*)

I. Background

1. Tell me about your background.
   a. How and when did you come to serve as [*role*] for this project?
   b. Do you currently hold other roles in addition to [*role*]?

2. What are your job responsibilities?
   a. Liaison with other partners, such as ED, evaluators, etc?
   b. Serve as the grantee representative? In what ways?
   c. Participate in internal evaluations?
   d. Reporting

3. [*For the Project Director*] Are there other individuals you work with as a team on this project (e.g., administrative data, personnel, professional development)?
   a. What are their roles, names, and contact information?
   b. Would you be willing to contact them to let them know that we will want to interview them?

4. What motivated your school/district to participate in TIF? How does TIF align with other initiatives in your school/district?
   a. Are there other initiatives focused on improving teacher quality and effectiveness? Please describe.

II. Context/Participation in TIF

5. Does your State/district/school have a history of performance pay plans or an existing performance pay plan? Does the TIF project build on an existing project?
   a. How does the TIF project relate to the pre-existing project?
   b. Are there successes of those projects that you hope to replicate here? Are there difficulties/failures of those projects you hope to avoid?

6. Did you participate in planning your TIF project? If so, please describe your State/district/school's process for planning the initiative. If not, please describe your understanding of the process.
   a. Why did your State/district/school apply?
   b. Who participated in planning the project?
   c. How long was the planning period?
   d. What were the major issues?

III. Project Design

7. What are the key goals of the performance pay project? Include discussion of "official" and "unofficial" goals (stated/unstated).

8. How many teachers are there in participating schools? (Provide the total number of teachers, regardless of program eligibility or participation.)

9. Who is eligible to receive an award in the performance pay project (teachers, administrators, staff, particular subsets of teachers)?
    a. Please provide the number of "eligible" schools/administrators/teachers

10. What is the target goal for number/percentage of participating schools/administrators/teachers (if known)?
    a. What is the plan for increasing/sustaining participation?
    b. Do you foresee any challenges in implementing the plan?

11. Can you describe the process for selecting schools/districts into the project?
    a. Were there criteria for inclusion other than meeting the requirement that 30% or more of students be eligible for Free/Reduced Lunch? If so, what were they?
    b. Did you invite, request, or require schools to join the grant? Did all schools that were requested in fact join?
    c. Did all schools that met the minimum FRL requirement join the grant? If no, how many did not? Did any schools that did not meet the minimum FRL requirement express interest in joining the grant? If yes, can you identify those schools?

12. Please provide the number of participating schools, administrators, and teachers.
    a. Could individuals opt-in or was participation mandatory? Can you describe any differences between those who opted-in compared to those who did not?
    b. If mandatory for some but not others, how was that determined?

13. How many students are potentially affected by the project (based on scope of project and participation rates)? What proportion of all students in the school/district/State do these students represent?

14. What outcomes and/or activities are rewarded in the project? Please describe for both teachers and principals.

15. For each activity, what are the criteria (benchmarks, steps, achievements) required to earn an award?

16. Is professional development part of the project? If YES,
    a. What type of professional development has been offered? How were decisions about topics, focus, development and delivery made?
    b. *(If not already clear)* Are all teachers/principals required to attend professional development to be eligible for an award?

17. In addition to PD, what supports are in placed to help participants earn a reward?

18. What is the award range for each school/administrator/teacher?
    a. How is the award amount for each activity determined?
    b. What is the typical amount awarded to schools/administrators/teachers?
    c. Do you consider these awards to be substantial, relative to the existing pay of teachers/administrators and the amount of additional work/responsibility they take on?
    d. Have there been any changes to the award structure over time?

19. How many principals and teachers have received awards each year (if known)?

20. What data are currently available in the district/State about teacher and/or principal performance? How long has this data system been in place?
    a. How are these data used to make performance pay decisions? What does the process look like from beginning to end? How is that process going? (Take us through the stages of linking data to teachers, to making performance pay decisions, notifying teachers and others, appeals process if any, etc.)

III. Project Implementation and Communication

21. How were project components communicated to teachers, principals, and the community, including the media, if at all?
    a. How do schools stay informed about [*name of project*]?

22. How has the project implementation gone so far?
    a. Were there differences in rollout across schools and districts?
    b. Which stakeholders were especially difficult to bring on board (if any)?
    c. Which stakeholders were involved in rolling out the performance pay project?
    d. What worked or didn't work?
    e. What aspects of the project have been hardest or harder to put in place?
    f. Were there any components that your [*grantee]* did not have the capacity to implement as designed? (may include sufficient budget, capacity of data systems, etc)

23. What changes to the project are expected?
    a. What issues arose that caused these changes to be recommended?
    b. How and when will changes be implemented?

IV. Evaluation

24. Does the project have an internal evaluation? External evaluation?
    a. Who is conducting the internal evaluation?
    b. To what extent do you include adequate formative evaluation procedures for ensuring feedback and continuous improvement in the operation of the project?
    c. Who is the external evaluator/contact info? How was the external evaluator selected?

FOR EVALUATORS ONLY (*If an evaluator has not yet been selected, ask the project director*)

25. Please describe the evaluation design. What is the analysis plan?
    a. Is there a comparison group? If yes, please describe.

26. What data are available and what is the quality of the data?

27. What are you finding about student learning and other student outcomes? Teacher learning, skills, and other teacher outcomes (e.g., recruitment, retention, attendance?)

28. What have been the main challenges associated with the evaluation? (e.g., state and local data systems? Access?)

29. How are the evaluation results being used? By whom?

V. Perceived Outcomes

30. Have you noticed a change in the qualifications of teacher and principal applicants you would attribute to initiation of your performance pay project? What gives you that impression?

31. Has there been a change in teacher or principal retention? To what do you attribute these changes?

32. Do you think that principal leadership will eventually improve as a result of the incentives? If so why? If not, why not?

33. Do you think that teacher practice will eventually improve as a result of the incentives? If so, why? If not, why not?

34. Do you think that student learning has improved *as a result* of the incentives?

35. What is the district/State/school plan for continuing the performance pay project when TIF funding expires?

    a. What do you think are the challenges to continuing the performance pay project?

VIIII. Closing

36. From your perspective as [*role]*, what do you think would improve the effectiveness of the performance pay project?

Interview Protocol: District and State Grantee Staff

(*superintendent, district HR staff, state level coordinators*)

I. Background

1. Tell me about your background.
   a. How and when did you come to be involved in this project?
   b. What is your role in this project?

2. What motivated your school/district to participate in TIF? How does TIF align with other initiatives in your school/district?
   a. Are there other initiatives focused on improving teacher quality and effectiveness? Please describe.

II. Context/Participation in TIF

3. Does the State/district/school have a history of performance pay plans or an existing performance pay plan?
   a. How does the TIF project relate to the pre-existing project?
   b. Are there successes of those projects that you hope will be replicated here? Are there difficulties/failures of those projects you hope will be avoided?

4. Did you participate in planning your TIF project? If so, please describe your State/district/school's process for planning the initiative. If not, please describe your understanding of the process.
   a. Why did your State/district/school apply?
   b. Who participated in planning the project?
   c. How long was the planning period?
   d. What were the major issues?

III. Project Design

5. What are the key goals of the performance pay project? How do you feel about those goals?

6. Who is eligible to receive an award in the performance pay project (school/administrator/teacher)? Do these seem to be the right individuals?

7. What outcomes and/or activities are rewarded in the project? Please describe for both teachers and principals. Do those seem like the right outcomes/activities? What others might you suggest?

8. What are the criteria for receiving each award? Do you feel that they fairly take into account factors over which teachers have control?

9. What data are currently available in the district/State about teacher and/or principal performance? How long has this data system been in place?
   a. How are these data used to make performance pay decisions? How is that process going from your perspective? Have people you've encountered been generally satisfied with how it's going?

10. What is the award range for each school/administrator/teacher?

a. How is the award amount for each activity determined? Does this seem fair to you? Do you think the award is sensible?
b. Do you consider these awards to be substantial, relative to the existing pay of teachers/administrators and the amount of additional work/responsibility they take on? On what basis do you make this claim?

IV. Project Implementation and Communication

11. How were project components communicated to teachers, principals, and the community? Were you involved in the communication plan?
    a. How do schools stay informed about [name of project]?

12. How has the project implementation gone so far?
    a. Were there differences in rollout across schools and districts?
    b. Which stakeholders were especially difficult to bring on board (if any)?
    c. Which stakeholders were involved in rolling out the performance pay project?
    d. What worked or didn't work?
    e. Were there any components that your [*grantee]* did not have the capacity to implement as designed? (Note: this could include having budget to offer the PD that was required, provide any support designed into their project)

13. What changes to the project are expected? Why?

14. What is the district/State/school plan for continuing the performance pay project when TIF funding expires?
    a. What percent of the teacher personnel budget is currently devoted to pay-for-performance? Is the amount expected to get larger or smaller in coming years? Why?

V. Evaluation

15. How will you know if the project has achieved its goals? (How do you measure progress towards them?)

16. Does the project have an internal evaluation? External evaluation?
    a. What do you expect to learn from an evaluation?
    b. Do you have a continuous improvement/formative evaluation process in place that allows you to modify the specifics of the project?

VI. Perceptions of Outcomes
(FOR NON-HR RESPONDENTS)

17. Have you noticed a change in the qualifications of teacher and principal applicants you would attribute to initiation of your performance pay project? What gives you that impression?

18. Do you think that teacher practice will eventually improve as a result of the incentives? If so, why? If not, why not?

19. What aspects of teacher practice did you hope would improve as a result of TIF? Why?
    a. How were the awards designed to target these particular issues?

b. Do you believe that, to date, teachers are teaching better (has teacher practice has improved in a way that meets your hopes)?
   - Are they using research-based instructional techniques, improved curriculum, or improved strategies for working with diverse learners? Why or why not?
   - On what basis do you make that claim (e.g., observation of instruction, numbers of teachers receiving awards, improvements in evaluations of teachers, reports from parents/students, combination?

20. Do you think that principal leadership will eventually improve as a result of the incentives? If so why? If not, why not?

21. Do you think that student learning has improved *as a result* of the incentives?

22. What aspects of student learning did you hope would improve as a result of this project?
    a. How were the awards designed to target these particular issues?
    b. Do you perceive that, to date, TIF has had that desired effect?
    c. What other projects are going on simultaneously in your district that might explain any increases in student learning that might be confounded (confused) with an eventual outcome of TIF (e.g., student pay-for-grades, other teaching projects like Teach for America, major changes to curriculum and instruction, etc.?)

(FOR DISTRICT LEADER AND/OR HR RESPONDENTS)

23. Has TIF had any impact on recruitment and retention of teachers for participating schools?
    a. What is the average teacher turnover rate for your school/district in a given year?
    b. Why do people leave? Where do they go? What are the characteristics of teachers who leave?
    c. What are the characteristics of typical applicants to your school/district? (level of education, certification, years of experience)

24. How easy is it for your district to attract and retain desired school leaders?

25. How, if at all, has TIF impacted principal recruitment, retention and leadership?

    a. How do you define a "desired" school leader? Do you have any standard objective measures?
    b. What is the average turnover rate of principals in your district/school? Who leaves? Are those who leave more or less qualified?
    c. What are the characteristics of typical applicants for principal positions?
       - Do they come more from within your district or outside?
       - Do they have previous experience as principals? In other leadership positions?
       - Other than TIF, do you have any special principal leadership development academies that might explain any increase in the number of desired school leaders who are being recruited to and retained in your schools?
       - Is it possible to tell whether the TIF project is responsible for this shift in desirable school leaders?

X. Closing

26. From your perspective as [*title*], what do you think would improve the effectiveness of TIF [*name of* project]?

Interview Protocol: Educators

(*teachers and principals*)

I. Background

1. Tell me about your background.
    a. What is your current job? If an administrator, are you a full principal? If a teacher, what grade(s)/subject(s) do you teach?
    b. How and when did you begin this assignment?
    c. What did you do prior to your current position?
    d. Do you participate in the TIF project (if participation is optional)?

II. Context/Participation in TIF

2. Does your State/district/school have a history of performance pay plans or an existing performance pay plan (aside from TIF)?
    a. How does the TIF project relate to the pre-existing project? (Probe for whether the respondent can correctly identify what is and is not TIF if there is more than TIF currently being implemented).
    b. How successful was the previous/other project(s)?

3. Did you participate in planning your TIF project? If so, please describe your State/district/school's process for planning the initiative. If not, please describe the process based on what you have heard.
    a. Why did your State/district/school apply?
    b. Who participated in planning the project?
    c. How were individuals (you) selected to participate in the planning process? Do you consider yourself fairly typical of the attitudes and judgments of your colleagues, or would you describe yourself as more "reform-minded" or "willing to experiment" with education innovations, including compensation?
    d. How long was the planning period?
    e. What were the major issues?

III. Project Design and Implementation

the purpose of several of these questions is to check for an accurate understanding of the project and then perceived fairness. The "correct" answers about project design are gathered from other respondents

4. Are you currently participating in your school/district/state TIF project?

5. How did you first hear about [*grantee's name*] TIF project? Is this how most teachers/principals heard about it? (If not, describe how others heard about it.)

6. What are the key goals of the TIF [*name of project*]?

7. What outcomes and/or activities are principals/teachers eligible to be rewarded for in the project?
    a. Is the TIF project attaching additional pay to the "right" things? Why or why not?

8. How are teachers/principals evaluated for an award? Describe the process. (Note: principals should address these questions for the principal and teacher evaluation processes.)
   If a new evaluation system is in place:
   a. What was the traditional evaluation system like? Was it perceived as fair by your colleagues? What did they like about it? What did they not like?
   b. What do(es) the new evaluations measure?
   c. Who conducts the evaluation(s)?
   d. How and to what extent is performance feedback built-in to the system?
   e. Are the evaluations seen as fair by teachers/principals? Why or why not?
   f. Did the evaluation system change significantly because of the TIF grant? If so, how?

9. How are award decisions made? What data are used?

10. What are your perceptions of the quality of the State/district data systems?
    a. Are data perceived as complete and accurate?
    b. Are measures perceived as useful and appropriate? (Probe for whether the evaluation system described above is used for determining awards.)

11. Have you spoken with other teachers/principals about how they feel about [*name of project*] and/or incentive pay in general?
    a. Do the teachers/principals that are participating agree with and support the goals and strategies of [*name of project*]?
    b. Do most teachers/principals participate in TIF? (If participation is not universal) Why do some people choose not to participate in TIF?
    c. (If participation is not universal) How do non-participating teachers feel about TIF?

12. How has project implementation gone so far?
    a. Has anything gone particularly well?
    b. If you have participated, is there anything that has been particularly confusing? Rewarding?
    c. Has anything been particularly challenging? If any major errors were made, why do you think they occurred?
    d. Overall would you say that the TIF project is fair?

13. Have there been any changes to your TIF project so far? What do you think led to those changes? (Probe for whether practitioner concerns were a cause of the changes). Do you think those changes have improved the project? Why or why not?

IV. Perceived Outcomes

14. *(If respondent participates in TIF)* Have you received awards? What have they been for? Did you feel they were substantial given your base pay and the amount of work you had to do to get them? Why or why not?

15. *(If the respondent participates in TIF)* When you began participating in TIF, how likely did you think it would be for you to earn an award? What supports are present or lacking to help you achieve the awards?

16. What, if anything, have you done differently because of the project?
    a. Have you stayed in a particular position (e.g., principal at a high-need school, teacher in a hard-to-staff subject) because of the possibility of earning an award?
    b. Have you participated in additional professional development activities specifically tied to TIF? Please describe. Have they been useful?
    c. Have you tried new instructional/leadership practices or new teaching strategies as a result of TIF? Please describe.

17. How do you think parents and the community view the TIF project? Do they know about it? Are the results of the system reported widely? Do you think the reporting is adequate?

V. Closing

18. From your perspective as [*title of respondent*], what do you think would improve the effectiveness of the performance pay project?

19. Is there anything else you think we need to know about the TIF project in [*grantee name*]?

Interview Protocol: Stakeholders

(*union president, parents, community, media, school board*)

I. Background

1. Tell me about your background.
    a. How and when did you come to be involved in this project?

2. What motivated your school/district to participate in TIF? How does TIF align with other initiatives in your school/district?
    a. Are there other initiatives focused on improving teacher quality and effectiveness? Please describe.

II. Context/Participation in TIF

3. Does the State/district/school have a history of performance pay plans or an existing performance pay plan?
    a. How does the TIF project relate to the pre-existing project?
    b. Are there successes of those projects that you hope will be replicated here? Are there difficulties/failures of those projects you hope will be avoided?

4. Did you participate in planning your TIF project? If so, please describe your State/district/school's process for planning the initiative. If not, describe your understanding of the process.
    a. Why did your State/district/school apply?
    b. Was there any particular champion for the issue?
    c. Was their outside pressure to participate?
    d. Who participated in planning the project?
    e. (For Teacher Association Representatives) Please describe the process by which the district and the Teacher Association/union worked on the TIF initiative.
    f. How long was the planning period?
    g. What were the major issues?

III. Project Design

5. What are the key goals of the performance pay project? How do you feel about those goals?

6. Who is eligible to receive an award in the performance pay project (school/administrator/teacher)? Do these seem to be the right individuals?

7. What outcomes and/or activities are rewarded in the project? Please describe. Do those seem like the right outcomes/activities? What others might you suggest?

8. Do you consider the size of awards to principals and teachers to be appropriate? Is the amount of substantial, relative to the existing pay of teachers/administrators and the amount of additional work/responsibility they take on?

9. Do you feel that awards fairly take into account factors over which teachers have control?

III. Project Implementation and Communication

10. How were project components communicated to teachers, principals, and the community?
    a. How do schools stay informed about [*name of* project]?

11. How has the project implementation gone so far?
    a. Were there differences in rollout across schools and districts?
    b. Which stakeholders were especially difficult to bring on board (if any)?
    c. Which stakeholders were involved in rolling out the performance pay project?
    d. What worked or didn't work?
    e. Were there any components that your [*grantee]* did not have the capacity to implement as designed? (Note: this could include having budget to offer the PD that was required, sufficient data systems, etc.)

12. What changes to the project are expected? Why?

13. What is the State/district/school plan for continuing the performance pay project when TIF funding expires?

IV. Evaluation

14. How do you know if the project has achieved its goals?

15. Does the project have an internal evaluation? External evaluation?
    a. What do you expect to learn from an evaluation?

V. Perceptions of Outcomes

16. Has there been a change in teacher or principal retention?

17. Do you think that principal leadership will eventually improve as a result of the incentives? If so why? If not, why not?

18. Do you think that teacher practice will eventually improve as a result of the incentives? If so, why? If not, why not?

19. Do you think that student learning has improved *as a result* of the incentives?

VIIII. Closing

19. From your perspective as [*title*], what do you think would improve the effectiveness of TIF [*name of* project]?

Appendix B. Profile of TIF grantees

State	Grantee Name	Grantee Type	Cohort	Previous Experience with Performance pay	No. of Participating Schools	Whole District[a]	Demographic Data[b]					
							White Students	African American Students	Hispanic Students	Asian Students	Native American Students	Free or Reduced-Price Lunch
AK	Chugach School District	LEA	1	Yes	29	Yes	23%	1%	2%	1%	71%	54%
AZ	Amphitheater Unified School District	LEA	2	Yes	11	No	53%	4%	37%	4%	2%	42%
CA	Lynwood Unified School District	LEA	2	No	18	Yes	0%	7%	92%	0%	0%	97%
CA	Mare Island Technology Academy[c]	Charter School	1									
CO	Eagle County Schools	LEA	1	Yes	15	Yes	47%	0%	52%	1%	0%	34%
CO	Harrison School District 2	LEA	1	No	21	Yes	30%	22%	40%	5%	2%	66%
CO	School District of Denver	LEA	1	Yes	120	Yes	23%	17%	56%	3%	1%	66%
CO	Weld County Schools	LEA	2	Yes	5	Yes	33%	1%	64%	1%	0%	56%
FL	Hillsborough County Schools	LEA	2	Yes	116	No	44%	23%	30%	3%	0%	55%

[a] The "whole district" category includes two grantees, School of Excellence and Education and the Algiers Charter School Association, that are not "districts" but implement a pay-for-performance program across all charter schools managed by the organization. This classification also includes Edward Brooke Charter School which is a single school.

[b] Demographic data come from two different sources: 1) district data from the NCES Common Core of Data; and 2) grantee documents (Grantees whose data come from grantee documents are marked with an asterisk.). Occasionally, in grantees implementing the project in a subset of high-poverty schools, the numbers presented here may underestimate the percentage of free or reduced price lunch students.

[c] Mare Island Technology Academy withdrew from participation in the TIF program during the course of the evaluation, therefore, no data is reported.

State	Grantee Name	Grantee Type	Cohort	Previous Experience with Performance pay	No. of Participating Schools	Whole District[a]	Demographic Data[b]					
							White Students	African American Students	Hispanic Students	Asian Students	Native American Students	Free or Reduced-Price Lunch
FL	School Board of Miami-Dade County	LEA	2	Yes	36	No	9%	26%	63%	1%	0%	64%
FL	School Board of Orange County	LEA	2	Yes	10	No	35%	28%	32%	4%	0%	50%
IL	Chicago Public Schools	LEA	1	No	29	No	9%	47%	41%	4%	0%	73%
LA	National Institute for Excellence in Teaching (Algiers Charter Schools Association)	Nonprofit organization	1	Yes	9	Yes	1%	97%	1%	1%	0%	93%
MA	Edward Brooke Charter School	Nonprofit organization	2	Yes	1	Yes	1%	75%	20%	2%	0%	71%
MD	Prince George's County Schools	LEA	2	No	20	No	5%	73%	19%	3%	0%	47%
Multi	New Leaders, Inc.	Nonprofit organization	1	No	145	No	*12%	*59%	*25%	*1%	*2%	*67%
NC	Charlotte-Mecklenburg Schools	Nonprofit organization	2	Yes	20	No	34%	46%	16%	5%	1%	46%

State	Grantee Name	Grantee Type	Cohort	Previous Experience with Performance pay	No. of Participating Schools	Whole District[a]	Demographic Data[b]					
							White Students	African American Students	Hispanic Students	Asian Students	Native American Students	Free or Reduced-Price Lunch
NC	Cumberland County Schools	LEA	2	Yes	5	No	37%	52%	7%	2%	2%	52%
NC	Guilford County Schools	LEA	1	Yes	8	No	40%	46%	9%	5%	0%	46%
NM	Northern New Mexico Network	LEA	1	No	19	No[d]	9%	1%	83%	1%	7%	96%
NY	Center for Education-al Change – Public Education Association	Nonprofit organization	2	No	10	No	6%	45%	43%	2%	0%	81%
OH	Ohio Department of Education	SEA	1	Yes	183	No[e]	26%	65%	7%	1%	0%	65%
OK	Beggs School District	LEA	2	No	3	Yes	48%	7%	4%	0%	41%	62%
PA	School District of Philadelphia	LEA	1	Yes	67	No	0%	65%	35%	0%	0%	80%
PA	School District of Pittsburgh	LEA	2	Yes	11	Yes	37%	60%	1%	2%	0%	63%

[d] Northern New Mexico is a multidistrict grantee. One district implements the pay-for-performance program in all schools, the second district implements in only two schools.

[e] Ohio is a statewide grantee that has implemented two distinct pay-for-performance programs across two entire districts as well as two smaller pilot programs in two other districts.

State	Grantee Name	Grantee Type	Cohort	Previous Experience with Performance pay	No. of Participating Schools	Whole District[a]	Demographic Data[b]					
							White Students	African American Students	Hispanic Students	Asian Students	Native American Students	Free or Reduced-Price Lunch
SC	Florence County School District Three	LEA	2	Yes	6	No[f]	44%	53%	2%	1%	0%	63%
SC	South Carolina Department of Education	SEA	1	Yes	23	No[g]	41%	55%	2%	1%	1%	68%
SD	South Dakota Department of Education	SEA	2	No	47	No[h]	31%	0%	1%	0%	68%	74%
TN	New Leaders, Inc. (Memphis City Schools)	Nonprofit organization	1	Yes	164	No	7%	86%	6%	1%	0%	69%
TX	Dallas ISD	LEA	1	Yes	220	Yes	5%	28%	67%	1%	0%	86%
TX	Houston ISD	LEA	1	Yes	109	Yes	8%	28%	61%	3%	0%	63%
TX	School of Excellence in Education	Charter school	2	Yes	8	Yes	7%	45%	47%	0%	0%	86%
TX	University of Texas System	Nonprofit organization	2	Yes	27	No	30%	27%	38%	4%	0%	58%
DC	New Leaders, Inc. (D.C. Public Schools)	Nonprofit organization	1	No	9	Yes	8%	78%	12%	2%	0%	70%

Source: NCES CCD, Documents provided by grantee to the U.S. Department of Education.

[f] This grant includes the remaining four schools in a district (Florence 3) that was included in the grant given to the South Carolina Department of Education, extending the PFP program to all schools in the district. It also includes two additional schools, each one in a separate district.

[g] This grantee is a statewide grantee that has implemented a pay-for-performance program in schools in six districts across the state. In one district, all schools are included, but for the remaining five districts, only a select number of schools are included.

[h] This statewide grantee includes all schools in nine districts, and then all but one school in a 10th district.

Appendix C1. Components of teacher performance pay projects

State	Grantee Name	Eligibility and Participation			Awards for Student Achievement											Awards Are Based In Part on Evaluations[a]	Hard-to-Staff		Supports for Improving Practice		Tournament[b]
					Student Achievement Measures				Award Levels			Untested Teachers are. . .									
		Number of Teachers in Participating Schools	Number of Eligible Teachers	Number of Participating Teachers	VAM[c]	Growth	Status[d]	Teacher-Developed Goals[e]	Teacher-Level Awards	Group- or School-level Awards	Both Teacher- and Group/School-Level Awards	Excluded from PFP	Eligible for the Same Maximum Amount Based on Adjustment of Award Formula	Not Eligible for All Components	Treated as a Tested Teachers		Hard-to-Staff School Bonuses	Hard-to-Staff Subject Bonuses	Bonuses for Attending PD	Bonuses for Additional Teacher Roles	
AK	Chugach School District	107	107	107	No	Yes	No	Yes	No	Yes	No	n.a. – All teachers awarded either at the group or school level.				Yes	No	No	Yes	Yes	No
AZ	Amphitheater Unified School District	530	530	508	Yes	No	No	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	No	No	Yes	Yes	No

[a] Some grantees used evaluation results as a prerequisite for individuals in a school to be eligible for an award. Prerequisite measures were not counted here, only items that directly impacted the variation in award payouts.

[b] For an explanation of tournaments, please see the glossary in Appendix F.

[c] In categorizing measures as a growth measure vs. VAM measure, we deferred to state and grantee self-description of the measures.

[d] Some grantees used status measures like AYP as a prerequisite for individuals in a school to be eligible for an award. Prerequisite measures were not counted here, only items that directly impacted the variation in achievement payouts.

[e] These goals can be linked to VAM, Growth, or Status models, but we define them separately as they can be less objective than a standard formula used across all administrators and teachers.

State	Grantee Name	Eligibility and Participation			Awards for Student Achievement											Awards Are Based In Part on Evaluations[a]	Hard-to-Staff		Supports for Improving Practice		Tournament[b]
					Student Achievement Measures				Award Levels			Untested Teachers are. . .									
		Number of Teachers in Participating Schools	Number of Eligible Teachers	Number of Participating Teachers	VAM[c]	Growth	Status[d]	Teacher-Developed Goals[e]	Teacher-Level Awards	Group- or School-level Awards	Both Teacher- and Group/School-Level Awards	Excluded from PFP	Eligible for the Same Maximum Amount Based on Adjustment of Award Formula	Not Eligible for All Components	Treated as a Tested Teachers		Hard-to-Staff School Bonuses	Hard-to-Staff Subject Bonuses	Bonuses for Attending PD	Bonuses for Additional Teacher Roles	
CA	Lynwood Unified School District	517	517	249	No	Yes	Yes	No	No	Yes	No	n.a. – All teachers awarded either at the group or school level.[f]				No	No	Yes	No	Yes	No
CA	Mare Island Technology Academy[g]																				
CO	Eagle County Schools	549	549	549	Yes	Yes	No	No	No	Yes	No	n.a. – All teachers awarded either at the group or school level.				Yes	Yes	Yes	No	Yes	No
CO	Harrison School District 2	655	655	655	No	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Yes	Yes	No	No	No	No	No
CO	School District of Denver[h]																				

[f] Although this grantee awards at the group or school-level only, untested teachers are eligible for a lower maximum amount than tested subject teachers.

[g] Mare Island Technology Academy decided not to participate before beginning program implementation, therefore, no data is reported.

[h] The Denver project is focused only at principals and is not described in this table.

State	Grantee Name	Eligibility and Participation			Awards for Student Achievement											Awards Are Based In Part on Evaluations[a]	Hard-to-Staff		Supports for Improving Practice		Tournament[b]
					Student Achievement Measures				Award Levels			Untested Teachers are. . .									
		Number of Teachers in Participating Schools	Number of Eligible Teachers	Number of Participating Teachers	VAM[c]	Growth	Status[d]	Teacher-Developed Goals[e]	Teacher-Level Awards	Group- or School-level Awards	Both Teacher- and Group/School-Level Awards	Excluded from PFP	Eligible for the Same Maximum Amount Based on Adjustment of Award Formula	Not Eligible for All Components	Treated as a Tested Teachers		Hard-to-Staff School Bonuses	Hard-to-Staff Subject Bonuses	Bonuses for Attending PD	Bonuses for Additional Teacher Roles	
CO	Weld County Schools	159	159	159	No	Yes	No	Yes	No	Yes	No	n.a. – All teachers awarded either at the group or school level.				No	No	No	Yes	Yes	No
FL	Hillsborough County Schools	6,037	6,037	6,037	No	Yes	No	No	Yes	No	No	No	No	No	Yes	Yes	No	No	Yes	Yes	Yes
FL	School Board of Miami-Dade County	3,500	3,500	350	n.a. – No awards based on student achievement.											No	Yes	No	Yes	Yes	No
FL	School Board of Orange County	630	630	475	No	Yes	No	No	Yes	No	No	No	No	No	Yes	No	No	No	No	No	No
IL	Chicago Public Schools	580	580	580	Yes	No	No	No	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No	No	Yes	Yes
LA	National Institute for Excellence in Teaching	340	340	340	Yes	No	No	No	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No	No	Yes	Yes
MA	Edward Brooke Charter School	35	35	35	No	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	No	No	No	Yes	No	No	No

State	Grantee Name	Eligibility and Participation			Awards for Student Achievement											Awards Are Based In Part on Evaluations[a]	Hard-to-Staff		Supports for Improving Practice		Tournament[b]
					Student Achievement Measures				Award Levels			Untested Teachers are. . .									
		Number of Teachers in Participating Schools	Number of Eligible Teachers	Number of Participating Teachers	VAM[c]	Growth	Status[d]	Teacher-Developed Goals[e]	Teacher-Level Awards	Group- or School-level Awards	Both Teacher- and Group/School-Level Awards	Excluded from PFP	Eligible for the Same Maximum Amount Based on Adjustment of Award Formula	Not Eligible for All Components	Treated as a Tested Teachers		Hard-to-Staff School Bonuses	Hard-to-Staff Subject Bonuses	Bonuses for Attending PD	Bonuses for Additional Teacher Roles	
MD	Prince George's County Schools	999	999	369	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	No	Yes	No	Yes	Yes	Yes	No
Multi	New Leaders, Inc.	4,361	4,361	4,361	Yes	No	No	No	Yes	Yes	Yes	No	No	Yes	No	No	No	No	No	No	Yes
NC	Charlotte-Mecklenburg Schools	998	998	998	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No	No	No	No	Yes
NC	Cumberland County Schools	380	171	171	No	Yes	No	No	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	No
NC	Guilford County Schools	357	141	141	Yes	No	No	No	Yes	No	No	Yes	No	No	No	No	Yes	Yes	Yes	No	No
NM	Northern New Mexico Network	336	336	309	No	Yes	No	No	No	Yes[i]	No	n.a. – All teachers awarded either at the group or school level.				Yes	No	Yes	No	Yes	Yes

[i] During the phone interviews, this grantee discussed a plan to implement teacher-level awards in the 2009–10 school year. However, as we did not collect payout data on 2009–10 awards, we could not confirm whether or not teachers received any teacher-level awards.

State	Grantee Name	Eligibility and Participation			Awards for Student Achievement											Awards Are Based In Part on Evaluations[a]	Hard-to-Staff		Supports for Improving Practice		Tournament[b]
					Student Achievement Measures				Award Levels			Untested Teachers are. . .									
		Number of Teachers in Participating Schools	Number of Eligible Teachers	Number of Participating Teachers	VAM[c]	Growth	Status[d]	Teacher-Developed Goals[e]	Teacher-Level Awards	Group- or School-level Awards	Both Teacher- and Group/School-Level Awards	Excluded from PFP	Eligible for the Same Maximum Amount Based on Adjustment of Award Formula	Not Eligible for All Components	Treated as a Tested Teachers		Hard-to-Staff School Bonuses	Hard-to-Staff Subject Bonuses	Bonuses for Attending PD	Bonuses for Additional Teacher Roles	
NY	Center for Educational Change – Public Education Association	257	257	256	No	Yes	Yes	Yes	Yes	Yes	Yes	Unclear[j]	Unclear	Unclear	Unclear	Yes	No	No	Yes	Yes	Yes
OH	Ohio Department of Education[k]	6,148	6,148	6,148	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes	No	No	Yes	Yes
OK	Beggs School District	90	90	90	No	Yes	No	No	Yes	Yes	Yes	No	No	Yes	No	No	No	No	Yes	Yes	No
PA	School District of Philadelphia	402	402	402	Yes	No	No	No	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No	No	Yes	Yes
PA	School District of Pittsburgh[l]																				

[j] Although his grantee provides a framework for the 10 participating charter schools with the different components that teachers and principals can be rewarded for, individual schools have autonomy to design their performance pay projects, e.g. which components to award teachers and at what levels. Consequently, we were not able to determine which award levels they used.

[k] Ohio contains four separate district grantees that pay for student achievement in different ways. Two use VAM, one uses growth, and one uses a combination of growth and status. In classifying this grantee, if these categories applied to any of these four districts, they were counted as a "Yes".

State	Grantee Name	Eligibility and Participation			Awards for Student Achievement											Awards Are Based In Part on Evaluations[a]	Hard-to-Staff		Supports for Improving Practice		Tournament[b]
					Student Achievement Measures				Award Levels			Untested Teachers are. . .									
		Number of Teachers in Participating Schools	Number of Eligible Teachers	Number of Participating Teachers	VAM[c]	Growth	Status[d]	Teacher-Developed Goals[e]	Teacher-Level Awards	Group- or School-level Awards	Both Teacher- and Group/School-Level Awards	Excluded from PFP	Eligible for the Same Maximum Amount Based on Adjustment of Award Formula	Not Eligible for All Components	Treated as a Tested Teachers		Hard-to-Staff School Bonuses	Hard-to-Staff Subject Bonuses	Bonuses for Attending PD	Bonuses for Additional Teacher Roles	
SC	Florence County School District Three	208	208	208	Yes	No	No	No	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No	No	Yes	Yes
SC	South Carolina Department of Education	803	803	803	Yes	No	No	No	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No	No	Yes	Yes
SD	South Dakota Department of Education	696	696	696	Yes	No	Yes	No	Yes	Yes	Yes	No	No	Yes	No	No	No	Yes	Yes	Yes	No
TN	New Leaders, Inc. (Memphis City Schools)	5,103	5,103	5,103	Yes	No	No	No	Yes	Yes	Yes	No	No	Yes	No	No	No	No	No	No	Yes
TX	Dallas ISD	11,151	11,151	7,607	Yes	No	No	No	Yes	Yes	Yes	No	No	Yes	No	No	Yes	No	No	No	Yes
TX	Houston ISD	3,982	3,982	3,976	Yes	No	Yes	No	Yes	Yes	Yes	No	No	Yes	No	No	No	No	No	No	No
TX	School of Excellence in Education	177	177	177	No	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	No	Yes	No	Yes	No	Yes	No

[1] The Pittsburgh project is focused only at principals and is not described in this table.

State	Grantee Name	Eligibility and Participation			Awards for Student Achievement											Awards Are Based In Part on Evaluations[a]	Hard-to-Staff		Supports for Improving Practice		Tournament[b]
					Student Achievement Measures				Award Levels			Untested Teachers are. . .									
		Number of Teachers in Participating Schools	Number of Eligible Teachers	Number of Participating Teachers	VAM[c]	Growth	Status[d]	Teacher-Developed Goals[e]	Teacher-Level Awards	Group- or School-level Awards	Both Teacher- and Group/School-Level Awards	Excluded from PFP	Eligible for the Same Maximum Amount Based on Adjustment of Award Formula	Not Eligible for All Components	Treated as a Tested Teachers		Hard-to-Staff School Bonuses	Hard-to-Staff Subject Bonuses	Bonuses for Attending PD	Bonuses for Additional Teacher Roles	
TX	University of Texas System	1,600	1,600	1,600	Yes	No	No	No	Yes	Yes	Yes	No	Yes	No	No	Yes	Depends on school discretion[m]	Depends on school discretion	No	Yes	Yes
DC	New Leaders, Inc. (D.C. Public Schools)	2,987	2,987	2,987	Yes	No	Yes	No	No	Yes	No	n.a. – All teachers awarded either at the group or school level.				No	No	No	No	No	Yes
TOTAL		**54,674**	**54,249**	**46,446**	**18[n]**	**15**	**10**	**5**	**24**	**27**	**21**	**2**	**7**	**10**	**4**	**16**	**5**	**8**	**10**	**21**	**15**

Source: Grantee-submitted Payout Data, Interviews with Grantees, Documents provided by project staff

[m] Recruitment incentives are distributed to each participating campus, and the school has discretion over how to distribute these awards.

[n] When looking at grantee totals for the types of student achievement measures, a careful reader may notice these numbers differ from those presented in an earlier exhibit. The differences arise because these counts are not mutually exclusive whereas the categories in the text are mutually exclusive: VAM only, Growth only, etc. Both sets of numbers are correct.

Appendix C2. Components of principal performance pay projects

State	Grantee Name	Number of Participating Administrators	Student Achievement Measures			Awards Are Based In Part on Evaluations	Hard-to-Staff School Bonuses	Bonuses for Attending PD
			VAM[a]	Growth	Status			
AK	Chugach School District	11	No	Yes	No	Yes	No	No
AZ	Amphitheater Unified School District	20	Yes	No	No	No	No	Yes
CA	Lynwood Unified School District	25	No	Yes	No	Yes	No	Yes
CA	Mare Island Technology Academy[b]							
CO	Eagle County Schools	26	Yes	Yes	No	Yes	Yes	No
CO	Harrison School District 2[c]	50	No	Yes	Yes	Yes	No	No
CO	School District of Denver	212	No	Yes	No	Yes	Yes	No
CO	Weld County Schools	10	No	Yes	No	No	No	No
FL	Hillsborough County Schools	292	No	Yes	No	Yes	No	Yes
FL	School Board of Miami-Dade County	70	No	Yes	No	No	No	No
FL	School Board of Orange County	33	No	Yes	No	No	No	No
IL	Chicago Public Schools	59	Yes	No	No	Yes	No	No
LA	National Institute for Excellence	22	Yes	No	No	Yes	No	No

[a] In categorizing measures as a growth measure vs. VAM measure, we deferred to state and grantee self-description of the measures.

[b] Mare Island Technology Academy decided not to participate before beginning program implementation, therefore, no data is reported.

[c] Harrison was in the process of changing their principal program to match their new teacher PFP. The counts in this appendix reflect the original TIF program because the new program was still in development at the time of our data collection.

State	Grantee Name	Number of Participating Administrators	Student Achievement Measures			Awards Are Based In Part on Evaluations	Hard-to-Staff School Bonuses	Bonuses for Attending PD
			VAM[a]	Growth	Status			
	in Teaching							
MA	Edward Brooke Charter School	2	No	Yes	No	Yes	No	No
MD	Prince George's County Schools	35	No	Yes	Yes	Yes	No	Yes
Multi	New Leaders, Inc.	325	Yes	No	No	No	No	No
NC	Charlotte-Mecklenburg Schools	22	Yes	No	No	No	No	No
NC	Cumberland County Schools	15	No	Yes	No	Yes	No	No
NC	Guilford County Schools	8	No	Yes	No	No	Yes	No
NM	Northern New Mexico Network	21	No	Yes	No	Yes	No	No
NY	Center for Educational Change – Public Education Association	25	No	Yes	Yes	No	No	Yes
OH	Ohio Dept. of Education[d]	100	Yes	Yes	Yes	No	No	No
OK	Beggs School District	6	No	Yes	No	No	No	Yes
PA	School District of Philadelphia	68	Yes	No	No	Yes	No	No
PA	School District of Pittsburgh	14	Yes	No	No	Yes	No	No
SC	Florence County School District Three	11	Yes	No	Yes	Yes	No	No
SC	South Carolina Department of Education	51	Yes	No	No	Yes	No	No

[d] Ohio contains four separate district grantees that award principals for student achievement in different ways. Two use VAM, one uses growth, and one uses a combination of growth and status. In classifying this grantee, if these categories applied to any of these four districts, they were counted as a "Yes".

State	Grantee Name	Number of Participating Administrators	Student Achievement Measures			Awards Are Based In Part on Evaluations	Hard-to-Staff School Bonuses	Bonuses for Attending PD
			VAM[a]	Growth	Status			
SD	South Dakota Department of Education	38	Yes	No	Yes	No	No	Yes
TN	New Leaders, Inc. (Memphis City Schools)	246	Yes	No	No	No	No	No
TX	Dallas ISD	512	Yes	No	Yes	No	Yes	No
TX	Houston ISD	176	Yes	No	Yes	No	No	No
TX	School of Excellence in Education	10	No	No	Yes	Yes	No	No
TX	University of Texas System	47	Yes	No	No	Yes	Yes	No
DC	New Leaders, Inc. (D.C. Public Schools)	222	Yes	No	Yes	No	No	No
TOTAL		**2,784**	**17**	**17**	**10**	**18**	**5**	**7**

Source: Grantee-submitted payout data, Interviews with grantees, Documents provided by project staff

Appendix D1. Payout awards for administrators – data by quartile

Grantee	Quartile Based on Total Amount of Payout							
	1st Quartile Averages		2nd Quartile Averages		3rd Quartile Averages		4th Quartile Averages	
	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary
1	$0	0.0%	$0	0.0%	$0	0.0%	$506	0.5%
2	$0	0.0%	$0	0.0%	$0	0.0%	$2,166	2.5%
3	$0	0.0%	$0	0.0%	$0	0.0%	$2,314	2.8%
4	$0	0.0%	$0	0.0%	$737	0.8%	$1,538	1.7%
5	$0	0.0%	$338	0.4%	$1,249	1.6%	$2,048	2.6%
6	$0	0.0%	$0	0.0%	$97	0.1%	$4,062	5.0%
7	$0	0.0%	$533	0.7%	$1,333	1.7%	$2,250	2.9%
8	$0	0.0%	$0	0.0%	$444	0.5%	$4,857	5.3%
9	$0	0.0%	$0	0.0%	$0	0.0%	$5,206	5.6%
10	$0	0.0%	$231	0.3%	$1,538	2.0%	$4,333	5.6%
11	$400	0.6%	$1,408	2.0%	$2,000	2.8%	$3,125	4.4%
12	$0	0.0%	$0	0.0%	$23	0.0%	$6,993	8.9%
13	$0	0.0%	$2,400	3.6%	$2,650	3.9%	$2,650	3.9%
14	$442	0.4%	$1,975	1.6%	$2,667	2.2%	$3,704	3.1%
15	$875	1.0%	$1,333	1.5%	$2,250	2.4%	$5,292	5.8%
16	$940	1.1%	$2,032	2.4%	$3,148	3.7%	$4,726	5.5%

Grantee	Quartile Based on Total Amount of Payout							
	1st Quartile Averages		2nd Quartile Averages		3rd Quartile Averages		4th Quartile Averages	
	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary
17	$0	0.0%	$3,039	4.2%	$4,254	5.9%	$5,248	7.3%
18	$1,000	1.5%	$1,375	2.0%	$5,000	7.3%	$5,000	7.3%
19	$375	0.7%	$1,100	2.1%	$4,678	8.7%	$8,936	16.7%
20	$893	1.2%	$2,567	3.3%	$4,558	5.9%	$9,359	12.1%
21	$1,591	1.5%	$3,297	3.2%	$4,714	4.6%	$7,874	7.6%
22	$1,047	1.4%	$2,884	3.8%	$5,053	6.7%	$9,383	12.4%
23	$2,153	3.4%	$4,429	6.9%	$6,840	10.6%	$6,840	10.6%
24	$3,250	3.9%	$4,042	4.9%	$5,500	6.6%	$8,700	10.5%
25	$3,668	3.5%	$4,687	4.4%	$5,618	5.3%	$7,228	6.8%
26	$3,000	2.9%	$5,500	5.4%	$6,000	5.8%	$7,000	6.8%
27	$2,950	2.7%	$4,329	4.0%	$6,743	6.2%	$8,480	7.9%
28	$4,200	6.1%	$4,277	6.2%	$5,443	7.9%	$8,489	12.3%
29	$7,000	7.1%	$7,000	7.1%	$7,365	7.5%	$7,365	7.5%
30	$5,193	4.9%	$6,757	6.4%	$7,950	7.6%	$9,524	9.1%
31	$6,288	8.5%	$8,202	11.1%	$9,024	12.2%	$9,828	13.3%
32	$5,000	5.7%	$6,250	7.2%	$10,000	11.4%	$13,333	15.3%
33	$2,899	3.5%	$7,088	8.7%	$12,374	15.1%	$18,889	23.1%

Source: Grantee-submitted Payout Data (Note: Grantee identification numbers do not correspond with numbers used in teacher payout exhibits but match appendix D2)

Appendix D2. Payout awards for administrators—minimum, maximum, averages across projects, and win rate

Grantee	Minimum Payout (not including $0's)		Maximum Payout		Average Award (all participants)		Average Award (Award Winners)		Percentage of Part. Winning Awards
	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	
1	$800	0.8%	$1,000	1.0%	$123	0.1%	$860	0.9%	14.0%
2	$3,150	3.7%	$10,000	11.6%	$537	0.6%	$8,511	9.9%	6.0%
3	$2,500	3.0%	$10,000	12.2%	$574	0.7%	$7,056	8.6%	8.0%
4	$500	0.5%	$2,000	2.2%	$584	0.6%	$1,270	1.4%	46.0%
5	$15	0.0%	$2,210	2.8%	$886	1.1%	$1,107	1.4%	80.0%
6	$3,557	4.4%	$7,248	8.9%	$1,054	1.3%	$4,049	5.0%	26.0%
7	$800	1.0%	$3,400	4.4%	$1,123	1.5%	$1,544	2.0%	73.0%
8	$4,000	4.4%	$5,000	5.5%	$1,152	1.3%	$4,750	5.2%	24.0%
9	$1,667	1.8%	$12,000	12.8%	$1,282	1.4%	$6,216	6.6%	21.0%
10	$1,000	1.3%	$5,000	6.5%	$1,500	1.9%	$2,679	3.5%	56.0%
11	$300	0.4%	$4,000	5.7%	$1,762	2.5%	$1,882	2.7%	94.0%
12	$600	0.8%	$20,800	26.4%	$1,768	2.2%	$6,754	8.6%	26.0%
13	$2,400	3.6%	$2,650	3.9%	$2,125	3.2%	$2,550	3.8%	83.0%
14	$500	0.4%	$4,375	3.6%	$2,227	1.8%	$2,479	2.1%	90.0%
15	$750	0.8%	$8,875	9.7%	$2,580	2.8%	$2,580	2.8%	100.0%
16	$674	0.8%	$6,241	7.2%	$2,702	3.1%	$2,702	3.1%	100.0%
17	$2,642	3.7%	$6,054	8.4%	$3,083	4.3%	$4,317	6.0%	71.0%

Grantee	Minimum Payout (not including $0's)		Maximum Payout		Average Award (all participants)		Average Award (Award Winners)		Percentage of Part. Winning Awards
	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	
18	$1,000	1.5%	$5,000	7.3%	$3,233	4.8%	$3,233	4.8%	100.0%
19	$350	0.7%	$10,959	20.4%	$3,595	6.7%	$3,595	6.7%	100.0%
20	$632	0.8%	$13,364	17.3%	$4,412	5.7%	$4,688	6.1%	94.0%
21	$420	0.4%	$13,270	12.8%	$4,461	4.3%	$4,461	4.3%	100.0%
22	$206	0.3%	$14,530	19.2%	$4,639	6.1%	$4,639	6.1%	100.0%
23	$1,140	1.8%	$6,840	10.6%	$5,096	7.9%	$5,096	7.9%	100.0%
24	$2,500	3.0%	$10,125	12.2%	$5,318	6.4%	$5,318	6.4%	100.0%
25	$2,944	2.8%	$9,120	8.6%	$5,347	5.1%	$5,347	5.1%	100.0%
26	$3,000	2.9%	$7,000	6.8%	$5,429	5.3%	$5,429	5.3%	100.0%
27	$2,400	2.2%	$8,700	8.1%	$5,504	5.1%	$5,504	5.1%	100.0%
28	$4,200	6.1%	$15,830	22.9%	$5,535	8.0%	$5,535	8.0%	100.0%
29	$7,000	7.1%	$7,365	7.5%	$7,183	7.3%	$7,183	7.3%	100.0%
30	$3,256	3.1%	$12,678	12.1%	$7,269	6.9%	$7,269	6.9%	100.0%
31	$3,208	4.3%	$10,000	13.5%	$8,512	11.5%	$8,512	11.5%	100.0%
32	$5,000	5.7%	$15,000	17.2%	$9,688	11.1%	$9,688	11.1%	100.0%
33	$1,688	2.1%	$27,500	33.6%	$10,388	12.7%	$11,411	14.0%	91.0%

Source: Grantee-submitted Payout Data (Note: Grantee identification numbers do not correspond with numbers used in teacher payout exhibits but match appendix D1)

Appendix D3. Payout awards for teachers—data by quartile

Grantee	Quartile Based on Total Amount of Payout							
	1st Quartile Averages		2nd Quartile Averages		3rd Quartile Averages		4th Quartile Averages	
	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary
1	$0	0.0%	$0	0.0%	$0	0.0%	$804	1.6%
2	$0	0.0%	$0	0.0%	$0	0.0%	$1,160	2.2%
3	$0	0.0%	$0	0.0%	$0	0.0%	$1,193	2.1%
4	$0	0.0%	$0	0.0%	$0	0.0%	$1,768	3.3%
5	$250	0.7%	$250	0.7%	$392	1.1%	$1,142	3.3%
6	$0	0.0%	$245	0.6%	$744	1.7%	$2,021	4.7%
7	$0	0.0%	$170	0.4%	$852	2.1%	$2,824	7.0%
8	$0	0.0%	$0	0.0%	$303	0.6%	$3,558	7.0%
9	$145	0.3%	$500	1.0%	$531	1.1%	$3,089	6.2%
10	$0	0.0%	$0	0.0%	$1,433	3.8%	$3,440	9.1%
11	$0	0.0%	$0	0.0%	$783	1.7%	$4,155	9.2%
12	$505	1.1%	$1,017	2.1%	$1,323	2.8%	$3,854	8.1%
13	$92	0.2%	$1,316	3.1%	$2,500	5.9%	$6,400	15.1%
14	$914	1.4%	$1,764	2.7%	$2,285	3.5%	$5,554	8.5%
15	$1,340	2.4%	$2,088	3.7%	$3,162	5.6%	$4,436	7.9%
16	$382	0.8%	$1,664	3.5%	$3,294	6.9%	$6,483	13.5%

Grantee	Quartile Based on Total Amount of Payout							
	1st Quartile Averages		2nd Quartile Averages		3rd Quartile Averages		4th Quartile Averages	
	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary
17	$807	1.7%	$1,482	3.2%	$2,182	4.7%	$8,416	18.1%
18	$1,091	2.3%	$2,000	4.2%	$2,716	5.7%	$7,484	15.8%
19	$709	1.0%	$1,483	2.0%	$2,577	3.5%	$8,924	12.0%
20	$1,966	4.2%	$4,000	8.4%	$4,000	8.4%	$4,000	8.4%
21	$1,378	3.1%	$2,229	5.0%	$2,926	6.5%	$7,789	17.3%
22	$1,773	4.6%	$2,980	7.7%	$4,406	11.4%	$5,613	14.5%
23	$2,341	5.1%	$3,886	8.5%	$4,254	9.3%	$4,671	10.2%
24	$2,177	5.0%	$2,771	6.3%	$3,392	7.7%	$7,505	17.1%
25	$2,454	4.3%	$3,686	6.5%	$4,394	7.7%	$5,660	10.0%
26	$2,361	5.2%	$2,500	5.5%	$2,891	6.4%	$8,967	19.7%
27	$683	2.3%	$1,879	6.2%	$4,850	16.0%	$9,985	33.0%
28	$3,033	4.4%	$4,374	6.3%	$5,005	7.3%	$6,473	9.4%
29	$2,321	4.8%	$3,691	7.6%	$5,100	10.4%	$8,304	17.0%
30	$1,754	3.0%	$3,230	5.5%	$7,204	12.3%	$14,088	24.1%
31	$6,058	16.2%	$8,637	23.1%	$9,329	25.0%	$9,832	26.3%

Source: Grantee-submitted Payout Data (Note: Grantee identification numbers do not correspond with numbers used in administrator payout exhibits but match appendix D4)

Appendix D4. Payout awards for teachers – minimum, maximum, averages across projects, and win rate

Grantee	Minimum Payout (not including $0's)		Maximum Payout		Average Award (all participants)		Average Award (Award Winners)		Percentage of Part. Winning Awards
	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	
1	1,000	1.9%	2,500	4.8%	201	0.4%	2,453	4.8%	8.0%
2	167	0.3%	12,961	24.1%	290	0.5%	1,519	2.8%	19.0%
3	600	1.1%	4,000	7.1%	298	0.5%	3,105	5.5%	10.0%
4	200	0.4%	8,000	14.8%	442	0.8%	7,027	13.0%	6.0%
5	250	0.7%	2,775	8.0%	495	1.4%	495	1.4%	100.0%
6	45	0.1%	2,375	5.6%	757	1.8%	1,136	2.7%	67.0%
7	400	1.0%	10,097	25.0%	963	2.4%	1,643	4.1%	59.0%
8	300	0.6%	10,000	19.6%	965	1.9%	2,656	5.2%	36.0%
9	100	0.2%	5,500	11.1%	1,063	2.1%	1,063	2.1%	100.0%
10	500	1.3%	8,000	21.2%	1,202	3.2%	2,679	7.1%	45.0%
11	2,477	5.5%	6,168	13.6%	1,234	2.7%	3,751	8.3%	33.0%
12	356	0.7%	11,750	24.8%	1,659	3.5%	1,718	3.6%	97.0%
13	100	0.2%	14,755	34.7%	2,574	6.1%	3,178	7.5%	81.0%
14	187	0.3%	11,530	17.7%	2,626	4.0%	2,626	4.0%	100.0%
15	1,000	1.8%	8,000	14.2%	2,762	4.9%	2,762	4.9%	100.0%
16	100	0.2%	10,890	22.7%	2,957	6.2%	3,200	6.7%	92.0%
17	66	0.1%	23,421	50.3%	3,236	7.0%	3,253	7.0%	99.0%

Grantee	Minimum Payout (not including $0's)		Maximum Payout		Average Award (all participants)		Average Award (Award Winners)		Percentage of Part. Winning Awards
	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	
18	$165	0.3%	$14,211	30.0%	$3,325	7.0%	$3,371	7.1%	99.0%
19	$50	0.1%	$19,591	26.3%	$3,437	4.6%	$3,522	4.7%	98.0%
20	$1,000	2.1%	$4,000	8.4%	$3,495	7.4%	$3,790	8.0%	92.0%
21	$452	1.0%	$15,382	34.3%	$3,579	8.0%	$3,579	8.0%	100.0%
22	$428	1.1%	$11,460	29.6%	$3,696	9.6%	$3,706	9.6%	100.0%
23	$815	1.8%	$9,254	20.2%	$3,787	8.3%	$3,817	8.3%	99.0%
24	$1,125	2.6%	$13,500	30.8%	$3,978	9.1%	$3,978	9.1%	100.0%
25	$788	1.4%	$7,338	12.9%	$4,061	7.2%	$4,061	7.2%	100.0%
26	$2,500	5.5%	$18,000	39.6%	$4,192	9.2%	$4,250	9.4%	99.0%
27	$56	0.2%	$19,873	65.7%	$4,311	14.2%	$4,311	14.2%	100.0%
28	$1,230	1.8%	$10,131	14.7%	$4,734	6.9%	$4,734	6.9%	100.0%
29	$1,062	2.2%	$12,327	25.2%	$4,926	10.1%	$4,926	10.1%	100.0%
30	$1,000	1.7%	$20,100	34.4%	$6,610	11.3%	$6,610	11.3%	100.0%
31	$2,500	6.7%	$10,000	26.8%	$8,463	22.7%	$8,480	22.7%	100.0%

Source: Grantee-submitted Payout Data (Note: Grantee identification numbers do not correspond with numbers used in administrator payout exhibits but match appendix D3)

Appendix D4. Payout awards for administrators and teachers – data by quartile, minimum, maximum, averages across projects, and win rate

Administrators

(Corresponds to Appendix D1)

	Quartile Based on Total Amount of Payout							
	1st Quartile Averages		2nd Quartile Averages		3rd Quartile Averages		4th Quartile Averages	
	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary
Average	$1,611	1.9%	$2,639	3.1%	$3,917	4.8%	$6,280	7.7%
Median	$875	1.0%	$2,032	2.4%	$4,254	4.6%	$5,292	6.8%
Minimum	$0	0.0%	-	0.0%	-	0.0%	$506	0.5%
Maximum	$7,000	8.5%	$8,202	11.1%	$12,374	15.1%	$18,889	23.1%

(Corresponds to Appendix D2)

	Minimum Payout (not including $0's)		Maximum Payout		Average Award (all participants)		Average Award (Award Winners)	
	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary
Average	$1,964	2.3%	$9,034	11.0%	$3,657	4.4%	$4,794	5.8%
Median	$1,667	1.8%	$8,700	8.9%	$3,083	4.3%	$4,688	5.3%
Minimum	$15	0.0%	$1,000	1.0%	$123	0.1%	$860	0.9%
Maximum	$7,000	7.1%	$27,500	33.6%	$10,388	12.7%	$11,411	14.0%

Teachers

(Corresponds to Appendix D3)

	Quartile Based on Total Amount of Payout							
	1st Quartile Averages		2nd Quartile Averages		3rd Quartile Averages		4th Quartile Averages	
	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary
Average	$1,114	2.4%	$1,866	4.0%	$2,672	5.8%	$5,471	11.7%
Median	$709	1.4%	$1,664	3.2%	$2,577	5.6%	$5,554	9.4%
Minimum	$0	0.0%	$0	0.0%	$0	0.0%	$804	1.6%
Maximum	$6,058	16.2%	$8,637	23.1%	$9,329	25.0%	$14,088	33.0%

(Corresponds to Appendix D4)

	Minimum Payout (not including $0's)		Maximum Payout		Average Award (all participants)		Average Award (Award Winners)	
	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary	Dollars	Percent of Avg. Salary
Average	$678	1.4%	$10,900	23.2%	$2,784	6.0%	$3,465	7.3%
Median	$428	1.0%	$10,131	22.7%	$2,957	6.1%	$3,371	7.1%
Minimum	$45	0.1%	$2,375	4.8%	$201	0.4%	$495	1.4%
Maximum	$2,500	6.7%	$23,421	65.7%	$8,463	22.7%	$8,480	22.7%

Exhibit Reads: In the first quartile of awards (as determined by total award size), the average project awarded $1,611 to administrators. Across grantees, on average, administrators in the first quartile of total payouts were awarded an incentive payout equal to 1.9% of the regional average administrative salary.

Source: Grantee-submitted Payout Data

Appendix D6. Administrator payout awards by component

Grantee	Student Achievement Dollars	Student Achievement Percent of Total	Evaluations Dollars	Evaluations Percent of Total	Additional Roles Dollars	Additional Roles Percent of Total	Hard to Staff School Dollars	Hard to Staff School Percent of Total	Other[a] Dollars	Other[b] Percent of Total	Total Payout Dollars
1	$1,227,188	56%	224,768	10%	$132,750	6%	$617,625	28%	$2,500	0%	$2,204,830
2	$775,100	86%	-	-	-	-	$130,000	14%	$48,750	5%	$953,850
3	$816,464	100%	-	-	-	-	-	-	$4,500	1%	$820,964
4	$208,250	50%	-	-	$208,250	50%	-	-	$8,165	2%	$424,665
5	$147,633	48%	$160,054	52%	-	-	-	-	-	-	$307,687
6	$208,137	69%	$95,230	31%	-	-	-	-	-	-	$303,367
7	$225,005	100%	-	-	-	-	-	-	-	-	$225,005
8	$149,847	92%	-	-	$12,269	8%	-	-	-	-	$162,116
9	$113,829	74%	-	-	$41,040	26%	-	-	-	-	$154,869
10	$70,563	50%	-	-	$70,563	50%	-	-	-	-	$141,125
11	$37,563	29%	$93,813	71%	-	-	-	-	-	-	$131,375
12	$73,345	60%	-	-	$48,150	40%	-	-	-	-	$121,495
13	$59,575	50%	-	-	$59,575	50%	-	-	-	-	$119,150

[a] The "other" category for administrators includes payouts based on a variety of categories including attending professional development or receiving various certifications/credentials.

[b] The "other" category for administrators includes payouts based on a variety of categories including attending professional development or receiving various certifications/credentials.

Grantee	Student Achievement Dollars	Student Achievement Percent of Total	Evaluations Dollars	Evaluations Percent of Total	Additional Roles Dollars	Additional Roles Percent of Total	Hard to Staff School Dollars	Hard to Staff School Percent of Total	Other[a] Dollars	Other[b] Percent of Total	Total Payout Dollars
14	$78,250	67%	$38,750	33%	-	-	-	-	-	-	$117,000
15	$111,000	96%	-	-	$5,000	4%	-	-	-	-	$116,000
16	$103,600	91%	-	-	-	-	$10,000	9%	-	-	$113,600
17	$52,755	50%	$52,686	50%	-	-	-	-	$21,600	17%	$127,041
18	$82,799	100%	-	-	-	-	-	-	-	-	$82,799
19	$25,000	32%	-	-	-	-	$52,500	68%	-	-	$77,500
20	$49,000	64%	$27,000	36%	-	-	-	-	-	-	$76,000
21	$75,000	100%	-	-	-	-	-	-	-	-	$75,000
22	$39,311	56%	$30,941	44%	-	-	-	-	-	-	$70,252
23	$33,432	52%	$22,321	34%	$9,000	14%	-	-	-	-	$64,753
24	$58,417	100%	-	-	-	-	-	-	$81,700	58%	$140,117
25	$34,000	70%	$14,500	30%	-	-	-	-	-	-	$48,500
26	$38,000	100%	-	-	-	-	-	-	$19,616	34%	$57,616
27	$23,776	66%	$5,150	14%	$1,528	4%	-	-	-	-	$30,455
28	$10,500	37%	$13,125	46%	$2,250	8%	-	-	$5,500	18%	$31,375
29	$14,365	100%	-	-	-	-	-	-	-	-	$14,365
30	$11,350	92%	$1,000	8%	-	-	-	-	$38,760	76%	$51,110

Grantee	Student Achievement Dollars	Student Achievement Percent of Total	Evaluations Dollars	Evaluations Percent of Total	Additional Roles Dollars	Additional Roles Percent of Total	Hard to Staff School Dollars	Hard to Staff School Percent of Total	Other[c] Dollars	Other[d] Percent of Total	Total Payout Dollars
31	$8,842	100%	-	-	$15	0%	-	-	-	-	$8,857
32	$8,600	100%	-	-	-	-	-	-	-	-	$8,600
33	$750	9%	-	-	$7,500	91%	-	-	-	-	$8,250

Exhibit Reads: Grantee 1 paid administrators $1,227,188 for award components based directly on student achievement. This represented 56 percent of the total amount of incentive awards paid based on performance in the 2008–09 school year.

Source: Grantee-submitted Payout Data

Note: Grantee identification numbers do not correspond with numbers used in previous administrator payout appendixes.

[c] The "other" category for administrators includes payouts based on a variety of categories including attending professional development or receiving various certifications/credentials.

[d] The "other" category for administrators includes payouts based on a variety of categories including attending professional development or receiving various certifications/credentials.

Appendix D7. Teacher payout awards by component

Grantee	Student Achievement Dollars	Student Achievement Percent of Total	Evaluations Dollars	Evaluations Percent of Total	Additional Roles Dollars	Additional Roles Percent of Total	Hard to Staff Subject/ School Dollars	Hard to Staff Subject/ School Percent of Total	Other[a] Dollars	Other[b] Percent of Total	Total Payout Dollars
1	$11,641,163	99%	-	-	-	-	-	-	$117,040	1%	$11,758,202
2	$4,746,407	64%	$2,700,257	36%	-	-	-	-	-	-	$7,446,664
3	$3,802,300	52%	-	-	-	-	$3,540,000	48%	-	-	$7,342,300
4	$1,275,055	29%	$808,219	18%	$1,185,831	27%	-	-	$1,174,165	26%	$4,443,270
5	$1,114,474	29%	$1,363,918	35%	$1,365,000	36%	-	-	-	-	$3,843,392
6	$886,644	30%	$1,159,697	39%	$890,000	30%	-	-	-	-	$2,936,340
7	$1,137,374	44%	-	-	$573,796	22%	$188,625	7%	$713,070	27%	$2,612,865
8	$500,173	25%	$548,537	28%	$945,000	47%	-	-	-	-	$1,993,711
9	$1,276,067	69%	$205,005	11%	$279,348	15%	$82,460	4%	-	-	$1,842,880
10	$441,580	25%	$548,810	31%	$741,029	41%	$54,695	3%	-	-	$1,786,114
11	$1,660,000	100%	-	-	-	-	-	-	-	-	$1,660,000
12	$1,321,000	100%	-	-	-	-	-	-	-	-	$1,321,000
13	$446,625	34%	$489,000	37%	$369,000	28%	-	-	-	-	$1,304,625
14	$1,279,305	100%	-	-	-	-	-	-	-	-	$1,279,305

[a] The "other" category for teachers includes payouts based on a variety of categories including attending professional development or receiving various certifications/credentials.

[b] The "other" category for teachers includes payouts based on a variety of categories including attending professional development or receiving various certifications/credentials.

Grantee	Student Achievement Dollars	Student Achievement Percent of Total	Evaluations Dollars	Evaluations Percent of Total	Additional Roles Dollars	Additional Roles Percent of Total	Hard to Staff Subject/ School Dollars	Hard to Staff Subject/ School Percent of Total	Other[a] Dollars	Other[b] Percent of Total	Total Payout Dollars
15	$943,554	78%	-	-	$51,690	4%	-	-	$216,761	18%	$1,212,005
16	$606,200	53%	-	-	-	-	$445,000	39%	$86,475	8%	$1,137,675
17	$632,398	60%	$117,300	11%	$306,000	29%	-	-	-	-	$1,055,698
18	$267,350	27%	$147,700	15%	$189,500	19%	$171,000	17%	$215,440	22%	$990,990
19	$561,529	59%	$364,217	38%	$32,300	3%	-	-	-	-	$958,046
20	$302,869	36%	$34,600	4%	$411,229	48%	$35,557	4%	$64,980	8%	$849,235
21	$782,500	100%	-	-	-	-	-	-	-	-	$782,500
22	$635,400	85%	-	-	$92,000	12%	$21,000	3%	-	-	$748,400
23	$321,525	41%	$237,150	30%	$106,097	13%	-	-	$121,774	15%	$786,546
24	$197,335	31%	$63,000	10%	-	-	$180,400	29%	$190,150	30%	$630,885
25	$120,250	20%	-	-	-	-	$488,000	79%	$8,000	1%	$616,250
26	-	-	-	-	$337,000	91%	-	-	$35,045	9%	$372,045
27	$17,100	5%	$223,017	66%	$100,000	29%	-	-	-	-	$340,117
28	$166,000	67%	-	-	$27,000	11%	-	-	$53,500	22%	$246,500
29	$161,250	94%	-	-	-	-	-	-	$11,175	6%	$172,425
30	$112,673	94%	-	-	$7,720	6%	-	-	-	-	$120,393
31	$32,950	91%	-	-	-	-	-	-	$3,161	9%	$36,111

Exhibit Reads: Grantee 1 paid administrators $11,641,163 for award components based directly on student achievement. This represented 99% of the total amount of incentive awards paid based on performance in the 2008–09 school year.
Source: Grantee-submitted Payout Data
Note: Grantee identification numbers do not correspond with numbers used in previous teacher payout appendices.

Appendix E: Comparison of project requirements across TIF cohorts

	TIF Cohorts 1 & 2 (Studied in this Report)[a]	TIF Cohort 3[b]
Years Funded	• Cohort 1 includes 16 awards made in November, 2006 • Cohort 2 includes 18 awards made in July, 2007	• Cohort 3 includes 62 awards made in September, 2010.
Project Period	• Up to 60 months	• Up to 60 months
Program Goals	• The purpose of the Teacher Incentive Fund, authorized as part of the FY 2006 Department of Education Appropriations Act, Public Law 109–149, is to support programs that develop and implement performance-based teacher and principal compensation systems in high-need schools. The specific goals of the Teacher Incentive Fund include: Improving student achievement by increasing teacher and principal effectiveness; reforming teacher and principal compensation systems so that teachers and principals are rewarded for increases in student achievement; increasing the number of effective teachers teaching poor, minority, and disadvantaged students in hard-to-staff subjects; and creating sustainable performance-based compensation systems.	• The purpose of the Teacher Incentive Fund (TIF) program is to support projects that develop and implement performance-based compensation systems (PBCSs) for teachers, principals, and other personnel in order to increase educator effectiveness and student achievement, measured in significant part by student growth, in high-need schools.
Absolute Priorities	• Consistent with the program purpose, the grantee must establish a system that provides teachers and principals, or principals only, serving in high-need schools with differentiated levels of compensation based primarily on student achievement gains at the school and classroom levels. This performance-based compensation system must also (a) consider classroom evaluations conducted multiple times during each school year and (b) provide educators with incentives to take on additional responsibilities and leadership roles.	• *(1) Differentiated Levels of Compensation for Effective Teachers and Principals:* To meet this absolute priority, an applicant must demonstrate, in its application, that it will develop and implement a PBCS that rewards, at differentiated levels, teachers and principals who demonstrate their effectiveness by improving student achievement, as part of the coherent and integrated approach of the local education agency (LEA) to strengthening the educator workforce. In determining teacher and principal effectiveness as part of the PBCS, the LEA— (a) Must give significant weight to student growth, based on objective data on student performance; (b) Must include observation-based assessments of teacher and principal performance at multiple points in the year, carried out by evaluators trained in using objective evidence-based rubrics for observation, aligned with professional teaching standards; and, if applicable, as part of the LEA's coherent and integrated approach to strengthening the educator workforce; and (c) May include other measures, such as evidence of leadership roles, that increase the effectiveness of other teachers in the school or LEA. In determining principal effectiveness as part of a PBCS, the LEA must give significant weight to student growth and may include supplemental measures such as high school graduation and college enrollment rates. In addition, the applicant must demonstrate that the differentiated effectiveness incentive payments will provide incentive amounts that are substantial and provide justification for the level of incentive amounts chosen. While the Department does not propose a minimum incentive

[a] While there were two separate cohorts awarded in 2006 and 2007, the program requirements were identical and are therefore listed together in this table.

[b] Cohort 3 included two competitions: the main competition and the evaluation competition. All requirements for the main competition apply to the evaluation competition, but the evaluation competition has several additional requirements. Unless otherwise noted, all requirements apply to both competitions.

	TIF Cohorts 1 & 2 (Studied in this Report)[a]	TIF Cohort 3[b]
		amount, the Department encourages applicants to be thorough in their explanation of why the selected incentive amounts are likely high enough to create change in the behavior of current and prospective teachers and principals in order to ultimately improve student outcomes. • *(2) Fiscal Sustainability of the Performance-Based Compensation System (PBCS):* To meet this absolute priority, the applicant must provide, in its application, evidence that: (a) The applicant has projected costs associated with the development and implementation of the PBCS, during the project period and beyond, and has accepted the responsibility to provide such performance-based compensation to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) who earn it under the system; and (b) The applicant will provide from non-TIF funds over the course of the five-year project period an increasing share of performance-based compensation paid to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) in those project years in which the LEA provides such payments as part of its PBCS. • *(3) Comprehensive Approaches to the Performance-Based Compensation System (PBCS):* To meet this absolute priority, the applicant must provide, in its application, evidence that the proposed PBCS is aligned with a coherent and integrated strategy for strengthening the educator workforce, including in the use of data and evaluations for professional development and retention and tenure decisions, in the LEA or LEAs participating in the project, during and after the end of the TIF project period.
Competitive Priorities	• (1) We will award up to an additional 5 points depending on the extent to which the applicant documents or provides a plan to establish ongoing support for and commitment to the performance-based compensation system from a significant proportion of the teachers, the principal, and the community, including the applicable governing authority or LEA, for each participating high-need school. • (2) We will award up to an additional 5 points depending on the extent to which the applicant will provide differentiated levels of compensation, which may include incentives, to recruit or retain effective teachers and principals (as measured by student achievement gains) in high-need urban and rural schools, and/or in hard-to-staff subject areas such as mathematics and science.	• *(1) Use of Value-Added Measures of Student Achievement.* To meet this competitive preference priority, the applicant must demonstrate, in its application, that the proposed PBCS for teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) will use a value-added measure of the impact on student growthas a significant factor in calculating differentiated levels of compensation provided to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools). Under this priority, the applicant must also demonstrate that it has a plan to ensure that, as part of the PBCS, it has the capacity to (1) implement the proposed value-added model (e.g., through robust data systems that collect the necessary data and ensure data quality), and (2) clearly explain the chosen value-added model to teachers to enable them to use the data generated through the model to improve classroom practices. • *(2) Increased Recruitment and Retention of Effective Teachers to Serve High-Need Students and in Hard-to-Staff Subjects and Specialty Areas in High-Need Schools.* To meet this competitive preference priority, the applicant must demonstrate in its application that its proposed PBCS is designed to assist high-need schools to (1) serve high-need students, (2) retain effective teachers in teaching positions in hard-to-staff subjects and specialty areas, such as mathematics, science, special education, and English language acquisition, and (3) fill vacancies with teachers of those subjects or specialty areas who are effective or likely to be effective. The applicant must provide an explanation for how it will determine that a teacher filling a vacancy is effective or likely to be effective. In addition, applicants must demonstrate, in their applications, the extent to which the

	TIF Cohorts 1 & 2 (Studied in this Report)[a]	TIF Cohort 3[b]
		subjects or specialty areas they propose to target are hard-to-staff. Lastly, applicants must demonstrate, in their applications that they will implement a process for effectively communicating to teachers which of the LEA's schools are high-need and which subjects and specialty areas are considered hard-to-staff. • *(3) New Applicants to the Teacher Incentive Fund.* To meet this competitive preference priority, an applicant must be a new applicant to the TIF program. For the purposes of this priority, a new applicant is (1) an eligible entity that has not previously been awarded a grant under the TIF program, or (2) a nonprofit organization that previously received funding through TIF, as part of a partnership with one or more LEAs or SEAs, but that is applying to work with a different group of eligible LEAs or SEAs than it worked with under any previous TIF grant. Under this competitive preference priority, a current nonprofit grantee may not propose to use new TIF funds to compensate for any activities related to the development and implementation of its PBCS in LEAs and high-need schools already served under the current grant. Rather, a nonprofit organization that is a current TIF grantee may only use new TIF funds for the costs of implementing the PBCS in high-need schools in the new LEAs or SEAs (including charter schools) that have not previously received TIF funds.
Other Application Requirements	None	• Each applicant must describe in its application how its proposed PBCS will provide educators with incentives to take on additional responsibilities and leadership roles. • *Core Elements of a PBCS and a Potential Planning Period.* Each applicant must either— (a) Demonstrate in its application that it has in place the five core elements that follow; or (b) If the applicant cannot demonstrate in its application that it has in place each of the five core elements— (1) Agree, as part of its application, to implement a planning period of up to one year, during which it will use its TIF funds to develop the core element or elements it lacks; and (2) Include, in its application, a plan for how it will implement the core element or elements it lacks during the planning period. • *Core Elements.* (a) A plan for effectively communicating to teachers, administrators, other school personnel, and the community-at-large the components of its PBCS; (b) The involvement and support of teachers, principals, and other personnel (including input from teachers, principals, and other personnel in the schools and LEAs to be served by the grant) and the involvement and support of unions in participating LEAs (where they are the designated exclusive representatives for the purpose of collective bargaining) that is needed to carry out the grant; (c) Rigorous, transparent, and fair evaluation systems for teachers and principals that differentiate effectiveness using multiple rating categories that take into account student growth as a significant factor, as well as classroom observations conducted at least twice during the school year. The evaluation process must: (1) Use an objective, evidence-based rubric aligned with professional teaching or leadership standards and the LEA's coherent and integrated approach to strengthening the educator workforce; (2) provide for observations of each teacher or principal at least twice during the school year by individuals (who may include peer reviewers) who are provided specialized training; (3) incorporate the collection and evaluation of additional forms of evidence; and (4) ensure a high degree of interrater reliability (i.e.,

	TIF Cohorts 1 & 2 (Studied in this Report)[a]	TIF Cohort 3[b]
		agreement among two or more raters who score approximately the same); (d) A data-management system that can link student achievement data to teacher and principal payroll and human resources systems; and (e) A plan for ensuring that teachers and principals understand the specific measures of teacher and principal effectiveness included in the PBCS, and receive professional development that enables them to use data generated by these measures to improve their practice. • *Planning Period Requirements.* Each grantee that implements a planning period to develop the core element or elements it lacks, is— (a) Required to demonstrate in its annual performance report or other interim performance report that it has implemented any of the five core elements it had lacked at the start of the project; and (b) Prohibited from using TIF program funds to provide incentive payments to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) until it has implemented a PBCS that, to the Secretary's satisfaction, has all five core elements. • *Professional Development.* Each applicant must demonstrate, in its application, that its proposed PBCS will include a high-quality professional development component for teachers and principals consistent with the definition of the term professional development in section 9101(34) of the ESEA. The applicant must demonstrate that its PBCS has a professional development component in place, or a specific plan for developing one, that is directly linked to the specific measures of teacher and principal effectiveness included in the PBCS. The professional development component of the PBCS must— (1) Be based on needs assessed either at the high-need schools participating in the applicant's proposed PBCS or LEA-wide; (2) Be targeted to individual teachers' and principals' needs as identified in the evaluation process; (3) Provide— (a) Those teachers and principals in participating TIF schools who do not receive differentiated compensation based on effectiveness under the PBCS with the tools and skills they need to improve their effectiveness in the classroom or school and be able to raise student achievement; and (b) Those teachers and principals who are deemed to be effective and who, therefore, receive differentiated compensation under the PBCS, with the tools and skills they need to (1) continue effective practices in the classroom or school and raise student achievement, and (2) successfully assume additional responsibilities and leadership roles; (4) Support teachers and principals to better understand and use the measures of effectiveness in the PBCS to improve practice and student achievement; and (5) Include a process for regularly assessing the effectiveness of this professional development in improving teacher and leadership practice to increase student achievement and making modifications necessary to improve its effectiveness. **ADDITIONAL CRITERIA FOR THE EVALUATION COMPETITION:** • *Budget Information.* In exchange for its agreement to participate in the national TIF Evaluation, a successful applicant for the TIF Evaluation competition will receive a minimum of $1 million of additional funding over the 5-year grant period (above the amount of funding awarded to it to implement the PBCS proposed in its application) for the four pairs of schools selected to participate in the evaluation. For each additional pair of schools participating in the evaluation, a successful applicant will receive an additional $250,000, up to a maximum total additional award of $2 million.

	TIF Cohorts 1 & 2 (Studied in this Report)[a]	TIF Cohort 3[b]
		An applicant for the TIF Evaluation competition must provide, in its application, a proposed budget that indicates how it plans to use the additional funds the Department would award. While these additional funds must be used for TIF-related activities, examples of acceptable expenses include the costs of: (1) Academic coaches such as mathematics and reading coaches, and Master, Mentor, or Lead Teacher salaries beyond those the Department will otherwise fund under the Main TIF competition. Under the Main TIF competition, the Department approves expenses related to one salary, per position, per high-need school within the project scope); (2) Activities such as expenses related to release time for teachers to attend professional development beyond those the Department will otherwise fund under the Main competition (the Department does not allow for an unreasonable amount of substitute teacher salaries to compensate for this release time); (3) Support for the PBCS that would otherwise need to be paid with non-TIF funds in order to implement the applicant's plan for fiscal sustainability under absolute priority 2; and (4) Costs associated with participating in the national evaluation, such as preparing administrative student records for use by the national evaluator. • *Incentive Amounts.* Consistent with absolute priority 1, an applicant for the TIF Evaluation competition must demonstrate, in its application, that it will implement a PBCS that uses— (1) Incentive payments to principals based on differentiated levels of effectiveness in which— (a) The average principal payout (defined as the total amount of principal payments divided by the total number of principals in the schools participating in the differentiated effectiveness incentive payment component of the PBCS) is substantial (e.g., 5 percent of the average principal salary); (b) The criteria for determining whether a principal is eligible for payment are challenging (e.g., payments are made to only those who perform significantly better than the current average performance among study schools within the LEA), 2 and; (c) There is an expectation of meaningful differences in resulting principal pay (e.g., at least some principals could reasonably expect to receive an incentive payment of times the average principal payout and the applicant's documentation of cost projections is consistent with this expectation); and (2) Incentive payments to teachers based on differentiated levels of effectiveness in which— (a) The average teacher payout (defined as the total amount of teacher payments divided by the total number of teachers in the schools participating in the differentiated effectiveness incentive payment component of the PBCS) is substantial (e.g., 5 percent of the average teacher salary); (b) The criteria for determining whether a teacher is eligible for payment are challenging (e.g., payments are made only to those who perform significantly better than the current average performance among study schools within the LEA); and (c) There is an expectation of meaningful differences in resulting teacher pay (e.g., at least some teachers could reasonably expect to receive an incentive payment of three times the average teacher payout and the applicant's documentation of cost projections is consistent with this expectation). • *Implementation of Evaluation.* Each applicant under the TIF Evaluation competition must agree, in its application, to implement its differentiated effectiveness incentive component of the PBCS and a 1 percent across-the-board annual bonus in at least one LEA in accordance with the implementation plan developed by the Institute of Education Sciences (IES) evaluator, Mathematica Policy Research. Specifically, the IES evaluator will select by lottery one-half of the evaluation schools within the LEA (i.e., "Group 1") to implement the applicant's proposed differentiated effectiveness

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		incentive payment component of the PBCS. The other half of the schools within the LEA (i.e., "Group 2") participating in the evaluation will implement a 1 percent across-the-board annual bonus for teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools). The applicant must identify, in its application, the schools that are proposed for participation in the evaluation. In participating LEAs that have the five core elements in place at the time of the initial grant award, the first group of schools in that LEA (Group 1 schools) must begin implementation of all components of the PBCS at the beginning of the 2010–2011 school year. In a participating LEA that does not yet have in place the five core elements necessary to implement a successful PBCS at the time of award, the first group of schools in that LEA (Group 1 schools) must begin implementation of all components of the PBCS no later than the 2011–2012 school year. • *Commitment to Evaluation.* An applicant for the TIF Evaluation competition must demonstrate, in its application, that each participating LEA and school is willing to participate in the TIF Evaluation. Documentation demonstrating this commitment must include, for each participating LEA— (1) A letter from the LEA superintendent and the principals of the participating schools stating that those officials agree to meet the TIF Evaluation competition requirements, including adhering to the implementation plan of the IES evaluator, which involves selection through a lottery of those schools to implement the differentiated effectiveness component among the schools participating in the evaluation. (2) A letter from the research office or research board of the participating LEA that expresses an agreement to comply with the TIF Evaluation requirements (if the LEA requires such research office approval). • *Implementation of All Non-differentiated Effectiveness Incentive Components.* Each applicant must agree, in its application, to implement the non-differentiated effectiveness incentive components of its PBCS (e.g., bonuses for leadership or additional responsibilities and professional development activities) in all of the LEA's participating schools (those in Groups 1 and 2) starting at the same time as the differentiated effectiveness incentive component of its PBCS is implemented in the Group 1 schools. The schools in Group 2 must not implement the differentiated effectiveness incentive component of its PBCS for the duration of the TIF grant. • *Scope of Schools.* An applicant for the TIF Evaluation competition must demonstrate, in its application that it will implement a PBCS in eight or more high-need schools in an LEA that has students in tested subjects or grades (i.e., students in grades three through eight). At least two of the schools proposed to participate in the TIF Evaluation must be from within the same grade configuration (i.e., if elementary schools are proposed there are at least two elementary schools among the minimum of eight schools all within the same LEA; if middle schools are proposed there are at least two middle schools among the minimum of eight schools all within the same LEA). Applicants that include multiple LEAs must meet the scope-of-schools requirement in at least one LEA. In addition, no LEA will have more than 16 high-need schools selected for the TIF Evaluation. An applicant that is a consortium of small LEAs or an intermediary unit that is considered an LEA under State law does not have to have eight eligible schools in a participating LEA provided that the consortium or intermediary unit serves a coordinating function (i.e., data are available from a

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		centralized or coordinating entity). In this case, the minimum number of schools required for the consortium or intermediary unit is still eight, and within the eight, each school is at least paired with another school at the same grade level and within the same State. The Department will use the number of eligible schools, up to 16 per LEA, that a successful applicant makes available for the TIF Evaluation.
Eligibility	• *Eligible Applicants:* LEAs, including charter schools that are LEAs in their State; SEAs; or partnerships of (a) an LEA, an SEA, or both, and (b) at least one nonprofit organization.	• *Eligible Applicants:* Eligible entities for these funds are: (a) State education agencies (SEAs), (b) Local educational agencies (LEAs), including charter schools that are LEAs, Or (c) Partnerships of— (1) An SEA, LEA, or both; and (2) At least one nonprofit organization. • *Additional Eligibility Requirement.* Each applicant that currently participates in a TIF project must confirm in its application either that— (a) Its proposed PBCS would be available to educators in high-need schools in which the LEA does not currently make a TIF-supported PBCS available; or (b) If the applicant's current TIF project serves only principals or only teachers, its proposed project would add teachers or principals, respectively, who work in high-need schools and who are not eligible for performance-based compensation under the applicant's current TIF project's PBCS. If awarded a grant, the grantee must maintain its PBCS for teachers and principals in high-need schools for the duration of the new TIF project period. An applicant may also propose to have other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) who work in high-need schools benefit from the PBCS.
Cost-Sharing	• *Cost-Sharing:* The grantee must ensure that, in each applicable budget year, an increasing share of funds from sources other than this grant will be used to pay for earned differential compensation costs as they are phased in during the performance period. In the final year of the performance period, the grantee must ensure that at least 75 percent of the differentiated compensation costs are not paid from this grant.	See Absolute Priority 2 Above.
Key Definitions	• A *high-need school* means a school with more than **30 percent** of its enrollment from low-income families, based on eligibility for free and reduced price lunch subsidies or other poverty measures that the State permits the LEAs to use. A middle or high school may be determined to meet this definition on the basis of poverty data from feeder elementary schools.	• *High-need school* means a school with **50 percent** or more of its enrollment from low-income families, based on eligibility for free or reduced-price lunch subsidies under the Richard B. Russell National School Lunch Act, or other poverty measures that LEAs use (see section 1113(a)(5) of the ESEA (20 U.S.C. 6313(a)(5)). For middle and high schools, eligibility may be calculated on the basis of comparable data from feeder schools. Eligibility as a high-need school under this definition is determined on the basis of the most currently available data. • *Student achievement* means— (a) For tested grades and subjects— (1) A student's score on the State's assessments under the ESEA; and (2) As appropriate, other measures of student learning, such as those described in paragraph (b) of this definition, provided that they are rigorous and comparable across schools; and (b) For non-tested grades and subjects, alternative measures of student learning and performance, such as student scores on pre-tests and end-of-course tests; student performance on English language proficiency assessments; and other measures of student achievement that are rigorous and comparable across schools. • *Student growth* means the change in student achievement for an individual student between two or

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		more points in time. A State or LEA may also include other measures that are rigorous and comparable across schools. • *High-need students* means students at risk of educational failure or otherwise in need of special assistance and support, such as students who are living in poverty, who attend high-minority schools, who are far below grade level, who have left school before receiving a regular high-school diploma, who are at risk of not graduating with a diploma on time, who are homeless, who are in foster care, who have been incarcerated, who have disabilities, or who are English learners. • *Additional responsibilities and leadership roles* means additional duties teachers may voluntarily accept, such as: (1) Serving as master or mentor teachers who are chosen through a performance-based selection process (including through assessment of their teaching effectiveness and the ability to work effectively with other adults and students) and who have responsibilities to share effective instructional practices and/or to assess and improve the teaching effectiveness of other teachers in the school; (2) roles in induction and mentoring of novice teachers or high-need students; (3) tutoring students; or (4) roles in establishing and developing learning communities designed to continually improve the capacity of all teachers in a school to advance student learning, using a shared set of practices, instructional principles, or teaching strategies.
Selection Criteria	• (a) *Need* (5 points). The extent to which the applicant describes the scope and size of the project and the need for the project, including information on student academic achievement and the quality of the teachers and principals in the LEA(s) and high-need schools that will be served by the project. • (b) *Project Design* (50 points). (1) The extent to which the performance-based compensation system will reward teachers and principals who raise student academic achievement. (2) The extent to which the applicant describes the performance-based teacher and principal compensation system that the applicant proposes to develop, implement, or expand, including the extent to which the applicant will build the capacity of teachers and principals through activities such as professional development to raise student achievement and to provide students with greater access to rigorous coursework. (3) The extent to which the applicant's proposed project includes valid and reliable measures of student achievement—including statewide assessment scores as appropriate for this purpose—as the primary indicator of teacher and principal effectiveness in the proposed performance-based compensation system. (4) The extent to which the applicant proposes to develop and implement a fair, rigorous and objective process to evaluate teacher and principal performance multiple times throughout the school year.	• (a) *Need for the project* (10 points). In determining the need for the proposed project, the Secretary will consider the extent to which the applicant establishes that— (1) The high-need schools whose educators would be part of the PBCS have difficulty— (i) Recruiting highly qualified or effective teachers, particularly in hard-to-staff subjects or specialty areas, such as mathematics, science, English language acquisition, and special education; and (ii) Retaining highly qualified or effective teachers and principals. (2) Student achievement in each of the schools whose educators would be part of the PBCS is lower than in what the applicant determines are comparable schools in the LEA, or another LEA in its State, in terms of key factors such as size, grade levels, and poverty levels; and (3) A definition of what it considers a "comparable" school for the purposes of paragraph (2) of this selection criterion is established. • (b) *Project design* (60 points). The Secretary will consider the quality of the design of the proposed project. In determining the quality of the design of the proposed project, the Secretary will consider the extent to which the proposed PBCS— (1) Is part of a proposed LEA or statewide strategy, as appropriate, for improving the process by which each participating LEA rewards teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) in high-need schools based upon their effectiveness as determined in significant part by student growth. With regard to the effectiveness of teachers, principals, and other personnel, the Secretary will consider whether— (i) The methodology the LEA or SEA proposes to use in its PBCS to determine the effectiveness of a school's teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) includes valid and reliable measures of student growth; (ii) The participating LEA would use the proposed PBCS to provide performance awards to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) that

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	• (c) *Adequacy of Resources* (20 points). (1) The extent to which the applicant provides a thorough explanation of how the applicant will use funds awarded under the grant together with the required matching funds to carry out the program purpose.(2) The extent to which the applicant provides a detailed plan, including documentation of resources, for sustaining its performance-based compensation system after the grant period ends. (3) The extent to which the applicant includes a thorough description of its current data-management capacity and proposed areas of data management development in order to implement a performance-based compensation system in which differentiated compensation is based primarily on student academic achievement. • (d) *Quality of the Management Plan and Key Personnel* (15 points). (1) The adequacy of the management plan to achieve the objectives of the proposed project on time and within budget, including clearly defined responsibilities, timelines, milestones, and processes for continuous improvement to accomplish project tasks. (2) The qualifications, including experience, education, and training of proposed key personnel. • (e) *Evaluation* (10 points). (1) The extent to which the applicant's evaluation plan includes the use of objective measures that are clearly related to the goals of the project to raise student achievement and increase teacher effectiveness, including the extent to which the evaluation will produce quantitative and qualitative data. (2) The extent to which the applicant includes adequate evaluation procedures for ensuring feedback and continuous improvement in the operation of the proposed project. (3) The extent to which the applicant commits to participating in a rigorous national evaluation that will provide a common design methodology, data collection instruments, and performance measures for all grantees funded under this competition.	are of sufficient size to affect the behaviors of teacher, principal, and other personnel and their decisions as to whether to go to, or remain working in, the high-need school; and (iii) The applicant provides a clear explanation of how teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) are determined to be ''effective'' for the purposes of the proposed PBCS. (2) Has the involvement and support of teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools), including input from teachers, and principals, and other personnel in the schools and LEAs to be served by the grant, and the involvement and support of unions in participating LEAs where they are the designated exclusive representatives for the purpose of collective bargaining that is needed to carry out the grant; (3) Includes rigorous, transparent, and fair evaluation systems for teachers and principals that differentiate levels of effectiveness using multiple rating categories that take into account data on student growth as a significant factor, as well as classroom observations conducted at least twice during the school year; (4) Includes a data-management system, consistent with the LEA's proposed PBCS, that can link student achievement data to teacher and principal payroll and human resources systems; and (5) Incorporates high-quality professional development activities that increase the capacity of teachers and principals to raise student achievement and are directly linked to the specific measures of teacher and principal effectiveness included in the PBCS. • (c) *Adequacy of Support for the Proposed Project* (25 points). In determining the adequacy of the support for the proposed project, the Secretary considers the extent to which— (1) The management plan is likely to achieve the objectives of the proposed project on time and within budget, and includes clearly defined responsibilities and detailed timelines and milestones for accomplishing project tasks; (2) The project director and other key personnel are qualified to carry out their responsibilities, and their time commitments are appropriate and adequate to implement the project effectively; (3) The applicant will support the proposed project with funds provided under other Federal or State programs and local financial or in-kind resources; and (4) The requested grant amount and project costs are sufficient to attain project goals and reasonable in relation to the objectives and design of the project. • (d) *Quality of Local Evaluation* (5 points). In determining the quality of the local project evaluation, the Secretary considers the extent to which the applicant's evaluation plan— (1) Includes the use of strong and measurable performance objectives (that are clearly related to the goals of the project) for raising student achievement, increasing the effectiveness of teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools), and retaining and recruiting effective teachers, principals, and other personnel; (2) Will produce evaluation data that are quantitative and qualitative; and (3) Includes adequate evaluation procedures for ensuring feedback and continuous improvement in the operation of the proposed project.
Data source for this table	"Office of Elementary and Secondary Education; Overview Information; Teacher Incentive Fund (Notice Inviting Applications for New Awards for Fiscal Year (FY) 2006)." Federal Register 71:83 (May 1, 2006) pp. 25580–25584.	"Office of Elementary and Secondary Education: Overview Information; Teacher Incentive Fund (Notice Inviting Applications for New Awards for Fiscal Year (FY) 2010)." Federal Register 75:98 (May 21, 2010) pp. 28740–28749.

Appendix F. Glossary of terms

Adequate Yearly Progress (AYP)	A federally mandated, but state determined, measure of performance generally reported at the school-level. While the details vary by state, usually AYP is determined using proficiency rates on statewide standardized tests.
Base salary	Salary of teachers or administrators not including benefits or incentives
Career Ladder	A series of hierarchical roles within the teaching profession through which teachers can advance by demonstrating effectiveness. Moving up a career ladder is generally accompanied by increased compensation.
Charlotte Danielson's *Framework for Teaching*	A framework describing the key components of teaching that serves as the basis for many of the rubrics used in TIF projects. The framework divides the practice of teaching into 22 components (and 76 smaller elements) clustered into four domains: planning and preparation, classroom environment, instruction, and professional responsibilities.
Cost-of-Living Allowance (COLA)	Adjustment to base salary based on changes in the cost of living (usually based on the consumer price index)
Debrief guide	Form developed by the research team to synthesize and analyze multiple sources of qualitative data (from phone interviews or site visits) in one document
Effective Practice Incentive Community (EPIC)	New Leaders for New Schools established the Effective Practice Incentive Community (EPIC) in 2006 to link principal and teacher incentive pay to the wide-scale sharing of effective educational practices.
Extrinsic motivation	Motivation coming from a source outside the individual. For example, motivating someone to perform an action by giving a cash incentive based on the completion of that action.
Growth measure	Measures a student's progress between two points in time without controlling for past performance.
Hard-to-staff school	Schools that have struggled to attract and retain quality teachers because they are located in poor urban or isolated rural areas, serve a high proportion of low-income students, or have a history of high staff turnover and low student achievement.
Hard-to-staff subject	Those subjects for which states, districts and schools have had a history of difficulty in finding and hiring highly qualified teachers, e.g. math, science, and special education.

High-needs schools	For purposes of the TIF program, a high-need school refers to a school with more than 30 percent of its enrollment from low-income families, based on eligibility for free or reduced-price lunch subsidies.
Interrater reliability	Degree of agreement in the ratings assigned by two or more independent observers of the same event
Intrinsic motivation	Motivation that is driven by an interest or enjoyment in the task itself, and exists within the individual rather than coming from external sources.
Master or mentor teacher	Typically a high-performing and experienced teacher that provides instructional support to other teachers. The most consistent use of these terms is seen in schools implementing the Teacher Advancement Program (TAP) model.
Noninstructional staff	Staff within a school who do not provide direct instruction to students, such as administrative staff, counselors, bus drivers, janitors, etc.
Payouts	Financial awards paid to teachers and administrators for performance
Professional learning community	Group of educators organized to work collaboratively around issues of teaching and learning
Salary schedule, traditional salary schedule	Teacher pay based on years of experience and level of education
School-level (schoolwide) Awards	An award given to all eligible school staff based on the performance of the school as a whole
Status measure	Most often the number of students who meet a set performance standard (e.g., Percent Proficient). Typically status measures are used to compare the performance of different cohorts at the same grade level as in comparing the percentage of fifth-grade math students meeting a performance standard to the scores of the prior year's fifth-graders.
Teacher Advancement Program (TAP)	The Teacher Advancement Program (TAP) is a comprehensive school reform system that provides opportunities for career advancement through the following: • Multiple career paths (career ladder) • Professional growth • Instructionally focused accountability • Competitive compensation for educators
Teacher-level Awards	An award given to an individual teacher based on the academic performance of that specific teacher's students.
Tested subjects (also tested teacher)	Academic subjects that are typically included in standardized tests, i.e., math, science, and English.

Tournament	System that calculates awards in a way that either limits the number of winners (e.g., paying a performance award only to the top 30 percentile of teachers) or caps the amount of the total payout at a preset amount regardless of how many teachers qualified.
Value-added measure Tournament	Measures changes in student progress over time, while taking past performance into consideration. System that calculates awards in a way that either limits the number of winners (e.g., paying a performance award only to the top 30 percentile of teachers) or caps the amount of the total payout at a preset amount regardless of how many teachers qualified.
Vanderbilt Assessment of Leadership in Education (VAL-ED)	360 degree review for administrators based on surveys completed by teachers and the principal's supervisor that is designed to measure the effectiveness of school leadership behaviors.

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