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## Performance-Based Teacher Compensation In Minneapolis

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# **PERFORMANCE-BASED TEACHER COMPENSATION IN MINNEAPOLIS**

In May 2002, the Minneapolis Public School district was awarded a \$5 million state grant to implement a new teacher compensation structure as an alternative to the single salary schedule that rewards teachers for their education and experience rather than their performance. During the 2002-03 school year, education leaders in Minneapolis designed and implemented the district's Professional Pay plan. Teachers who opt to participate in this plan will be eligible for additional compensation – on top of their normal salary on the single salary schedule – based on the acquisition and demonstration of new knowledge and skills in areas targeted by the district. Participating teachers will also be eligible for group performance awards for meeting or exceeding district goals based primarily on improving student achievement. By the end of the 2002-03 school year, over 40% of the district's teachers had volunteered for the plan. This report, based on program artifacts and interviews with program leadership, describes the design and early implementation of the Minneapolis Professional Pay plan.

## **1. Context**

According to the 2000 census, Minneapolis, Minnesota is the 45<sup>th</sup> largest city in the United States, with a population of 382,000. The Minneapolis Public School district (MPS), which currently enrolls 46,000 students, is the 86<sup>th</sup> largest district in the nation. The district's operating expenditure per pupil in 2000-01 was \$10,685, sixth highest in the state according to the *Minneapolis Star Tribune* (2002).

As is typical for large, urban school districts, Minneapolis students are more likely to be poor, ethnic minorities, identified for special education and English Language Learner services, and lower academic achievers compared to students in the rest of the state. Two-thirds of MPS

students are eligible for free or reduced price meals, slightly less than two-thirds are non-Caucasian, about one quarter have been identified as having limited English proficiency, and 14 percent receive special education services. The district's average student achievement scores place MPS in the bottom 3 percent of the state's districts and charter schools. Just less than half of MPS students scored above the passing level on the math/reading or writing sections of the Minnesota Basic Skills Test, while the statewide average was a 72 percent pass rate.

The Minneapolis Public Schools employ 3,264.4 full-time equivalent teachers. The average teacher salary in MPS in 2000-01 was \$49,101, while the state average was \$42,212 and the national average was \$43,250. Adjusted for cost of living, the Minneapolis average was \$44,637 and the state average was \$42,677. (See <http://www.aft.org/research/salary/>.) The local teachers' union, the Minneapolis Federation of Teachers Local 59 (MFT), is affiliated with the American Federation of Teachers, and also a member of the Teacher Union Reform Network (TURN). The union is well regarded for its willingness to promote reform and innovate by, for instance, partnering with a local university to offer a master's degree program for teachers at union headquarters.

The average MPS teacher has just over 11 years of experience, there were 165 first-year teachers employed by the district in 2000-01, and 46 percent of MPS teachers have Master's degrees. According to Louise Sundin, the president of MPS, 85 percent of the district's teachers have been hired since 1990—in part due to a district-wide effort to reduce class sizes—and about half of the teachers are younger than 40 years old (Blair, 2002). About two-thirds of the teachers in the district are in their first 10 years of service, while a large number of older teachers have recently retired, which has led to a concentration at the low end of the district's salary schedule (Minnesota Public Schools Teacher Academy, 2002).

## 2. Origins of the Plan

This section describes how performance-pay emerged in Minneapolis, describing prior experiences with performance pay and state legislation in 2001.

### **Previous Experience with Performance-Based Pay**

Though the Minneapolis Federation of Teachers was formed in 1918, in part, to resist a proposal for merit pay (Thomas and Moran, 1992), in recent years the Federation has been eager to consider innovative strategies for teacher performance assessment and compensation. In 1989, the district was on the forefront of peer evaluation, opening classroom doors for observations by other teachers. Minneapolis' teacher tenure process evolved as a peer review and mentoring program in a standards-based framework, which now includes awards worth \$1,000 for teachers who successfully complete the process. In 1997, MPS initiated salary bonuses for achievement of National Board certification, as well as a short-lived school-based performance award program funded by a state grant. In fact, the framework for this school-based performance awards system remains in the MPS teachers contract, even though the state grant has expired (for details on this program, see <http://www.wcer.wisc.edu/cpre/conference/conference/Dec00/minneapolis.asp>).

During contract negotiations for the 1997-99 biennium, district and union leadership briefly discussed the possibility of implementing an alternative career ladder some time in the future, but the topic was never formally addressed. The district's 1999-2001 contract introduced extra pay for teachers who were willing to tackle extra responsibilities, such as serving on a site council, or for teaching in a high need area, such as technology. In the current (2001-03) teachers contract, the district and union agreed to pursue and pilot options to the single salary schedule.

During the last biennium (1999-2001), MPS and MFT representatives began to research and consider alternative compensation strategies more seriously. They hosted and attended a series of workshops and seminars with Allan Odden, from the teacher compensation project at University of Wisconsin's branch of the Consortium for Policy Research in Education (CPRE), and with representatives from Denver, Cincinnati, and Douglas County, Colorado school districts that had already initiated performance-based teacher pay programs. In addition, MFT leadership studied new pay strategies through their relationships with TURN and the AFT Alternative Compensation Task Force. Representatives from Minneapolis, including teachers, principals, and union and MPS officials, also attended CPRE's National Conference on Teacher Compensation in 2000, 2001, and 2002.

Through these investigations, MFT concluded that the district had a clear need to implement some form of improved compensation. The reasons for undertaking this initiative, as posted on the union's web-site (<http://www.mft59.org/>), were five-fold:

- “to attract and retain good teachers
- to provide teachers a faster route to higher salaries and higher lifetime earnings
- because MFT believes in rewarding teachers for increasing their own knowledge and skills about how to improve student achievement
- to attract additional money for the plan in the future
- because MFT can either build its own plan or, sooner or later, someone else may build one for them.”

## **State Legislation**

Meanwhile, at the state level, the Minnesota state legislature was working on a performance pay bill that could help fund such an initiative. In November 2000, then-Governor Jesse Ventura initially proposed awards of \$100 per pupil to districts who agreed to pay their teachers based on performance. Around the same time, the state's Association of Metropolitan School Districts (AMSD) circulated a similar proposal requesting \$200 per pupil to finance performance pay. Under the Governor's proposal, teacher performance would be determined primarily by student achievement, whereas the AMSD proposal placed more emphasis on rewarding teachers for developing their knowledge and skills.

Early in the following year, alternative compensation emerged at the top of the agenda for the Governor and the state's Republican legislative leaders. Working to reconcile the two plans, AMSD hosted a conference on teacher compensation led by Allan Odden and attended by legislators and union and district leaders from across the state. Throughout the design of the statewide performance pay bill, MPS and MFT remained in close contact with policymakers, and were occasionally sought for input into the legislative process.

Alice Seagren (R-Bloomington, a southern suburb of Minneapolis), chair of the House K-12 Education Finance Committee, was the chief architect of the resulting legislation, passed in Spring 2001. The bill would award grants to districts and unions that agreed to replace the steps and lanes salary schedule, which rewards teachers for education and experience, with a performance-based teacher compensation strategy that is based, at least partly, on student achievement. In addition, the bill required that at least one quarter of the district's teachers agree to be paid according to this new schedule.

### **3. Local Program Development and Design**

The following section is a brief summary of the design process for Minneapolis' performance-based pay program. For a more detailed description of the program's development, see the *Year-end report for the Minneapolis Professional Pay Plan*, (Minneapolis Public Schools Teacher Academy, 2002), available on the Internet at <http://www.mft59.org/mpsta/documents/2002Report.pdf>.

Even before the statewide legislation was passed, Minneapolis had earnestly begun the policy development phase. At the beginning of the 2000-01 school year, the district formed a 60-member design team, composed of teachers, principals, and district administrators, to study performance pay and help formulate the district's final plan. The design team divided into four subcommittees – “Professional Skills and Knowledge,” “Professional Development Advancement,” “Progressive Linear Compensation,” and “Professional Responsibility Pay” – to study various components that could be included in the district's new pay system.

The design team immediately recognized that the only way it could improve the district's performance was through improved instruction, so the team felt the highest priority of the plan would be to invest in teachers' professional development. More specifically, team members came to believe that teaching in an urban district, such as Minneapolis, requires unique teaching knowledge and skills that teachers do not typically acquire through training or elsewhere. Lacking these knowledge and skills, teachers would be less likely to produce the desired student achievement results and more likely to leave the district or profession. Thus, the team saw this initiative as a vehicle for helping teachers to acquire the skills and knowledge needed to teach in Minneapolis.

The design team quickly decided that the basis for compensation should be neither student results (an idea they called “ridiculous”) nor teacher evaluations (an idea they said was “flawed”). One fear was that poor evaluation results could lead to salary decreases for teachers, an outcome that was unacceptable to the team. Another was that teacher evaluation scores could amount to a single measure of teacher quality, where the designers preferred multiple measures. They argued that “[i]n Minneapolis, we use assessment, not evaluation, to support improvement, not judge performance.” The intent was to create a plan that would encourage and reward teachers’ skill growth, or at least teachers’ attempts at improvement, rather than teachers’ actual level of instructional expertise. Thus, rather than ‘merit pay,’ which the team’s viewed as basing pay on student results, or ‘performance-based pay,’ which the team viewed as basing pay on teacher evaluations, the design team opted for the term “Professional Pay” to describe the plan. According to the year-end review, the design team was “not very interested in looking at who had the best students, or even who the best teachers were.” Instead, the designers “wanted to support teachers in and reward teachers for trying to teach better.” (Minneapolis Public Schools Teacher Academy, 2002)

When the statewide alternative compensation program was finally passed in early 2001, the Minneapolis design team felt the legislation was tailor-made to most of their ideas around Professional Pay – which was not surprising given the significant part the parties played in helping to shape the legislation. Nonetheless, the district still had to draft a formal plan in order to receive the state grant, and now that all of the requirements were in place, the team realized it still had to redesign several components.

Two requirements of the legislation in particular proved to be sticking points for Minneapolis. First, the legislation required that at least part of teachers’ pay must be based on

student achievement. In response, MFT and MPS agreed to include some form of school- and district- based performance awards in the Professional Pay plan. Second, the legislation also stated that teachers' salaries could not increase solely as a result of accumulating experience or completing professional development activities – a point that has been emphasized by the current Governor, Tim Pawlenty, on numerous occasions (see, for example, Walsh, January 31, 2003). The local teacher's union was especially worried that this requirement could be the first step in eliminating teachers' seniority rights altogether.

From Fall 2001 to March 2002, the design team worked with MPS and MFT to sculpt the plan's details and finalize the district's grant proposal. The final plan for the Minneapolis Professional Pay plan consisted of four main components: 1) results based incentives; 2) capacity building awards; 3) continuous improvement compensation; and 4) extended professional responsibility compensation.

### **Results-Based Incentives**

Results-based incentives are district- and school- based performance awards based on meeting or exceeding goals that are based primarily, but not solely, on student achievement. District Improvement Agenda (DIA) awards of up to \$1,000 will be distributed equally among all participants if the district as a whole improves its 3<sup>rd</sup> grade reading test scores, its passing rate on the 8<sup>th</sup> grade exam, its graduation rate, and its attendance rate. In 2002-03, \$1.6 million was allotted for DIA awards and, if the goals are not met, these funds will be directed toward professional development in these areas.

In addition, schools that meet or exceed district-set performance goals on 33 Quality Performance Indicators, 25 of which are based solely on student-achievement, will qualify for Quality Performance Awards. Qualifying schools must apply for these awards, stating the

intended use of the funds, with the award amount varying according the school's enrollment and the number of goals met and exceeded. The awards will range from \$4,000 - \$25,000 per school, depending on enrollment. Teachers at these schools will get to choose whether to use these funds for school improvement, classroom supplies, or teacher bonuses.

### **Capacity Building Awards**

Capacity building awards, including 'critical skills set' awards (which are now called 'professional skills set' awards) and certification reimbursement, will provide incentive for teachers to improve their knowledge and skills. Critical skills sets are intensive professional development courses developed by district leaders to address targeted areas of urban education, such as classroom management, or specific district needs, such as the adoption of a new reading program. The district plans to offer several skills sets per year, though only one set is likely to be relevant to each staff member because, for example, different skills sets may be planned for teachers and for school counselors. All participants will receive a \$50 to \$500 award upon completing the skills set and demonstrating acquisition of these skills. In addition, to help fill teaching positions in high need areas, currently identified as math, physics, chemistry, Spanish bilingual, and special education, teachers enrolled in coursework towards certification in these areas will be eligible for tuition reimbursement from the district.

### **Continuous Improvement Compensation**

Continuous improvement compensation will reward teachers for university coursework and additional degrees, in place of, and under a different formula than, the single salary schedule. With this component, plan members would earn \$1,000 for every 10 quarter credits, with a minimum of 20 and a maximum of 60 credits. Teachers who earn a masters degree will receive a \$2,000 salary increase. Teachers who earn a second masters degree or education specialist

degree will receive a \$4,000 salary increase, teachers who earn a doctorate degree will receive a \$6,000 salary increase, and teachers who earn National Board certification will receive a \$3,000 annual award. Thus, teachers have the potential to earn up to an additional \$17,000 annually (since individuals are not likely to get both a second masters or education specialist degree and a doctorate) for credits, degrees, and certificates.

Also similar to the single salary schedule, participants in the Professional Pay plan will receive salary increments for professional development credits from the newly formed district-union partnership, Minneapolis Public Schools Teachers Academy (MPSTA), which is also in charge of monitoring program implementation. However, earning credits from the Minneapolis Public Schools University (MPS-U) is contingent upon completion of what the district calls System 1-2-3, which requires participants to: 1) complete 10 hours of professional development, 2) demonstrate implementation of the unit, and 3) reflect on their learning and disseminate their knowledge. Upon completion of these three steps, teachers will receive a \$1,000 salary increase to their base pay. According to program leadership, “earning MPS-U credits forms the heart of the Minneapolis Professional Pay Plan.” (Minneapolis Public Schools Teachers Academy, December 2002) These district representatives state the MPS-U credits will focus on building teachers’ pedagogical content knowledge, while also focusing on local needs.

### **Extended Professional Responsibilities**

Finally, teachers will also be compensated for agreeing to undertake extended professional responsibilities. This component is still being negotiated and reports indicate that some teachers remain somewhat skeptical as to what these unspecified additional duties might entail. To this end, the MFT holds that the extended responsibilities shall be voluntary for

teachers, clearly defined, funded equitably, and similar to current co-curricular pay guidelines (Minneapolis Public Schools Teachers Academy, December 2002).

### **Implementation Timeline**

When the design team finalized the Professional Pay proposal, the plan was sent to the Minnesota Department of Children, Families, and Learning for approval, as required by the state grant guidelines. The proposed implementation timeline called for at least 25 percent of teachers to volunteer for participation during 2001-02. Volunteers would be eligible for Professional Pay, but they would also remain on the single salary schedule until 2003-04. In year two of implementation, 2002-03, the district hoped to increase participation, conduct three critical skills set practica, present school-based Quality Performance Awards, and begin Continuous Improvement Compensation. In 2003-04, when the new teachers' contract goes into effect, MPS hopes to increase the participation rate to 50 percent, continue Quality Performance Awards and Continuous Improvement Compensation, add new critical skills sets, and begin the certification reimbursement, District Improvement Award, and extended professional responsibility components. The vote to ratify the 2003-2005 teachers' contract will include the Professional Pay option in addition to the single salary schedule and an open period of un-enrollment for participants dissatisfied with the final negotiated plan (Minneapolis Public Schools Teacher Academy, December 2002).

### **Comparison of Salary Schedules**

Experience. Under the MPS single salary schedule (see Appendix I), teachers earn from \$29,521 for a first year teacher with a Bachelor's degree, to \$71,145 for a thirtieth year teacher with a PhD and National Board certification. Teachers with at least a master's degree earn about \$2,100 for each year of experience, plus additional flat increases of \$1,000 after their fifteenth

and thirtieth years, and \$1,500 after their twentieth and twenty-fifth years. Under the Professional Pay schedule beginning in 2003-04, as required by the state, participating teachers will not receive salary increases based on accrued experience alone.

Education. Under the single salary schedule, teachers earn about \$1,175 for every 15 quarter credits up to 60 and for earning additional advanced degrees or certificates. With the Professional Pay plan, teachers would earn \$1,000 for every 10 quarter credits from 20 to 60 credits, \$2,000-\$6,000 for additional advanced degrees and certification, \$1,000 for every three MPS Units earned, and up to \$500 annually through Critical Skills sets. These teachers would also be eligible for district improvement awards of up to \$1,000 annually.

Lifetime Earnings. The single salary schedule provides about a \$20,000-\$22,000 lifetime increase for experience and \$9,000 to \$24,000 lifetime increase for education, as well as co-curricular pay for additional responsibilities. A teacher's total lifetime earnings growth potential under the single salary schedule would be about \$42,000, plus cost of living adjustments from start to finish, in 25-30 years. On top of the single salary schedule, the Professional Pay plan would amount to a lifetime pay increase of up to \$17,000 for education (plus tuition reimbursement for coursework towards licensure in identified areas) and up to \$27,000 for acquiring and demonstrating knowledge and skills through MPSTA, as well as extended professional responsibility pay, for a total growth potential of more than \$48,000, plus cost of living adjustments, in as little as 10 years (<http://mft59.org/mpsta/documents/faq.html>).

Each of these components would take the form of add-ons to the single salary schedule (see Appendix I), which remains intact for all teachers—even those who volunteer to participate in the Profession Pay program—through the end of the 2002-03 school year. Participating teachers are free to volunteer for as many, or as few, of these plan components as they desire.

Table I shows how teachers at varying stages of their careers would be affected by the Professional Pay plan.

**Table I: Salary Comparisons at Varying Career Stages**

<b>Teacher Characteristics</b>	<b>Base Salary Under Single Salary Schedule</b>	<b>Additional Annual Potential Under Professional Pay Plan</b>	<b>New Salary Under Professional Pay Plan (% of Salary Based on Plan)</b>
Entry Level	\$29,521	<i>\$1,000 for completing three MPS-Units            + \$500 for Critical Skills Set            + \$1,000 for District Improvement Award            + \$6,000 for continuing education credits            + \$6,000 for PhD            + \$3,000 for NBPTS Certification            = Up to \$17,500</i>	\$47,021 (37%)
BA and Three Years	\$32,567		\$50,067 (35%)
MA and Ten Years	\$53,783		\$71,283 (25%)
MA+30 and Twenty Years	\$61,921		\$79,421 (22%)

On May 18, 2002, this proposal was accepted by the State and MPS was granted \$2.2 million for 2001-02 and \$2.9 million for 2002-03 to implement the Professional Pay plan. Christine Jax, then Commissioner of the Department of Children, Families, and Learning, proudly proclaimed her belief that the Minneapolis Professional Pay plan would “send a national message that big cities can do this and teachers will support it.” (Shah, June 18, 2002)

#### **4. Early Implementation**

In June of 2002, the Professional Pay plan was brought before the Minneapolis teachers for approval, and the measure passed by a margin of 73 percent to 27 percent. The district’s next step was to recruit, by the end of July, enough volunteers to meet the state’s requirement that at least one quarter of teachers participate in the plan. To accomplish this, MPS offered a \$650

‘bridge payment’ as an incentive for teachers to sign up early, and 1,200, just over the required percentage, initially volunteered. As of May 2003, approximately 40 percent of MPS teachers have signed up for the plan, and program coordinators report that more teachers continue to join. They also believe that most participants have joined out of a desire to grow professionally and be compensated for their growth, rather than for the money alone. It would stand to reason that one explanation for the initial popularity of the Professional Pay plan is, simply, that it does no harm to teachers’ salaries and there is no risk—and the possibility of reward—associated with participation.

Once participation and funding were secured, program coordinators’ first task was to arrange the Critical Skills Sets to be offered in year one. They quickly identified classroom management as priority for the district, and offered a three-day training session to all newly hired teachers. Two hundred thirty five teachers completed this skill set, and were awarded \$100 for each full day of training plus an additional \$50 for documenting implementation of these skills. The average payout to participants for this training was just over \$288. (Minneapolis Public Schools Teachers Academy, 2002)

The first Critical Skills set available to all teachers in the district, “Improving Instruction Through Data Analysis,” was based on the work of the district’s Director of Research, Evaluation, and Assessment, David Heistad. This skills set was designed to introduce participants to a variety of data sources and to terms related to assessment during a full day training session, and then to allow teachers to apply these skills by conducting action research with data from their own classrooms during three two-hour follow-up sessions. Teachers who completed all 13 hours of the training and reported the impact of their work would receive \$500. This Critical Skills set first met in January 2003, and nearly 800 teachers enrolled. Six hundred

eighty eight teachers completed the full skills set and are expected to receive their stipends at the end of the 2002-03 school year.

The district staff development committee is currently drafting language to specify the format and requirements for Critical Skills set training, as well as MPS-U training, and these components will be clarified during negotiations for the new, 2003-2005, teachers' contract. The MPS-U courses will likely utilize both external consultants and local teachers, and program coordinators believe that some courses will be aimed toward training teams of teachers from the same school. Superintendent Carol Johnson has also stated that the MPS-U training must focus on certain core subjects and district priorities, such as reading, math, diversity, and student behavior. It is also possible that the district may try to focus some MPS-U training toward the needs of specific schools, rather than attempting to design one-size-fits-all courses.

District and union representatives will also be negotiating the details of the three steps to the System 1-2-3 program that will be used to ensure that MPS-U training is implemented and analyzed. Program coordinators believe that step two, demonstrating implementation, will be the most significant challenge in practice. They acknowledge that the district lacks the capacity to observe teacher-participants as often as desired, and are concerned about how to assess implementation of MPS-U training to ensure that teachers can and do utilize their new knowledge and skills. However, program implementers believe step three of the system, reflection and dissemination, can be very successful, and they report that this component has been widely accepted by teachers.

Finally, Quality Performance Awards were granted to 35 MPS schools that exceeded their goals set in the school improvement process for the 2001-02 academic year. These schools

were officially recognized during an awards ceremony on April 23, 2003. These schools are expected to share their best practices throughout the district.

## **5. Future Issues**

The Minnesota state legislature currently has a \$4.3 billion two-year deficit and, as a consequence, opted not to devote any new funding to the alternative compensation initiative until at least 2005-06. However, Governor Pawlenty and new Education Commissioner Cheri Yেকে have praised the state's pay for performance pilot and insist that more school districts need to start paying their teachers based on performance. Indeed, alternative compensation was among the education goals mentioned by the Governor in his 2003 State of the State Address, and the *Minneapolis Star-Tribune* reports that “[a]lternative pay for teachers has been a linchpin of Gov. Tim Pawlenty's ideas for education reform.” (Walsh, February 11, 2003) In addition, Democratic legislators, supported by the state school boards association and the state teachers organization floated a performance pay bill in early 2003, though nothing materialized from the proposal, which would have cost an estimated \$150 million by adding \$150 per pupil to participating districts.

The school district also is experiencing budget difficulties, and currently is facing a \$28.6 million deficit. The district has already released nearly 600 employees, beginning with 419 of the district's least experienced teachers, including many who attended the first critical skills set training. The Professional Pay program is likely to remain intact, as the district did not spend much of the 2001-02 pilot funds because they did not arrive until after the school year was over. Thus, the 2001-02 funds were actually used in 2002-03, and the 2002-03 funds will be used in 2003-04.

In addition, MPS recently received a Learning Partnership grant allowing the district to hire a new professional development support expert. Program coordinators are hoping that this position will help the district establish the high quality, research-based professional development necessary to sustain Professional Pay.

## **6. Lessons Learned**

Program coordinators believe that the Professional Pay plan simply rewards teachers for behaving as true professionals. In short, this means identifying students' needs, developing the knowledge and skills needed to meet those needs, applying the new knowledge and skills, assessing the impact on students, revising teaching strategies based this assessment, and disseminating one's findings throughout the district (Minneapolis Public Schools Teacher Academy, 2002). They note that establishing the Teachers Academy was definitely a central goal of the Professional Pay program, and they hope that the academy will grow in the future and remain active even if the compensation component or program funding eventually disappears. They believe the initiative is truly more about the continuous improvement of teachers than it is about compensation. Nonetheless, they believe that the compensation component will definitely complement teachers' professional development.

Program coordinators advise others contemplating similar initiatives to take slow and deliberate steps in order to establish a solid alternative compensation plan prior to implementation, though they worry that the Minnesota timeline did not allow them this luxury. They also worry that they did not provide a formal role for school administrators in the pay plan, and did not adequately consider principals' acceptance the program. The plan representatives also urge such districts to accept that implementation will not be flawless and that reality will almost certainly differ from their idealized version of the plan. For this reason, they note that the

program's design team should be separate from the implementation team, and that an ongoing assessment of implementation is necessary. Finally, they recommend that states and districts not become involved with performance-based pay until they are certain whether—and why—they would need such a plan, to ensure that they are considering the initiative for the right reasons and not because it is the latest fad.

## **7. Conclusions**

Minneapolis' Professional Pay plan provides further evidence that school districts across the country – including large, urban districts – are willing to experiment with alternatives to the single salary schedule. The Professional Pay plan is just one of many varied approaches being used to move away from paying teachers based on solely on education and experience and toward a more strategic performance-based compensation system. The approach described here, while somewhat similar to the program developed in Douglas County, Colorado (Kelley, 2000), differs from other plans in that it does not include a teacher evaluation component. That is, the Minneapolis Professional Pay plan is not a variation on knowledge- and skills- based pay plans, such as those proposed in Cincinnati, Coventry (Rhode Island), Vaughn Learning Center (California), and LaCrescent (Minnesota) that base pay increases on a standards-based performance evaluation of actual teacher instructional practice. (See <http://www.wcer.wisc.edu/cpre/tcomp/research/ksbp/studies.asp> for more information on these sites.) Minneapolis' Quality Improvement Awards are a variation on the typical school-based performance awards, such as those implemented in Charlotte, Dallas, and Philadelphia that add bonuses directly to teachers' salaries (See <http://www.wcer.wisc.edu/cpre/tcomp/research/sbpa/studies.asp> for more information on these sites.) Despite these differences, the Minneapolis initiative is a very interesting movement on the

teacher compensation change front that warrants attention and commendation as it develops in the coming years.

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APPENDIX 1: Minneapolis Teacher Salary Schedule

Teachers Salary Schedules "A" & "B"

"A" Effective July 1, 2001 – June 30, 2002

LANE STEP	II BA	III BA+15	IV BA+30	Va BA+45	Vb MA	Via BA+60	Vib MA+15	VII MA+30	VIII MA+45	IX MA+60	X Phd/EdSp	XI Phd/NBPTS
1	29,521	30,179	30,824	32,051	32,051	32,997	32,997	33,939	34,895	35,684	36,474	38,170
2	30,930	31,456	32,282	33,700	33,700	34,692	34,692	35,684	36,675	37,473	38,272	39,968
3	32,567	33,033	33,891	35,550	35,550	36,566	36,566	37,488	38,610	39,576	40,542	42,237
4	34,478	34,788	35,684	37,286	37,286	38,575	38,575	39,598	40,518	41,630	42,743	44,439
5	36,066	36,579	37,535	39,002	39,002	40,301	40,301	41,403	42,643	43,767	44,891	46,587
6	37,881	38,478	39,431	41,186	41,186	42,631	42,631	43,539	44,770	46,111	47,452	49,149
7	39,849	40,445	41,450	43,637	43,637	44,806	44,806	45,773	47,111	48,385	49,659	51,355
8	44,363	45,033	45,281	45,879	45,879	47,049	47,049	48,267	49,378	50,836	52,292	53,989
9			48,614	49,079	49,079	50,093	50,093	51,337	52,707	53,867	55,024	56,720
10				53,783	53,783	54,979	54,979	55,232	55,421	56,783	58,145	59,841
11					55,695		58,392	59,421	61,317	62,883	64,450	66,145

15	45,363	46,033	49,614	54,783	56,695	55,979	59,392	60,421	62,317	63,883	65,450	67,145
20	46,863	47,533	51,114	56,283	58,195	57,479	60,892	61,921	63,817	65,383	66,950	68,645
25	48,363	49,033	52,614	57,783	59,695	62,392	62,392	63,421	65,317	66,883	68,450	70,145
30	49,363	50,033	53,614	58,783	60,695	63,392	63,392	64,421	66,317	67,883	69,450	71,145

"B" Effective July 1, 2002 – June 30, 2003

LANE STEP	II BA	III BA+15	IV BA+30	Va BA+45	Vb MA	Via BA+60	Vib MA+15	VII MA+30	VIII MA+45	IX MA+60	X Phd/EdSp	XI Phd/NBPTS
2	31,549	32,085	32,928	34,374	34,374	35,386	35,386	36,397	37,409	38,222	39,038	40,767
3	33,218	33,693	34,568	36,261	36,261	37,297	37,297	38,238	39,382	40,368	41,353	43,082
4	35,168	35,484	36,397	38,032	38,032	39,347	39,347	40,390	41,329	42,463	43,598	45,328
5	36,788	37,311	38,286	39,782	39,782	41,107	41,107	42,231	43,496	44,643	45,789	47,519
6	38,638	39,248	40,220	42,009	42,009	43,484	43,484	44,409	45,665	47,033	48,401	50,132
7	40,646	41,254	42,279	44,509	44,509	45,702	45,702	46,688	48,053	49,352	50,652	52,382
8	45,250	45,934	46,186	46,796	46,796	47,989	47,989	49,233	50,366	51,852	53,338	55,068
9			49,587	50,061	50,061	51,095	51,095	52,363	53,762	54,945	56,124	57,855
10				54,858	54,858	56,079	56,079	56,337	56,529	57,919	59,308	61,038
11					56,809		59,560	60,610	62,544	64,141	65,739	67,468

15	46,250	46,934	50,587	55,858	57,809	57,079	60,560	61,610	63,544	65,141	66,739	68,468
20	47,750	48,434	52,087	57,358	59,309	58,579	62,060	63,110	65,044	66,641	68,239	69,968
25	49,250	49,934	53,587	58,858	60,809	63,560	63,560	64,610	66,544	68,141	69,739	71,468
30	50,250	50,934	54,587	59,858	61,809	64,560	64,560	65,610	67,544	69,141	70,739	72,468

**Lexicon of Terms**  
(from MPSTA Web Board, <http://206.8.60.36:8080/~mpda/guests>)

**Bridge Payment** - A signing bonus. In order to qualify for the Alternative Compensation Supplemental Fund Aid Package, Districts had to apply as whole districts or, whole schools or a percentage of teachers (at least 25%) within a district. Bridge payments were offered to get teachers signed up so MPS could receive the funding.

**Critical Skills Awards** - Teachers are awarded \$50 to \$500 for gaining skill levels and knowledge in areas deemed critical to student success in MPS. Teachers may take the training or in some cases simply demonstrate that they already possess the critical skills and knowledge. Up to three skill set trainings a year could be offered. Most would present broad spectrum skill sets, but some might be focused on needs of specialized categories of teacher bargaining unit members. Teachers in the Professional Pay Plan will have priority in filling available space in the trainings, but non-members will be able to fill any remaining spaces. All who master the skill set will receive the accompanying award payment.

**DIA Award** - Annually awarded to all members of the Minneapolis Professional Pay Plan based on general improvement in the Quality Performance Indicators for the district. The QPI are collected and published into the following school year, and awards will be paid to members on payroll at the time of payment. There is a predetermined pool of money for this award.

**Licensure Reimbursements** - Professional Pay Plan members could receive reimbursements for some or all of the costs of getting a second license in a high-need area and using it in a Minneapolis classroom.

**Minneapolis Public Schools Teacher Academy** - The unit within Teacher and Instructional Services of the Minneapolis Public Schools facilitating Professional Pay Plan related professional staff development activities. It could become the umbrella organizational unit for various professional staff development and instructional leadership resources delivered in MPS.

**Minneapolis Professional Pay Plan Office** - The office responsible for oversight of the Minneapolis Professional Pay Plan as set out in the MS §122A.415 application. A joint effort of the Minneapolis Federation of Teachers and the Minneapolis Public Schools.

**MPS-U** - The Minneapolis Public Schools University is the in-house professional staff development organization that uses professional staff development trainers from third party vendors, colleges and universities, the teachers' union and district resources, including master classroom teachers to provide the high quality, highly focused, research-proven professional staff development Minneapolis teachers want and need to provide the best possible instruction using System 1-2-3 guidelines.

**Professional Responsibility Pay** - These stipends will be negotiated into contract language just as co-curricular pay has been. There is a predetermined pool of money for

these stipends, funded to sites through the Minneapolis Professional Pay Plan at a per staff rate. Included in contract language will be clear selection guidelines that put selection in the hands of teachers.

**QPA** - Quality Performance Awards are awarded annually in the spring to school sites who have entered the process based on their meeting or exceeding goals set in the School Improvement Process (SIP). There is a predetermined pool of money for this award.

**System 1-2-3** - System 1-2-3 defines the three steps for earning three MPS-Units (or college credits for non-members). Completing all three steps in one professional staff development activity, two of one activity and one of a second, or just the first step of three activities would increase a plan member's salary by \$1,000.

(1) 10 hours of professional development activity earns an MPS-Unit.

(2) Demonstration of implementation of the strategies learned earns another MPS-Unit

(3) Professional reflection, e.g. study groups, action research, demonstration lessons, earns a third MPS-Unit.