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THE CHALLENGE OF INNOVATION The Case of the Minneapolis Professional Pay Plan?

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What is the “best” way to pay teachers? Should we continue paying teachers based only on their experience and education, or does this merely reward mediocrity? Would it be better to base teachers’ pay on their performance in the classroom or their students’ learning, or would this undermine cooperation among colleagues and encourage an unhealthy level of teaching to the test? There are no easy answers to these questions.

This report reviews the history of teacher compensation plans and begins to shed light on the effects of compensation systems on teacher behavior through a study of middle-school teachers’ responses to an alternative compensation policy, the Minneapolis Professional Pay Plan (Professional Pay). The issue of teacher compensation frequently appears on the educational policy agenda, for policy makers and school administrators often presume that the current system is ineffective and that alternatives will result in improved teacher performance. Alternative compensation systems such as Professional Pay have been proposed as mechanisms for improving teacher performance, yet attempts to implement these systems have rarely been successful. This report discusses, among other things, some of these previous attempts.

This study was conducted in Minneapolis from 2003 to 2005 using both qualitative and quantitative methods, and inductive and deductive inferential processes. Interviews with middle-school teachers, school administrators, and district personnel and a survey of middle-school teachers are the main data sources. Several obstacles to the policy’s success emerged from the data including teachers’

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limited understanding of the policy, their unwillingness to surrender their professional autonomy in order to earn financial rewards, and their limited interest in financial incentives.

But perhaps the most important and least recognized obstacle was the district's inability to credibly commit to Professional Pay. When credible commitment exists, an employee can trust the employer to appropriately reward changes in behavior and, in the case of long-term rewards, that these rewards will persist for the duration of the employee's tenure. Because of the ever-shifting landscape of educational policies, the pay system in Minneapolis has transformed in the few years since this research was first conducted. The current teacher salary policy is described at the end of this report. The changes in the Minneapolis compensation system that have been enacted in the last few years speak to one of the primary issues raised in this report: teachers concerns about the stability and longevity of reforms because of a lack of credible commitment on the part of the district. These concerns, in retrospect, were entirely substantiated.

History of merit pay

There is a long history of teacher compensation policies that based salaried rewards on performance measures, or "merit." Murnane and Cohen (1986, 3) define merit pay as "a compensation system in which the pay of individual teachers depends on their success in teaching their students, as measured by student test score gains, or by supervisors' evaluations of teacher actions in the classroom." This section reviews several of the various iterations of merit pay programs.

Early merit pay programs

In 1862, England established a system of teacher compensation known as "payment by results." Under this system, teacher salaries were dependent on student attendance and on the number of students passing examinations. This would be typical of merit pay programs for the next hundred years or so. They generally linked teacher salaries to student outcomes in a relatively straightforward manner and little attempt was made to consider differences among student populations when calculating teacher rewards.

Opinions about England's early experiment with "payment by results" varied, but many criticisms voiced in the 1800s echo current concerns about merit pay for teachers. Criticisms included concerns that it was impossible to capture everything that matters about teaching with a test, that test results were unstable from year to year due to random fluctuations unrelated to teachers' efforts, that tests and testing conditions were not always consistent, that merit pay encouraged teachers to focus on certain students and certain material, that teachers had an incentive to cheat, and that teachers tried to move to schools with wealthier students since these students are more likely to pass examinations regardless of the quality of instruction received (Coltham 1972; Rappaport 1992). There was little evidence that the program had its intended effect: encouraging teachers to perform at higher levels. In fact, some evidence suggests that the program encouraged teachers to behave in ways that were inconsistent with quality teaching. One teacher even wrote that, "When one of my backward boys died of bronchitis a few weeks back I felt a measure of relief; for his death would make one failure less" (Coltham 1972, 26).

Merit-based reforms in the early 20th century United States

In the early 20th century in the United States, attempts to link teacher pay and performance were launched. During this progressive era, there was great interest among educational administrators in tying teacher salaries to their performance, consistent with the focus on efficiency that dominated both the public and private sectors during that time. Ellwood Cubberly and other leading educators advocated the use of merit pay plans on the grounds that they would increase system efficiency and help attract and retain the best teachers (S. M. Johnson 1984). These plans generally tied teacher pay to student performance. In 1908, the first merit pay plan was launched in Newton, Massachusetts (Protsik 1995). By 1918, almost half of surveyed U.S. school districts had instituted some form of merit pay for teachers (S. M. Johnson 1986), but these programs were usually short-lived. Many of these plans were based on subjective measures of performance or ability, which were affected by the gender and race of the

teacher (Protsik 1995; Jacobson 1989). Plans were often contentious, pitting teachers, administrators, civic associations, and organized labor against each other.

During this period, a merit pay plan in St. Paul, Minnesota caused such discord it “polarized the city” (Thomas and Moran 1992). The district superintendent was an enthusiastic supporter of merit pay and the media covered the issue extensively. Both the local teachers union and teachers themselves generally opposed the idea while many local school administrators expressed support. At the height of the controversy, the superintendent resigned to accept a higher-paying position in Buffalo, and the idea was abandoned.

In 1921, the public school systems in Denver, Colorado and Des Moines, Iowa implemented the first single salary pay schedule policies (Protsik 1995). This shift in policy was initiated, in part, because of concerns about providing equitable pay for union workers—particularly female teachers (Jacobson 1989). With the increasing focus on single salary plans, enthusiasm for merit pay plans abated. By 1928, fewer than 20% of U.S. districts reported using such systems (Murnane and Cohen 1986). In 1939, one scholar noted that districts were “discarding all attempts to reward teachers according to subjective ratings of efficiency” (Elsbree 1939, 449). Elsbree explained to his contemporaries that “the harmful effects on teacher morale of applying rating devices appear to more than offset the good that is derived...since rating tends to accentuate rivalry it is, therefore, regarded as a destructive device to use in rewarding teachers, [and]...the total contribution of an individual teacher to the development of a particular child cannot be measured accurately” (Elsbree 1939, 450). Again, the criticisms of merit pay he outlined resonate with contemporary concerns: teacher disapproval, destruction of cooperative spirit, and the difficulty of developing and implementing valid and reliable measures of performance.

Post-Sputnik era

By 1950, nearly all of the public school districts in the United States had shifted to single salary schedules (Gratz 2009, 61). Interest in merit pay, however, rekindled in 1957 when Sputnik’s launching revived concerns about the quality of America’s schools. A few years later, in 1963,

a report released by the Council on Basic Education contended that weak students were becoming teachers, which was, in turn, leading to poor outcomes in the public schools (Gratz 2009, 62). During this “post-Sputnik” period, roughly 10% of districts began using merit pay. The majority of those programs survived five or fewer years (Murnane and Cohen 1986). Again, the majority of these plans were discarded because of continuing opposition from teachers unions and organizations, as well as challenges in administering, monitoring, and evaluating the programs (Jacobson 1989).

In 1969, a pilot of a merit pay program in Texarkana, Arkansas, led by a joint political push from President Richard Nixon and the Department of Health, Education, and Welfare called “performance contracting” highlighted the challenges and pitfalls of merit-based pay. What had initially seemed to be impressive gains in student achievement through the use of teacher salary incentives, were instead revealed to have been the result of excessive teaching to the test and cheating (Kershaw 2000; Gratz 2009).

The 1980s: A Nation at Risk

In the 1980s, the frightening portrait of American education portrayed in *A Nation at Risk* left policy makers searching for ways to improve schools. The report specifically addressed the need to raise the salaries of public school teachers:

Our society pays for what it values. Unless teacher salaries become more commensurate with those of other professions, teacher status cannot be raised: able students cannot be recruited. (quoted in Jacobson 1989, 34)

In response to this call-to-action, merit pay plans were revived. President Reagan suggested that “Teachers should be paid and promoted on the basis of their merit and competence. Hard-earned tax dollars should encourage the best. They have no business rewarding incompetence and mediocrity” (S. M. Johnson 1984, 175). By 1985, 25 states had mandated the development of incentive pay programs for teachers (Frase 1992).

Different types of merit-based pay policies emerged in this era. In 1987 Fairfax County Public Schools in

Virginia instituted a merit pay plan that gave teachers nine percent bonuses for “skillful” or “exemplary” work (Prosnik 1995, 14). Teachers unions opposed the Fairfax County plan because they felt that it “undermined teacher collegiality by creating a competitive work environment” (Prosnik 1995, 14). Other states—such as Arizona, Missouri, Tennessee, and Utah—implemented career ladder programs in the 1980s. These programs awarded teachers with salary increases based on attainment of levels of educational mastery (Prosnik 1995, 16). By 1988, 34 states “were either implementing or developing teacher incentive policies (Frase 1990).

Like earlier merit pay movements, many of the plans that developed in the 1980s were short-lived, and by the early 1990s, many programs had disappeared. A study found that 75% of the merit plans a group of researchers studied in 1983 had been discontinued by 1993 (Hatry, Greiner, and Ashford 1994). Most of these plans had been dismantled because they were too costly or too difficult to operate, and were frequently political lightning rods with teachers’ organizations. A study released by the National Catholic Teacher Organization in 1985 found that teachers unions may have played a limited role in the disintegration of merit pay programs, as only 7% of private schools, which would not be as influenced by unions as public schools, operated merit pay programs (Jacobson 1989).

Merit pay today

With the expansion of accountability policies like No Child Left Behind, and national interest in improving science and math performance in the nation’s public schools, merit pay has again attracted the attention of both policy makers and academics, this time in the form of both performance-based and outcome-based pay. In outcome-based programs, teachers receive additional pay for increased student performance. These outcomes are usually weighted heavily toward student test scores but other measures, such as attendance and school leaving, may be included as well. Performance-based pay programs are those in which teachers are paid for demonstrated behaviors, such as the use of a specific pedagogical technique. In some of these programs, teachers are also rewarded for attending specific professional development opportunities.

Much of the published empirical work on merit pay focuses on outcomes-based systems. When researchers study outcome-based programs, they often find that programs have a positive effect on rewarded outcomes. Whether this is unequivocally good news, however, is not entirely clear. Improved student test scores are only a cause for celebration if they reflect increased student learning, not if they reflect increased gaming of the reward system by teachers. For example, Ladd (1999) analyzed the Dallas Independent School District’s program to reward teachers for student performance, which began in 1991. Ladd (1999) evaluated this outcome-based compensation system’s affect on student achievement and found that Dallas students did seem to be improving relative to the children in comparable Texas districts. While this is encouraging, the author cautions that the sources of test score improvements were not investigated in her study. It is unclear whether the improvement actually reflects increased student learning and whether there were any undesirable consequences of the program outside of its favorable impact on test scores.

In a study of outcome-based pay in Michigan, Eberts, Hollenbeck, and Stone (2002) found that improvement on measured outcome characteristics did not necessarily reflect improved student learning. When the teachers in a Michigan alternative high school were offered a bonus for each student who completed their courses, the student course completion rate did improve. However, during the same period that course completion was improving, student attendance in class was actually declining. Students were being convinced not to drop classes (the rewarded measure) but they were not being convinced to come to class. Also, there was anecdotal evidence that teachers were diluting their coursework expectations to encourage students to remain enrolled in their classes.

According to a report released by the Progressive Policy Institute in 2002, programs awarding school-based outcomes are the most common type (Podgursky and Springer 2007). Several published studies have looked at programs where teachers received additional pay based on aggregated school-wide student test scores, specifically those used in Kentucky and Charlotte-Mecklenberg, N.C. during the 1990s. Teachers in those systems said they were motivated to improve by the promise of increased student

achievement, the positive recognition the program provided, or by the fear of sanctions but that the bonus money itself was not particularly motivating (Heneman 1998; Heneman and Milanowski 1999; Kelley 1999).

Surveyed teachers worried about their ability to affect student achievement in ways that would be captured by the assessment system. While they felt that it was generally appropriate to hold them accountable for student achievement goals, they expressed concern about being penalized for outside factors, such as lack of parental support, that were beyond their control (Heneman 1998). Over half of teachers felt that hard work would not be enough to allow them to earn rewards (Kelley, Heneman, and Milanowski 2002). They worried that they did not have the skills, particularly pedagogical skills, to reach rewarded levels (Heneman 1998; Kelley and Protsik 1997) and that program administrators would continuously raise expectations over time. Even in schools that consistently received rewards in the past, roughly one-third of teachers were unsure whether cooperative hard work would allow them to receive future rewards (Milanowski 1999). Teachers were also concerned about whether the established goals for individual schools were fair (Kelley and Finnigan 2003).

Teachers say that incentive programs motivate them to work harder (Heneman 1998). They spend more time on tasks related to teaching (Kelley 1999) and take steps to align their teaching with the recommended curriculum (Kelley and Protsik 1997). One problem with the program's success in focusing teacher effort is that it may narrow the breadth of these efforts. Some Kentucky teachers explained that they were concentrating on higher order thinking skills (which were heavily weighted in the assessment program) to the exclusion of basic skills and that they were deflecting thoughtful student questions so that they could cover all of the tested material (Kelley 1999).

Many teachers complain that incentive systems increase stress. Part of this increased stress is the result of increased effort levels (Heneman 1998; Heneman and Milanowski 1999; Kelley 1999; Kelley et al., 2002); teachers are working longer and harder. Another source of stress is the sanctions embedded in many programs (Kelley et al. 2002). While these can be direct sanctions, such as the reconstitution of schools that consistently fail to meet

expectations, indirect sanctions such as the negative publicity that results from the failure to appear on the list of rewarded schools cause a great deal of stress as well.

During the study period, efforts to educate policy makers about alternatives to the uniform salary schedule were frequently led by the Consortium for Policy Research in Education (CPRE) teacher compensation group, headed by Allan Odden. Rather than relying on outcome-based pay models, Odden and CPRE focused on implementing "knowledge- and skills-based" pay systems (Podgursky and Springer 2007). Odden and his colleagues were particularly enthusiastic about the potential of performance-based pay to improve teaching, and CPRE provided the practitioner community with both hands-on assistance in developing plans and with the theoretically supported rationale for doing so (see Odden and Kelley 1997). Several districts, including Minneapolis, Minn. (the district that is the focus of this study), adopted merit pay plans that were heavily influenced by the CPRE work.

Case of Minneapolis: Professional Pay Plan

This study focuses on one alternative compensation system, the Minneapolis Professional Pay Plan. Minneapolis Public Schools (MPS) introduced this voluntary alternative to their traditional bureaucratic compensation system in 2001. Under Professional Pay, teachers did not receive salary credit for gaining experience; rather, they earned credit in a variety of ways, including participation in certain professional development activities and meeting school improvement goals.

In this study, I begin unpacking the "black box" of teacher response to alternative compensation systems.

Research design¹

This study is a single case study with multiple sites within the case. The use of a single case, Minneapolis, allowed me to develop a rich understanding of teachers' responses to Professional Pay, and the district context within which those teachers work.

For this study, I drew on two main sources of data: interviews and a survey. Interviews were conducted using a structured interview protocol, and included questions about the teacher's background, participation in and

TABLE 1

Sample description and professional pay enrollment – interviews

| School | Percentage of teachers interviewed in school | Percentage of teachers enrolled in school | Percentage of enrolled teachers in sample |
|-----------------------|--|---|---|
| <i>Pressley</i> | 24% | 50% | 50% |
| <i>Maclaven</i> | 38 | 40 | 36 |
| <i>Washington</i> | 54 | 73 | 48 |
| <i>Sample average</i> | 37 | 54 | 48 |

SOURCE: Author's analysis.

assessment of Professional Pay, relationship with colleagues and the school principal, and past experiences with central office policies and personnel. The surveys enhanced the generalizability of my interview data beyond the small subset of teachers with whom I spoke. Survey items echoed the main sections of the interview protocol.

During the two year data collection period, MPS operated eight middle schools. I conducted interviews in three of those schools. The first set of interviews took place at Washington Middle School² during the spring of 2003. Washington is low achieving relative to other MPS middle schools and has an above average percentage of English Language Learners. A relatively high proportion of students qualify for free and reduced lunch at Washington as well. The following fall, interviews were conducted in two more middle schools, Maclaven and Pressley. Maclaven has above average student achievement while

Pressley has moderate achievement (using district norms as the basis for comparison).

I spent three days in Washington, two and a half days in Pressley, and two days in Maclaven. I interviewed forty-nine teachers, twenty-three in the spring and the remainder in the fall. From 24% to 54% of the teachers in sampled schools agreed to be interviewed, for an average of 37% (Table 1). Some of this variation may be explained by the fact that I was able to spend the most time in the smallest of the three schools and that school had a higher proportion of teachers interviewed as a result.

The online survey was administered during the spring of 2004. A total of 90 usable surveys were returned. From 30% to 50% of the teachers in sampled schools responded, with an average of 38% (Table 2). Response rates were higher in the schools where interviews were conducted.

TABLE 2

Sample description and professional pay enrollment – surveys

| School | Percentage of teachers surveyed in school | Percentage of teachers enrolled in school | Percentage of enrolled teachers in sample |
|-----------------------|---|---|---|
| <i>Pressley</i> | 40% | 50% | 80% |
| <i>Maclaven</i> | 50 | 40 | 44 |
| <i>Washington</i> | 34 | 73 | 64 |
| <i>Phillips</i> | 30 | 34 | 47 |
| <i>Eason</i> | 32 | 20 | 12 |
| <i>Sample average</i> | 38 | 41 | 48 |

SOURCE: Author's analysis.

While the interviews and surveys were my primary data sources, I also collected written artifacts, searching district and local union Web sites, district and union publications such as newsletters, and the local newspapers for policy-relevant documents. The implementation team also provided several documents, such as timelines, that had been created largely for use within district headquarters.

A portrait of Professional Pay

Like many policies, it is impossible to reduce Professional Pay to a static, monolithic representation. Before we can fully understand the policy, we first need to understand the history leading up to its adoption.

About Minneapolis Public Schools

Minneapolis is a large city of approximately 380,000 residents. St. Paul, a city of 280,000, directly abuts Minneapolis, making the urban area even larger. MPS serves approximately 47,500 students, two-thirds of whom are eligible for free and reduced lunch and more than 11,000 of whom are English language learners. The system has approximately 8,300 employees, 4,603 of whom were teachers in the 2002-03 school year. Per pupil spending was \$10,226 during 2002-03 with the state providing \$7,439 of that amount (*Facts You Should Know* 2003).

Average student achievement is low relative to other districts in the state; fewer than half of the district's students passed the mathematics, reading, or writing

portions of the state test in contrast to a statewide average of 72% (White 2003). Again, this pattern is typical of high-poverty urban districts (National Center for Education Statistics 2004a).

The beginning of Professional Pay

Prior to the implementation of Professional Pay, all of the district's teachers were paid according to the steps and lanes schedule. **Table 3** is a streamlined version of the salary schedule used for the 2001-02 school year. The actual salary schedule had more steps (changes based on years of experience) and lanes (changes based on educational attainment) than this truncated version, but the basic pattern holds—salaries increase with experience and educational attainment.

In 2001, the Minnesota state legislature passed a bill to fund “restructured” teacher compensation systems within the state. In response to this funding opportunity, Minneapolis quickly introduced Professional Pay for the 2002-03 school year. The district submitted an initial plan to the Minnesota Department of Education early in 2002 and had the full application ready in March. The submitted plan was loosely specified. Despite this lack of specificity, the state accepted it for funding. The rather vague plan details were quickly presented to teachers and, as an incentive to participate, teachers who signed up were promised \$650 sign-up payments as long as they joined the plan by June 30, 2002. Over 1,400 teachers, or about

TABLE 3

Selected salaries from the 2001-02 Minneapolis steps and lanes salary schedule

| Step (years of experience) | Lane (educational attainment) | | | |
|----------------------------|-------------------------------|--------------------|----------|--------------------|
| | BA | BA plus 15 credits | MA | MA plus 15 credits |
| 1 | \$29,521 | \$30,179 | \$32,051 | \$32,997 |
| 3 | 32,567 | 33,033 | 35,550 | 36,566 |
| 5 | 36,066 | 36,579 | 39,002 | 40,301 |
| 8 | 44,363 | 45,033 | 45,879 | 47,049 |
| 15 | 45,363 | 46,033 | 56,695 | 59,392 |
| 20 | 46,863 | 47,533 | 58,195 | 60,892 |
| 30 | 49,363 | 50,033 | 60,695 | 63,392 |

SOURCE: Author's analysis.

30% of the district total, signed up by the deadline and the district received \$5.1 million in program funding for the 2001-02 and 2002-03 school years.

While Minneapolis was not the sole recipient of the state's restructured compensation funding, they did receive the largest share of it.

The policy itself

There is no single document that is *the* definitive source of information about Professional Pay. A full portrait of the policy cannot be found by consulting one coherent, definitive document; rather, one must connect the dots between various documents released over time. This description draws upon the enabling legislation, district literature, union literature, the 2003-05 teachers' contract, and newspaper articles.

Setting the boundaries: Enabling legislation

MPS was able to offer Professional Pay because it was being funded through a state grant authorized by Minnesota 2001 Statute 122a. 413-415. In order to continue receiving funding, MPS had to work within the parameters established by the legislation. The legislation states that funded policies must provide teachers with incentives to improve their skills and must support teachers' efforts to improve student outcomes. The legislation goes on to specify particular criteria that must be met. In a complete break with steps and lanes, the new policy cannot include years of service as a salary determinant. The policy must encourage teachers to improve their content knowledge, pedagogical skills, and use of "best practices." In addition, it must include an "objective evaluation system, including classroom observation." The final criterion relevant to our discussion is that the policy must provide "career advancement options for teachers retaining primary roles in student instruction."

While the legislation's ultimate goal is to use financial incentives to improve student learning, the legislation does so by encouraging and rewarding teacher learning. Rather than rewarding teachers only when they improve student outcomes (a very difficult thing to measure), this policy rewards teachers for learning how to do so and applying that learning. MPS carried this one step further,

by building a program that not only rewarded teachers for taking steps to increase their technical capacity, but that actually attempted to provide them with opportunities to do so, such as professional development available only to Professional Pay participants.

A final point that should be noted is that, while the legislature recognized the role of teacher learning in raising teacher quality, this legislation was primarily about compensation. Increased compensation was assumed to be the key motivator for improvement.

Ideals and hopes: District and union literature

For most teachers, written information would have been the most accessible way to learn about the policy. Some interviewed teachers mention that they had also been invited to or attended informational meetings; however, these were infrequent and took place outside of the regular school day so they were not a viable opportunity to learn about the policy for the majority of teachers. In addition, several teachers who had attended meetings complained during interviews that they had left the meetings confused.

Literature from district and union sources details the four categories of rewards for teachers: results-based incentives, continuous improvement compensation, capacity building awards, and extended professional responsibility compensation.

(1) *Results-based incentives* were based on district- and school-wide achievement (primarily measured in terms of test scores). MPS had not originally intended to include outcome-based pay in the policy, but the state legislation required that "at least part of the teacher's pay must be based on student achievement" (White 2003, 9). District literature promised each participant \$1,000 if district-wide goals were met (not goals for individual teachers), including showing improvement on third-grade and eighth-grade exams, and meeting or surpassing benchmarks for graduation and attendance rates (White 2003, 9). For the district-wide performance goals, \$1.6 million were allotted. Most district goals were met during the 2002-03 school year and participants received \$600. School-wide achievement awards were derived from 33 Quality Performance Indicators, the majority of

which were based on student performance (White 2003). Schools where students met performance standards were eligible to receive \$4,000-\$25,000 in additional funds from the district. Professional Pay participants at each qualifying school voted on whether to distribute the funds as teacher bonuses or use them for another purpose.

(2) *Continuous improvement compensation* paid teachers for college credits and degrees; however, the compensation formula is different than under the old “steps and lanes” schedule. While teachers under Professional Pay no longer qualified for increases based on experience, or steps, teachers actually received more for degree attainment under the plan than they do with traditional lane changes. In addition, MPS provided credits for certain district course offerings. In 2003-04, ENVoY™, was offered for district credit.

(3) *Capacity building awards* rewarded teachers for gaining skills that the district deems critical. For example, the 2002-03 offering was “Improving Instruction through Analysis of the Data.”

(4) *Extended professional responsibility compensation* paid teachers for taking on responsibilities beyond their instructional duties. Defining responsibilities and reasonable compensation for this component was difficult, and it was only partially implemented.

Given that this policy was constantly evolving as it was being implemented, the district and union literature is surprisingly consistent. One theme that appears throughout is that the policy focused on teacher learning. While results-based incentives and extended professional responsibility compensation are explained in the literature, the literature mainly focuses on continuous improvement compensation and capacity building awards. These are mentioned more frequently and explained in far greater detail than the other two components. The end result the district desires is increased student learning, but district personnel recognize that teacher learning is necessary for this to occur. Toward this end, the district both rewards this learning when it occurs and also provides teachers with the means necessary to learn in the form of professional development opportunities.

Another idea that emerges from the district and union literature is that the policy was, first and foremost, about paying teachers in new and, in the district’s eyes, smarter

ways. It was assumed that the promise of increased pay would motivate teachers but, as is true of the enabling legislation, the district recognized that teacher learning needed to take place before this increased motivation could result in better teaching.

Tempering the ideals: The 2003-05 Teacher’s Contract

The 2003-05 Teacher’s Contract outlined the district’s contractual obligations. However, these obligations were considerably fewer than those outlined in district and union literature. A teacher who looked at the contract to learn about the policy would come away with a very different view than someone who examined the legislation or district literature.

Results-based incentives based on district- and school-wide achievement were not mentioned in the 2003-05 Teacher’s Contract. The district was able to pay these rewards without including them in previous contract language so their exclusion in the 2003-05 contract language just meant that they were not contractually obligated to pay these rewards. Capacity building awards were also not mentioned in the contract. As with results-based incentives, this allowed the district to offer these opportunities but did not obligate them to do so. The same was true of extended professional responsibility compensation.

At the time that this study was conducted, it was clear that should financial difficulties or philosophical and political differences reduce Professional Pay’s popularity and feasibility, the district could renege on the promises made in the literature without legal ramifications. The implementation team intended to keep the implied promises of the literature, but there were forces at work within and outside the district that made this difficult to do. The possibility of plan discontinuation was not mentioned in any of the district or union literature that I obtained. In contrast, the contract was quite specific about the impact that a discontinuation decision would have on an individual teacher’s pay. This difference may have arisen because both the district and union were interested in the program’s success. They felt that mentioning the possibility of plan discontinuation in informational literature would dissuade prospective participants.

The public face: Newspaper articles

A final written representation of the policy can be found in the news media. An analysis of the archives from the dominant local newspaper, the *Star-Tribune*, reveals scant coverage of the pay plan. In an article appearing shortly after teachers voted to approve the plan, it is reported that Professional Pay “would allow them to collect bonuses and raises for acquiring and using certain skills believed to boost student achievement” (Shah 2002). The article goes on to explain that the district and union will collaboratively decide what teacher practices and training would be rewarded. It is also noted that teachers will have to demonstrate that they are using what they have learned through classroom observations (this is not the case in the final plan). This is consistent with the policy’s emphasis on teacher learning and with the other written artifacts discussed above but provides only vague information.

While the articles link the policy to teacher learning, thereby reinforcing that message, they do little to minimize any confusion that teachers might be experiencing. In addition, one article notes that “District leaders hope to implement the new system fully for *all* teachers in the next two years” (Shah 2002, emphasis added). This statement is inconsistent with district and union assurances that the policy would remain voluntary and that there are no plans to eliminate steps and lanes. There is nothing in the literature made available to teachers or in the contract to indicate that full participation is a goal. The article may lead some teachers to conclude that Professional Pay will lead to the elimination of steps and lanes. During the interviews, some teachers did have this misconception and, in all cases, they did not want to see this occur.

All of these different, sometimes contradictory, policy representations highlight its complexity. While this complexity provided teachers with multiple ways to increase both their professional skills and their compensation, it also provided them with multiple ways to become confused. Some teachers simply ignored the policy, professing not to understand it, while others harbored misconceptions that either turn them against the policy or gave them false hope that they would be rewarded for activities that were, in fact, not rewarded.

The lack of a single definitive document describing the policy increased teacher confusion as well. Various

documents describe and explain the policy and these documents do not refer teachers to a master document providing the “last word” on the policy. (In fact, no such document exists.) While internal documents form a fairly consistent body of literature, plan features are highlighted more in some documents than others and timelines for implementation are rarely clear.

Policy representations: The local implementers

Written policy artifacts are only one source of information about policies. District personnel played an active role in dissemination of policy information and its implementation. Our portrait of this policy is a charcoal outline at this point. We know what the boundaries of the policy were but not how it was enacted. It was the district implementers who breathed life into it and pulled some parts of the policy into the sunlight while casting others in shadow.

The office of Teacher and Instructional Services (TIS), not Human Resources, administered Professional Pay. This placement highlighted the district’s early commitment to using Professional Pay as a tool for teacher growth rather than a merit pay emphasis, as TIS is populated by individuals who are largely committed to teacher growth and professional development.

The implementation team espoused preferences we might expect from personnel whose expertise is in teacher growth. While the governor and state legislature expressed interest in funding an alternative compensation system, the team was interested in funding high quality professional development. They saw the additional compensation provided to teachers as a desirable, but not necessary, plan component. They envisioned Professional Pay as one policy within a larger framework designed to provide coherent professional development within MPS.

Meaningful change or a flash in the pan? Credible commitment and the Minneapolis Professional Pay Plan

As we have seen, innovative compensation systems for teachers have usually been short-lived. While there are many causes for the demise of these programs, one

common reason is that financial and political support is not sustained over time.

There were factors at work, such as shifting political priorities and personnel turnover at the top levels of district leadership that foreshadowed that it was unlikely that Professional Pay would persist in its current form. If teachers believe a policy will not endure, they have little incentive to change their practice in ways that are consistent with the policy's long-term goals and are better off taking advantage of any short-term opportunities created by the policy while avoiding the often difficult work of meaningful long-term change. We will see that Minneapolis teachers were often aware of the district's inability to make a credible commitment and did not expect Professional Pay to be a long-term program.

External constraints

It is very difficult for a public agency to demonstrate credible commitment and MPS was no exception. There are few external constraints forcing public agencies to honor their commitments and people within the agency often have limited control over the agency's reputation.

Legally, MPS was only obligated to continue offering Professional Pay through the 2004-05 school year, according to the Teacher's Union contract. The contract made it clear that should the district decide not to continue the plan, it could simply decide that the state funding was inadequate. In this way, the district was provided room to legally renege on its promises to teachers.

The short term of the district's contractual obligation was not the only aspect of the contract limiting the district's obligation to behave credibly. Another factor was the conservative nature of the contractual obligations. The district was not obligated to offer a minimum number of rewarded professional development opportunities each year nor was it contractually obligated to pay results-based incentives or extended professional responsibility compensation at all.

While the salary schedule for the traditional steps and lanes is also renegotiated at two-year intervals, the longer history of that schedule and nearly universal adoption by other districts come into play here, increasing the district's credible commitment to maintaining that schedule.

Control over reputation: Changing players and unstable funding

Two factors made it very difficult for MPS to control its own reputation: a constantly changing set of decision-makers within and outside the district, and the district's limited control over its financial future.

The constant turnover within MPS made it very difficult to sustain local support for Professional Pay. During the period in which Professional Pay was enacted, MPS experienced great instability in the superintendency. While the initial superintendent was supportive of Professional Pay, some participants in this study felt that the current superintendent would have preferred a pay plan that tied compensation to outcomes—specifically test results—rather than the more process-oriented Professional Pay. Other local personnel changes affected support for Professional Pay as well. Different leaders had different visions of Professional Pay and differing commitment levels. The implementation team was hopeful that new personnel would remain in their positions long enough for it to be worth it to try to educate them about the plan, so they constantly reeducated district leadership, a frustrating task that consumed a great deal of their time.

Turnover outside of the district was an issue as well. The state superintendency and governor's office both changed hands during the period in which Professional Pay was enacted and study participants generally felt that neither of the new officeholders was supportive of the policy.

Even if problems of changing local and state leadership were overcome, the district faced other hurdles that made it unable to credibly commit to the plan's continuation. As mentioned earlier, Professional Pay is funded through a short-term state grant. The continuation of this funding depended on legislative action. Political shifts taking place during the study period decreased the chance for continued legislative and executive support.

It was clear that it would be very difficult for MPS to fund Professional Pay without assistance from the state. The district already had to resort to large cuts as a result of their current budgetary shortfall. Unlike most districts, federal and state categorical grants and grants from private foundations are the single largest funding source in the

MPS budget. The current economic downturn made it unlikely that the size and availability of grants would increase in the short term. In addition, the nature of grant-based funding makes it difficult to use categorical funds to support Professional Pay. These grants were from a variety of sources (state, various foundations, federal, etc.) each having different goals and spending restrictions. This makes it difficult for the district to fund unsupported initiatives under the best of circumstances.

Wary and worried: The teacher response

MPS tried to implement a policy that its target audience was already dismissing. They were hoping that Professional Pay would encourage teachers to learn new skills, use these skills in the classroom, and then teach their colleagues as well. This is slow, hard work and, as we will see, teachers did not always find the benefits of doing the work to be worth the cost when the financial rewards for doing so were unlikely to outlive Professional Pay.

Teachers had serious doubts about the future of Professional Pay. Over half of interviewed teachers believed that the program would not survive much beyond the 2004-05 school year. Fewer than 15% of interviewed teachers believed that the program would still be in place in several years and the remainder was unsure what to expect. Surveyed teachers were also generally pessimistic. When asked whether they agreed that “The district will still be offering Professional Pay in five years,” 39% of teachers generally agreed with the statement, and only 2% strongly agreed. Only 24% of teachers generally agreed that “The state will continue to fund Professional Pay after

the initial grant runs out,” and no respondents completely agreed with the statement. Twenty-three percent of teachers generally agreed that “The district will continue funding Professional Pay after the initial state grant runs out,” and one respondent completely agreed with the statement. Looking at the two funding statements together, only 27% of teachers generally or completely agreed with at least one statement. Not surprisingly, the less teachers knew about Professional Pay, the less likely they were to express a strong opinion about the district’s credible commitment to Professional Pay.

Interviewees who were enrolled in Professional Pay were more likely to have a negative perception of the district’s credible commitment than respondents who were not enrolled (**Table 4**). This is inconsistent with theoretical expectations. We would expect respondents with more positive expectations to be more likely to enroll than respondents with negative expectations because the longer expected life of the policy would increase the reward/effort ratio for participating. There are two reasonable explanations for these empirical results. The first is that enrollees may have simply been trying to qualify for short-term benefits. Several respondents mentioned that they were going to take advantage of “cheap credits”—the professional development provided by the district to Professional Pay participants at no charge—for as long as the program lasted. Others said that they were frozen on the steps and lanes schedule (experience pay increases are not annual for more experienced teachers) and so had nothing to lose by signing up for a year or two. In addition, there was a sign-up payment offered at the program’s inception to encourage enrollment. Since interviews were

TABLE 4

Enrollment status and perception of credible commitment among interviewed teachers

| Teacher’s enrollment status | Perception of district’s credible commitment | | |
|-----------------------------|--|----------|--------|
| | Positive | Negative | Unsure |
| <i>Enrolled</i> | 9% | 74% | 17% |
| <i>Not enrolled</i> | 17 | 46 | 38 |
| <i>Total</i> | 13 | 60 | 28 |

SOURCE: Author’s analysis.

TABLE 5

Stability of district policies and perception of credible commitment among interviewed teachers

| Policy stability | Perception of district's credible commitment | | |
|---------------------|--|----------|--------|
| | Positive | Negative | Unsure |
| <i>Not stable</i> | 14% | 66% | 21% |
| <i>Mixed/unsure</i> | 0 | 20 | 80 |
| <i>Stable</i> | 14 | 57 | 28 |
| <i>Total</i> | 13 | 58 | 29 |

SOURCE: Author's analysis.

conducted early in the policy's history, enrollment may have been motivated by the sign-up payment and some of these participants may later move back to steps and lanes. Finally, the reward for critical skill set participation is not added to base pay—they are short term rewards—and the full payment is received shortly after successful completion of the critical skill set. Some enrolled teachers may be taking advantage of short-term opportunities even though they did not believe that the program would stay in place for very long.

Another possibility is that the interview data were driven by the fact that non-enrollees were more unsure about whether the district was credibly committed or not. This was not the result of greater plan knowledge on the part of enrollees (correlation=.22) and may have reflected the fact that enrollees had a financial stake in Professional Pay and thought more about the program's future. Non-enrollees cited reasons including an inability to commit to additional professional development due to time constraints and impending retirement when discussing why they are not interested in the program. Since these teachers had already made the decision not to enroll based on reasons unrelated to the policy's persistence, they had little reason to spend time thinking about the district's commitment. In contrast, enrollees may have learned more about the program after enrolling (because they had a financial stake in doing so) and concluded that it was unlikely to persist.

The districts' past actions may also have affected credible commitment. Teachers who observed instability

in past district policies were slightly more likely to expect Professional Pay to be short-lived (**Table 5**). Sixty percent of interviewed respondents felt that district policies were not stable, and these teachers were more likely to believe that the district was not credibly committed to Professional Pay.

The relationship between perceptions of district policy stability and credible commitment was particularly pronounced among teachers who were interviewed during the 2003-04 school year.³ Between these interviews and those that took place the preceding school year, the state and district superintendents were replaced and local teachers' contract negotiations stalled. Following this upheaval, teachers were more pessimistic about the district's credible commitment to Professional Pay (74% compared to 50% the prior year) whether they generally found policies stable or not. Teachers appeared to be weighing the district's recent behavior more heavily than actions taken in the past when thinking about credible commitment. This is consistent with Tirole's (1996) and Miller's (1992) observations that an employer's reputation among employees is fragile and can be easily destroyed by any perceived untrustworthy behavior.

The surveys, which were also conducted during the 2002-03 school year, show a pattern similar to that of the later interviews. Seventy-nine percent of surveyed respondents disagreed with the item that stated, "District policies remain stable over time," and teachers who felt that policies were not stable were more likely to believe that the district and/or state would discontinue funding

TABLE 6

Stability of district policies and perception of credible commitment among survey respondents

| <i>Policy stability</i> | <i>Funding perception</i> | | <i>Perception of policy continuation</i> | |
|-------------------------|---------------------------|-----------------|--|-----------------|
| | <i>Positive</i> | <i>Negative</i> | <i>Positive</i> | <i>Negative</i> |
| <i>Stable</i> | 48% | 52% | 63% | 37% |
| <i>Not stable</i> | 21 | 79 | 43 | 57 |
| <i>Total</i> | 27 | 74 | 59 | 41 |

SOURCE: Author's analysis.

and that the policy would no longer be in place in five years (Table 6). The relationship between perceptions of stability in district policies and continued funding was important and statistically significant ($\Phi=.249$, $p=.014$) while that between stability and policy continuation shows a similar pattern but is not significant ($\Phi=.166$, $p=.099$).

I also find expectations to be colored by a respondent's overall perception of MPS. Teachers with positive perceptions of the district might be more likely to expect the district to honor its commitments. This hypothesis was tested using the survey data. The survey contained 10 items, including the stability statement above, that were combined to create a perception of district variable. The correlation between a positive perception of the district and positive expectations regarding future funding was strong and statistically significant (Point biserial correlation=.256, $p=.012$) as was the correlation between a positive perception of the district and positive expectations about policy continuation (Point biserial correlation=.362, $p=.000$). Teachers' perceptions of the district may have affected their views of the district's valuation of a trustworthy reputation. Since employers who value a trustworthy reputation are seen as less likely to renege on agreements and more likely to credibly commit, respondents with positive perceptions of the district were more likely to believe that credible commitment to the policy exists.

Another possible explanation is that some respondents were simply more optimistic than others. They tended to use the positive end of the rating scale more often

and to view colleagues, administrators at the school level, and district level personnel and decisions in a positive light. This type of respondent might be optimistic about credible commitment as well. To test this possibility, the funding and policy continuation variables were compared to the perception of colleague and perception of administrator variables. In all cases, correlations were small in magnitude and statistically insignificant. While general optimism may play a role in the correlation between perceptions of credible commitment and of the district, it is not driving the results.

Many teachers were pessimistic about Professional Pay's future and virtually none expressed unbridled optimism. The majority of respondents believed that the policy would have a short life and even fewer were confident about future funding. The next section unpacks this widespread pessimism.

Why are teachers concerned? Perceived obstacles to credible commitment

During the interviews, teachers who were pessimistic about the district's credible commitment to Professional Pay were asked about the specific reasons for their pessimism. Reasons varied but many of them centered on a lack of political will to continue the program at the local and state levels and on funding constraints.

Respondents perceived that the political will necessary to sustain the program was lacking. At the local level, they felt that support for policies comes and goes and that Professional Pay would be no different. Teachers doubted

that Professional Pay would receive long-term support since policies had been rapidly abandoned in the past.

Teachers believed that the changing cast of players at the district level exacerbates this policy churn. In general, the teachers believed that current district leadership was likely to be transitory and new leaders would discontinue Professional Pay. Newly hired district administrators often introduce new policies. While this is not an altogether negative behavior, particularly if old policies were ineffective, it increases teacher's pessimism about the district's credible commitment.

Political changes at the state level increased pessimism as well. Teachers were not optimistic that plan continuation would receive legislative support. They did not believe that voters would be supportive of a plan that guaranteed no downside risk for teachers, and felt that current legislators would not support the plan's continuation without public support. This perceived lack of support at the state level, combined with the history of policy and personnel churn at the local level, resulted in a pessimistic view of the district's desire and ability to credibly commit.

A lack of political will at the state level might not have disturbed teachers if they believed the district would and could continue the program without state funding. But many teachers questioned whether the district had the financial ability to continue funding Professional Pay once the state grant runs out. When asked whether "The district will continue funding Professional Pay after the initial state grant runs out," and "The state will continue funding Professional Pay after the initial grant runs out," only 15% of respondents expressed agreement. Not one survey respondent *strongly* agreed with either funding statement, while almost one-quarter *strongly* disagreed with both statements. Some surveyed teachers were also suspicious about the district's intentions or ability to honor their current financial commitment.

During the interviews, teachers expressed skepticism regarding future funding as well. At the time, MPS was experiencing a budget shortfall and one teacher was unsure whether even current salary obligations would be met. Teachers did not believe that the district had the ability to fund Professional Pay without assistance from the state. One teacher bluntly speculated, "It [state funding] will vanish. Outright, overnight, just vanish and then the

individual districts will be responsible for picking it up somewhere. So another damn program will be cut."

Enrollment choices

Teachers were able to respond to the voluntary Professional Pay plan in one of three ways. They could decide not to enroll in the program and remain in steps and lanes; they could enroll in the program but not participate in any rewarded activities; or they could enroll in the program and earn additional pay by participating in rewarded activities. Teachers who participated in rewarded activities chose whether or not to modify their practice in response to those activities. All of these teacher choices affected the policy's results.

The enrollment decision

At the time the research was conducted, roughly 36% of MPS teachers were enrolled in Professional Pay. A slightly higher percentage, 40%, of the district's middle school teachers had enrolled. There was a great deal of variation in the percentage of enrolled teachers across middle schools, ranging from 20% to 73%. Enrollment did not appear related to school achievement or to the school's percentage of English Language Learners or children eligible for free or reduced lunch.

Teachers with more than 10 years of teaching experience were significantly more likely to enroll in Professional Pay than less experienced teachers (50.9 % compared to 32.0%, Chi-square=3.796, p=.051). This may be because the salaries of more experienced teachers are frozen at various points on the traditional steps and lanes schedule. Another possibility is that more experienced teachers, who tend to be older, may have fewer family obligations (e.g., young children), making it easier for them to participate in rewarded activities.

Teaching assignment and enrollment were strongly correlated ($\Phi=.381$, $p=.001$). Only 24.5% of core subject teachers are enrolled in Professional Pay, while 65.7% of classroom teachers who did not teach core subjects and 42.0% of eligible personnel who were not classroom teachers were enrolled.

Gender did not appear to play a role in the enrollment decision: 43% of surveyed females and 40% of surveyed males were enrolled, an insignificant difference.

Teachers with more positive perceptions of their administrators were also more likely to be enrolled (Point-biserial correlation=.214, $p=.029$). Since perceptions of school administrators were not correlated with school site to any significant degree, this correlation did not appear to be an artifact of different working conditions across schools.

Professional Pay was administered by district (rather than school) administrators, but there was no significant correlation between perception of district and the enrollment decision.

Forms of participation

Once teachers decided to enroll, they had a further decision to make: the form of their participation. They could be token participants who enrolled but then did not participate in rewarded activities or they could actively attempt to earn rewards. A little over half, 13 out of 23, of the enrolled interviewees reported some form of active participation (Table 7). At the time of the interviews, active participation could take two forms: participation in rewarded district course offerings or earning additional academic credits and certifications.

Altogether, 13 enrolled teachers reported participating in a rewarded activity. Almost all had taken some form of workshop that they believed qualified for rewards. While this still left only a little more than half of the enrolled sample actively participating, these numbers may be misleading. Several factors may have been decreasing the proportion of participants who had participated in rewarded activities.

First, the district had only offered a few courses that were specifically designed for enrollees and advertised as such when the interviews were conducted. Also, some program components, such as rewards for taking on extended professional responsibilities, were described in the literature available to teachers as they made their enrollment decision, but were not operational when interviews were conducted. Teachers who found non-operational components appealing may have been planning to qualify for additional pay through these components in the future.

The policy's ultimate goal was not merely to have teachers participate in rewarded offerings; it was to have them use what they have learned to improve their practice. Interviewed teachers were asked how they had used what they learned in their practice. Of the 13 teachers who participated in rewarded activities, one reported no change to her practice, seven reported very small changes, and five reported somewhat larger changes. No one reported substantial changes.

Surveyed teachers were also asked about changes to their practice. When asked if they planned to continue using their new skills after satisfying the program requirements, 69.8% of teachers generally agreed and 25.6% of teachers completely agreed. In a similar manner, 85.7% agreed that they have already or plan within the next year to change the way they teach in response to the policy. The survey did not attempt to gather information about the nature of these changes but it seems reasonable to expect them to be similar to the incremental changes reported during interviews.

TABLE 7

Participation in rewarded activities

| Form of participation | Number of teachers |
|---|---------------------------|
| <i>No action as of yet</i> | 10 |
| <i>Participation in critical skill set</i> | 7 |
| <i>Participation in MPSU 1-2-3 class</i> | 4 * |
| <i>Participation in district classes that did not qualify for rewards but that respondents believed would qualify for rewards</i> | 3 |
| <i>Finish master's degree, begin working towards NBPTS certification</i> | 1 |

* Two of these teachers had also participated in the critical skill set. Twenty-two of the 48 interviews took place before any MPSU 1-2-3 offerings were available.

SOURCE: Author's analysis.

Why is meaningful participation rare?

The majority of MPS teachers were not enrolled in Professional Pay and almost half of interviewed enrollees reported that they had not participated in any rewarded activities. Why did so few teachers seem to be responding to this policy? Issues of capacity, understanding, motivation, and trust all affect teachers' responses and are discussed in this section.

Building capacity or missing the mark?

Some of these teachers were quite skeptical of the district's ability to offer worthwhile activities. Non-classroom teachers, elective teachers, and teachers of core subjects all voiced similar concerns—a lack of relevance to their professional needs and poor quality. Some of this is understandable. There were few funds available for developing and offering meaningful rewarded opportunities. Most of the enabling grant was earmarked for teacher salaries and professional development funds were quite limited throughout the district. Faced with this dilemma, offerings tended to be somewhat general in nature (data driven instruction, classroom management strategies) but largely oriented toward classroom teachers. They may have been too vague to appeal to classroom teachers focusing on their particular content area or student population while being too specific to appeal to personnel whose main responsibilities were outside the realm of the classroom. Moreover, even teachers who believed that rewarded activities were probably worthwhile were often reluctant to cede control over their professional development.

In addition to the class time that had to be spent to earn rewards, some teachers were leery of the policy's action research requirement. Many teachers were unwilling to spend additional time packaging this work for district review.

MPS tried to develop a policy that would reward teachers for increasing their technical capacity while providing the means to do so. These teachers had already developed their own plans to increase their technical capacity—sometimes collectively on a grant with colleagues, sometimes on their own—and they were unwilling to let go of these plans to make time for the district's capacity building activities. They believed that they were the best judges of what they needed in order to become better teachers.

Survey respondents expressed similar sentiments. Seventy-one percent of non-enrolled teachers agreed that a preference for making their own choices about professional development was a factor in their decision. Just as teachers continued to teach in ways they felt were beneficial to their students even when state mandates instructed them to change these practices (Grimmett and Neufeld 1994), MPS teachers continued to follow a professional development agenda that they felt would allow them to serve their students better, even when this was not the rewarded agenda.

Time constraints

Teachers' unwillingness to substitute the district's professional development agenda for their own might not have

TABLE 8

Interviewed teachers' reasons for lack of active participation

| | Non-enrolled teachers | Enrolled teachers | Total |
|--|------------------------------|--------------------------|--------------|
| <i>Capacity: not professionally worthwhile</i> | 17% | 40% | 24% |
| <i>Capacity: insufficient time</i> | 46 | 50 | 47 |
| <i>Information problems</i> | 46 | 50 | 47 |
| <i>Not financially worthwhile</i> | 13 | 0 | 9 |
| <i>Lack of trust</i> | 13 | 0 | 9 |

NOTE: As many teachers cite more than one reason for a lack of active participation, column totals will exceed 100%.

SOURCE: Author's analysis.

been a problem if teachers believed they were capable of doing more. Having already given up much of their leisure time, teachers talked about time spent in professional development, participating in school and district committees, and working with students and did not believe that they could put in greater effort than they already were. This was particularly true of teachers in the highest achieving of the three interview sites, Maclaven Middle School. At Maclaven, two-thirds of non-enrolled interviewees cited a lack of time as the primary reason for their decision to remain on steps and lanes and almost all of them recited a daunting list of professional obligations. In particular, teachers believed that they were too busy to add more activities to their busy schedules and were hesitant to actively participate in a policy they only partially understand (**Table 8**).

These teachers were overwhelmed by their current activities and saw meaningful participation in Professional Pay as an additional obligation, not as a way to be rewarded for their efforts. Surveyed teachers agreed insufficient time was an obstacle to meaningful participation; indeed, lack of time was the most common obstacle to enrollment among surveyed teachers.

Limited information and misinformation

Professional Pay was a fairly new option for teachers when this study was conducted, and many did not completely understand this rather complicated plan, as we see in Table 8. Some respondents were unaware of key plan components and others harbored misconceptions. While the majority of teachers were interested in learning about the plan, some had not received adequate opportunities to do so; others suggested that they had received information but had been too busy to read it; still others had not sought out information because they had heard that pay was tied to test scores and this idea did not appeal to them. A little over half of surveyed non-enrollees indicated that they did not know enough about the program to be comfortable participating in it. And almost all survey respondents, non-enrolled and enrolled, revealed an incomplete or incorrect understanding of the policy.

Some teachers had the impression that rewards were primarily based on student outcomes, teacher performance evaluations, or both. In reality, student outcomes were a

small plan component, not the centerpiece, as these respondents seem to believe. Interviewed teachers were generally opposed to outcome-based compensation, believing that this would be unfair to teachers (who have little control over who they teach) and would not support students (since teachers would have a financial incentive to prefer students with certain characteristics). Teachers who believed that Professional Pay was outcome-based were often uninterested in actively seeking out information—they were predisposed to dismiss the policy.

Other teachers also believed that teacher performance evaluation was part of the plan although it was not included at all. They were uninterested in a plan of this type because of concerns about whether performance evaluation can be done in an objective manner.

In addition, misconceptions about the policy were common at the time of the survey. Teachers were asked whether a series of statements was true or false. **Table 9** reports the percentage of respondents who had correct responses to each statement. The majority of respondents incorrectly believed that Professional Pay did not reward advanced degrees. While only a small number of interview respondents mentioned this as a decision factor, teachers were unlikely to mention this as a drawback unless they were planning to work on an advanced degree in the near future. When interviewed teachers were asked specifically about this component, they often were unsure whether or not advanced degrees were rewarded. The district's focus on providing teachers with information about MPSU 1-2-3 courses and critical skill sets may have been leading teachers to conclude that traditional university coursework was not rewarded.

Substantial numbers of teachers were confused about whether teachers were paid for high student test scores and whether all professional development was rewarded. Twenty nine percent of teachers incorrectly believed that enrolled teachers would receive higher salaries if their students received higher test scores.

Almost one-quarter of respondents believed that all professional development was eligible for rewards. Sixteen percent agreed with both items two and five despite the fact that they cannot both have been true. The items were both on the screen at the same time and respondents had the opportunity to change their answers at any time during

TABLE 9

Survey respondents' understanding of plan components

| Statement | Percentage of correct responses |
|--|---------------------------------|
| 1. Professional Pay pays teachers more if they earn advanced degrees. | 35% |
| 2. <i>Under Professional Pay, teachers receive additional pay for all the professional development that they participate in.</i> | 76 |
| 3. <i>Professional Pay pays teachers more if their students score well on tests.</i> | 71 |
| 4. Professional Pay pays teachers more if they take on responsibilities outside of teaching (i.e., testing coordinator).* | 37 |
| 5. Only certain district professional development opportunities qualify for professional pay. | 87 |
| 6. Teachers must demonstrate that they use what they have learned in their classrooms in order to receive professional pay for workshops. | 88 |
| 7. <i>Some teachers who participate in Professional Pay may make less money than they did before.</i> | 86 |

* This component was planned, but not yet operational, at the time of the survey.

NOTE: For bolded items, "True" was the correct response. For all other items, "False" was the correct response.

SOURCE: Author's analysis.

the survey. These teachers may not have been reading the survey questions carefully or may have found the wording confusing. Given the problems with illogical responses to this pair of questions, it is difficult to be certain if incorrect responses to question two were the result of misconceptions about the policy or poor survey design.

Some teachers, 14%, believed that enrolled teachers may see their salaries diminish. A larger percentage of non-enrollees believe this than enrolled teachers (29% compared to 7%, Chi-square=2.718, p=.10). This misconception may have been discouraging some non-enrolled teachers from considering plan participation.

Money as a primary motivator

One of the most striking aspects of the interviews was how infrequently teachers introduced money into the conversation, given that we were discussing a compensation policy. Every teacher, even those who knew very little about Professional Pay, believed that it was primarily a new way to pay teachers, not a professional development or accountability policy. Despite knowing that Professional Pay was, as the name implies, primarily about pay, they talked at length about the policy's perceived impact (or lack thereof) on their professional development agendas and on their students, but they had little to say about the

actual rewards. When directly asked about rewards, they virtually all agreed that more money would be desirable but very few seemed particularly interested in changing their behavior in order to earn it. Quite a few teachers mentioned that the prospect of increased pay had motivated them to enroll but most of these same teachers were not participating in any rewarded activities—when it came time to change their behavior in order to earn rewards, they were not doing so. Of those who had participated in rewarded activities, only a third cited the prospect of increased pay as their primary motivator.

When 24 non-enrolled teachers were asked why they had decided against enrollment, most cited non-financial reasons but three of them noted that they did not believe the rewards were worth the required effort. Two teachers explained that they decided not to enroll because they were nearing retirement. With only a few years to reap the rewards, they decided it was not worth the additional work to earn rewards. While only 12% (three out of 24) of interviewed non-enrollees mentioned that they did not believe enrollment was financially worthwhile, a larger group—33%—of surveyed non-enrollees agrees to some extent that “The extra money wasn't worth the effort required to earn it” has affected their enrollment decision while 16% strongly agreed. This is a much greater

percentage than in the interviews and may reflect the fact that teachers were not presented with specific prompts for reasons in the interviews. When confronted with a menu of possibilities in the survey, teachers may have tended to endorse any that seemed reasonable, whether or not they had served as serious enrollment obstacles.

The financial incentives to participate in rewarded activities were relatively small. During the 2003-04 school year, the minimum base salary for a novice MPS teacher with a bachelor's degree was \$31,549. Professional pay provided only a few opportunities for teachers on Professional Pay to earn rewards during this period. If a teacher completed ENVoY™ and earned the maximum school performance award (which is largely outside of the individual's control), he or she would earn an additional \$1,500, or 5% of novice pay. Since most MPS teachers earned more than the minimum base salary, the rewards as a percentage of base pay were even smaller for them. Lawler (1990) notes that increases of 10% to 20% are generally necessary before an employee finds it worthwhile to change behavior in response to a new pay incentive. The amounts available during the first few years of Professional Pay were considerably below that 10% threshold, particularly for experienced teachers. Thus, teachers had little financial incentive to participate when doing so would have increased their workload. A perceived lack of credible commitment exacerbated the problem as, with the exception of critical skill set awards, rewards were added to teachers' base pay.

At the time of the study, it was not clear if teachers would lose these additions to base pay if Professional Pay was discontinued. If teachers believe that they would only receive rewards for a few years, rather than over their careers, the perceived total compensation incentive decreases and, with it, the financial motivation to do the work needed for rewards.

There is some evidence that simply increasing the amount of rewards may fail to dramatically increase their motivational effectiveness. In 1998, the Massachusetts legislature created and funded a program to pay academically gifted prospective teachers \$20,000 signing bonuses to be paid out over four years. The first year bonus was \$8,000, and \$4,000 was paid in each of the remaining years. These are relatively large incentives yet researchers found that the money had a limited impact

on individuals' decisions to enter and continue teaching over the four-year rewarded period (Liu, Johnson, and Peske 2004). Other factors appeared to have been more attractive to prospective teachers than the signing bonus, such as the accelerated certification available to program participants. When participants were deciding whether to remain in teaching from year to year, the financial inducements appeared ineffective as well. Working conditions were of primary importance when most participants were making their stay/leave decisions, and not a single teacher in the study considered the bonus money a decision factor.

In general, teachers may be relatively insensitive to financial rewards. Teaching is often viewed as a somewhat poorly paid profession—an impression shared by teachers and the general public. In a recent study, 75% of novice teachers agreed that they are seriously underpaid and 78% of recent college graduates agreed that teachers are seriously underpaid (Farkas, Johnson, and Foleno 2000). Given the impression of poor pay prospects, it would be surprising if those who chose to teach were highly motivated by pay. As Nieto (2000, 91) notes, “Teachers enter the profession for any number of reasons, but neither fame nor money nor the promise of lavish working conditions is at the top of that list.”

Too busy to respond

Another factor that may have been depressing the effectiveness of financial rewards as a motivator was the overwhelming busyness that many teachers reported feeling. With many demands being made on their time, teachers may require a higher marginal return—whether measured in financial or professional dividends—before feeling that Professional Pay was worthwhile. Survey responses to “I’m already doing as much as I can and couldn’t take on one more thing” were significantly correlated to responses regarding preferring to make their own professional development decisions (Spearman’s $\rho = -.456$, $p = .002$) and may be somewhat related to the belief that “The extra money wasn’t worth the effort required to earn it” (Spearman’s $\rho = -.214$, $p = .16$). Teachers who did not believe they were capable of greater effort may have been less persuaded by financial rewards than their less overwhelmed colleagues.

Policy makers assume that teachers will find the financial rewards embedded in this policy attractive enticements to change their behavior. This may be overly optimistic. Both this study and previous empirical work indicate that the amount of rewards may be insufficient to motivate teachers to change their behavior and that financial rewards may not be particularly effective teacher motivators.

Lack of trust

Several teachers expressed reservations about the district's ability to administer Professional Pay in an objective, trustworthy manner, believing the district would favor certain teachers over others or renege on their financial promises. Others erroneously believed rewards were based on teacher performance evaluation and did not believe evaluations would be done properly.

Professional Pay was a new concept for MPS and there were few examples in other districts for teachers to look to for reassurance. Changing to a new and innovative pay schedule required a leap of faith on the part of participants. Some interviewed teachers do not trust the district enough to make that leap. They cite negative experiences during their tenure with the district, making them skeptical about the likelihood the policy would be implemented in an objective manner and promised rewards paid.

Distrust was a problem for many survey respondents as well. When asked about factors influencing their non-enrollment decision, 40% of teachers agreed to at least some extent that one factor was "I don't believe the district will actually pay us what we have earned." As with the interviews, respondents with poor general perceptions of the district and its policies were more likely to doubt that the district would behave in a trustworthy fashion. The district perception variable was highly correlated with doubts about receiving earned rewards (Spearman's $\rho = -.404$, $p = .006$).⁴

Professional Pay today

Professional Pay, as it was originally designed, turned out to be a short-lived innovation. Since this initial research was conducted, significant policy changes with respect to professional development and teacher pay have taken place in MPS.

In 2003, the Minneapolis Public School system implemented a new teacher professional development model—the Teacher Advancement Program (TAP). Launched by the Miliken Family Foundation in 1999, TAP provides professional development opportunities and structure through ongoing professional development, mentoring and coaching, and evaluation. MnTAP also included salary awards for participating teachers who met assessment criteria (Minneapolis Public Schools 2008). The TAP model of professional development was amended in 2006 to better meet MPS needs, and thereafter was referred to as MnTAP. In its first year, several schools adopted MnTAP, and by 2008-09, 14 schools in MPS were utilizing the program.

In 2005, the Minnesota legislature passed the Alternative Teacher Professional Pay System (ATPPS) bill, which provides funding and guidelines for alternative compensation policy. To meet the new legislative guidelines and better align and integrate MnTAP and Professional Pay, MPS created an umbrella program known as MPS Alternative Teacher Professional Pay System, beginning in the 2006-07 school year. According to the Minneapolis Public Schools (2008b, 3), MPS Alternative Teacher Professional Pay System "has been expanded beyond ProPay and MnTAP so that teachers have additional opportunities for professional growth and compensation besides just ProPay, MnTAP, or the traditional salary schedule." For teachers who were previously enrolled in Professional Pay, there are differences in salary increments, and in the types of professional development opportunities available that meet MPS requirements for salary increases (Minneapolis Public Schools 2008). Alternative compensation policy in MPS continues to evolve, and it appears that teachers' skepticism about the long-term stability of the original policy were well founded.

Conclusion

Policy makers often profess frustration with the seeming imperviousness of the education system to meaningful change. The muted response to Professional Pay reflects this resistance to change. When this study was conducted, 60% of MPS middle-school teachers avoided responding altogether, choosing to remain on steps and lanes. Almost half of enrolled teachers had not participated

in any rewarded activities, leaving less than one-fourth of teachers as active participants. Some of the issues raised in this study may help explain the resistance of teachers to policy-induced change, including teachers' reluctance to cede control over their own professional development, a perceived inability to do more (including professional development) than they already are doing, a lack of understanding of new policies, and the inability of their employers to credibly commit to new policies. Another factor specific to the use of compensation policy to induce changes in teaching behavior is that financial inducements may not play as large a role in teacher decision-making as is often assumed.

Professional Pay was predicated on the idea that increasing technical capacity is an important component of better teaching. The district hoped to encourage teachers to participate in a package of activities, including advanced degrees, specific professional development opportunities, and extended professional responsibilities, that it believed would increase teachers' technical capacity. Unfortunately, these attempts may have been missing the mark for many teachers. Interviewed teachers often indicated a belief that they are better judges of their professional needs than district personnel. Many teachers also indicated that, even when offerings were worthwhile, they did not have the time or the energy to take advantage of them. Both of these beliefs were formidable obstacles to the district's attempts to build capacity through Professional Pay.

It appears that the promise of increased pay, at least at the levels found in this study, may not be a sufficient incentive to overcome teachers' reluctance to cede control over their professional development and their perceived inability to do more. This policy, like all compensation policy, was predicated on the assumption that money has a significant effect on employee behavior and decisions. While there is undoubtedly some truth to this—it seems safe to assume that MPS teachers are not motivated solely by non-pecuniary rewards—money may play a smaller role than expected in changing teacher behavior. Virtually all interviewed teachers indicated that they care about money, but only a small minority considered the policy's promises of additional pay a sufficient incentive for changing their behavior.

A lack of understanding also appears to have played a role in teachers' muted responses. Many teachers felt that they did not understand this rather complicated policy, and a misunderstanding of policy particulars was common as well. For a policy to change behavior in desired ways, the intended agents of change have to understand what they are being asked to do. This does not appear to be the case in MPS.

MPS's inability to credibly commit to Professional Pay affected teachers' responses to the policy. The political will and financial resources to sustain Professional Pay appeared to be lacking. As a result, teachers were reluctant to participate in what they perceived as a short-term policy. Other teachers chose to participate but did so selectively; they engaged in rewarded activities that were quite similar to what they would have done anyway and avoided the difficult work of meaningful change.

In a democracy, shifting political support for policies is the norm, rather than the exception, and all school districts are dependent on political support for their programs to survive. Even in districts where a greater proportion of funds come from local property taxes rather than categorical grants from the state, school board members are answerable to taxpayers. School districts do not control their own destinies; politicians who may or may not understand the effect that policy churn has on people within the educational system decide their fates.

Policy makers often complain about the difficulty of changing teachers' behavior. This is not surprising in an environment where teachers have few guarantees that their efforts to change will be rewarded. Change is slow and difficult work, and it is tempting for teachers to ignore the policy *de jour* since the next regime change is likely to, once again, change the rules of the game. Education has a reputation for constant policy change; educational mandates come and go before it is really possible for meaningful change to take place (Cohen 1988; Cuban 1993; Tyack and Cuban 1995).

The inability of school districts to credibly commit has been largely ignored in the research literature but may be a significant factor in the failure of many policies to positively affect practice. While this study only looks at the Minneapolis case, it has implications for education

policy more generally. The broader question is this: Can a public school district credibly commit to policies that, in order to be effective, require a long-term financial and political commitment? The answer to this question may very well be a resounding, “No.”

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Endnotes

1. For a detailed description of research methods and analyses, see Harris, D.C. (2005). *From Steps and Lanes to the NASCAR Circuit: Teachers' Responses to Professional Pay*. Unpublished doctoral dissertation, Michigan State University, East Lansing, Mich.
2. All school names are pseudonyms.
3. Detailed breakout available upon request from the author.
4. The negative sign reflects the scaling of the variables. More positive perceptions of the district and higher trust levels were positively related.

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