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## Introduction

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In the 2007–2008 school year, the New York City Department of Education (NYCDOE) and the United Federation of Teachers (UFT) implemented a pay-for-performance program called the Schoolwide Performance Bonus Program (SPBP). In accordance with the memorandum of understanding (MOU) that established the SPBP and called for an independent evaluation, NYCDOE and UFT contracted with the RAND Corporation (in partnership with the National Center on Performance Incentives [NCPI] and Vanderbilt University) to evaluate the implementation and effects of this program. The evaluation study was funded by the Fund for Public Schools and NCPI, which is funded by the U.S. Department of Education’s Institute of Education Sciences. The two-year study started in February 2009 and was designed to examine (1) program implementation, factors affecting implementation, and implementation progress over time; (2) how SPBP affected school, staff, and student outcomes; and (3) the links between implementation and desired outcomes.

This monograph describes the data collection and analysis conducted during the two-year evaluation and provides findings on the three years of the SPBP.

### **A Brief Overview of the Schoolwide Performance Bonus Program**

Implemented for the first time in the 2007–2008 school year, SPBP was a joint program of NYCDOE and UFT. Established as a two-year

pilot for the 2007–2008 and 2008–2009 school years, the program was extended in 2009 for a third year (2009–2010) as a result of additional negotiations between NYCDOE and UFT. The program was suspended in January 2011 on announcement of payment of year 3's bonuses.

The voluntary program provided financial rewards to educators in high-needs elementary, middle, kindergarten through 8th grade (K–8), and high schools.<sup>1</sup> Each school needed the approval of 55 percent of its UFT-represented staff members to participate in the program each year. A participating school could receive a school-level bonus equal to \$3,000 multiplied by the total number of full-time UFT-represented staff members working at the school,<sup>2</sup> if the school met its annual performance target. That target was defined by the NYCDOE accountability program and was determined in large part by student growth on standardized tests. The program required each participating school to establish a four-person compensation committee (CC) to determine how to distribute the bonus among staff members. The committee was made up of the principal, a member designated by the principal, and two UFT-represented staff members elected by staff.

In 2007–2008, 427 high-needs schools were identified for the program; about one-half of these were randomly selected to be offered the opportunity to participate in the SPBP. Over time, a few schools that accepted this opportunity dropped out or closed, but most of the schools that agreed to participate did so for all three years. Ultimately,

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<sup>1</sup> For high schools, high need was measured using the average proficiency ratings of actively enrolled students on the 8th grade New York State English language arts (ELA) and mathematics exams. For middle schools, it was measured using average proficiency ratings on the 4th grade ELA and mathematics tests. For elementary schools, it was calculated on the basis of poverty rates, other student demographic characteristics, and the percentages of ELL and special education students in the schools.

<sup>2</sup> UFT-represented refers to employees covered by one of several NYCDOE-UFT negotiated contracts. These include teachers, social workers, counselors, school nurses, psychologists, school security personnel, teachers' aides, nonsupervisory education personnel, adult-education employees, speech therapists, school secretaries, and substitute teachers. While it does include paraprofessionals working side by side with teachers, it does not include school aides, who are covered by employee union DC37.

205 schools participated in year 1 (2007–2008), 198 schools in year 2 (2008–2009), and 196 schools in year 3 (2009–2010).

## **Purpose of the Evaluation**

The purpose of our two-year project was to independently evaluate SPBP. Specifically, the evaluation was designed to answer the following questions:

1. How was the program implemented?
2. What were the intermediate outcomes of the program?
3. How did the program affect student performance?

## **Data Collection and Analysis**

As described in more detail in Chapter Three, we collected and analyzed a variety of qualitative and quantitative data over the course of the evaluation, including interviews with representatives from NYCDOE, UFT, funders, and other leaders (years 1 and 2 of the evaluation); site visits to 14 SPBP schools (seven each year); surveys of CC members in all SPBP schools (years 1 and 2); surveys of a sample of teachers in all SPBP and in eligible schools that were not selected for participation (year 2); documents from NYCDOE and UFT; administrative data from the 2007–2008, 2008–2009, and 2009–2010 school years (participation, distribution plans, bonuses); and student achievement data from SPBP schools and from eligible schools that were not selected for participation.

## **Organization of the Report**

In the remainder of this monograph, we first examine pay-for-performance programs more broadly and then delve into the design, implementation, and effects of the New York City SPBP. Chapter Two, provides background on pay-for-performance programs; a summary of past

research on programs similar to New York City's SPBP; and details on the history, design, and theory of action underlying the SPBP. Chapter Three describes our research methods, including the research questions, conceptual framework, and data collection sources and analyses. Chapters Four through Six provide detailed findings on the three years of program implementation, including information about general attitudes, communication, the committee process, bonus distribution, responses to bonuses, and perceptions about effects. Chapter Seven examines the effects of SPBP on school-level Progress Report scores and on student test results in SPBP and control schools. Chapter Eight compares teacher reports on attitudes and classroom practices in SPBP and control schools. The document concludes in Chapter Nine, with a summary of findings, recommendations, and implications.

Finally, a PDF file containing the six appendixes to this document is available on the product page for this monograph (<http://www.rand.org/pubs/monographs/MG1114.html>). These appendixes offer an extensive collection of information on our surveys, bonus distribution, and student achievement data and analysis methods.