SUMMARY
The Mastery Charter Schools Teacher Incentive Fund (TIF) grant supports the expansion of a performance-based compensation system (PBCS) for teachers into 15 new charter schools and implements a new PBCS for school leaders in 4 existing Mastery schools and 15 new schools. The pay system for teachers at the current campuses is now solely a PBCS. Under TIF, all existing and new Mastery Charter Schools pay teachers, principals, and other school personnel solely on the basis of performance. The TIF project evaluates teachers based on student achievement, Mastery values, leadership contributions and responsibilities, and classroom observation data. The grant evaluates administrators and staff on management standards, Mastery values and contributions, and school outcomes. All Mastery schools are former failing schools from the Philadelphia, Pennsylvania or they are new charters. All are high-poverty schools.

PROGRAM GOALS AND EVALUATION
Mastery’s TIF objectives are as follows:

- Raise student achievement at new PBCS schools
- Increase teacher and principal retention and promotion
- Improve related data systems

Each year, Mastery expects schools to lessen their achievement gap in reading and mathematics so that by Year 5 of the grant, schools meet or exceed the state average in these subjects. Since most schools are turnarounds, annual progress toward closing the gap is set using baseline results pre-turnaround.

Mastery also expects schools to show a 10 percent gain in high-quality teachers each year, with the ultimate goal of 90 percent annual retention and 83 percent over a three-year period, and to maintain 90 percent school leadership retention, with at least 80 percent of principals, assistant principals, and deans earning individual performance compensation each year. The grantee uses WestEd as its external evaluator. In Year 3, WestEd analyzed the reliability and validity of Mastery’s PBCS’ observation scores and concluded there was a high internal consistency of observation sub-scores and that there were correlations between observation scores and years of experience. In Years 4 and 5, WestEd is analyzing Mastery’s PBCS for increasing levels of objectivity.
REWARD STRUCTURE

Mastery Charter School utilizes a performance-based teacher and leader advancement system. By basing advancement on performance rather than seniority, Mastery Charter Schools intends to attract, support, and retain the highest quality teachers and leaders therefore providing our students with the best possible instruction. The teacher system has four categories, each with a specific advancement criteria, performance expectation, and salary range. The teacher categories are Associate, Senior Associate, Advanced and Master. The leadership system (M3) has three performance categories, each with specific advancement criteria and salary range (for each position). The performance categories are: Senior, Advanced, and Master. M3 aligns with the teacher advancement system in that there are performance categories, and administrators receive evaluations on three components: Management Standards, Mastery Values, and Outcomes. Consistent with Mastery Charter Schools Values, the system strives to make the advancement standards, processes, and salaries fair and transparent.

YEARS 1-4 HIGHLIGHTS

- The grantee’s teacher evaluation assesses three areas: student growth (45 percent), observations of instructional standards (40 percent), and Mastery culture and values (15 percent).
- The grantee’s regional leadership director and Human Resources director trains the principals and other rating officers on the system and how to make decisions regarding teacher promotion using the evaluation data.
- The grantee conducted an observation study of “positive outliers” to determine best practices learned from high-performing teachers. The grantee is using these results to enhance teacher coaching. The grantee also provides 100 percent of the new teachers with at least one six-week cycle of one-on-one instructional coaching.

YEAR 5 OUTLOOK

Mastery anticipates an increase in the retention of high-quality teachers and principals, the coaching program having a quantitative impact on student achievement, and growth in affirmative annual survey responses to the Performance-Based teacher Advancement System (PBTAS) and M3.

SUSTAINABILITY

Mastery’s PBCS for teachers is a fully sustainable cost model after the third year a school is in operation. We shift the entire pool of funds for what would be step or seniority pay from each school’s operating budget to create the incentive pool. When Mastery does not fund a step system, we shift more dollars into PBCS to reward quality teaching. The Leadership PBCS is also fully sustainable on per-pupil funds by the third year of implementation.

PERFORMANCE-BASED COMPENSATION

- Project Year 1: $143,083
- Project Year 3: $201,686
- Project Year 3: $1,189,298
- Project Year 4: $872,922

(All funds above are grant-funds, not total funds spent on performance based compensation.)