

# How Much Are Districts Spending to Implement Teacher Evaluation Systems?

Case Studies of Hillsborough County Public Schools,  
Memphis City Schools, and Pittsburgh Public Schools

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## Executive Summary

This report presents case studies of the efforts by three school districts, Hillsborough County Public Schools (HCPS), Memphis City Schools (MCS), and Pittsburgh Public Schools (PPS), to launch, implement, and operate new teacher evaluation systems as part of a larger reform effort called the Partnership Sites to Empower Effective Teaching. The HCPS system evaluates teachers based on a value-added model (VAM) of student achievement and structured classroom observations, while the MCS and PPS systems include surveys of students in addition to the VAM and classroom observation components. In each district, teachers receive individual overall performance ratings composed of a weighted combination of the evaluation system components.

Through our case studies, we have developed estimates of the expenditures in HCPS, MCS, and PPS for start-up and ongoing activities associated with each component of the new teacher evaluation systems in the three districts. We define start-up activities as those focused on defining, describing, or planning elements of the initiative and ongoing activities as those related to operating and maintaining elements of the initiative. We have also investigated the funding sources the districts used to cover the expenditures.

Our data collection and analyses cover the 32-month period from November 2009 through June 2012. Though the districts engaged in planning and preparation during the spring and summer of 2009 as they worked on the application for the Partnership Sites to Empower Effective Teaching grant, they did not commence expenditure of grant dollars until November 2009 in HCPS and MCS, and December 2009 in PPS. Exhibit A summarizes the implementation timeline and scale of the teacher observation, VAM, and student surveys in each district.

### *Exhibit A. Overview of Evaluation System Component Implementation Timeline by District*

	<b>Teacher Observation</b>	<b>Value Added Model (VAM)</b>	<b>Student Surveys</b>
<b>HCPS</b>	The new teacher observation system was first implemented for K-12 classroom teachers in the 2010–11 school year.	The first value-added calculations, based on 2010–11 achievement data, were released in the fall of 2011. All K–12 classroom teachers were included.	Student surveys were not included in the evaluation system.
<b>MCS</b>	The new teacher observation system was piloted in 2010–11 and implemented for all classroom teachers in 2011–12.	VAM scores were first incorporated in the new teacher evaluation in 2011–12. For teachers of core subjects, MCS is using growth measures from the Tennessee Value-Added Assessment System, which predates the district's new teacher evaluation system. Development of student growth measures for teachers of non-	Student surveys were piloted in 2009–10 and rolled out to all classroom teachers in 2011–12.

	Teacher Observation	Value Added Model (VAM)	Student Surveys
		core subjects began in 2011–12.	
PPS	The new teacher observation system was piloted in 24 schools in 2009–10 and rolled out to all schools in 2010–11.	The VAM system was piloted in 2009–10 and 2010–11. In 2011–12, scores were computed for and reported privately to almost 40 percent of classroom teachers (the majority of whom were 3 <sup>rd</sup> –12 <sup>th</sup> grade teachers of core subjects), based on student achievement data from 2008–09, 2009–10, and 2010–11.	Student surveys were piloted in 2010–11 and rolled out to all classroom teachers in 2011–12.

Our analyses are based on expenditure reports generated by the districts as well as information from interviews with district officials conducted in June of 2012. Each case study represents our best effort to estimate what each of the three districts has spent over the period between November 2009 and June 2012 to support the implementation of the new teacher evaluation system. Some of the expenditures cover teacher evaluation activities entirely new to the districts, and some cover activities that replace what the districts were already doing. For example, while expenditures to support the VAM or the student surveys might represent spending on new ways of doing business, expenditures on the teacher observation component may, to some degree, represent a new way of carrying out this function (e.g., employment of teacher evaluators as in HCPS) that replaces an old way of doing business (e.g., teacher observations performed solely by school leaders). The present study focuses on the total spending to support the new teacher evaluation system, but we make no attempt to assess how this spending differs from what districts were previously spending on these types of activities.

As displayed in Exhibit B, HCPS had the highest total expenditure for the new teacher evaluation systems (\$24.8 million), and PPS had the lowest total expenditure (\$6.4 million) between November 2009 and June 2012. This is not surprising given the relative enrollment in the two districts (approximately 195,000 in HCPS and 25,000 in PPS). In HCPS, MCS, and PPS, philanthropic funds account for roughly 60 to 90 percent of the investment allocated to the teacher evaluation system. MCS has funded the new teacher evaluation system almost exclusively through philanthropic funds (92 percent from the Gates grant). The second highest funding

category is federal funding, which is a combination of Teacher Incentive Fund (TIF), Title I and Title II, and Race to the Top (RTTT) funds.

***Exhibit B. Overview of Expenditures on the Evaluation Systems in HCPS, MCS and PPS between November 2009 and June 2012***

	Hillsborough County Public Schools (HCPS)	Memphis City Schools (MCS)	Pittsburgh Public Schools (PPS)
Total evaluation system expenditures	\$24.8 million	\$8.5 million	\$6.4 million
<b>Percentage of evaluation system expenditure by component</b>			
Teacher observations	87%	82%	47%
Value-added model (VAM)	13%	1%	45%
Student surveys	Not Applicable	17%	8%
<b>Funding sources</b>			
Philanthropic funds	62%	94%	58%
Federal funding	19%	6%	27%
District funding	19%		8%
Mixed funding			7%

*Source:* Author calculations based on effective teaching initiative expenditure figures from IPS grantee financial reports.

As shown in Exhibit C, over the period from November 2009 to June 2012, PPS had the highest per-pupil evaluation system expenditure of the three districts, ranging from \$50 to \$118. Over the same period, MCS had the lowest per-pupil evaluation system expenditure, ranging from \$8 to \$51. These estimates include both start-up and ongoing costs for planning, implementing, and operating the evaluation systems in each district. In 2011–12, evaluation system expenditures in the three districts accounted for between 0.4 and 0.5 percent of total district expenditures. In the same year, evaluation system expenditures were between 1.0 and 1.3 percent of overall teacher compensation. In each district, evaluation system expenditure as a percentage of total district expenditures and evaluation system expenditure as a percentage of overall teacher compensation showed an increasing trend from November 2009 to June 2012, reflecting the districts' transitions from the start-up to implementation phases of the initiative.

***Exhibit C. Per-Pupil Evaluation System Expenditure by Year and Percent of Total District Expenditures and Teacher Compensation***

<b>Academic Year</b>	<b>Nov 2009–June 2010</b>	<b>July 2010–June 2011</b>	<b>July 2011–June 2012</b>
<b>HCPS</b>			
Total evaluation system per-pupil expenditures	\$13	\$54	\$61
Teacher evaluation expenditures as a percentage of total district expenditures	0.1%	0.5%	0.5%
Teacher evaluation expenditures as a percentage of overall teacher compensation	0.2%	1.1%	1.2%
<b>MCS</b>			
Total evaluation system per-pupil expenditures	\$8	\$21	\$51
Teacher evaluation expenditures as a percentage of total district expenditures	0.1%	0.2%	0.4%
Teacher evaluation expenditures as a percentage of overall teacher compensation	0.2%	0.4%	1.0%
<b>PPS</b>			
Total evaluation system per-pupil expenditures	\$50	\$84	\$118
Teacher evaluation expenditures as a percentage of total district expenditures	0.2%	0.3%	0.5%
Teacher evaluation expenditures as a percentage of overall teacher compensation	0.6%	0.9%	1.3%

Source: Author calculations based on effective teaching initiative expenditure figures from IPS grantee financial reports.

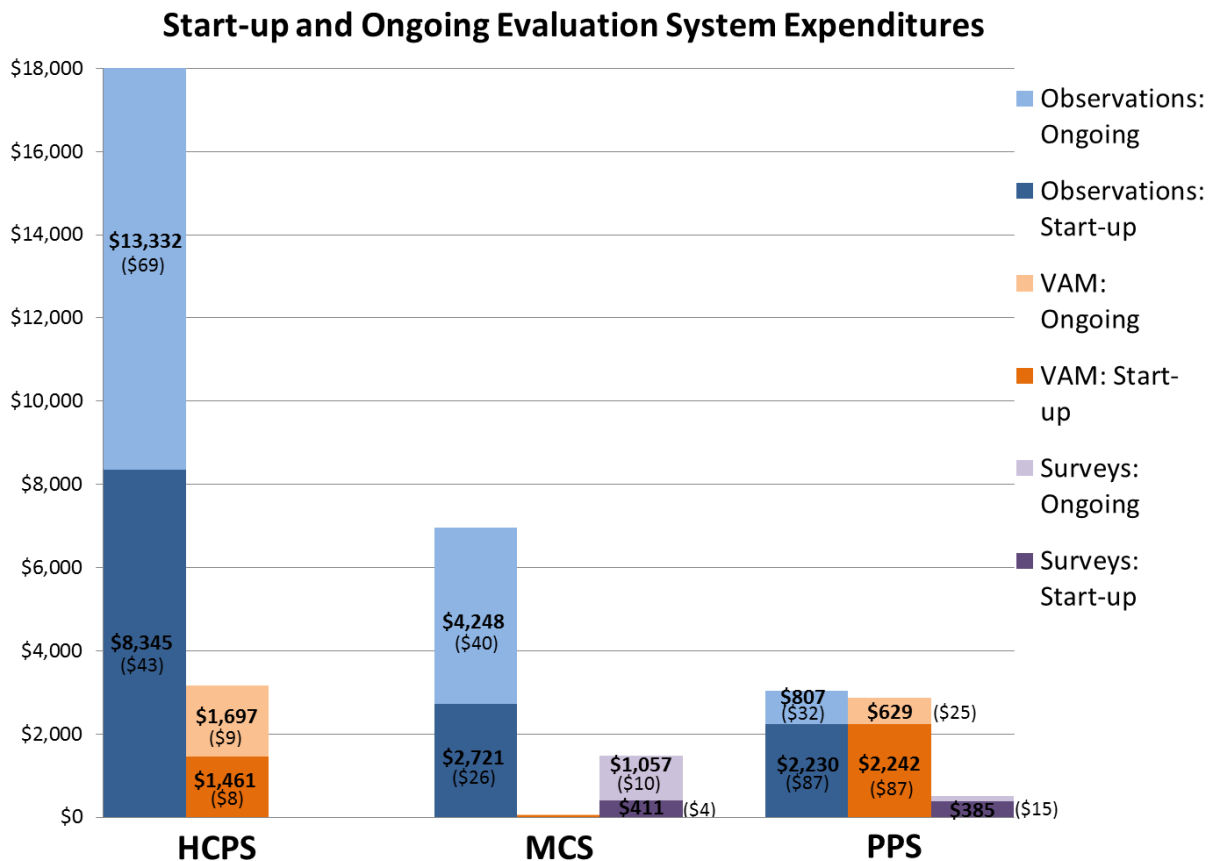
Though expenditures associated with the teacher evaluation systems are relatively small in comparison to the overall district expenditures and the overall teacher compensation, it is worth pointing out that much planning effort was put forth in all three sites during the application phase that has not been captured in our analysis. Thus, the expenditures we have captured (beginning in fall 2009 when the grant money began flowing) reflect the amount spent by three districts already engaged in the movement toward teacher effectiveness reforms and already having put forth a considerable planning effort.

Furthermore, our expenditure estimates do not capture the investment of time in initiative-related activities by school- and district-level staff whose positions were not explicitly created for the initiative but who have nevertheless taken on new duties or experienced a change in their way of work as a result of the initiative. *Most notably, our expenditure estimates do not*

include time spent by school leaders observing and evaluating teachers.<sup>1</sup> However, we do report estimates of the average amount of time school leaders in each district have spent conducting observations and preparing and providing feedback to teachers.

Exhibit D shows the portion of expenditure each district has invested in start-up and ongoing activities by evaluation system component over three years of analysis.

**Exhibit D. Expenditures for the Evaluation Systems in HCPS, MCS, and PPS by Start-Up and Ongoing Activities for November 2009 to June 2012 (in thousands of dollars)**



Note: Expenditures below \$600,000 are not displayed.

Source: Author calculations based on effective teaching initiative expenditure figures from IPS grantee financial reports.

Key findings on the districts’ investment in evaluation systems are described below by component. There is considerable variation in the expenditures across districts due to the way the local systems are structured, the existing capacity, and the strategies selected by districts.

<sup>1</sup> We are currently in the process of analyzing data gathered by the RAND/AIR evaluation team on the time allocated by principals and teachers to evaluation activities.

### **Teacher Classroom Observations**

- The three districts spent more on activities related to the teacher observation component than on activities associated with the VAM or student survey components. However, PPS spent a far lower percentage of overall evaluation system expenditure on classroom observations (47 percent) than MCS and HCPS, which both spent over 80 percent of evaluation system expenditure on their classroom observations (Exhibit B).
- All three districts use principals and assistant principals to conduct teacher observations. In addition, HCPS and PPS hire and train teachers to serve as additional observers.
- In HCPS, the main driver of expenditures on teacher observations are resources invested in employing full-time observers. MCS has recruited instructional facilitators to help administrators in their duties. In contrast, PPS has only used principals and assistant principals to conduct the observations as part of their regular job responsibilities.
- Each district spent substantial amounts on software infrastructure to create in-house solutions to meet the observation component needs.

### **Value-Added Model**

- In HCPS and PPS, the main drivers of expenditure on the VAM component were development of the statistical models and building of data linkages. At \$3.2 million (\$1,461,000 + \$1,697,000) in HCPS and \$2.9 million (\$2,242,000 + \$629,000) in PPS, overall expenditures on the VAM were comparable in both districts despite the much larger student and teacher populations of HCPS (Exhibit C).
- Both HCPS and PPS engaged an external statistical partner to develop the model and to calculate the value-added scores.
- The statistical partners helped provide the capacity needed to support the development and statistical analysis to implement the VAM.
- In MCS, the expenditures were much lower than the other two sites because the VAM, based on a state model (the Tennessee Value Added Assessment System, or TVAAS), has been in place for several years; the main effort under this initiative has been to create VAM measures for teachers of non-core subjects.

### **Student Survey**

- PPS and MCS launched a student survey for all classroom teachers in 2011–12. HCPS has no current plans to incorporate this component into its formal teacher evaluation process.

- Design and implementation was the largest category of expense on this component in both MCS and PPS. The main driver of these expenditures were payments to Cambridge Education for its support in planning and implementing of Tripod.

## Conclusions

We believe the expenditure estimates presented in this report represent a lower bound of the true investment HCPS, MCS, and PPS are making to implement and begin to operate the initiative. In addition to the direct dollar costs included in our estimates, each district made investments in building internal and external partnerships as well as changing the district culture and way of working for many staff members. These changes are difficult to fully capture in quantifiable terms. In fact, HCPS, MCS, and PPS received the Gates grants, in part, because of their prior engagement in teacher effectiveness work. Thus, a district with less experience and capacity in the area of teacher effectiveness reforms might face higher planning costs than those captured in this analysis, as we do not capture any district investment prior to November 2009. In addition, as we mentioned above, our estimates do not include the costs of existing district and school staff who devoted time to evaluation (e.g., principals).<sup>2</sup>

Given the variation in expenditure across HCPS, MCS, and PPS due to the prior experience and capacity of each district and the differing approaches the districts have taken in implementing the components of their evaluation systems, we would expect to see variation in expenditure across other districts implementing similar reforms.

Our data pertain to the early years of implementation of teacher evaluation reforms; we do not yet have data on the costs over the longer run, or on how the districts will sustain these expenditures. The sustainability of these reforms relies on the ability of the districts to get continued buy-in from all stakeholders and to integrate and align reform activities across many facets of the organizations, creating a new way of “doing business” rather than trying to maintain the initiatives as an “add-on” to the old way of working. Sustaining the reforms may also depend on the ability of the districts to become more efficient in the way they create better results for students. Teacher evaluation systems should allow districts to identify the better-qualified staff for purposes of retention. They should also be better able to identify staff needs and help to improve performance through targeted professional development programs. Both of these factors could save money in the long run that could be used to support the teacher evaluation systems.

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<sup>2</sup> Our current estimates also do not include the time of Gates Foundation staff (and associated overhead costs) spent supporting the IPS grantees in implementation of the Empowering Effective Teachers (EET) initiative. These staff have contributed to whatever success the EET initiative might have by serving as thought partners for district leadership, connecting districts with external expertise, and facilitating cross-district collaboration.