Teacher Compensation Practices When Collective Bargaining Disappears: A Follow-up Study 10 Years After

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ABSTRACT

In 2011, Wisconsin curtailed public employee collective bargaining through legislation (Wisconsin Act 10) that limited the scope of bargaining to total base wages, rather than the specifics of teacher salary schedules, and tied total base wage increases to the rate of inflation. By restricting the scope of bargaining, Act 10 provided Wisconsin school districts with a much freer hand in designing teacher compensation systems, including unilaterally reforming the traditional step-and-lane salary schedule. Because some research has suggested that providing more pay system flexibility has impacts on teacher retention and student outcomes, one might predict that Wisconsin districts introducing flexible pay reforms should continue to use them. However, like many reforms in education, teacher compensation reforms are subject to entropy as conditions change and old patterns of thinking persist. This research follows up on our earlier study (Heneman et al., 2019) of 25 Wisconsin districts that revised teacher compensation systems using flexibility provided by Act 10, to investigate how many districts still use pay systems that reward performance or knowledge and skill development and provide flexibility in pay setting to recruit and retain hard-to-staff teaching specialties. Follow-up interviews and document collection conducted in fall 2024 showed that:

- Most districts that moved away from traditional (step-and-lane) teacher salary schedules had largely returned to the traditional model by fall 2024.
- Most are now using experience as the primary basis for pay progression.
- Although many have returned to lanes for educational attainment (degrees and credits), the schedules are more streamlined and do not provide lanes for simply accumulating credits.
- Almost all the districts that experimented with using teacher performance as more than a minimal requirement for pay progression or bonuses have abandoned this approach.
- Most districts that used complex forms of knowledge and skill-based pay have dropped them.
- Most districts are still exercising flexibility in setting starting pay for teachers in hard-to-staff or shortage fields. This is true even for those that have returned to step-and-lane schedules.

Common reasons for moving back toward the traditional schedule include teacher preference, principals' inability or unwillingness to make performance distinctions, effort/complexity of administration, and perceptions that flexibility led to inequities. In the face of statewide challenges to recruiting and retaining teachers, districts are experimenting with other approaches, including benefit enhancements, longevity pay, district recognition, and changes to build or maintain a productive culture and climate.

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Introduction

In 2011, Wisconsin curtailed public employee collective bargaining through legislation (Wisconsin Act 10) that limited the scope of bargaining to total base wages, rather than the specifics of teacher salary schedules, and tied total base wage increases to the rate of inflation. Districts were allowed to negotiate the definition of base wage and how wage increases (limited by the Consumer Price Index for All Urban Consumers) are distributed. Bargaining over conditions of employment was eliminated, and certification of bargaining representatives required an annual vote. This annual certification requirement made it more difficult and expensive for teacher unions to remain bargaining agents for teachers. Act 10 also required teachers to make bigger contributions to their retirement plans.

By restricting the scope of bargaining, Act 10 also provided Wisconsin school districts a much freer hand in designing teacher compensation systems. Districts acquired new opportunities to unilaterally break from the traditional and commonly applied "step-and-lane" salary schedule system, where pay increases are based on both years of experience ("steps") and educational attainment ("lanes"), and instead experiment with new compensation practices to attract and retain teachers. In theory, this flexibility allowed districts to address three major criticisms of the traditional pay schedule:

1. Difficulty recognizing, rewarding, and retaining more effective teachers due to automatic increases for years of experience and additional degrees, irrespective of actual performance;
2. Lack of incentives for teachers to acquire specific knowledge or skills more closely related to effective teaching, since traditional salary schedules treated most academic degrees and credits equally regardless of their relationship to a teacher's actual job and to teaching effectiveness in general; and,
3. Inability to differentiate pay for in-demand teaching specialties (e.g., high school math and science, special education), leading to difficulties in recruiting and retaining these teachers.

Limited research to date has looked at how many Wisconsin districts used flexibility provided under Act 10 to address these criticisms. Biasi (2021) found that approximately one-half of Wisconsin districts had replaced traditional salary schedules in the years following Act 10 with systems that allowed for pay differences among teachers with similar experience and degrees and credits, systems the author called "flexible pay." Biasi's research did not, however, distinguish between the various types and purposes of pay system changes districts enacted.

Heneman et al. (2019) collected pay system descriptions from 25 Wisconsin districts reputed to have made substantial compensation changes after Act 10, finding that 21 had eliminated the traditional schedule. Most of the new systems these districts enacted included some form of performance-based pay and/or additional pay for hard-to-staff positions, and about half instituted career ladders or various knowledge and skill-based pay systems that rewarded developing competencies related to teaching effectiveness. The new compensation systems designed by these districts, however, varied substantially rather than following a common model, suggesting that local preferences and conditions played an important role in design. Correspondingly, reasons cited by districts for change varied, although the desire to recognize differences in teacher performance was cited by 17 of the 25 districts. Other reasons included the desire to create career paths for teachers and compete for talent. Many also mentioned the need to align compensation with available revenue, or to make the system more sustainable, in response to Act 10 provisions that also reduced state school funding and lowered limits on districts' ability to raise taxes. Several districts in the Heneman study noted that these limitations made their prior systems financially unsustainable.

Proponents of teacher compensation reforms (e.g., Odden & Kelly, 2002), as well as many education economists, would likely expect that more flexible pay systems that reward performance, incentivize skill development, and allow higher pay for more in-demand teaching specialties would be associated with better outcomes for students. With respect to Wisconsin, there have been a few studies that examined impacts of Act 10 changes on student performance. Most notably, Biasi (2021) categorized districts as using flexible pay versus those that maintained the traditional single salary schedule and concluded that flexible pay districts rewarding teacher quality were able to lure higher-performing teachers from seniority pay districts—and conversely, lower-quality teachers left flexible pay districts due to potential pay loss. The author also found that salary reforms enabled by Act 10 led to improved student achievement.

Roth (2017) studied Wisconsin teacher mobility post-Act 10 and found that there was a spike in teacher attrition following enactment of the law, with most of the "leavers" consisting of older teachers who were arguably incentivized to leave due to the pay system changes and potential loss of benefits. Lower overall compensation was determined to be the result of concurrent benefit reductions and higher employee benefit contributions. Roth concluded that changes related to Act 10 led to higher student achievement in math (but not reading) via lower-quality teachers retiring. In a study examining whether Act 10 may have contributed to changes in entry to the profession, Baron (2019) found that the supply of Wisconsin teachers from more selective preparation programs increased. The author asserts this is likely due to higher compensation potential through performance pay. Finally, in a study of one of Wisconsin's neighboring states, Sojourner et al. (2014) found small, but positive effects on reading achievement in districts engaging in Minnesota's Q-Comp teacher performance pay system.

Considering these studies as a whole, there is some evidence that flexible pay has potential benefits in terms of both teacher retention and student performance, and thus it seems reasonable to predict that Wisconsin districts introducing flexible pay reforms should continue to use them and that other districts would mimic these same reforms.[1] Like many reforms in education, however, teacher compensation reforms are subject to entropy as conditions change and old patterns of thinking persist. The wave of teacher evaluation reforms promoted by the Obama administration's 2009 program Race to the Top and provisions of the Every Student Succeeds Act, for example, has ebbed in many states (National Council on Teacher Quality, 2019), including in Wisconsin. In addition, revenue limits, declining enrollment, and state funding below the rate of inflation may have limited districts' interest in innovative pay systems.

Research Questions

Given all this, we decided to follow up with the 25 districts from the Heneman and colleagues' (2019) study to see how post-Act 10 efforts to reform teacher compensation have fared approximately 10 years after the initial study. We focused on two research questions and several sub-questions:

1. How many of the 25 study districts have enacted the following changes to teacher compensation systems since launching initial post-Act 10 reforms around 2015–16?
    a. Returned to traditional (step-and-lane) salary schedules?
    b. Use one or more forms of performance pay?
    c. Reward knowledge and skill acquisition other than degrees and credits?
    d. Provide higher salaries or bonuses for hard-to-staff teaching specialties?
    e. Incorporated other (non-salary) incentives to attract and retain teachers?
2. What were the reasons cited by districts for changes made to teacher compensation systems since 2015?

Methods

Sample

The original study included 25 Wisconsin school districts identified from multiple sources of information as having made substantial changes to teacher pay. The study team consulted the Wisconsin Association of School Boards (WASB)[2] for recommendations given their long-standing work with many districts around school board policy, including compensation reform. WASB also provided website access to their compilation of teacher handbooks. Three study team members reviewed 50 handbooks to identify information related to compensation changes. The sample included every fifth handbook from a total of 269 handbooks accessed on the WASB website. In most cases, there was very little information within the handbooks about compensation designs, but districts pursuing changes did tend to reference a change process or district board policy. Websites for those districts referencing compensation changes were also reviewed. Additionally, the team searched online media for any mentions of compensation changes in Wisconsin, which led to other districts being included in the study. Finally, the team

[1] The extent to which compensation changes spread to other districts is worthy of study, but beyond the focus of this paper.

[2] The authors acknowledge assistance from WASB for the initial study and from the Wisconsin Education Association Council for the current study.

sought recommendations from initial study participants for other districts they learned about during their investigations of alternative compensation systems.

The original sample of 25 districts contained a mix of locale types (rural, town, suburban, city) and a wide range of student enrollment distributed across different regions of the state, although none were among the largest districts in the state based on enrollment (see **Table 1**). With a few exceptions, there is an overall trend of declining enrollment over the past decade, particularly in more rural districts. Declining enrollment negatively impacts district finances.

***Table* 1. Sample District Descriptives**

District	Locale	Student Enrollment (2015–16)	Student Enrollment (2023–24)	Number of Teachers (2023–24)
Adams-Friendship	Rural, Remote	1,567	1,286	117
Athens	Rural, Distant	414	479	35
Beloit-Turner	Suburban, Small	1,528	1,665	103
DeForest	Suburban, Large	3,636	4,153	306
Elmbrook	Suburban, Large	7,055	7.863	510
Fall Creek	Rural, Distant	839	906	59
Goodman-Armstrong Creek	Rural, Remote	105	71	14
Grafton	Town, Fringe	2,214	2,132	140
Greenfield	Suburban, Large	3,638	3,410	263
Kiel	Rural, Distant	1,300	1,189	86
Menomonie Area	Town, Distant	4,049	3,244	223
Middleton-Cross Plains	Suburban, Large	7,006	7,059	546
Monona Grove	Suburban, Large	3,333	3,696	299
Mosinee	Suburban, Small	2,080	1,956	143
Neenah	City, Small	6,570	6,497	415
Northland Pines	Rural, Remote	1,311	1,368	109
Oak Creek – Franklin	Suburban, Large	6,617	6,527	410
Oshkosh	City, Small	9,913	9,113	750
Ripon	Town, Distant	1,639	1,430	127
Sheboygan Area	City, Small	10,405	9,427	692
Stanley-Boyd	Rural, Distant	1,080	1,066	78
Sun Prairie	Suburban, Large	8,118	8,411	663
Verona	Suburban, Large	5,420	5,794	413
Wausaukee	Rural, Remote	468	381	33
Wauwatosa	Suburban, Large	7,262	6,527	516

Source: National Center for Education Statistics and Wisconsin Department of Public Instruction WiseDash

For the current study, we contacted each of the original 25 districts to request interviews and collect information about their current teacher salary systems. We were able to interview a district representative as well as collect documents describing the current (2024–25 or 2023–24) teacher pay systems for 17 of the 25 original districts. For those that did not want to participate in an interview, we asked if they would be willing to respond to a short survey that aligned with the interview protocol to gather some of the basic information about their current compensation system and any changes. We were able to get three additional districts to respond this way. We were then able to secure current salary schedule documents from four more districts, although without explanations or context from district staff. Thus, our final sample includes updated information for 24 of the original 25 districts.

Data Collection

Descriptions of these districts' current (school year [SY] 2023–24 or 2024–25) teacher compensation systems were obtained from district websites and/or by asking district administrators to share documents. District administrators (human resource directors, superintendents, business managers) were interviewed using a semi-structured protocol in fall 2024. These interviews focused on changes in the compensation systems since Heneman and colleagues' (2019) initial data collection, reasons for the changes, and how the districts were using compensation and other tools to recruit and retain teachers in the face of educator shortages and revenue limitations introduced by Act 10.

We attempted to contact the same person or position from the 2014 study. Of the 24 original districts that we were able to gather information about, 19 had changed superintendents (some several times), while only five had the same superintendent. Human resource managers or business managers that we initially interviewed were also frequently different from the prior study.

Interviews were recorded and notes transcribed. We then read through all the interviews and constructed tables that summarized the content relevant to each research question.

Analysis

To quantify changes in the sample districts' teacher compensation systems, we compared the number of districts using specific pay forms at two points in time: as of fall 2015, representing SY 2015–16, and fall 2024 (representing SY 2024–25). Specifically, we reviewed the compensation change definitions and coding used in the Heneman et al. (2019) research and made some modifications to the definitions to align with the research questions presented above. These changes allowed for finer-grade distinctions within some of the categories used in the original research. For example, we decided to distinguish between performance pay that varied with the level of the individual's performance rating from the requirement that a minimal rating level (e.g., having a rating above unsatisfactory) was required by itself or in conjunction with other criteria (e.g., another year of experience) for a pay increase. We also reviewed interview transcripts from the initial data collection from fall 2015 and recategorized the districts based on the modified definitions. We then reviewed the interview notes/transcripts and system description documents from new data collected to categorize the district pay systems as they appeared in fall 2024. We also reviewed transcripts to identify the reasons interviewees gave for the changes and related them to changes in the use of performance pay, knowledge and skill pay, and provisions to recruit and retain hard-to-staff or shortage teaching specialties.

Results

Overall, we find that teacher compensation practices have changed substantially in the roughly 10 years since this set of districts launched reform efforts shortly after Act 10. Most notably, many of these districts have returned to a modified version of the traditional step-and-lane salary structure, while few report that they have continued to use performance pay and additional compensation for teachers to acquire specific knowledge and skills beyond additional and more general advanced degrees. While most are still using flexibility to set higher starting salaries for hard-to-staff specialties, some have become more careful in using flexibility due to concerns about pay disparities between new hires and current staff. We discuss these results in detail, by research sub-question below.

How Many Districts Moved Back to Traditional Steps-and-Lane Schedules?

In the immediate post-Act 10 period, all the districts in the original sample made substantial modifications to their teacher compensation schedules. We categorize these modifications into four types:

- **Career Ladder**: salary structures that distinguish levels of teaching expertise and impact and provide pay increases upon promotion to a higher career level. Most defined the levels based on an assessment by the district, considering some combination of expertise, experience, and additional activities beyond the classroom. Some career ladders incorporated point systems in which teachers had to accumulate points for activities, additional roles, or professional development (PD) to move to the next level.
- **Points-Based Pay Progression**: teachers' annual progression was determined by earning points for different combinations of PD (including in some cases degrees or credits), experience, performance, and additional activities (leading a student club, presenting at a professional conference, etc.).
- **Modified Step-and-Lane**: systems that retained annual experience steps within one or more lanes. In most cases, there were at least two lanes (typically a bachelor's and a master's degree lane), but none of these districts had credit lanes (e.g., BA + 15 credits, Masters + 30 credits).
- **Minimum Salaries or Minima and Maxima**: progression determined by whatever increases districts provide. These systems gave districts maximum flexibility to respond to revenue fluctuations.

Table 2 shows how the number of districts using each type of teacher compensation schedule changed between the time Heneman et al. (2019) collected the initial data in fall 2014 and our data collection in fall 2024.

***Table 2*. Pay Schedule Types (N=24)**

Type of Schedule	As of Fall 2015		As of Fall 2024	
	Number	Percent	Number	Percent
Career ladder	12	50%	4	17%
Point progression system	6	25%	2*	8%
Modified step and lanes	4	17%	15	63%
Other (e.g., open range, no schedule)	2	8%	2	8%

*The two remaining point progression systems retain some vestigial elements of the original modification and earning points is optional.

As **Table 2** clearly shows, the number of districts using career ladders or point progression systems dropped substantially between the initial data collection and our interviews in fall 2024, while the number with modified step-and-lane schedules increased. These modified step-and-lane schedules are similar in concept to traditional step-and-lane schedules, with the major differences being fewer lanes and at least some minimal performance requirement for moving up a step, such as not having an unsatisfactory evaluation or being on a plan for improvement. Six of the districts with career ladders moved back to step and lanes, as did four of the six districts with point progression systems. The other two changed to an open range approach with no steps.

Districts cited several reasons for moving back to compensation systems that resembled the traditional step-and-lane schedule. Several interviewees noted that the new systems were seen by teachers and administrators as being complicated and burdensome, in that they were time-consuming for teachers and principals to document and for district leaders to review. Others mentioned teacher opposition based on perceived inequities, principals' inability or unwillingness to make performance distinctions that had consequences for pay, and negative impacts on teacher morale. As mentioned above, only five districts had the same superintendent from the 2015–16 study. Several interviewees implied that the system operating in 2014–15 was changed when the superintendent responsible for developing or championing it left.

How Many Districts Still Use Any Form of Performance Pay?

We distinguished several ways that performance determined pay. We counted districts as using performance if they had performance measures (e.g., teaching practice ratings using the Wisconsin Educator Effectiveness System) as a determinant for the size of the increase that a teacher would receive; if bonuses were based on performance measures; and if performance measures were used to determine career ladder movement. In addition, we included districts that offered bonuses based on the performance of the teacher's or the school's students. We also counted the number of districts that used teaching performance, as measured by practice ratings, as a minimal criterion for a pay increase or career ladder movement. A common example is denying a step if the teacher had an unsatisfactory evaluation or was on a plan of improvement.

As **Table 3** shows, the number of districts using any form of performance pay except for requiring a minimal level of performance for annual progression or career ladder movement declined substantially.

***Table 3*. Use of Performance Pay in Study Districts (N=24)**

Use of Performance for Pay Determination	**As of Fall 2015**		**As of Fall 2024**	
	Number	**Percent**	**Number**	**Percent**
Use of performance for determining the size of a pay progression increase or faster progression (e.g., more steps)	2	8%	0	0%
Use of performance to determine movement to a higher pay band or range	5	21%	1	4%
Bonus based on teaching practice	4	17%	1	4%
Bonus based on individual teacher's student outcomes	1	4%	1	4%
Bonus based on school performance	1*	4%	0	0%
Use of performance only as a minimal eligibility criterion for a pay increase based on other criteria	10	46%	13	54%
No use of performance for pay determination of any kind	2	8%	7	29%
Unable to determine	-	-	1	4%

*This district had both a school performance bonus and used performance to determine amount of annual progression

At the time of the initial (2014–15) data collection, 47% of the districts used performance for more than just a minimal qualifier for other increases. In contrast, by 2024–25, only 12% of the districts used more substantive forms of performance pay. The minimal use of performance was common at the time of the original data collection, and became slightly more common in the fall 2024 follow-up. Bonuses based on teachers' students (or whole-school performance) were rare when the original data were collected and remained rare in 2024. The one district that has continued to offer bonuses based on outcomes for teachers' students, furthermore, only did so for a small group of teachers.

Of the 12 districts that started using performance post-Act 10 for more than just a minimal qualifier, two changed to no longer using performance for any form of pay, and another six moved to using it as only a minimal qualifier. Of the 10 districts that had used performance as a minimal qualifier, three no longer considered performance at all in the follow-up data collection. No district moved from using a minimum level of performance only as an eligibility criterion to a more substantive use of performance to determine pay. No district, furthermore, changed to a more intensive use of performance for pay determination; all changes were toward a less intensive use.

In the present follow-up study, the two most commonly cited reasons for moving away from performance pay were staff discontent and reluctance of principals to make performance distinctions in teacher evaluation. With respect to the latter point, superintendents offered the following reasons for their districts backing away rather quickly from performance-based pay:

> Principals were not comfortable telling teachers they were not top performers. They didn't want to discriminate. Everyone was rated at the top level. Eventually the superintendent decided it wasn't worth making principals "go through the motions."
>
> Some principals were not comfortable telling teachers they were not going to get top level increases.
>
> We abandoned the use of performance evaluation ratings in base pay progression because it was putting too much stress on the teacher–principal relationship…too much pressure to give a teacher a 4 to get them the higher increase. [It] was not having a positive impact on the relationship and probably not on performance, due to the pressure for leniency [in ratings].
>
> Someone could be on a plan of improvement, but they'd pull out glowing evaluations from the past that gave [them] bonuses.

An administrator described staff opposition to performance-based pay as follows:

> The old system created a lot of frustration [for teachers]. They considered it unfair. We wanted to go back to something more like the old schedule. Principals varied in their discernment [of performance levels]. Some principals were perceived as having more pull with the superintendent and they liked it more since they got their teachers higher pay increases. It was pitting teacher against teacher. We were aware of this as a cause of low morale when we arrived. We found it was devastating to morale and retention.

As another noted:

> Why would I [as a teacher] help the person next to me if we're competing for a fixed salary pot? The concept (performance pay) was good, but it just didn't work.

How Many Districts Still Reward the Development of Knowledge and Skills Other Than Degrees and Credits?

We defined pay for knowledge and skills (also known as **knowledge- and skill-based pay**, or **KSBP**) as including add-ons or base salary increases for demonstrating specific skills, or for participating in defined PD activities. The three most common ways districts incorporated pay for knowledge and skills were:

- Point systems, in which teachers had to earn a set number of points to be eligible for pay progression by participating in specified PD activities. In addition to PD participation, most of these systems also allowed earning points for carrying out additional duties, such as leading PD sessions or presenting at conferences.
- Career ladders that specified completing specific PD activities or completing individualized PD plans as a requirement for moving to a higher career level or

maintaining that level.

- Add-on bonuses or stipends not included in base salary paid on completion of specified PD.

We did not count districts that provided automatic increases or lane movement for degrees or credits, but did include systems that provided points for degrees and credits as one type of PD. In these systems, degrees and credits typically must be part of an approved PD plan or approved individually by the district, rather than automatically counted toward lane progression under the traditional system.

***Table 4*. Pay for Knowledge and Skills in Study Districts (N=24)**

Type of Knowledge & Skill-Based Pay	As of Fall 2015		As of Fall 2024	
	Number	Percent	Number	Percent
As part of a career ladder	9	37%	2	8%
Point system not in a career ladder	4	17%	3	13%
Bonus or base pay increase for specific PD	1*	4%	1	4%
Add-ons/stipend for National Board Certification or similar only	3	17%	5	21%
Any KSBP element	16	67%	11	46%
No knowledge & skill pay elements	8	33%	13	54%

*One district used knowledge and skill elements in its career ladder and paid a stipend for other knowledge and skill acquisition activities, so it is counted in this category but not double-counted in the Any KSBP category.

While some form of KSBP was relatively popular during the period of the original data collection, with two-thirds of the districts using it, by the 2024-25 school year this type of pay was found in only 11 of the 24 districts (46 percent). Two of these districts still included knowledge and skill requirements within a career ladder approach, although with modifications. For the other districts that had them, the knowledge and skill provisions of career ladders appear to have been eliminated, leaving extra responsibilities or other achievements as promotion criteria or the career ladder itself was eliminated. If add-ons or stipends for National Board or similar certifications are not counted as KSBP, the decline is from 13 to 6 districts using this pay practice.

KSBP was often eliminated when the underlying point system ran into trouble. Almost all districts that used point systems for KSBP (or for pay progression) abandoned them. The major reasons cited for abandoning point systems (including knowledge and skill provisions) included their complexity and the effort needed to administer them, and dissatisfaction of some teachers who felt that point systems were inequitable for those whose personal situations (e.g., parenting young children) did not provide them equal opportunity to earn points. Examples of explanations provided by district contacts include the following:

> Points systems…why did that go away? It was not popular among staff. People were frustrated that they had to “do more.” Demands were being placed (behavior, testing,

> etc.). People were getting burned out, then feeling like you have to coach, accumulate points, etc.
>
> The original point system was crafted with good intentions to promote and incentivize different priorities for the district. What happened over time is people may have gamed the system, or there were inequities with others who were raising children or taking care of parents and couldn't participate as fully in the [bonus] opportunities or other ways to generate points. It just didn't work out as we had hoped.

How Many Districts Still Provide for Higher Salaries for Hard-to-Staff Teaching Specialties?

Prior to Act 10, most Wisconsin districts had little flexibility to pay higher starting salaries or use pay as a retention tool for teachers in hard-to-staff or shortage specialties. While some districts could use judgment in placing high-demand teachers at more senior steps on the traditional schedule, this was done covertly, and more as an exception than a common practice. Most also had no way of using pay to retain individual teachers in high-demand specialties. By removing salary schedules and initial placement as a subject of bargaining, Act 10 made it easier for districts to negotiate starting salaries individually with teachers and pay in-demand specialties more.

Beyond individual negotiation, other methods of responding to market conditions could include hiring bonuses (one-time bonus for signing on with the district), stipends or add-ons (non-base building extra salary amounts) for in-demand specialties or certifications, and placement in a salary schedule with a higher minimum and maximum. Heneman et al. (2019) found that after Act 10, using pay for recruiting and retaining in-demand teachers or hard-to-staff positions was still often done "under the radar" on an ad hoc basis via individual negotiation. Few districts set up formal procedures or guidelines for how much more to pay or had formally defined specialties they were willing to pay more. More commonly, districts engaged in individual negotiations with these teachers. As **Table 5** shows, at that time 17 (71%) of the districts relied on individual negotiations. Only six of the districts did not have some way to adjust starting pay to respond to market conditions.

***Table 5*. Methods of Pay Flexibility for Hard-to-Staff/In-Demand Specialties in Study Districts (N=24)**

Methods of Pay Flexibility	As of Fall 2015		As of Fall 2024	
	Number	Percent	Number	Percent
Individual negotiation	17	71%	8	33%
Hiring bonus	-	-	3	13%
Different salary range or schedule	1	4%	3	13%
Add-on or stipend	1*	4%	1	4%
No provisions for hard-to-staff	6	25%	5	21%
No information	-	-	4	17%

*This district used both flexibility and provided a stipend for shortage area teachers.

By SY 2024–25, most districts that had reported using individual negotiations in 2014–15 still used the practice. A few moved to more formal methods, including hiring bonuses and stipends, and three provided a higher salary range or pay schedule for selected in-demand specialties. Others emphasized non-salary aspects of compensation or other attractive features of their districts to compete for talent.

Some districts have become more conservative in using flexibility out of concern for creating inequities with current staff. One district experienced a pay discrimination lawsuit filed by the U.S. Equal Employment Opportunity Commission for paying female special education teachers and a female school psychologist less than their male peers. The settlement included a $450,000 payout plus salary increases for the women included in the lawsuit, and district policy reviews and training (U. S. Equal Employment Opportunity Commission, 2023). The district stated that the practices it was using "were allowable per the 2011 Wisconsin Act 10" (Merck, 2023). Several districts within our sample referenced the lawsuit and the need to be conservative in setting salaries for hard-to-staff positions to avoid pay inequities. The president of the Wisconsin Education Association Council stated that "districts should be on note that [they] are paying very close attention to salaries" (Merck, 2023).

The more cautious approach now taken by some districts is illustrated by one interviewee's comment:

> [We] give a little bit of grace to negotiate, but we have a ceiling of what will do. We don't want internal strife if someone is in the department at a lower level than what we bring someone in for.

One district that moved to a more formalized approach noted:

> We changed to a more structured approach [separate, higher lanes for shortage area specialties] in order to be able to show prospective recruits what they would be getting if they came to us. Also, individual negotiation was leading to outliers that then we'd have to raise everybody.

Because many Wisconsin districts now find recruiting and retaining a greater challenge while resources for compensation increases are constrained, several of our sample districts have become creative in finding other ways to attract and retain. These initiatives are described in a separate section below.

We summarize our main findings on how district pay systems have changed as follows:

- Most districts that moved away from traditional (step-and-lane) teacher salary schedules under the flexibility provided by Act 10 had largely returned to the traditional model, often within just a few years.
- Most are now using experience as the primary basis for pay progression through steps.
- Although many have returned to lanes for degrees, the schedules are more streamlined and do not provide lanes for simply accumulating credits.
- Almost all the districts that experimented with using teacher performance as more than a

minimal requirement for pay progression or bonuses have abandoned this approach.

- Most districts that used a form of knowledge and skill-based pay have dropped them. However, most recognize a master's degree, and many reward other attainments such as National Board Certification, multiple licensure areas, and in-demand licenses such as for reading or literacy specialists.
- Most districts are still exercising flexibility in setting starting pay for teachers in hard-to-staff or shortage fields. This is true even for those that have returned to step-and-lane schedules. Typically, they use experience from outside the district to slot new hires into the schedule.

Other Findings

Districts are using a variety of other approaches to attract and retain educators in the face of shortages. These provisions include benefit enhancements, longevity pay, district recognition, and changes to build or maintain a productive culture and climate. A number of districts in our sample have worked to address rising health care costs while providing employees more choice and accessibility in care. Seven districts referenced initiatives related to health insurance. These included implementing self-insurance, health savings accounts or health reimbursement accounts. Three districts contracted with a health agency to operate an onsite or near-site health clinic to provide either free or low-cost care. These provisions are intended to contribute to district and employee cost savings while also allowing employee health care flexibility, in some cases including mental health support.

Other districts created personal leave flexibility, in one instance allowing employees 5 consecutive days of leave with advance notice. Some have also provided leave conversion to encourage more experienced staff to remain in the district, while others provide longevity stipends for the same purpose. Four districts provide longevity bumps (annual stipend or base building) as a way to retain staff as they gain more experience.

Responses to market pressure included providing stipends or add-ons for new hires, increasing entry salaries, and making salary schedules and recruitment incentives transparent to encourage new educators to apply. Other marketing or retention approaches included things not directly tied to compensation. These included a focus on culture and climate and the principal and peer teacher's role in creating a productive work environment. One district uses "stay interviews," and another implemented employee engagement surveys to surface teacher input on how the district can better support them. Several also referred to tuition reimbursement for obtaining licenses or certifications (e.g., reading or bilingual education). One district is working with local organizations to find housing for young teachers with families.

While Act 10 is obviously a state-level policy, the localized nature of teacher labor markets (Engel & Cannata, 2015) was very clear from the districts we talked to, both immediately following Act 10 as well as in subsequent years. In other words, district leaders' decisions around whether to experiment with new flexibility provided under Act 10, and then whether to sustain these efforts once launched, were motivated in part by whether these actions gave them a competitive advantage over neighboring districts in attracting and retaining a dwindling supply of teachers. Rural districts in northern Wisconsin were often aware of specific features of post-Act 10 teacher compensation reform efforts being launched by suburban districts in the southeastern part of the state but indicated that their own actions were motivated much more by what districts in their athletic conference were doing. Additionally, teacher association strength in certain regions restricted departures or hastened the return to more traditional single salary schedule approaches. In effect, Act 10 appears to be much less a statewide teacher compensation reform experiment and more of a loosely related (and short-lived) set of regional experiments that have played out largely in isolation from one another.

Discussion

As mentioned above, some research has suggested that moving away from the rigidities of the traditional step-and-lane schedule can have beneficial consequences for school performance. While this research is not always clear about the causal factors, plausible possibilities include the incentive effects of performance pay, differential retention of higher-performing or higher-expertise teachers due to higher salaries for these teachers, and incentives for development of instructionally relevant knowledge and skills. To the extent that the sample of Wisconsin districts we reviewed have abandoned or weakened incentives for improving performance or developing skills, positive impacts on school outcomes may be reduced. The follow-up data collected and summarized in this paper indicate that most of the districts in the original sample moved away from performance pay and knowledge and skill approaches (career ladders and point systems) since their initial post-Act 10 reforms.

Additional themes that emerge from our work that we articulate below include little tolerance for performance pay; variation despite movement back to step-and-lane approaches; free agency for in-demand specialists; experimentation with other ways to attract and retain; importance of regional markets; and the influence from budget constraints.

Little Tolerance for Performance Pay. While we can’t claim our sample is representative, at least within the sample it appears that there is little tolerance for performance pay. True performance pay (variable pay increases proportional to performance ratings, bonuses for higher performance ratings or the performance of an individual teacher’s students, or the school as a whole) had a short shelf life where it was attempted. Teacher opposition, real or perceived favoritism, principals’ unwillingness to make performance distinctions, and principal concerns with maintaining positive relationships with teachers were the major reasons cited for moving away from performance pay.

Variation Despite Movement Back Toward Step-and-Lane Approaches. Although districts in our study showed a clear tendency to move back toward the traditional step-and-lane schedule, there was still a considerable degree of variation in pay schedule structures across districts. Despite the return to steps and lanes, and in contrast to some states where districts have nearly uniform single salary schedules, there is still wide variation between systems in our sample. One district, for example, has no formal salary schedule. Instead, the district has a starting salary for new hires with no experience. New hires with experience are placed at a similar pay level to those with comparable experience and content area (e.g., high school math).

Existing staff in this district retained their pay level when the prior schedule ended. Salary increases are based on a uniform percentage tied to the Consumer Price Index and approved by the school board. At the other end of the complexity spectrum, the district that made perhaps the most radical changes post-Act 10 modified its career ladder by moving from five to nine career bands, providing multiple fixed steps per band, and establishing a separate set of bands for critical shortage positions. The pay schedule looks a lot like steps and lanes, with movement within bands based on experience and movement to a higher band based on earning points by taking on a variety of extra duties (e.g., mentoring new teachers, serving as school assessment coordinator). There is also a stipend paid for participating in approved PD activities.

Free Agency for In-Demand Specialties. There is still scope for a degree of free agency for teachers with in-demand specialties, but the onset of a more general teacher shortage may be reducing willingness to make big pay distinctions. While several news outlets reporting on teacher hiring after Act 10 highlighted this “free agency” for teachers in areas like high school physics, more attention is now focused on recruitment and retention of teachers in general. For the 2024–25 school year, the Wisconsin Department of Public Instruction now considers all core K–12 subjects as shortage areas. Given the financial constraints districts are operating under, non-salary factors that apply to all teachers are being used to differentiate districts in the labor market.

Other Ways to Address Recruitment and Retention. In our original study, most districts focused their recruitment and retention efforts on their salary schedule changes or negotiation of base pay with individual teachers in high-demand specialties. As the teacher shortage in Wisconsin worsened, several districts expanded their efforts beyond shortage positions. The follow-up study demonstrated that districts have placed increased emphasis on other ways to recruit and retain educators, which can be considered total compensation. These practices ranged from benefit enhancements to ways to improve district and school culture and climate.

Importance of Regional Markets or Bubbles. Respondents often reference what others were doing in their immediate areas. These regions represented surrounding communities that compete for teaching talent. Additionally, in some regions, the strength of the teachers’ union limited innovation and tended to drive districts, or keep them tethered to, the traditional single salary schedule.

Budget Inhibits Innovation and Sustainability. The original data collection suggested that one reason districts moved away from the traditional schedule was that it was too expensive, given financial constraints. This may have been a more important reason for change than the desire to incent or reward performance or development of expertise. Despite Act 10 flexibilities, districts are restricted in their ability to innovate or sustain pay revisions due to fiscal realities. These constraints include state-imposed revenue limits combined with inflation pressures and declining student enrollment trends in Wisconsin.

As we conducted this research, we were struck by the lack of accessible current and historical information on how districts are paying their teachers. While in theory pay schedules are public data in Wisconsin, many districts have removed them from employee handbooks available on their websites or removed the handbooks altogether. This isn't a new challenge but definitely creates limits on (a) districts' ability to know empirically what the going rate is; instead, they may have to rely on anecdotal evidence; and (b) the ability of researchers to see if any of the changes, both the initial ventures into salary reform and the subsequent retreat, are having an impact on attracting and retaining teachers. Given the current limited availability of this information, it would be very difficult to replicate Biasi's (2021) research, or to examine whether a more widespread retreat from flexible pay systems has had negative impacts on student outcomes.

Limitations and Future Research

While our follow-up to the Heneman et al. (2019) research shows many districts abandoned or modified the teacher pay innovations implemented after Act 10, we recognize that our sample is not representative of statewide trends. The present study has the same limitations as Heneman et al. (2019) identified, which include being based on a sample identified by reputation, media accounts, scans of employee handbooks, and websites. The sample includes mostly smaller districts; two suburban areas around Milwaukee and Madison are prominently represented. The state's two biggest districts, Milwaukee and Madison, appear to have made only minor changes in the traditional schedule after Act 10. Another limitation is that two snapshots in time may not fully capture Act 10-motivated changes that were not in place during the first data collection. As mentioned above, we were also unable to speak with some of the districts in the original sample, and many of the administrators we interviewed were not in place when the reforms were initiated. We could only use documents or survey responses, rather than interviews in six districts where administrators did not agree to be interviewed. Lastly, the complexity of districts' decision making in abandoning, modifying, or retaining compensation provisions may not have been fully captured in short interviews. Finally, it is also hard to separate the effects of other Act 10 provisions (e.g., revenue limits, limits on the percentages of bargained pay increases) from other district motivations for changes in the pay systems.

In future work, we plan to build on the results reported here by examining how the relationship between pay and district experience changed over time in these districts. We might expect to see that after new performance pay or knowledge and skill-based pay provisions were implemented, the strong relationship between salaries and experience with the district characteristic of the step-and-lanes schedules would weaken. We would also expect the relationship to get stronger again in those districts that returned to step and lanes. We also plan to examine whether free agency has changed relative salaries for in-demand areas in the sample districts. How have the salaries of teachers in hard-to-staff specialties changed relative to other teachers? While most of these districts have retained flexibility to set starting salaries, it is not known how much they use it and if it has pushed up salaries for in-demand specialties. Given the strong pull toward internal salary comparability within teaching, and the revenue constraints districts have operated with since Act 10, salary level differences across specialties could be low. Ultimately, we would like to extend these two lines of research to include more districts in Wisconsin.

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