

## **Your Question:**

You wanted to know which districts and states use differential pay to attract teachers to certain schools or positions and pay-for-performance initiatives to reward teachers. You were also looking for corresponding research information on these programs.

## **Our Response:**

### **State and district comparison information**

- [\*\*Strategic Teacher Compensation Databurst\*\*](#), related [\*\*searchable database\*\*](#) and [\*\*district trendline\*\*](#) (National Council on Teacher Quality, 2018) Provides a high-level overview of state compensation policies for teachers, including performance pay, differential pay for teachers in high-need schools and subjects, and additional pay for new teachers with relevant, non-teaching experience. According to the 2017 scan:
  - on [\*\*performance pay\*\*](#), eight states require districts to consider performance in teacher pay and 11 states explicitly encourage or allow districts to consider performance in teacher pay.
  - on [\*\*pay for high-need schools and subjects\*\*](#), 23 states incentivize teaching in high-need schools through differential pay and 15 states incentivize teaching in shortage subject areas through differential pay.
- [\*\*How are districts and states using pay to staff high-need schools and subjects?\*\*](#) (National Council on Teacher Quality, 2018) Includes an overview of state and district differential pay policies.
- [\*\*Performance Pay: How Teacher Evaluations Impact Compensation\*\*](#) (National Council on Teacher Quality, 2018) Includes an overview on performance pay and its use in large districts.

### **Related research sampling**

#### **Overview**

[\*\*This Education Commission of the States report \(2016\)\*\*](#) provides a high-level overview of the research on teacher financial incentives (including differential pay and pay for performance) and finds that state financial incentive programs have the potential to direct teachers to shortage areas and ensure they stay — but they lose their lure if they are not sufficient, sustained and paired with improvements to working conditions.

#### **Differential Pay**

- [\*\*The Impact of Incentives to Recruit and Retain Teachers in “Hard-to-Staff” Subjects\*\*](#) (Journal of Policy Analysis and Management, 2017) (*Chalkbeat* summary [here](#)) The authors examine the effects of Florida’s Critical Teacher Shortage Program designed to increase the supply of teachers in designated

hard-to-staff areas, such as special education, math and science. The authors find that the loan forgiveness and bonus programs were cost effective and reduced teacher attrition. (The study also provides a helpful overview of the research on pay differentials for teachers working in hard-to-staff subjects or schools.)

- [\*\*The Effects of Differential Pay on Teacher Recruitment, Retention and Quality\*\*](#) (working study, 2016) (Bellwether Summary [here](#)). In this working paper, the authors analyze Georgia's pay incentives for math and science teachers and find that they cut teacher turnover rates by 35 percent.
  - [\*\*Review of Teacher Incentive Programs\*\*](#) (Hanover Research, 2014) The authors examine teacher incentive programs, and among other things, conclude that "while transfer incentives may be effective in persuading quality teachers to work in high-need schools, money alone is typically not enough to retain them." The authors point to one study (see "Transfer Incentives ..." below) that found that once an incentive program was discontinued, retention returned to previous rates.
- ② [\*\*Transfer Incentives for High-Performing Teachers: Final Results from a Multisite Randomized Experiment – Executive Summary\*\*](#) (Institute of Education Sciences, 2013) Examines the Talent Transfer Initiative program implemented in 10 districts and seven states. The program provided high-quality teachers \$20,000, paid in installments over two years, if they transferred into and remained in designated schools with low average test scores. The study found that the program: 1) successfully attracted high value-added teachers to fill targeted vacancies, 2) had a positive impact on test scores (math and reading) in targeted elementary classrooms, and 3) had a positive impact on teacher retention rates during the payout period, but that retention of the high-performing teachers who transferred was similar to their counterparts in the fall immediately after the last payout.

## Pay for Performance

- [\*\*Promoting Educator Effectiveness: The Effects of Two Key Strategies\*\*](#) (IES, 2018) Finds that providing educators with bonuses based on their performance for four years improved students' reading achievement after one, two and three years of implementation and students' math achievement after three years. After each of those periods in implementation, the cumulative effect amounted to about three to four weeks of learning.
- [\*\*Show Who the Money? Teacher Sorting Patterns and Performance Pay across U.S. School Districts\*\*](#) (Public Administration Review, 2017) The authors examine whether pay for performance influences the sorting patterns of K-12 public teachers across U.S. school districts. Findings show that, on average, school districts that adopted pay for performance secured new teacher hires who graduated from colleges and universities with average SAT scores that were about 30 points higher than the new teacher cohorts hired by districts that did not adopt pay for performance.
- [\*\*Do Teacher Financial Awards Improve Teacher Retention and Student Achievement in an Urban Disadvantaged School District?\*\*](#) (American Educational Research Journal, 2017) The authors examine a census of students, teachers and schools in a large, urban and minority-majority school district and find that receipt of a financial award did not consistently relate to higher mean student test score gains or teachers' likelihood of retention.

- [\*\*Teacher Merit Pay and Student Test Scores: A Meta-Analysis\*\*](#) (Vanderbilt, 2017) (*Chalkbeat* summary [here](#))  
Authors conduct a meta-analysis of 44 research studies and find that the presence of a merit pay program is associated with a modest, statistically significant and positive effect on student test scores.
- [\*\*Evaluation of the Teacher Incentive Fund: Final Report on Implementation and Impacts of Pay-for-Performance Across Four Years\*\*](#) (IES, 2017) (The74 summary [here](#), *Hechinger Report* summary [here](#), *Chalkbeat* summary [here](#)) Finds that pay for performance had small, positive impacts on students' reading and math achievement.
- [\*\*2016-2017 Teacher Leadership and Compensation System End of Year Report Summary\*\*](#) (Iowa Department of Education, 2017) and [\*\*Iowa's Teacher Leadership and Compensation Program: Findings From 2016–17\*\*](#) (American Institutes for Research, 2017) Examine Iowa's Teacher Leader Compensation System, including impacts on teacher retention and student achievement. The system, established in 2013, was created to fund district innovations aimed at recruiting, rewarding and retaining promising and effective teachers. School districts received planning grants to create programs, and approved districts received additional per-pupil allocations from the state to support their efforts. Districts were given the flexibility to design systems meeting state-prescribed goals, which include offering competitive starting salaries and supplemental pay tied to leadership and effectiveness.
- [\*\*A Fair Share: A New Proposal for Teacher Pay in Denver\*\*](#) (A+ Colorado, 2016) (Bellwether summary [here](#)) Examines Denver Public Schools' ProComp System, which includes pay for performance.