

TIF Grant Performance Report (ED 524B) – Dallas ISD  
Executive Summary  
July 2007

The Dallas Independent School District (Dallas ISD) Principal and Teacher Incentive Program was designed to reward highly effective principals and teachers for promoting and maintaining high standards of student achievement. Funding from Teacher Incentive Fund (TIF) allows the program to expand on Dallas ISD's existing system of identifying and rewarding principals and teachers based on a combination of absolute and value-added student achievement gains. The district TIF related incentive program, available to principals and teachers districtwide, has five major objectives.

Objective 1 calls for collaborative development and monitoring of a comprehensive incentive plan by the Incentive Council which is comprised of teachers and teacher organizations, principals and school administrators organization, district administrators and community representatives (parents and businesses). The Incentive Council was formed on December 5, 2006, soon after the TIF grant was announced (on November 1, 2006), with 26 members representing all stakeholder groups. Members convene monthly with 7 meetings to date. Additional subcommittees were formed and meetings were held more frequently to address specific objectives (for example, High-need Schools, Teacher Incentive Criteria Subcommittees). The primary goal of the Council is to establish a comprehensive incentive system that provides teachers and principals, particularly those who serve in high-need schools, with differentiated levels of compensation, based primarily on student achievement gains at the school and classroom levels. The program will initially serve core-subject teachers in traditional schools and expand to cover non-core subject teachers and instructional staff in magnet and alternative schools. All topics discussed by the Council are made available to staff and the public. Monthly summaries are posted on the district website:  
([http://www.dallasisd.org/inside\\_disd/depts/evalacct/incentive/index.htm](http://www.dallasisd.org/inside_disd/depts/evalacct/incentive/index.htm)).

Objective 2 calls for an amendment to the recently approved (June 2006) Principal Incentive Plan, which provides incentives related directly to student achievement by campus, to attach a hiring incentive for effective principals moving to high-need campuses. Due to a large number of Dallas campuses that qualify as high-needs under the TIF guideline, the Incentive Council further refined "high-need" definition to designate schools where staff can qualify for high-need incentives. In May 2007, the High-Need School Incentive Plan was approved by the district's Executive Leadership Team (ELT). The plan for the five-school pilot was approved by the School Board on May 24, 2007 for immediate implementation in the summer of 2007.

Objective 3 entails development of the Teacher Incentive Plan by the Incentive Council. Major work is currently underway in establishing incentive criteria, types and amounts. Target date for Board approval is set for fall 2007. Included in the plan are incentives for absolute & value-added achievement gains (of teachers' students), assignments to high-need schools/ hard-to-staff subjects, approved professional development, and additional knowledge & skills. Due to existing Board policy where teachers in good standing can be exempt from annual evaluation (once in 3 years for most teachers), a pilot program will include only teachers who opt in to the performance incentive program and agree to multiple evaluations each year. Objective 3 activities, for Year 2 and beyond, include TIF program evaluation, distribution of awards, program modification, as deemed necessary by evaluation results and, ultimately, system continuation with district assumption of award funding via non-TIF sources.

Objective 4, allowing high-need schools and hard-to-staff areas to receive highest priority in staffing and other resources, and Objective 5, increasing the percentage of highly effective teachers in high-need schools, are on schedule with data to be collected in early fall of each year. Performance measure includes vacancy rates at high-need schools vs. other similar schools, at the time of budget leveling (early fall) when student enrollment stabilizes. Percentage of effective teachers and principals in high-need schools from prior year will be used as baseline data for the 1<sup>st</sup> cohort. Changes over time will be compared when the effectiveness indices are made available in mid-September of each year.

Progress of Dallas TIF program will be determined in part by Government Performance and Results Act (GPRA) measures defined as follows:

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***(1) Changes in the Dallas ISD personnel employment practices, as measured by changes over time in the percentage of teachers and principals in high-need schools who have a record of effectiveness. (Goal of 101%)***

Performance Measure (1):

Using district's definition of effectiveness (Appendix A of the TIF proposal), the high-need schools incentive is being piloted in five schools beginning in the summer of 2007. The Actual Performance Data are based on 2005-06 School and Classroom Effectiveness Indices (SEI & CEI) as baseline measures for principal's and teacher's effectiveness, respectively.

Performance Measure (1a):

Target is set to be greater than the 2006-07 baseline which is defined as % of principals with SEI $\geq$ 50 in high-need schools.

Performance Measure (1b):

Target is set to be greater than the 2006-07 baseline which is defined as % of teachers with CEI $\geq$ 50 in high-need schools.

***(2) Changes in teacher and principal incentive systems in Dallas ISD, as measured by the percentage of the district's personnel budget that is used for performance-related payments to effective teachers and principals (as measured by student achievement gains). (Goal of 1%)***

Performance Measure (2):

Target is set to be at least 1% (Amount budgeted for performance incentives/ District budget for personnel + benefits = \$9M/\$926M). District 2006-07 performance-related budget of \$8.5M include: \$1M for Outstanding School Performance Award (local) and \$7.5M for Texas Educator Excellence Grant (State). The district personnel budget, defined as salary plus benefits, totaled \$926,345,358. There was no TIF related payment for 2006-07. Non-performance incentives such as those for high-needs schools/hard-to-staff subjects, professional development, and others are not included in this measure.

Year 1 of the TIF grant generated both accomplishments and challenges. Progress has been steady as the TIF project team works to build the foundation for stakeholders to collaborate on details of the incentive programs. High-need school incentive is being piloted in five secondary schools. With approved transfer of funds, the district is reallocating unspent TIF Year 1 personnel budget to begin working ahead of schedule on communicating the incentive program(s). A thorough review of the district value-added model (VAM) by the Valued-Added research Center, TIF Technical Advisor, is set to begin at the end of Year 1.

In terms of challenges, TIF funding cut poses a major concern for staffing and allocating resources while significant cuts are being made districtwide. Additionally, major district reorganization in the summer of 2007 drastically changed the reporting structure of the district TIF staff from Evaluation & Accountability reporting to Chief Academic Officer to Performance Management & Accountability reporting to Chief Transformation Officer. In an interview on June 18, 2007, the Dallas TIF Project Director noted concern regarding additional constraints on TIF implementation as a result of a new district initiative that was developed independently of TIF. Coordination of timelines between TIF and the district initiative presents a unique challenge to TIF implementation. The district's attempt to concurrently reform compensation and personnel evaluation programs could deter successful and timely development of the TIF related incentive program.

Notwithstanding the challenges noted above, implementation of the TIF grant is on track. Necessary adjustments will be made to adhere to timelines and to manage TIF within the new district reorganization. As noted above, essential objectives were completed in Year 1 to establish the foundations of TIF. TIF management is well positioned to proceed with the project in Year 2.



**U.S. Department of Education  
Grant Performance Report (ED 524B)  
Project Status Chart**

OMB No. 1890 - 0004  
Expiration: 10-31-2007

PR/Award #:  
S374A070003

**SECTION B - Budget Information** *(See Instructions. Use as many pages as necessary.)*

ITEM		Object Code	Approved Budget	Cumulative Total	BUDGET BALANCE
1.	Payroll Costs	6100	96,250.00	13,340.14	82,909.86
1a.	Payroll Costs Fringe Benefits	6100	13,049.00	1,971.47	11,077.53
2.	Purchased & Contracted Svs.	6200	0.00	0.00	0.00
3.	Supplies & Materials	6300	5,000.00	2,001.36	2,998.64
4.	Other Operating Costs	6400	0.00	546.65	(546.65)
5.	Debt Service	6500	0.00	0.00	0.00
6.	Capital Outlay	6600	10,148.00	10,331.74	(183.74)
8.	Total Direct Costs		124,447.00	28,191.36	96,255.64
9.	Indirect /costs (1.480)	0.0148	1,692.00	264.32	1,427.68
10.	Total Project Cumulative Cost		126,139.00	28,455.68	97,683.32

The \$28,455.68 drawdown amount reflects expenses reconciled as of June 30, 2007. Additional budget data will be reported in mid Oct of 2007, soon after the end of the TIF budget cycle (Sept 30).

**Explanation for why Dallas *did not* expend funds at the expected rate during the reporting period:**

When the TIF grant was awarded to Dallas ISD in Nov 2006 for less than the requested number of staff, the Dallas TIF Project Director sought and received local funding for the staff and other resources not funded by TIF. Also included in the local budget, only for Year 1, are the 3-month estimated expenses that were not included in the TIF application due to the difference in TIF and district budget cycle. The approval process and appropriate budget line codes set up for TIF fund was completed in Feb 2007. At which time, the news of the drastic cuts in federal funding for TIF in following year had reached the district. Dallas ISD leadership team expressed concerns about the district's ability to continue funding the yet-to-be developed incentive program with additional four full-time positions, plus a contract evaluator. This caused additional delay in approval process. Nevertheless, the two TIF split-funded positions were posted and filled by March 2007. The remaining two were reposted, caught in the hiring freeze, and finally filled on June 1, 2007.

While awaiting assistance from new TIF staff members, the Project Director solicited help from other district-funded staff members, working extra hours, to fulfill the TIF obligations in Year 1. Though much has been accomplished in the past seven months, the strain on staff and other resources are evident.

Because of this late hiring of Dallas TIF staff, the district expects to have approximately \$50,000 to \$60,000 of unexpended funds at the end of the current budget period. At the May 14 monitoring call, TIF Monitoring Team recommended that Dallas expedite its communication component. Consequently, Dallas sought and received on May 15 the authorization to transfer the unspent personnel fund to appropriate line code for communication & public relations services expenses.