

**ALTERNATIVE TEACHER COMPENSATION IN MANITOWOC, WISCONSIN  
Six Years Later**

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## **Introduction**

Until 1999, the Manitowoc Education Association and the Manitowoc Public School District had historically agreed to compensate all teachers according to a traditional two-dimensional salary schedule that provided economic rewards for years of experience and the attainment of a Masters Degree. Upon ratification of the successor 1999-2001 Collective Bargaining Agreement, the traditional approach to teacher compensation was replaced with a system designed to encourage and reward the acquisition of specific new teacher skills and knowledge that the parties believed would result in enhanced student achievement.

It has been six years since the completion of that agreement, and the measurable impact on teacher behavior and student achievement has been significant. The new economic rewards tied to specific professional development have resulted in a growing number of teachers deciding to improve their skills and knowledge. Every semester, about 25% of the staff enrolls in the District's teacher academy; every year, additional teachers earn National Board Certification; and over the past six years, many more have earned other certifications and degrees. This new attitude towards the acquisition of new skills and knowledge represents a significant departure from the years prior to 1999 when 77% of the staff had only a Bachelors Degree.

The Agreement also appears to have had a positive impact on teacher retention rates. Prior to 1999, annual teacher turnover in Manitowoc consistently exceeded 20%. Those rates have declined significantly in the years since.

Finally, the outcome of this agreement also seems to have had a direct impact on student achievement. While additional research is necessary, there appears to be a correlation between the number of teachers acquiring new skills and knowledge and the performance of students on certain standardized test scores.

This report examines the events leading to the ratification of the new Collective Bargaining Agreement, the outcomes of the Agreement itself, its impact on teacher behavior and student achievement, and the economic impact of the financial rewards crafted into the Agreement.

### **District and Association Background**

Manitowoc, Wisconsin is located on the shores of Lake Michigan, about 80 miles north of Milwaukee and 40 miles south of Green Bay and is home to 33,000 residents. While the surrounding areas are considered rural, much of Manitowoc's economic base is built upon small and medium-sized manufacturing businesses.

While Manitowoc is home to several private schools including two parochial high schools, the Manitowoc Public School District (MPSD) services the large majority of the community's students. The MPSD services about 5500 students at one high school, two junior high schools, six elementary schools, and one early childhood center. As the 24<sup>th</sup> largest school system in the state, it employs about 410 teaching professionals and 250 support staff.

The Manitowoc Education Association (MEA), with affiliations to the Kettle Moraine UniServ Council, the Wisconsin Education Association Council, and the National Education Association, represents the Manitowoc teaching staff. The Association represents all teachers, including guidance counselors, social workers, and other professional employees and all work under the terms of the collective bargaining agreement.

### **1999-2001 Negotiations**

In the fall of 1999, the Manitowoc Public School District and the Manitowoc Education Association ratified a new collective bargaining agreement that represented an expansion of the traditional two-dimensional salary schedule. Prior to the ratification of this alternative approach to teacher compensation, the Manitowoc teacher salary schedule

consisted of two lanes: a Bachelor’s lane and a Master’s lane. Each lane consisted of twelve steps, reflective of years of teaching experience.

<b>STEP</b>	<b>BACHELORS</b>	<b>MASTERS</b>
1	27,202	29,894
2	28,802	31,653
3	30,402	33,412
4	32,002	35,171
5	33,602	36,930
6	35,202	38,689
7	36,802	40,448
8	38,402	42,207
9	40,002	43,966
10	41,602	45,725
11	43,202	47,484
12	44,802	49,243

While approximately half of the teachers in 1999 had been employed by the District for twelve or more years and placed on the twelfth step of the salary schedule, only 23% had earned a Master’s Degree. No teachers had earned a Doctoral Degree or other advanced accreditations such as National Board Certification.

Because only 23% of the staff had earned a Master’s Degree, the District had expressed concerns about the level of professional development its teachers had accessed. While the District acknowledged that a Masters Degree was not necessarily directly correlated to improved instruction, it did believe that highly trained teachers were typically more effective practitioners. The Association, too, embraced this philosophy.

Prior to the initiation of formal bargaining, several discussions were held over the issue of professional development. The parties agreed that the most important factor determining student success, over which the District and its teachers could control, was the quality of the teaching staff and the level of its training. It was determined that the bargaining table was the appropriate place to link professional development and professional compensation.

During the early stages of the process to negotiate a successor agreement for the 1999-2001 contract term, the parties collaboratively identified a specific goal that would ultimately determine the outcome of the negotiations.

*“To attract and retain the highest quality teachers and encourage and reward the acquisition of new skills and knowledge.”*

Throughout the bargaining process, the parties consistently measured all options against that goal. If an option failed to address the stated goal, it was discarded. If an option appeared to contribute to the goal’s attainment, it was further explored.

### **Collective Bargaining Outcomes**

After a lengthy bargain, the parties agreed to a compensation system designed to attract and retain the highest quality teachers while encouraging and rewarding the acquisition of new skills and knowledge. This new compensation system contained several key provisions:

- ❑ A restructured salary schedule
- ❑ Manitowoc Public School District Academy
- ❑ Professional Development Certificate
- ❑ National Board Certification
- ❑ Doctoral Degree
- ❑ Initial Educators – Standards Based Professional Portfolio

#### *Restructured Salary Schedule*

The restructured salary schedule expanded the existing two-lane schedule through the creation of several new lanes, now called “Levels.”

Step	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
1	28,200	29,162	30,124	31,087	32,049			
2	29,766	30,782	31,798	32,814	33,830	34,946		
3	31,333	32,402	33,471	34,541	35,610	36,785	37,959	
4	32,900	34,023	35,146	36,268	37,391	38,624	39,858	41,091
5	34,467	35,643	36,819	37,996	39,172	40,464	41,756	43,048
6		37,263	38,493	39,722	40,952	42,303	43,653	45,004
7		38,883	40,166	41,450	42,733	44,142	45,552	46,961
8		40,504	41,840	43,177	44,513	45,981	47,450	48,918
9		42,124	43,514	44,904	46,294	47,821	49,348	50,875
10		43,744	45,188	46,631	48,075	49,661	51,246	52,832
11		45,364	46,861	48,358	49,855	51,499	53,144	54,788

With the new schedule, “Level 2” is equivalent to the old Bachelors lane and “Level 5” is equivalent to the old Masters lane. The *grayed* cells at the bottom of Levels 2, 3, and 4 are accessible only to employees who were currently working for the District in 2000. Teachers hired for the 2000-2001 school year and later may not access those cells.

Level 1 was created for teachers new to the profession and with a Bachelors Degree, and the first five steps of Level 4 were created for teachers new to the profession and with a Masters Degree. Level movement for those classes of employees is treated differently than all other employees. (*See Initial Educators, below.*)

Level movement for all educators, other than Initial Educators (i.e. Movement from Level 2 to Level 3, Level 3 to Level 4, etc.) may be achieved as follows:

1. Successful completion of 12 graduate credits
2. Successful completion of 12 MPSD Academy credits (*see MPSD Academy, below*)
3. Any combination of “1” and “2” above
4. Three level movements are granted to educators who complete a Professional Development Certificate (*see PDC, below*).
5. Educators earning a Masters Degree shall minimally move to Level 5. However, movement shall be extended to Levels 6, 7, or 8 if an employee has earned additional graduate credits, Academy credits, or a Professional Development Certificate.

If an educator reaches Level 5 without a Masters Degree or a Professional Development Certificate, credits earned for advancement into Levels 6, 7, or 8 must be towards a

Masters Degree or a Professional Development Certificate. Employees who do not move a level within seven years shall be frozen on the salary schedule.

#### *Manitowoc Public School District Academy*

The MPSD Academy was created to provide professional development opportunities to Manitowoc educators that are directly aligned with District goals and specifically relevant to individual classroom application. In large part, Academy courses are taught by Manitowoc educators who submit course description ideas for approval. Approval is predicated upon need, alignment with District goals, and relevance to classroom application.

Participation in Academy courses is voluntary and managed by the Office of Human Resources. While some courses do not result in college credits and therefore are not portable to another school district, others are administered through local colleges, earning the participants college credits.

Course instructors are paid a stipend (generated by a fee paid by course participants) identified in the collective bargaining agreement. Or, instructors may forego the stipend by accepting one “credit” for the purposes of level movement for each “credit” taught.

#### *Professional Development Certificate Compensation (PDC)*

Based on the National Board of Professional Teaching Standards, the Professional Development Certificate is a research-based, portfolio driven certification program offered by the Institute for Learning Partnership. The Partnership, hosted by the University of Wisconsin, Green Bay, is composed of area school districts and school boards, K-12 educators and administrators, the Wisconsin Education Association Council, area technical colleges, the Green Bay Chamber of Commerce, regional businesses, and community leaders.

The original concept of the PDC was first developed by the Professional Development Academy, a division of the Wisconsin Education Association Council, the state’s largest

teachers union. Teachers earning a PDC will have completed a rigorous research-based portfolio specifically relevant to the individual teacher's professional assignment and aligned with District goals.

#### *National Board Certification Compensation*

National Board Certification is the highest credential in the teaching profession. A voluntary process established by the National Board for Professional Teaching Standards, certification is achieved through a rigorous, performance-based assessment that typically takes more than a year to complete and measures what accomplished teachers should know and be able to do. This process requires teachers to demonstrate how their activities, both inside and outside of the classroom, improve student achievement.

Currently, there are more than 47,500 National Board Certified Teachers in the United States, including more than 300 in Wisconsin.

During the course of bargaining, the parties asserted that National Board Certification would likely improve the instructional techniques of those so certified. Since that time, several studies have been released that appear to validate that assumption.<sup>1</sup>

#### *Doctoral Degree Compensation*

Prior to 1999, the salary schedule did not recognize or reward the attainment of a Doctoral Degree. The parties agreed that the acquisition of such a degree by a District employee would benefit both the educator and the District. The new Agreement, therefore, provided specific rewards for such educators.

#### *Initial Educators*

For their purposes in Manitowoc, the parties identified Initial Educators as those new to the profession and new to the District. During the bargaining process, the parties addressed the need to better acclimate these new hires to the District by helping them

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<sup>1</sup> Goldhaber, Dan (2004), "Can Teacher Quality Be Effectively Assessed." University of Washington. Vandervoort, Amrein-Beardsley, Berliner (September 7, 2004), "National Board Certified Teachers and Their Students' Achievement," Arizona State University. *Education Policy Analysis Archives*.

develop the skills needed to be highly effective teachers. The parties agreed to embrace the concept being developed by the state of Wisconsin at the time.

At the time of the bargain, the state's education department, the Wisconsin Department of Public Instruction, was in the process of finalizing a new approach to teacher certification. This new approach, commonly called PI34, was designed to replace the existing certification plan that required teachers to gain re-certification by earning six college credits during every five-year period.

PI34 created three classes of teachers: Initial Educators, Professional Educators, and Master Educators. Initial Educators, those new to the profession, were issued a five-year, non-renewable license upon completion of an accredited college program. All Initial Educators were to be assigned a mentor and were required to become Professional Educators within five years or they would lose all teaching credentials. Advancement to Professional Educator status required the completion of a Professional Development Plan designed to promote professional learning aligned with the Wisconsin Teacher Standards and School District initiatives.

A Professional Educator license could be renewed every five years through a portfolio-driven process similar to that of the Initial Educator. The Master Educator was created to be comparable to National Board Certification.

Following the state's lead, MPSD Initial Educators with a Bachelors Degree and no prior teaching experience are placed in Level 1, Step 1 of the salary schedule. Those with a Masters Degree are placed in Level 4, Step 1. All Initial Educators serve a three-year probationary period.

During the first year of employment, Initial Educators with no prior teaching experience are assigned a well-trained and qualified mentor. Mentors are afforded paid release days to observe new teachers and engage in reflective dialogue about their practice. During the 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> year, these Initial Educators are required to demonstrate their

ability to effectively plan for instruction, deliver instruction, and assess student learning in accordance with the District's model of authentic pedagogy and assessment standards through successful completion of a Standards Based Professional Portfolio. This portfolio also contains artifacts illustrative of high quality student performance.

The mentor and the building principal validate the completion of the standards, and the Superintendent or designee evaluates the content to determine successful completion.

### *Economic Rewards*

The parties agreed to specific financial incentives for each of the professional development options. For each option, the amount of the financial incentives was crafted to reflect the rigor, value to the District, and comparability to other similar professional development options.

❑ **Manitowoc Public School District Academy**

Each completed Academy "credit" is applied toward salary schedule level movement.

❑ **Professional Development Certificate**

Completion of a Professional Development Certificate is rewarded with three level movements on the salary schedule.

❑ **National Board Certification**

Completion of the National Board Certification results in an additional 13% of salary for each year the certification is held.<sup>2</sup>

❑ **Doctoral Degree**

Like National Board Certification completion, employees earning a Doctoral Degree shall receive an additional 13% of salary each year.

❑ **Initial Educators**

Upon completion of the Standards Based Professional Portfolio, Initial Educators are moved one level on the salary schedule.

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<sup>2</sup> For example, an educator placed in Level 5, Step 11 (for the 1999-2000 school year) was scheduled to make \$49,855. If that same teacher had earned a National Board Certification, the annual salary would have been \$56,336, an increase of \$6,481.

## Impact Analysis

A little more than six years after the parties ratified the Collective Bargaining Agreement, a significant change in Manitowoc teacher attitudes and behaviors has occurred. With the new financial incentives, the District has experienced a significant increase in the numbers of educators pursuing a variety of professional development opportunities. The impact of this change also appears to have positively impacted, at least in part, an improvement in teacher retention rates and a growth in student outcomes.

### *Teachers with a Masters Degree*

With the change in the salary schedule structure and the corresponding impact on teacher attitudes toward professional development, there has been a significant increase in the number of teachers holding Masters Degrees. By January 2006, 44% of Manitowoc educators had earned Masters Degrees, compared to just 23% in 1999. Of the 411 teachers employed by MPSD<sup>3</sup>, 183 have earned Masters Degrees, an increase of 92 teachers since 1999.

<b>Year</b>	<b>Teachers w/ Masters Degree</b>	<b>New Hires w/ Masters Degree</b>	<b>Masters Earned in School Year</b>	<b>Total with Master Degree</b>	<b>Increase</b>
1999-2000				91	
2000-2001	91	6	18	115	24
2001-2002	115	11	5	131	16
2002-2003	131	10	12	153	22
2003-2004	153	2	8	163	10
2004-2005	163	10	10	183	20

### *Manitowoc Public School District Academy*

The Manitowoc Public School District Academy now trains about 85 teachers per semester, about 20% of its teaching staff. The District offers 29 different Academy courses, having enrolled 814 participants in various courses since 2001. The District offers an array of high quality Academy courses connected with Board goals and District learning initiatives for students.

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<sup>3</sup> Number of teachers employed for the 2005-2006 school year.

- 6 Trait Writing
- Tribes
- Applying Differentiation
- Differentiating Instruction
- High Quality Intellectual Achievement
- Internet for Teachers
- Investigations – A Closer Look
- Literacy Instruction Using the 4 Block Model
- Newmann 101 (High Quality Intellectual Work)
- Oral-Motor Therapy
- Reaching Readers: Expanding Our Vision of Guided Reading
- Reading Assessments
- Students Who are Willing and Able to: Learning from Exemplary Teachers to Enhance Instruction and Motivation in Classroom Reading Programs
- Teaching Comprehension to Enhance Understanding
- Teaching through Distance Learning Technology
- Teaching with Love and Logic: 9 Essential Skills
- Team Planning for High Quality Achievement
- Technology Academy
- Working with Words for the Upper Grades

#### *Professional Development Certificate*

While the Professional Development Certificate was not a professional development option in 1999, 24 current Manitowoc educators now hold such a certificate and 6 more are currently in the process.

#### *National Board Certification and Doctoral Degrees*

In 1999, no District teachers had earned a National Board Certification or a Doctoral Degree. By January 2006, 12 teachers had earned National Board Certification with an additional seven in the process. Also, one Manitowoc educator has earned a Doctoral Degree since 1999 and two others are in the process.

#### *Teacher Retention*

The modified approach to Initial Educators and the alternative approach to compensation and professional development appear to have had an impact on turnover. Prior to 1999, turnover rates with the District had been consistently above 20%. Subsequent to the 1999 collective bargaining agreement, those rates have declined significantly. As a percentage of teachers, the turnover rates are as follows:

<b>Year</b>	<b>Turnover Rate</b>
1997-1998	20.1%
1998-1999	20.3%
1999-2000 <sup>4</sup>	9.3%
2000-2001	14%
2001-2002	15%
2002-2003	12.2%
2003-2004	8%
2004-2005	11%

*Student Achievement*

While no direct correlation has yet been established, it appears that the changes made in the Collective Bargaining Agreement may also have had a significant impact on student achievement. The preliminary examination of at least one measure of student achievement reveals a potentially promising correlation.

An examination of the professional development behaviors of 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> grade teachers and an analysis of the reading comprehension scores of 3<sup>rd</sup> grade students elucidates the potential correlation. At the same time teachers increased their participation in the options provided in the Agreement, 3<sup>rd</sup> grade student tests scores also increased.

Beginning with the 2000-2001 school year, teacher pursuit of professional development increased significantly. The chart below reveals the increased acquisition of new skills and knowledge by 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> grade teachers through the completion of Masters Degrees, Professional Development Certifications, National Board Certifications, and MPSD Academy courses.

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<sup>4</sup> First year of new salary schedule promoting professional growth

<b>1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Grade Teachers</b>					
<b>Year</b>	<b>Teachers</b>	<b>W/ Masters</b>	<b>W/ PDC</b>	<b>Academy Courses Taken</b>	<b>W/ National Board</b>
1999-00	60	12	0	6	0
2000-01	61	19	0	24	0
2001-02	62	20	4	27	0
2002-03	65	21	4	27	0
2003-04	62	22	4	25	3
2004-05	67	22	4	22	4

While at the same time 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> grade teachers accessed new and varied professional development options, the Wisconsin Reading Comprehension Test<sup>5</sup> (WRCT) scores of 3<sup>rd</sup> grade students increased significantly. From the 2001-2002 school year to the 2004-2005 school year, the number of 3<sup>rd</sup> grade students scoring “Proficient” or “Advanced” on the WRCT increased significantly, while the number of students scoring in the “Minimal” range (the lowest range identified on the test) decreased.

<b>School Year</b>	<b>Percent Scoring Proficient of Advanced</b>	<b>Percent Scoring Minimal</b>
2001-2002	75.0%	5.5%
2004-2005	89.2%	1.1%

While more research is needed to validate the relationship between the new professional development opportunities and the corresponding impact on student achievement, preliminary indicators are suggestive of a positive correlation.

### **Summary**

In 1999, the Manitowoc Public School District and the Manitowoc Education Association endeavored to design a teacher compensation system that would attract and retain high quality teachers and encourage and reward the acquisition of new skills and knowledge. An examination of the data in 2006 appears to validate the success of that endeavor.

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<sup>5</sup> Annual standardized test given to all Wisconsin 3<sup>rd</sup> grade students.

The outcome of the 1999-2001 Collective Bargaining Agreement has had a significant impact on the professional development behaviors of Manitowoc Public School District teachers. The increased number of teachers with Masters Degrees, National Board Certifications, and Professional Development Certifications appears to be a direct result of incentives built into the new agreement. Additionally, each semester 20% of the teaching staff take Academy courses directly aligned with District goals and objectives.

While it is more complicated to infer a direct correlation, teacher attrition rates have declined at the same time teacher engagement in the provisions of the Agreement has increased.

There is also some preliminary evidence to suggest that student achievement test scores may have increased as a product of teacher increases in professional development. While further examination of this potential correlation is necessary, the preliminary indicators seem to validate the parties assertion that student success is a product of the quality of staff and the level of its training.

The Collective Bargaining Agreement has changed the behavior of those covered by its terms. The efforts in Manitowoc have been impressive and successful.

Ideally, the story would continue with only a further examination of the impact on teacher behavior and student achievement. That, however, may not be possible. Because of the impressive numbers of teachers accessing the varied professional development opportunities, the corresponding costs have been significant. If those costs continue to escalate as anticipated, this highly successful approach to teacher compensation will cease without new and additional economic resources.

Ultimately, the cost of this new compensation system will consume all available resources, leaving nothing for the normal growth in the base schedule. This inevitability is unacceptable to both the Association and the District. All parties share an interest in

the attraction and retention qualities of the base schedule. The parties will not permit its erosion.

Without new and additional resources, this very successful teacher compensation initiative will be significantly modified or entirely evaporated, ending the story.