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TEACHING NOTE

Career Pathways, Performance Pay, and Peer-review Promotion in Baltimore City Public Schools

Overview

The case, “Career Pathways, Performance Pay, and Peer-review Promotion in Baltimore City Public Schools,” describes the negotiation and implementation of an innovative teachers’ contract in Baltimore. The case follows the decisions that district and union leaders make as they negotiate, plan, and implement a contract that replaced the traditional “step and ladder” salary schedule with a new four-tier career pathway. One central theme in the case is how to transition from a contract that rewarded “passivity” in years of experience and credit accumulation to one that required “engagement” from teachers to progress through career pathways and earn more pay. There are also questions about whether the pathway processes are rigorous enough so the contract doesn’t simply default to the status quo where everyone moves up and earns more money. Finally, there are concerns about the sustainability of the contract – financially and in terms of leadership. In addition to these key tensions, students have the opportunity to explore broader themes of labor-management collaboration, the complications of contract ratification, teacher compensation models, and change management.

Case Summary

The case begins in the fall of 2012 with Andrés Alonso reflecting on his tenure over the last five years as CEO of Baltimore City Public Schools. Alonso had been successful in leading improvement in the district. High school dropout rates had declined by 55%; graduation rates had increased more than 10 percentage points; student performance had improved in nearly all subjects and grades; and the district had settled a 28-year-old federal lawsuit over special education services. Most impressively, Alonso oversaw the approval and implementation of an innovative teachers’ contract with a jointly-governed four-tier career pathway that tied teacher pay and promotion to performance and peer review. The agreement was hailed as a “bold step to transform the city’s schools” by American Federation of Teachers President Randi Weingarten. U.S. Secretary of Education Arne

This note was prepared by Professors Susan Moore Johnson and John J-H Kim, and Research Associates Christine An and Geoff Marietta for the sole purpose of aiding classroom instructors in the use of “Career Pathways, Performance Pay, and Peer-review Promotion in Baltimore City Public Schools,” PELP No. 071. It provides analysis and questions that are intended to present alternative approaches to deepening students’ comprehension of business issues and energizing classroom discussion. PELP cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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Duncan commended Baltimore for “leading the nation in innovative contracts and making teachers real partners in reform.”

Nonetheless, Alonso was concerned about the future of the contract and the reforms it introduced. There are several key tensions introduced with Alonso’s concerns. First, implementation had not gone smoothly, and there were worries that teachers were not transitioning to the new contract, which rewarded “engagement” as opposed to “passivity.” Second, there were open questions about the rigor of the new pathways, and whether the best teachers were being selected for the “Model” pathway. Looming in the background was the union president’s reelection and the expiration of the contract in the coming summer.

The case then provides some background and context about Baltimore City Schools and the Baltimore Teachers’ Union. In the 2012-2013 school year, BCPS had 10,800 employees to serve over 84,000 students in nearly 200 schools. During his tenure, Alonso had implemented significant reforms that pushed resources from central office to the school site. Support and accountability were delivered through 16 network teams and a complementary group of 16 executive directors, responsible for coaching and evaluating principals. Student achievement had improved over the years, but recently stagnated. The Baltimore Teachers’ Union (BTU) was an affiliate of the American Federation of Teachers, and represented teachers, related service providers, and support staff in the district. Marietta English was the president and governed BTU with a 21-member board.

The second main section of the case covers the contract negotiations and gives some background on the traditional “step and ladder” salary schedule. Before the new contract, teacher evaluation played no part in moving teachers up the salary scale and very few teachers were rated “unsatisfactory.” In addition, only about half of Baltimore teachers were officially evaluated in 2008-2009 and the district had initiated the dismissal process for only about 20 tenured teachers (of approximately 4,400 total). Salaries for new teachers’ in Baltimore were competitive, but as teachers proceeded through their career, their salaries quickly fell behind those of other districts. For example, teachers with a master’s degree and 20 years of experience in Baltimore could earn \$10,000 to \$15,000 more if they moved to Prince George’s or Howard Counties. **Exhibit 4** provides a comparison of Baltimore teachers’ salaries with those in nearby districts.

Pre-negotiation meetings between Alonso and English began in the late fall of 2009. Building on ideas from veteran teacher Linda Eberhart, Executive Director of Teaching and Learning, Alonso proposed that BCPS replace its traditional salary schedule with a career ladder. At first, English was skeptical. Because the system being discussed was very different from salary scales in other districts, it raised many questions for English, including ones about equity. When negotiations began in January 2010, the two sides used a problem-solving approach with a “win-win” orientation, which focused on core interests and mutual benefit. The salary scale served as the starting point for the conversation. BCPS and BTU agreed to start with changing the salary scale, but they had different reasons for doing so: BTU wanted to shorten the number of steps on the pay schedule so that teachers could reach the maximum salary more quickly; BCPS wanted to eliminate paying for master’s degrees.

Once Alonso had sketched out the framework for the contract and some of his non-negotiables, he stepped back from the day-to-day negotiations. He only reentered the discussions when they reached an impasse. After a few negotiating sessions, the participants expressed serious doubts about whether the proposed plan was financially sustainable. To address concerns and skepticism, BTU engaged the help of financial experts from the American Federation of Teachers. In what the BTU considered an unprecedented move, Alonso opened the BCPS budget to an AFT financial

expert. By sharing financial spreadsheets, both sides were working with the same assumptions about revenue and expenditures.

Assurances built into the contract helped both sides feel comfortable with the final agreement. For example, Alonso agreed to certify that the changes would be implemented or the contract would revert to the old pay schedule. In addition, BCPS and BTU created joint governance structures through which both sides could continue talking, the policy-level Joint Oversight Committee and the implementation-oriented Joint Governing Panel.

The third section of the case describes the ratification process for the contract. The completed contract went to BTU membership for ratification in October 2010. However, members rejected it. They did not have enough time to make sense of its sweeping changes and there was a lack of adequate communication by the union. In response, the BTU turned to the national AFT for support, bringing in a “blitz” team to help them communicate to members. After a month-long campaign, a second vote was held in November 2010 and the contract passed with 65 percent of the vote.

The details of the contract and its initial implementation are summarized in the next section. Teachers could now progress through “intervals” within four “career pathways” – Standard, Professional, Model, and Lead – by earning “Achievement Units” and being reviewed by a “Professional Peer Review Committee.” **Exhibit 6** illustrates the key components of the contract. Teachers earning 12 Achievement Units progressed one interval within a pathway. BTU would select Model teachers to form Professional Peer Review Committees (or PPRCs), which would then assess teachers for promotion to Model and Lead pathways. Achievement Units (or AUs) were the “new currency” in the system and they could be earned through coursework, annual evaluation, professional development activities, contributions to student learning, contributions to colleagues, or overall contributions to the school and district. The contract also established a process for allowing certain veteran teachers into Model status without peer review. Some of these so-called “grandfathered Models” would serve as the initial members of the PPRC.

Although the contract provided the broad-stroke outlines of the new system, it left the details, processes, and rubrics to two joint district-union committees: the Joint Oversight Committee (JOC) and the Joint Governing Panel (JGP). It was their job to make the transition between the long-standing standardized step-and-lane pay scale to one based on career pathways, AUs, and peer-review. The JGP included eight teachers – four appointed by the district and four by the union – who were to work full-time to generate the many guides, protocols, and rubrics needed to implement the contract. During the first year, this included defining what it meant to be a “model” teacher and then designing a rubric and assessment process to select model teachers. They also needed to design rubrics to specify what types of activities could be exchanged for AUs.

Unfortunately, no one had bothered to update the timeline for implementation after the first vote on the contract had failed. Alonso, English, and their respective leadership teams had lost over a month trying to ratify the contract.

By January, the JOC had developed an application process for the positions on the JGP and appointed eight district and union members to the committee. Three of the four BCPS members came directly from the classroom and had entered teaching through alternative routes, two through Teach For America and one through the Baltimore City Teacher Residency program. Not all had positive views of the BTU prior to joining the JGP. On the BTU side, three of the four members served on the BTU executive board. Collaboration between the district and union-appointed members had an uncertain start. The difficulty of the work was intensified by the varying levels of understanding

about the underlying principles of the contract. After several weeks of conflict, the entire JGP attended an offsite retreat to work out differences.

The JGP finally settled on a definition of a Model teacher. Members then had to begin what one member described as the “painful learning curve” of developing a rubric to measure those characteristics. A key question for the JOC and JGP was how BCPS could assess the performance of teachers with limited resources, particularly in the domain of instruction? The discussion quickly turned to whether teachers’ instruction would have to be observed in some way to achieve Model status. Some members of the JGP thought that videotaping teachers’ instruction was the best solution, but, there was strong opposition from BTU representatives. After some heated discussions, the JOC eventually decided that teachers would have to submit a video of their practice for the Model Pathway.

Implementation of the new contract was ongoing. Through the summer and fall of 2011, BCPS implemented a pilot process for the first cohort of teachers to apply for the Model Pathway. By the deadline in November 2011, 341 teachers had submitted complete applications. Of this group, 100 scored 80% or better on the rubric and were promoted to the Model Pathway.

More than two years after ratification, some pieces of the contract had not yet been implemented. Alonso, English, and their leadership teams had underestimated how much time it would take. Unfortunately, delays and challenges in implementing the contract were beginning to jeopardize its sustainability. A small but vocal group of related service providers – psychologists, social workers, audiologists, physical therapists – thought the Model pathway and AU processes were not appropriate for their positions. The district and union also still had to define the Lead Pathway, and develop a rubric and process by which teachers could attain it. There were also concerns about the role of the principals in the new contract.

The case ends with a decision point for Alonso and English. In the coming year, the contract was set to expire and English was up for reelections. One option would be to plan for a one-year renewal to give more time to implement the remaining pieces of the contract. They could also open up broader discussions, try to fix some of the more pressing problems in the contract, and codify decisions that had already been made by the JOC and JGP.

Positioning

This case can be used in a variety of settings with school leaders, teachers, graduate students, or others who are looking to gain insight into how school districts and unions can work together to improve student learning. The initiatives, negotiations, and tensions detailed in the case give discussants an opportunity to learn about the trust, organizational structures, and strategic-planning required for effective district-union collaboration.

Learning Objectives

- **Understand the incentives and theories of change of different teacher pay and professional advancement systems:** The case sets up an opportunity to contrast the traditional “step and ladder” salary schedule with one based on earning achievement units and peer review. The two systems have different incentives and theories of change, which students can analyze in the case discussion.

- **Assess the potential of implementing lasting reform through negotiated agreements:** Despite the tremendous potential for teachers’ contracts to serve as vehicles of reform, very few districts or unions use them in this way. In Baltimore, the district and union made an intentional choice to align the contract negotiations with broader reform efforts. Students can assess the risks and rewards of doing so.
- **Analyze efforts to develop a collaborative labor-management relationship:** The relationship between the district and union in Baltimore was historically contentious. Alonso made a clear choice to develop a more collaborative labor-management relationship by increasing communication, building formal structures for collaboration, and being more transparent in decision-making. Students can evaluate these efforts and their efficacy.
- **Assess the leadership and political factors necessary for collaborative development and implementation of an innovative career ladder system for teachers:** The early stages of collaboration between a district and union are incredibly fragile. Leadership turnover, economic uncertainty, and vocal dissenters can easily derail a budding partnership. Students have the opportunity to assess the factors necessary for continuation of labor-management collaboration in Baltimore.

Assignment

The following questions may be assigned prior to the case discussion:

Discussion Questions

1. What problems is Andrés Alonso trying to solve with the new teachers' contract? What problems is Marietta English trying to solve? In what ways are their problems similar or different?
2. How well does the new teachers’ contract align with the district's stated theory of change?
3. Are there risks for either Alonso or English in committing to this collaborative approach? If so, what are they? What, if anything, do they do to address these risks?
4. What lessons do you draw from the description of the Pathway’s implementation?
5. What advice would you give Alonso and English about negotiations? What do you think Alonso should be most worried about? What should be English's biggest concerns?

Teaching Plan

The suggested teaching plan is designed for an 80-minute class period. The timing for each section is flexible and dependent on the instructor’s learning objectives for participants.

Summary

- I. Introduction: Basics of the Pay System (10 Minutes)
- II. Assessing the Boldness of the Plan (20 Minutes)
- III. Criteria for Success (20 Minutes)
- IV. Risks of Collaboration (20 Minutes)
- V. Action Planning for Alonso and English (10 Minutes)

I. Introduction: Basics of the Pay System

One of the major challenges in teaching the case is ensuring that students fully understand the implications of the contract and the details of the career pathway system. Confusion about the role of the joint committees, how to earn achievement units, or progress through the pathways can derail the most engaging discussions. Thus, the instructor should begin the case by clarifying the components of the contract and how the career pathway system works. This can be achieved by asking the question, *“Let’s start with a quick review of the basics of the plan. We know that it replaced the traditional “steps and lanes” salary schedule. What are its basic components?”* The basic components of the contract are summarized on page 7 of the case:

- Teachers could now progress through “intervals” within four “career pathways” – Standard, Professional, Model, and Lead – by earning “Achievement Units” and being reviewed by a “Professional Peer Review Committee”.
- Achievement Units (or AUs) were the “new currency” in the system and they could be earned through coursework, annual evaluation, professional development activities, contributions to student learning, contributions to colleagues, or overall contributions to the school and district.
- After accumulating 12 AUs, teachers moved up one “interval” (with its accompanying salary increase) within their current pathway. Pathways included 5 to 15 intervals.
- Teachers could move from the Standard to Professional pathways solely by progressing through intervals or by a review of the Professional Peer Review Committee (PPRC).
- However, in order to move from Professional to Model, teachers needed to elect to be reviewed by the PPRC. Once Model status was earned, these teachers would need to be reviewed once every five years in order to retain Model status.
- Two joint district-union committees oversaw the implementation of the contract: the Joint Oversight Committee (JOC) and the Joint Governing Panel (JGP). It was their job to make the transition between the long-standing standardized step-and-lane pay scale to one based on career pathways, AUs, and peer-review. The 10-member JOC panel included five members appointed by BCPS and five appointed by BTU. The JGP included eight teachers – four appointed by the district and four by the union – who were to work full-time to generate the many guides, protocols, and rubrics needed to implement the contract.

Exhibit 6 serves as a particularly helpful reference when discussing how the new system works. Here, students can see an illustration of the pathways, and the salaries associated with each. Teachers in Baltimore can earn between \$46,773 and \$99,316 under the new system.

II. Assessing the Boldness of the Plan

After ensuring that everyone understands the contract, the instructor can transition to assessing whether it reflected a bold reform for Baltimore. This is a way to frame a discussion on the challenges and the benefits of pursuing such a reform effort. You can kick off this discussion section by asking the question, *“Now that we understand the contract, do you think this was a truly bold reform? Do you agree with Randi Weingarten that this was a bold step for the district? Why or why not?”* Some students may argue that the pay system was a significant innovation because it completely replaced

the traditional “step and ladder” salary schedule, which had dominated K-12 education for more than a century. Others may point out that teachers can still progress through the pathways simply by earning a satisfactory mark on their evaluation, and thus is more of an incremental improvement. The instructor should encourage debate between the contrasting points of view. The goal here is to not necessarily define what is “bold” but to encourage an in depth analysis of the strengths and potential flaws of the contract and its implementation. Below are additional example answers to the question of whether the system was bold.

A “Bold” Plan	Not Really Different Plan
<ul style="list-style-type: none"> • Aligned incentives, but too early to know impact • Partnership with union • Not step/lanes, not based on seniority • Departure from traditional bilateral approach to contract negotiations • Teachers are on board, more opportunities • Earn \$85k+ in short period of time • Lack of principal input • High personal risk – union leaders would be out if plan doesn’t work • Public failure for district leaders if plan doesn’t work • Financial risk – if it is too easy to earn master status, could bankrupt district • Peer-review and video 	<ul style="list-style-type: none"> • Teachers evaluation counts as 9 AUs, still get a step • Only a modified step system • No dismissal process, still using 2 rubrics • Only solving half the problem • AUs not rigorous enough • No management input

As a potential way to extend or wrap up this discussion section, the instructor may want to engage in a brief 5 minute session to analyze the use of contract negotiations to effect larger reform. The instructor can ask students, “Look at the student performance. It seems to be on a positive trajectory, so why did they do this? What problem is the new teachers’ contract trying to solve that you think is not be effectively addressed by other efforts?” Students might suggest the following in response:

- Align what schools need and what teachers need in order to sustain performance improvement
- Increase retention in the district of the best teachers and provide the incentives to keep them in the classroom – this is the way for BCPS to become a continually improving organization.
- This is the “last mile” of a move toward decentralization and greater level of autonomy at the school level.

III. Criteria for Success

After participants have analyzed whether the plan was a truly bold and different reform effort , the discussion should transition to defining the criteria they are using for success. The plan may or may not be a bold reform, but its success depends on successful implementation. Participants must be able to understand what criteria they will use to measure whether implementation was effective or not. This discussion section includes an opportunity to assess the alignment of the contract with the district’s theory of change. To transition to this section the instructor may ask the question: “There may be some disagreement about whether this plan is bold or bold enough. But, how will Alonso and English know if they are successful? What criteria would you suggest they use to assess success?” As the

participants respond to the question, the instructor can categorize answers as either process criteria or substance criteria. Process criteria include the ways or approaches in which the contract was bargained and implemented. Substance criteria are the actual outcomes you might expect from implementation. Below are some suggested answers in these two categories.

Process Criteria	Substance Criteria
<ul style="list-style-type: none"> • Collaborative, rather than adversarial process • Interests are stated clearly and understood • Expertise is brought to bear • No blame • Successful ratification • Likely implementation 	<ul style="list-style-type: none"> • Increases instructional capacity of schools • Likely to attract and retain strong teachers • Strengthen the profession • Eliminates standardized salary scale • Rewards effective teaching • Allows for rapid career advancement of outstanding teachers

The instructor has two choices to follow up the discussion of the criteria for success. One option is to ask students to assess the initiative on a 0-10 scale, using separate ratings for the process criteria and substance criteria: *“Now, assume you have been called together to assess the pathways system. Using the criteria that you think are important, assess the system on a 0-10 scale, using separate ratings for process and substance. What rating would you give process? What about substance?”* As students share their ratings, the instructor might ask them to cite their rationale. This can be accomplished by asking, *“Now, what evidence are you using to make your rating?”* Below are example pieces of evidence from the case for the process and substance criteria:

Process Evidence	Substance Evidence
<ul style="list-style-type: none"> +Idea came from a respected teacher +Interest of Alonso and English clearly stated +Collaborative +/-Alonso withdrew from process +AFT invested in success +Transparent exchange of financial information +Created implementation teams with explicit responsibilities. +Careful attention to implementation +JOC and JGP create space for ongoing collaboration +Jointly sold contract after first rejection +JOC and JGP members jointly appointed +/-Lead pathway left undefined +/-Principals not well informed 	<ul style="list-style-type: none"> +Created career-based pay system +Four pathways with 5-15 intervals allow ongoing development +Review model teachers every 5 years +AUs introduced as new currency +Many different ways to earn AUs +Peer review for promotion +/-Grandfathered certain teachers to model pathway +JOC and JGP members showed importance +/-Career pathways and evaluation used separate rubrics +/-BTU ran model selection process

Another option is to take a deep dive into whether the system aligned with the district’s theory of change, stated explicitly in **Exhibit 1** of the case. There, participants can see that the district’s theory of change is:

If resources are in the schools and

- *School communities have autonomy over those resources*
- *Those resources are allocated transparently and equitably*
- *The district office provides guidance and support to schools and holds them accountable for student achievement*

...then school communities will make the best possible decisions to meet their schools' needs and student achievement will increase.

The instructor can ask students if this career pathways and contract reflect the theory of change: “Take a look at the theory of change in Exhibit 1, does the new contract and career pathway system fit with the theory of change?” Below is a summary of potential answers to the question:

Aligns	Does not Align
<ul style="list-style-type: none"> • System supports keeping the best teachers • Shared financial data, partnership with union • Top-down, bottom-up – good teachers are the best critics 	<ul style="list-style-type: none"> • Schools don’t have autonomy – top-down approach • Not transparent, AUs, application, and peer-review not clear to teachers • Fails on accountability

At this point, the instructor may also want to analyze the reasons why the first ratification vote did not pass. This gives the instructor another opportunity to recap an important turning point in the case while also allowing students to tie reasoning with previous discussion of success. The instructor can ask, “We’ve discussed the criteria for success. In many ways, the partnership was very successful, so why was the contract voted down?”

- The new model was too complex and opaque; the pay was difficult to predict
- The plan sounded “too good to be true”
- In order to allow for change, the plan was vague (rigor might or might not be raised)
- Lack of trust between administrators and union

IV. Risks of Collaboration

The case highlights many aspects of effective labor-management collaboration in Baltimore. There are inherent risks when building a deeper partnership between two groups. Interests do not always align, and ongoing trust plays a critical role in whether the outcome is success or failure. In this section, participants should assess the risks Alonso and English are taking in creating a more collaborative relationship between the district and union. The instructor may start this section by asking, “So, is the collaboration we see in Baltimore always a good thing? What risks are the leaders in the district and union taking?” These risks may include:

- Greater tensions between the district and union will inhibit implementation and operations
- There is not enough time to succeed – collaboration takes time and the context can change
- Collaboration may result in incremental change because one party may disagree
- The process is complex, not always clear, and hard to predict
- Dependent on leaders and trust
- District may give up too much to union in terms of control and compensation

This discussion pasture should highlight the need to think deeply about the interconnectedness of different systems and structures to core strategy of the district.

V. Action Planning for Alonso and English

In the final section of the case discussion, the instructor should ask students to develop an action plan for Alonso and English. As the case states, the contract is due to expire in the summer, and English is up for reelection. The instructor should ask students what they think the two leaders should do. *“So, the contract is set to expire in June, and English is up for reelection. Implementation hasn’t gone as smoothly as everyone thought and has taken a lot longer. What should Alonso do? What should English do?”* The case presents two potential options:

- Plan for a one-year renewal to give more time to implement the remaining pieces of the contract.
- Open up broader discussions, try to fix some of the more pressing problems in the contract, and codify decisions that had already been made by the JOC and JGP.

Students should weigh the costs and benefits of these options and others. Planning for a one-year renewal may be the easiest to do, but it also means that problems in the contract won’t be fixed. Opening up broader discussions introduces greater uncertainty, but also allows the two sides to address some of the more pressing problems in the contract. Either way, the decision for how to move forward was not going to be easy.

This discussion section offers some excellent opportunities to engage in role-plays and have students present their perspectives from the point of view of either English or Alonso. The instructor can wear the hat of different stakeholders and respond to the student with questions about their decisions as Alonso or English. Even within the context of collaboration, the partnership remains fragile and, as the case demonstrates, sometimes allegiance to the district or the union can be incredibly strong.

Optional Discussion for Entrepreneurship in Education Reform Course

If the case is being used for the Entrepreneurship in Education Reform (EER) course, the instructor may want to bring in earlier case discussions for comparison. One example could be comparing the theory of change between Baltimore and Teach For America. Below are some suggested differences between the two theories of change.

TFA	Baltimore
<ul style="list-style-type: none">• Recruits teachers from less traditional backgrounds• The main lever for recruiting is intrinsic	<ul style="list-style-type: none">• Tries to increase teacher retention from within• The main lever for change is extrinsic rewards (even though the case demonstrates many teachers pursue their careers for intrinsic reasons)
