

Piloting Performance-Based Compensation in Mississippi

A Summary of the First Two Years

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DECEMBER 2015

What was the purpose of this study?

Across the nation, states are exploring new models of teacher compensation that take into account student growth and performance, and Mississippi is no different. The aim of these reforms is to better link teacher salaries with measurements of effectiveness in the classroom, with the goal of rewarding effective teachers and improving student learning. In 2013, the passage of Mississippi Senate Bill 2658 implemented a pilot program to discover how performance-based compensation (PBC) could work in Mississippi and named the Research and Curriculum Unit at Mississippi State University as the entity to study and report on the implementation and outcomes.

How is the PBC pilot structured?

The PBC pilot began in August 2013, and the first two years of the pilot have been completed.

Three cohorts of districts have participated in this pilot at various points in time. Four districts are covered by SB 2658. They were selected by Governor Phil Bryant and are referred to as the state-funded cohort throughout this report. Ten Teacher Incentive Fund (TIF) schools piloted performance pay as mandated by the federal TIF grant they received. In addition, three Appalachian Regional Commission (ARC) districts were funded by the ARC to attempt a PBC plan in their districts.

In June 2014, the ARC grant and its funding for PBC programs expired; therefore, research on these districts ended after the 2013-2014 school year (Year 1). The majority of research in Year 1 and all research in Year 2 (2014-2015 school year) focused on the school districts in the state-funded cohort.

PBC Cohort Summaries

	Schools	Teachers
State Funded	65	2,478
TIF	10	379
ARC	11	284

However, due to extenuating circumstances in one district, no Year 1 bonuses have been paid in that district. Table 1 outlines district participation in Year 1; numbers of schools and teachers in the state-funded cohort have not dramatically changed across the pilot years.

In Year 1 of the pilot, districts were allowed to create their own PBC plans after gathering teacher input, with the exception of TIF schools, who were required to adopt the PBC plan defined in the TIF grant. In Years 2 and 3, state-funded districts chose between a district-developed plan not based on assessments used for statewide testing or a standardized plan based on the statewide accountability model. One district chose the district option, and the others selected the standardized plan. Details on the plans are provided below.

PBC REQUIREMENTS FOR YEAR TWO

District-Developed Plan

- ✓ The district develops its own plan based on student performance that is not tied to state assessments.

OR

Standardized Plan

TIER 1

- ✓ "F-B" school improves one or more letter ratings
- ✓ "A" school remains "A" school

OR

- ✓ "F-C" school improves one or more letter ratings
- ✓ "A" school remains "A" school
- ✓ "B" school remains "B" school

TIER 2 (OPTIONAL)

- ✓ District-developed incentive

Teacher attendance, tested-area growth, graduation rate, schools not receiving letter rating, etc.

80-100% of Funds

0-20% of Funds

All districts in the governor's pilot must comply with the following minimum standards.

1. Only those with an MSTAR rating of 3.0 or higher may earn a payout.
2. Payouts may go only to staff evaluated by MSTAR/MCAR and who receive an MTES rating.
3. Payout plans must include specific dollar amounts for meeting targets; plans may not take an approach of splitting the entire allocation among those who qualify.
4. Metrics used for measuring student growth or achievement must be primarily based on third-party, valid assessments.
5. Payout plans must define staff eligibility, such as part-time/full-time employees, employment status at time of payout, and certification requirements.

It is important to note that all districts were given autonomy in deciding goals, bonus amounts, faculty included, and other PBC components after complying with the minimum standards and guidelines.

Key features of Mississippi's PBC pilot

- Since Year 1, teachers have been required to receive at least a 3.00 summative rating (on a four-point scale) on the Mississippi Statewide Teacher Appraisal Rubric (M-STAR) to qualify for a bonus.
- In state-funded and ARC cohorts, PBC plans have been created and revised each year by district committees that include representation from administrators and teachers across grade levels and subject areas.
- In most districts, PBC bonus payouts have been based on at least two metrics.
- After Year 1, state-funded districts have been required to stipulate dollar amounts for the bonuses teachers may earn. In other words, districts may not simply divide the pool of money equally among all qualifying teachers.
- Although the state is providing guidance on the structure of PBC plans, districts retain responsibility for determining bonus amounts and eligible teacher groups.
- In the standardized plan, up to 20% of funds can be used for a district incentive that is not required to align to the statewide accountability model. The most common use of these funds has been to allocate funds for schools that do not receive letter ratings and therefore do not qualify for the Tier 1 bonuses.

How is the PBC pilot being studied?

To contribute to the knowledge base around the impact of performance pay on teacher and student performance, our work focuses on the following research questions:

1. In what way(s) is performance pay influencing teacher effectiveness and student performance in the pilot districts?
2. In what way(s) is performance pay influencing teaching and learning in the pilot districts?

We are also studying the components districts choose to include in their PBC plans to help iteratively evaluate the pilot and provide recommendations at the end of the project.

For all of this work, we employ a mixed-methods design.

SURVEYS AND FOCUS GROUPS

During each year of the pilot, the RCU disseminated surveys to teachers and administrators in participating school districts to gain feedback on the PBC pilot, including implementation, training, and general perceptions. Over both years, a total of 1,573 teachers and administrators responded to these surveys.

A separate survey, called the Stages of Concern Questionnaire, was administered twice during Year 2. It focused on the implementation process of the pilot and aimed to capture individual- and group-level concerns about the PBC pilot program. A total of 1,303 educators responded to this survey.

Focus Group Participants

214

Stages of Concern
Questionnaire Respondents

1,303

Survey Respondents

+ 1,573

3,090

Total Evaluation Participants

In addition to surveys, the RCU held focus groups with teachers, administrators, and central office personnel from each participating district during both Year 1 and Year 2. A total of 214 teachers, principals, and district staff participated in focus groups over this time period. Randomly sampled in Year 1 and purposively in Year 2, individual participants were recruited and selected by the participating districts. Focus group interviews were guided and asked participants to weigh in on issues of implementation, plan development, and PBC perception in the participants' districts.

TEACHER AND STUDENT PERFORMANCE

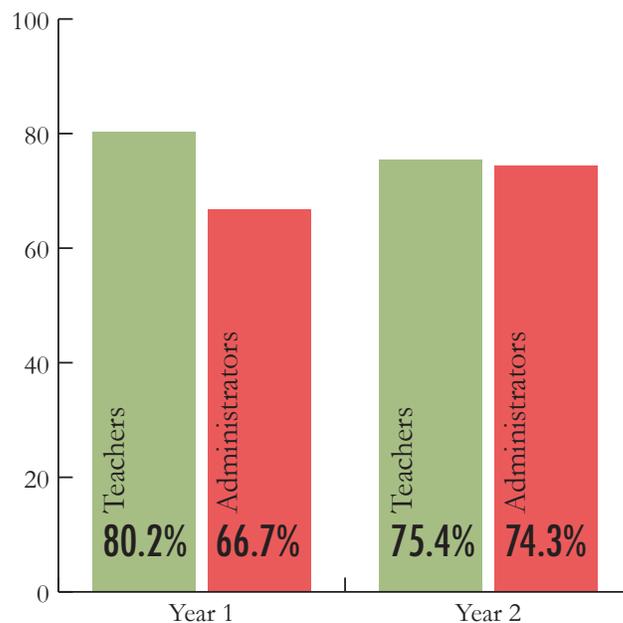
In addition to analyzing data gathered through surveys and focus groups, we performed statistical analyses on several quantitative measures of district performance, including school-level data on student achievement and teacher-evaluation scores. Because schools use different progress-monitoring systems and student-achievement metrics in their PBC plans, districts and schools are not directly comparable across all data categories.

Due to the lag between the end of a school year and receipt of student testing data, teachers receive their bonus payments during the school year following the year in which they qualified.

What are the results to date of the PBC pilot?

- **A majority of teachers and administrators believe teacher compensation should be based on a combination of experience, educational credentials, and performance.** In Year 1 surveys, 80.2% of teachers and 66.7% of administrators agreed with this pay structure. In Year 2, the percentage supporting this pay structure dropped slightly to 75.4% of teachers, while the percentage of administrators supporting increased to 74.3%. Overall, in both years, the overwhelming majority of educators surveyed agreed with a salary structure that accounts for experience, education, and performance.

Compensation Should Be Based on Experience, Credentials, and Performance

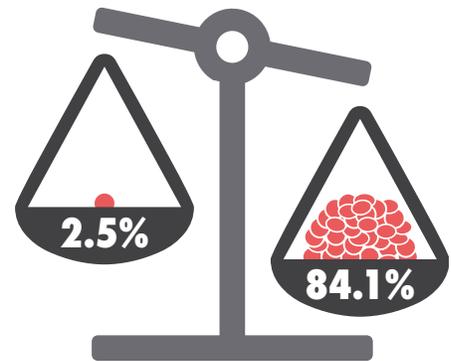


- **It is unclear whether PBC will negatively impact collegiality and morale among teachers.** In Year 1, teachers did not believe PBC would impact their ability to work together effectively, and they expressed little concern that PBC would be detrimental to communication. However, in Year 2, teachers, administrators, and central-office staff reported that the PBC pilot had negatively impacted teacher morale and collegiality. Across most districts, many educators who provided feedback in interviews and surveys felt PBC plans had the potential to foster division and competition among teachers. However, in one district, administrators reported that PBC had actually positively affected teacher morale and collegiality by bringing teachers together in pursuit of improved school ratings so the whole school could qualify for bonuses.

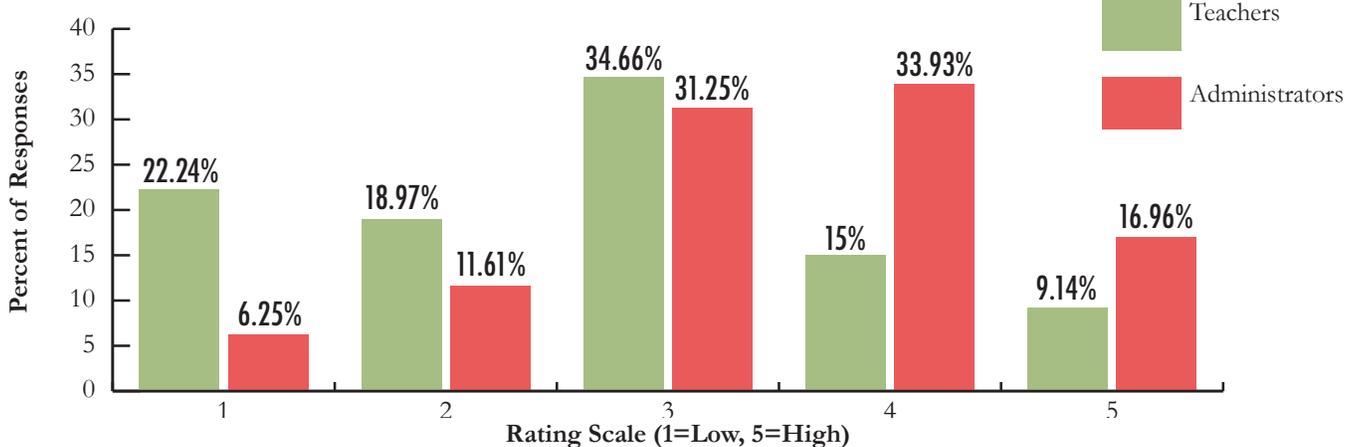
- **Not all participating schools have awarded PBC bonuses, and the percentage of teachers in a district receiving a bonus has varied widely.**¹ In Year 1, 11 of the 66 schools for which we had data did not award any PBC bonuses, and the percentage of teachers in a district recommended for a bonus varied from 2.5% to 84.1%.

- **PBC bonus amounts were relatively low in most districts.**¹ In Year 1, mean payment amounts by school ranged from \$300 to \$1,500 in three districts, mostly a result of a large percentage of teachers qualifying for bonuses in these districts. The mean payment in another district was \$5,000, where a lower percentage of teachers qualified.

The percentage of teachers in a district recommended for a bonus varied from **2.5%** to **84.1%**

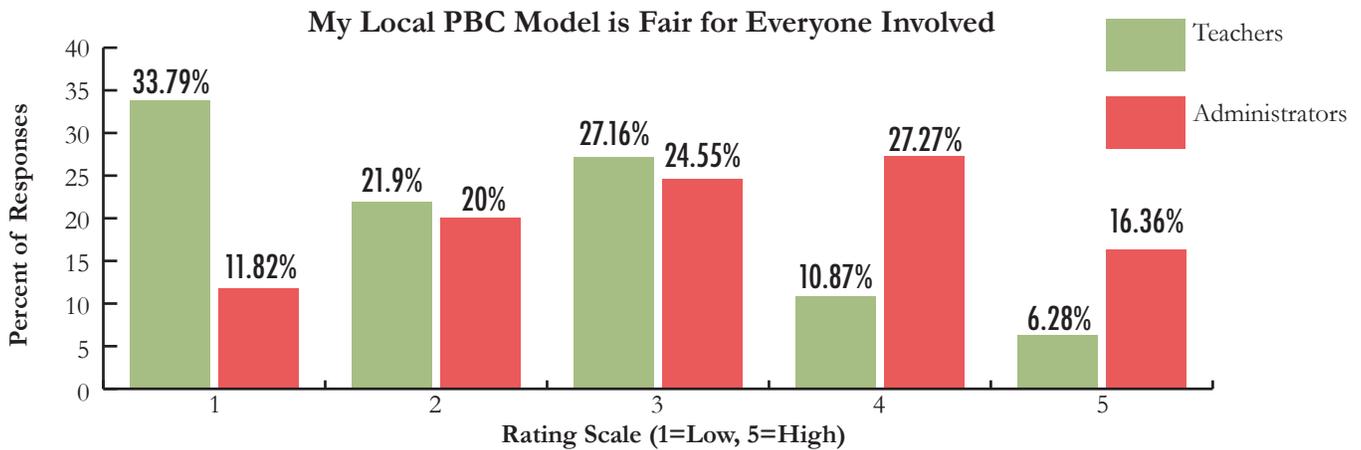


The Bonus Amount for Each Goal is Appropriate



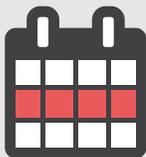
¹ A direct result of the varying rigor and design elements of district PBC plans

- Teachers are ambivalent about PBC.** In Year 2, survey respondents indicated strong feelings that PBC is not a motivator for teachers. During focus groups, teachers mentioned that PBC was just one more task on their already long to-do list, and educators at all levels expressed concern that PBC plans were not fair across districts. Particularly in Year 2, teachers also worried that PBC plans could affect their personal morale and sense of professional adequacy due to the perception that the standards required to earn a bonus were unrealistically high. Overall, a sense of detachment from PBC was reported, with this sense of apathy strongest among teachers and administrators who felt the PBC requirements were unobtainable or unrealistic. The feeling that PBC represents an “impossible task” may contribute to teachers feeling discouraged or unmotivated to meet the criteria.



- PBC may not be the most effective way of motivating teachers.** In surveys, nearly two thirds of teachers reported that this type of monetary reward was not motivating to them. During focus groups, teachers reported that factors such as school location or support from school leadership may outweigh financial incentives when they decide where they want to teach. They also expressed a preference for being rewarded in ways other than bonuses, such as additional time off or improved resources. Administrators across districts reported that their top teachers were already highly motivated to excel, and they could not be motivated to improve further by the prospect of a bonus.

Alternate Motivators



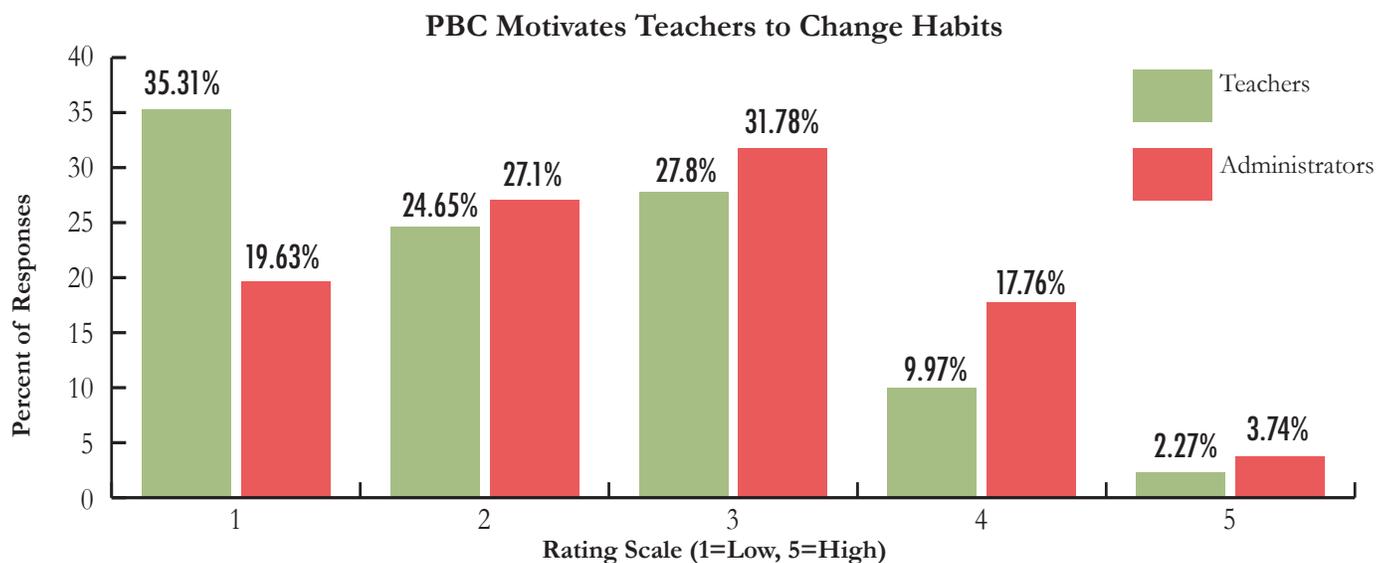
Additional Time Off



Improved Resources



Support from School Leadership



- Participation in PBC may create some unexpected benefits.** Central-office staff reported that participation in PBC prompted teachers to spend more time reviewing student data and using it to improve practice. In addition, focus group participants thought participation in PBC created better understanding of M-STAR, motivating teachers to both better understand the standards and work to meet them in order to qualify for PBC.
- Schools and districts are in need of greater support as they plan for and implement PBC programs.** Among teachers, there was a widespread lack of understanding regarding student-growth targets, how to earn a bonus, and the difference between PBC and M-STAR. School leaders expressed a need for assistance in collecting and managing data used to determine eligibility for PBC bonuses. They also reported that determining PBC bonus amounts was difficult.
- Implementation of multiple new programs and initiatives at the same time is a source of stress for teachers and may also cloud research findings.** With so many changes across the state, it is impossible to conclusively attribute findings to any one initiative. In addition, the sheer number of changes in testing and evaluation is likely contributing to teachers' and administrators' reports of feeling exhausted and overwhelmed. Unknowns around student testing and how the changes in assessments will impact school accountability ratings cloud this project and evoke concern from educators.
- PBC programs are somewhat overshadowed by broader budgetary concerns.** Many educators are worried about their schools' budgets and feel unsure about their ability to provide PBC absent financial help from the state. Citing recent statewide budget cuts, some preferred that PBC funding be added to the general budget or used for classroom resources. During focus groups, participants consistently suggested scrapping the PBC program and applying the funds to district budgets or raising base salaries for all teachers.

Have any recommendations come out of the PBC pilot so far?



Defined dollar amounts for bonuses are essential. In focus groups, teachers said they preferred to know the amount they stood to earn from a bonus. Teachers whose districts offered set bonus amounts were more likely to view PBC favorably. This model allows teachers to clearly know what they can earn and promotes fiscal sustainability, with unused funds from one year being carried over to following years. However, in order to be motivating, bonuses must be large enough to be meaningful.



Continued work is needed to ensure PBC programs are implemented with some level of consistency across the state. Among the pilot districts, the percentage of teachers recommended to receive a bonus differed by as much as 81 percentage points between districts, and in one district, only elementary school teachers received bonuses in Year 1. Such wide variation in the percentage of teachers qualifying may signal structural problems with how PBC programs are being implemented, rather than signaling actual differences in teacher performance. These wide variations may also contribute to teachers' perception that PBC plans are unfair. Focus group participants desired verification that PBC plans were equally rigorous among districts to ensure fairness.



Differentiated pay instead of performance-only bonuses may be the best model. PBC plans should take into account more than just performance as measured by standardized tests when determining who should receive additional compensation. Such a model would allow districts to reward teachers who take on hard-to-staff schools, grades, or content areas. For example, a number of focus group participants at all educator levels suggested that tested-area teachers may deserve a higher salary in recognition of the increased stress of their jobs. A broader definition of performance in a PBC program would allow districts to incentivize teachers in a host of ways that research shows contribute to student learning.



The state should provide technical assistance to districts implementing PBC plans. Districts need a person or office they can go to with questions. Because the educational landscape is always changing, schools and districts have difficulty with the operational aspects of PBC plans, including determining how to prioritize PBC goals and setting PBC criteria. A state office devoted to these issues would benefit districts a great deal. Additionally, although districts were allowed to allocate up to 20% of funds (in the standardized plan) to a district incentive of their choosing, most chose only to allocate the percentage needed to cover bonuses for educators at their alternative school and/or career-technical center, both of which were ineligible for Tier 1 funds due to a lack of an accountability rating for the building. With help from an expert at the state level, districts could think strategically and creatively about how to use these funds for targeted improvement and rewards, perhaps for teachers at buildings that did not qualify for Tier 1 due to lack of a school-level rating.

What are the next steps for the PBC pilot?

Year 3 of the pilot is currently underway. Bonus payments for Year 2 will be awarded after student achievement data have been released, which the state expects to be in the spring of 2016. Once quantitative data for Year 3 of the pilot are available, final data analyses will be performed to determine the overall results of the pilot.



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