

Thinking Through Incentives for School-Based Administrators

**NC Joint Legislative Study Committee
November 28, 2016**

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Key Questions

- I. How do we recruit and retain high-performing principals/assistant principals, especially in hard-to-staff or under-performing schools?
- II. Would a mix of salary flexibility and financial incentives would allow LEAs to draw principals/assistant principals to the schools with the students who need them the most?
- III. And how can we do this without messing everything else up?



What does the research say?

What are other states doing?

Performance Incentives for School Administrators: An Overview of Research and SREB State Strategies

Prepared for the
NC Joint Legislative Study Committee on School-Based Administrator Pay
November 28, 2016

Legislative Request

Will SREB share research studies and state policies that address performance incentives, especially those tied to the recruitment and retention of effective principals?

What Does the Research Say?

SREB has analyzed five studies related to principal compensation and performance incentives. Not surprisingly, the research scan shows that fewer studies exist for principal performance pay than for teachers.

The studies provide guidance on how to design principal incentive strategies and to construct the measures that rate administrator performance. In the studies analyzing district strategies, researchers emphasize the importance of involving administrators in system design and implementation.

Several of the studies find that ambiguity of purpose and miscommunication about key processes affected principal attitudes toward the district strategies. Two of the five studies also address concerns over the reliability of student achievement data in rating principals' performance and the lack of precision in defining the principal's role in bringing about desired outcomes.

While these concerns do not disqualify the development of administrator performance systems, they demonstrate the challenges of constructing district compensation systems with quality and the importance of aligning potential measures with existing school improvement principles and state policy priorities.

Research Addressing District Performance Systems

Mathematica produced a [2015 study](#) analyzing the implementation of district pay-for-performance systems. The study compares educator and student outcomes between Teacher Incentive Fund (TIF) schools with pay-for-performance arrangements and a set of control schools. Administrators in control schools received an automatic bonus that did not require demonstration of leadership effectiveness.

RAND Corporation produced a [similar study in 2012](#) that focuses on one district strategy, the Pittsburgh Principal Incentive Program. Pittsburgh's plan provided \$2,000 permanent salary increases based on principal performance and annual bonuses of up to \$10,000 based on school and student achievement measures. Student achievement increased in high-need schools and for low-performing students. In both cases, the researchers attribute these developments to the design of the bonus.

What we know
already is not
quite this...



Closer to this.

Evaluation of the Teacher Incentive Fund: Implementation and Impacts of Pay-for-Performance After Three Years

3 criteria for bonuses

- Substantial
- Differentiated
- Challenging

Average gains in treatment schools were decent.

- 2 percentile in math
- 1 percentile in reading

Much variation in the gains.


But the criteria didn't predict the gains.

August 2016



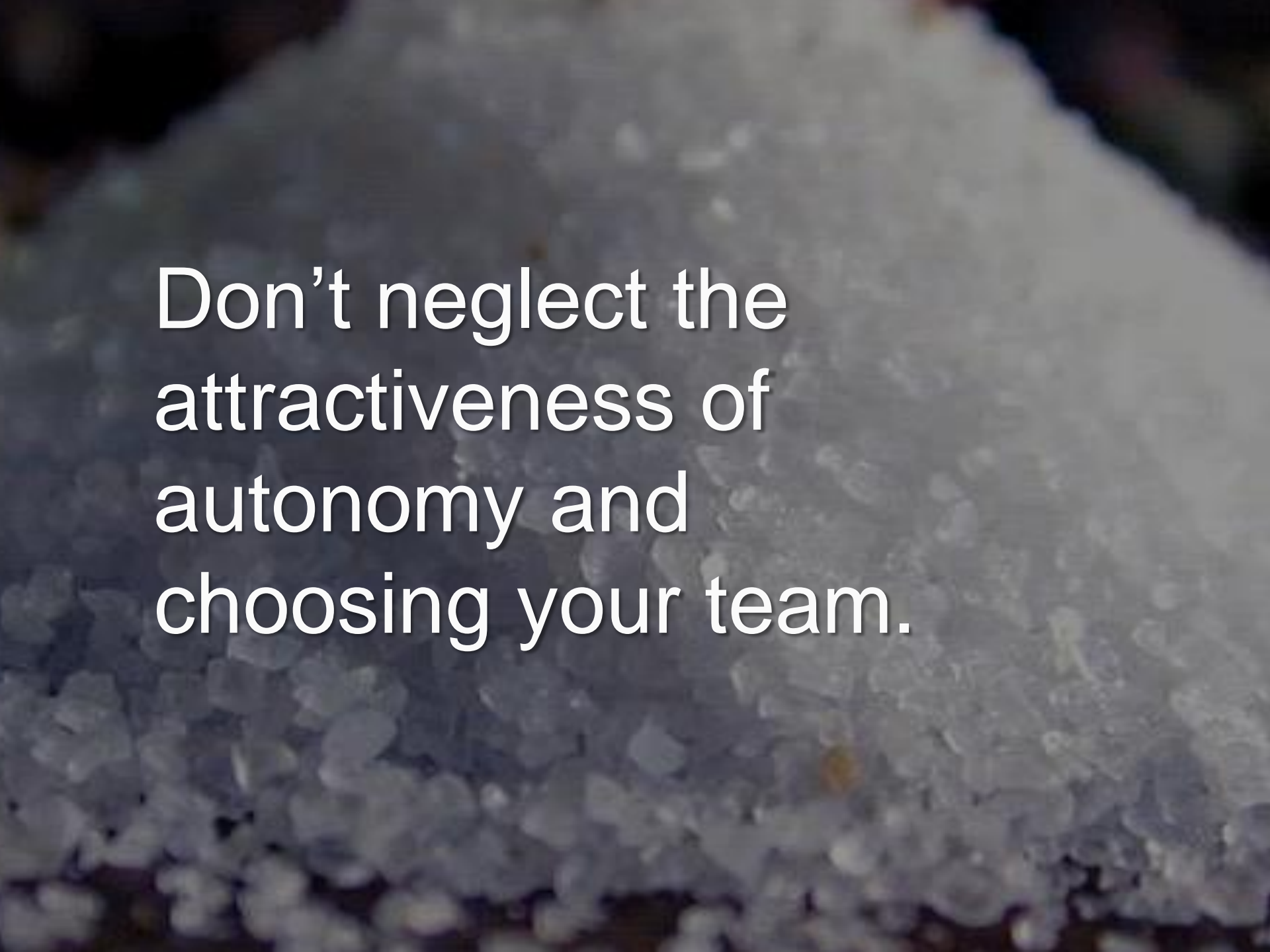


Use current data to get
very clear about principal
mobility and attrition.



Build your plan with the
people who will use it.

From the beginning.
No joke.



Don't neglect the
attractiveness of
autonomy and
choosing your team.



Don't underestimate the
egalitarian ethos of education.



Start small and learn.



Always ask:

“Are students better off
because of this work?”

SREB

Educator
Effectiveness

*Policies
to promote
effective
teaching*

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