



# ***ECI Monthly***

Publication of the Educator Compensation Institute

## ***What is Your Purpose?***

***The importance of identifying and clarifying the purpose of a compensation system prior to its development and implementation.***

When I was a kid growing up in Illinois, my friend Denny, sadly long since passed away, owned a small screen printing shop. Every now and then he would set aside his t-shirt business, spending the afternoon printing realtor-sized signs with a design very similar to this:

**What is Your**



**Purpose**

He would then wait until the wee hours of the morning, long after his favorite establishment had closed, and wander around our fair city with his dog Perrito, strategically placing these signs around schools, businesses, and places of worship. While I suspect he got some sort of twisted enjoyment from the thought of puzzled looks wafting across the faces of his fellow citizenry, I know he wanted people, if only for a moment, to ponder their existence, to consider what it was that caused them to move forward that morning.

While our purpose here is neither as profound nor as devious, Denny's question seems to be an appropriate and obvious starting point for any discussion about alternative compensation systems.

Having spent countless hours at many different bargaining tables, with dozens of different groups and committees, and listening to the questions and comments of hundreds of administrators, school board members, and certified and classified staff, I've come to realize that the identification of a compensation system's purpose is not always a decision that is considered appropriate or necessarily obvious.

For reasons that are difficult to understand, the idea to shift from a traditional salary system to an alternative approach seems to sometimes evolve out of one committee or another without any real understanding of its members.

Other times, a group will agree that there is probably a better way to pay education employees and then go about creating that better way by roughly replicating what someone else, like the aforementioned committee, has done.

These are not bad or ill intentioned people but often people just anxious to move forward without much time spent on direction. Once cautioned to slow down, the process and direction becomes far more clear and focused.

When identifying a purpose, it's critical to include a significant representation of the stakeholders, particularly those from the impacted employee group. The most successful experiences I have witnessed have included into the discussions a diverse representation of the employee group, the administration, the school board, and sometimes, the community. This involvement often solidifies the buy-in of those who craft an alternative compensation system and paves the way for the necessary education that must take place with all stakeholder groups prior to implementation.

The examples of purpose identification range from the very simple to the very complex. What follows is a representation of that continuum.

### ***Purpose I***

Sometimes the identification of purpose elucidates the recognition that no significant structural change to the salary schedule must take place.

Not that many years ago, I worked with a district that was unable to compete with a neighboring school district because of its significantly lower starting pay. The starting teacher pay of the district with which I worked was thousands of dollars less than that of a district just 10 miles away. The solution there was found at the collective bargaining table when the parties identified the following purpose:

***Within four years, our starting teacher pay shall be comparable with or exceed all districts within a 30 mile radius.***

Recognizing the fiscal reality that a fix could not happen in a single year, the parties agreed to phase-in the correction. While maintaining the traditional

salary schedule that rewards years of experience and college credits, they aggressively, yet simply, increased starting teacher pay by eliminating one entry level step in each year.

This initiative resulted in a significant change in the starting teacher pay. The impact of this decision is demonstrated with the example below:

Years	BA	BA+10	BA+20	MA	MA+10	MA+20
1	28,000	29,500	31,000	32,500	34,000	35,500
2	29,500	31,000	32,500	34,000	35,500	37,000
3	31,000	32,500	34,000	35,500	37,000	38,500
4	32,500	34,000	35,500	37,000	38,500	40,000
5	34,000	35,500	37,000	38,500	40,000	41,500
6	35,500	37,000	38,500	40,000	41,500	43,000
7	37,000	38,500	40,000	41,500	43,000	44,500
8	38,500	40,000	41,500	43,000	44,500	46,000
9	40,000	41,500	43,000	44,500	46,000	47,500
10	41,500	43,000	44,500	46,000	47,500	49,000
11	43,000	44,500	46,000	47,500	49,000	50,500
12	44,500	46,000	47,500	49,000	50,500	52,000
13	46,000	47,500	49,000	50,500	52,000	53,500
14	47,500	49,000	50,500	52,000	53,500	55,000

Over the course of four years, the starting teacher pay, in this example, increased from \$28,000 to \$34,000. (This example does not include the negotiated year-to-year increases.)

As a result of this initiative, starting teacher pay matched or exceeded those in neighboring districts. While it took four years, the identified purpose had been achieved.

Identifying a similar purpose, the parties in Helena, Montana generated a significantly different product. There, the traditional salary schedule was discarded and replaced with a single lane schedule that radically escalated entry level and maximum pay. Movement through this schedule is now achieved through a combination of successful annual observations, community involvement, and completion of a professional growth plan. The plan also rewards National Board Certification and graduate degrees. Click here for a full description.

***Purpose II***

The second example has been used successfully by several different Wisconsin school districts and their teacher unions.

***To create a compensation system that attracts and retains high quality teachers while rewarding and encouraging the acquisition of new skills and knowledge.***

My first experience with this approach occurred in Manitowoc several years ago. The interest in alternative approaches to compensation started with the superintendent's stated belief that there was probably a better, more effective, way to pay teachers. In a genuine effort to spark discussion, he bought each member of the teacher bargaining team a copy of Paying Teachers for What They Know and Do by Allan Odden and Carolyn Kelley.

The teachers' initial reaction was likely not what the superintendent expected or wanted. Instead of sparking discussion, the members of the teacher team, after reading the book, were convinced that this was a ploy to revitalize the old days of merit pay.

Making it clear that merit pay was not about to find its way through the collective bargaining process in Manitowoc, the teachers on the bargaining team agreed to begin grappling with the notion of new skill and knowledge acquisition and utilization.

Through a series of negotiating sessions and back room philosophizing, the parties found consensus on a common belief.

***The quality of the practitioner is the single most important school determiner of student success.***

From this obvious philosophical conclusion, the parties were then easily able to agree upon a purpose. Once the purpose was established, they began the process of analyzing the salary schedule in place at the time and what alternatives may be appropriate and effective. Several significant questions were asked and ultimately answered. What behaviors and actions does the existing salary schedule encourage? Are the most effective professional development opportunities necessarily a product of a college program? How can a culture of professional skill and knowledge advancement be encouraged by a salary system?

Over the course of many months, the parties wrestled with these, and many other, questions. During this analysis and exploration of alternatives and options, they consistently paused to measure their collective thoughts and ideas against the stated purpose by posing the following two questions:

- Will this option attract and retain high quality teachers?

- Will this option encourage and reward the acquisition of new skills and knowledge?

For an idea or option to be moved forward or further explored, it had to satisfy the two questions by being capable of an affirmative answer. While the process was arduous and sometimes tedious, the outcome was fundamentally solid and defensible.

To read a full description of the Manitowoc outcome, [click here](#).

A similar purpose was developed in another Wisconsin town, Plymouth. While the structural outcome was significantly different, the product, like Manitowoc, was solid and defensible. To read a full description of the Plymouth plan, [click here](#).

### ***Purpose III***

Finally, a Wyoming school district used a consensus process to mutually agree to a purpose. To those familiar with the consensus process, they know that this can sometimes prove to be a lengthy and tedious one. Often, though, the outcome is well worth the wait.

*ECI Digression: Over the years, I have heard many "insightful" definitions of this consensus process or consensus bargaining. Now seems to be an appropriate time to share my favorite three.*

*First, an old-time bargainer and advocate, frustrated with the time the process took and the necessity for the cultivation of relationships, called it "Kumbaya bargaining."*

*Another, a longtime teacher bargainer comfortable with the banter of a traditional bargaining table, called it "A walk down by the riverside."*

*And finally, a veteran UAW bargainer, involved with the consensus process during the evolution of the SATURN automobile plant in Tennessee, characterized it best. When asked if the rank and file thought the consensus bargaining process meant the union bargaining team was in bed with management, he responded, "We are in bed with management, but we don't kiss."*

But I digress. While the consensus process may seem lengthy and tedious, it has been, in my experience, the only process that produces a successful alternative compensation system outcome. That, however, is a discussion for another day. Now, back to Wyoming.

Pulling together all stakeholders, including certified, classified, and administrative staff representatives, the parties successfully used the consensus process to identify the following purpose:

***To improve the success of students, staff, schools, and the district by attracting and retaining high ability, highly skilled employees using market-based, competitive, and sustainable compensation systems, including salary schedules that foster:***

- ***Acquiring and using identified skill, knowledge, certificates, licenses, and degrees.***
- ***Enhancing our professions, crafts, and occupations.***
- ***Identifying and solving problems.***
- ***Increasing teamwork (among all schools, departments, and employees).***
- ***Improving relationships.***

The outcome of this story is yet to be completed. The parties are continuing to use the identified purpose to develop options and ideas in an effort to modify and revitalize the existing compensation systems for certified, classified, and administrative employees.

### ***Conclusion***

The identification of purpose is the single most preliminary important step in analyzing, developing, and implementing any compensation system. This is particularly evident when parties struggle with the creation of an alternative system.

Change is complex and difficult, justifiably causing the affected people to be suspicious and cautious. Developing a clear, comprehensive, and rational purpose can serve to temper such suspicion and caution.

*Respectfully submitted: Jim Carlson, ECI President*

### ***March Issue of ECI Monthly***

In 2006, the Florida legislature implemented a new teacher compensation initiative, the Special Teachers Are Rewarded, or STAR, program. The program gives significant bonuses to 25% of the state's teachers based on

student achievement test scores. The March issue of ECI Monthly will weigh in on this initiative.

***Put a STAR on it?  
ECI Contributing Editors weigh in on Florida's Special Teachers Are  
Rewarded, or STAR, program.***

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