

# Victims of the Churn:

The Damaging Impact of California's Teacher Layoff Policies on Schools, Students, and Communities in Three Large School Districts



The Education Trust–West



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## The Damaging Impact of California's Teacher Layoff Policies on Schools, Students, and Communities in Three Large School Districts

BY CARRIE HAHNEL, HEATHER BARONDESS, AND ARUN RAMANATHAN

It has become an annual ritual in California. On March 15, a massive number of layoff notices, or “pink slips,” are delivered to teachers, counselors, and other certificated staff because of projected budget cuts to local school districts. In 2010, the California Department of Education reported the number of layoff notices had topped 22,000. While the layoffs are a serious problem, the manner in which they are conducted only increases the negative impacts on teachers, schools, and the students they serve. These impacts can be realized in the following ways:

- First, because California state law essentially forces districts to notice any teacher, administrator or school staff member who is even remotely at risk of being laid off—and because the law requires notices well before districts have finalized their budgets for the coming year—districts may send notices to far more teachers than are likely to be laid off.
- Second, under California state law<sup>i</sup>, teachers who have the fewest years of service or least seniority in a school system are generally the first to be laid off<sup>ii</sup>—regardless of how successful they are in the classroom. This can have two main effects. It can mean that effective teachers are laid off while ineffective teachers keep their jobs. And it can mean that districts have to lay off more teachers to make up for budget cuts, as less experienced teachers are paid less regardless of how effective they are.
- Finally, since schools with disproportionate numbers of low-income students have larger numbers of less experienced teachers<sup>iii</sup>, they may lose a higher percentage of their teaching staff. This loss is doubly alarming when we consider that students in such schools are often those most in need of stability.

This, in other words, is what *can* happen under California's current policy framework. In this report, we examine what

actually *does* happen when three large urban school districts operationalize these policies in the current budget climate.

The focus of this report is mostly on the numbers: how many teachers received notices; how many of those teachers were laid off; and to what extent, if any, did those cuts disproportionately impact the highest poverty schools (i.e., those in the top poverty quartile within their districts). Based on our analysis of these numbers, we arrive at two key findings:

1. Far more layoff notices are issued than teachers laid off. In the districts we studied, pink slips outnumbered actual layoffs by more than four to one.
2. On average, low-income students bear more than their fair share of the pain when it comes to teacher layoffs. Further, a number of schools clearly suffer a disproportionate burden, with large percentages of their staff losing their jobs. A school in the highest poverty quartile in the districts we studied is 65 percent more likely to have a teacher laid off than a school in the lowest poverty quartile.

We also discuss the troubling reality of the seniority-based layoff process that can exacerbate the impact of even a small number of layoffs. Because state law gives laid-off employees the right to “bump” more junior employees out of their positions, the layoff process can cause massive “churn” throughout a school system.

The existing layoff system, with its dated policies and bureaucratic rules, puts adult privileges over the needs of students. This is especially damaging to California's low-income students, who are unfairly impacted in two ways: first, by policies that make them more likely to lose their teachers to layoffs; and second, by the process of seniority-based “bumping” that can produce even more turnover. These layoffs and mass personnel shuffling disrupt the lives of the teachers, students, and community members who desperately need stability in order to improve their schools and close opportunity and achievement gaps.

## PINK SLIPS FAR OUTNUMBER ACTUAL TEACHER LAYOFFS

By law, school districts must inform teachers who may be laid off by March 15. Over the last three years, more than 20,000 teachers have received pink slips annually due to the budget deficits projected by school districts. With the economy showing little sign of improvement, observers such as the Legislative Analyst’s Office suggest that this trend will continue into the foreseeable future.<sup>iv</sup>

The notices issued in March are preliminary, as they are delivered after the publication of the governor’s mid-January budget, but before local budget decisions must be finalized at the end of June—and well before the state budget is finalized, as this often trails the July 1 deadline by weeks or even months. Lacking accurate budget information, and with fewer than two and a half months to make critical personnel decisions, many district leaders make conservative calculations about projected deficits and send layoff notices to any certificated staff member in danger of losing their job. As a result, districts often send far more notices than are necessary.

Our data reveal that of the 6,600 pink slips sent to teachers in three of California’s largest districts in March of 2010, 78 percent were rescinded by July 1. If this rescission rate is similar statewide, we can estimate that fewer than 5,000 jobs—of the 22,000 initially projected—were actually lost in 2010. And that estimate is likely to be on the high side. An administrator in one of the districts included in this analysis acknowledged that half of those still on the layoff list as of July 1 were later rehired, and another ten percent were rehired as long-term substitutes. In total, only about 12 percent of teachers who received pink slips in that school district were actually out of work by the time the new school year started.

**TABLE 1: Number of preliminary versus final layoff notices in three California districts**

	Teachers Receiving Layoff Notices as of March 15, 2010	Teachers Laid Off as of July 1, 2010	Percentage of District Schools Affected by Final Layoff
District A	1,059	335	32%
District B	5,200	1,042	20%
District C	337	53	16%
ALL THREE	<b>6,596</b>	<b>1,430</b>	<b>22%</b>

### Impact is not as widespread as popularly perceived.

Although perceived as widespread, only half of the schools in the districts we studied experienced any layoffs at all. In those schools, at least one teacher received a final layoff notice, resulting in the loss of a job. However, the number of schools and teachers impacted by the notices

themselves was much higher because of the sheer number of preliminary notices sent to certificated staff. For example, in one district, 81 percent of the schools had at least one teacher who received a notice. However, in only 26 percent of the schools was a teacher actually laid off.

**TABLE 2: Schools that lost at least one teacher due to reductions in force (RIF)**

	Percentage of District Schools Affected by Preliminary Layoff Notices as of March 15, 2010	Percentage of District Schools Affected by Final Layoff
District A	91%	79%
District B	75%	51%
District C	81%	26%

## SENIORITY-BASED LAYOFFS INCREASE STAFFING INSTABILITY

The process of over-noticing teachers appears to be commonplace in California school districts, with many teachers becoming accustomed to receiving pink slips year after year. Teachers who receive a notice in March worry for months about their job security, damaging staff morale and working conditions. Those who return home at the end of the school year without the promise of a job the following August may leave the district or even the profession entirely. With one-third of the state’s teachers poised to retire from the profession in the next decade,<sup>v</sup> California cannot afford to decimate its young teacher corps.

### Seniority-based “bumping” leads to disruptive churn.

At their worst, seniority-based layoffs can exacerbate staff turnover, subjecting students and schools to harmful and unnecessary churn because of “bumping.” While data on the impact of bumping is not presented in this report, it can be a consequence of the seniority-based layoff process. According to the “2010 Layoff Survival Guide” by the California Teachers Association, an employee “has the right to ‘bump’ any junior employee who is retained to render a service that [the employee is] both ‘certificated and competent’ to provide.”<sup>vi</sup> This means that teachers and staff who lose their jobs through reductions in force may have the right to take the position of a less senior person, if an open position is not available. As a result, the harm of a single layoff can be multiplied as a cascading process of “bumping” begins, whereby more junior employees across the district are displaced from their positions by more senior staff.

This situation can occur when a district cuts central office positions in an effort to save on administrative costs. This in fact, is one of the primary cost-cutting strategies used by California school districts in recent years.<sup>vii</sup> District administrators and employees often enter the central office after many years of service in schools. When a district administrator with a principal credential and multiple years of experience in the district

as a principal is laid off from his central office position, he does not necessarily lose his job. Instead, he could be placed into his last classroom position by bumping a teacher with less seniority. That teacher may then bump another less senior teacher. And so on. This domino effect stops when the end of the chain is reached: the least senior employee is bumped out, and loses his or her job in the district. (See Figure 1.)

While only one job is technically lost, the impact reverberates throughout the district as the mass shuffling of personnel destabilizes multiple schools. High-poverty schools with more junior staff are especially threatened by the pain caused by this bureaucratic process. Principals in these schools have almost no authority to decline the personnel transfers caused by seniority-based bumping, or to protect highly-effective employees based on that criterion. In most cases, the only thing that matters is seniority.

**A revolving door of instructors creates an unstable learning environment.**

Constant turnover can make it impossible for teachers and administrators to plan, implement a coherent curriculum, and sustain positive working relationships.<sup>viii</sup> Teachers who receive targeted professional development intended to promote a specific program of school improvement such as International Baccalaureate, dual immersion, or Linked Learning may be pushed out of their jobs. Teachers with specialized skill sets in computer science, mid-career professionals with significant work experience, or experienced teachers with little seniority who are new to the district can be pushed out of schools that hired them. In this process, all students—

particularly those who are already receiving fewer resources than their more advantaged peers—are subject to the inconsistency and instability of a revolving door of instructors.

**HIGH-POVERTY STUDENTS MORE LIKELY TO LOSE THEIR TEACHERS**

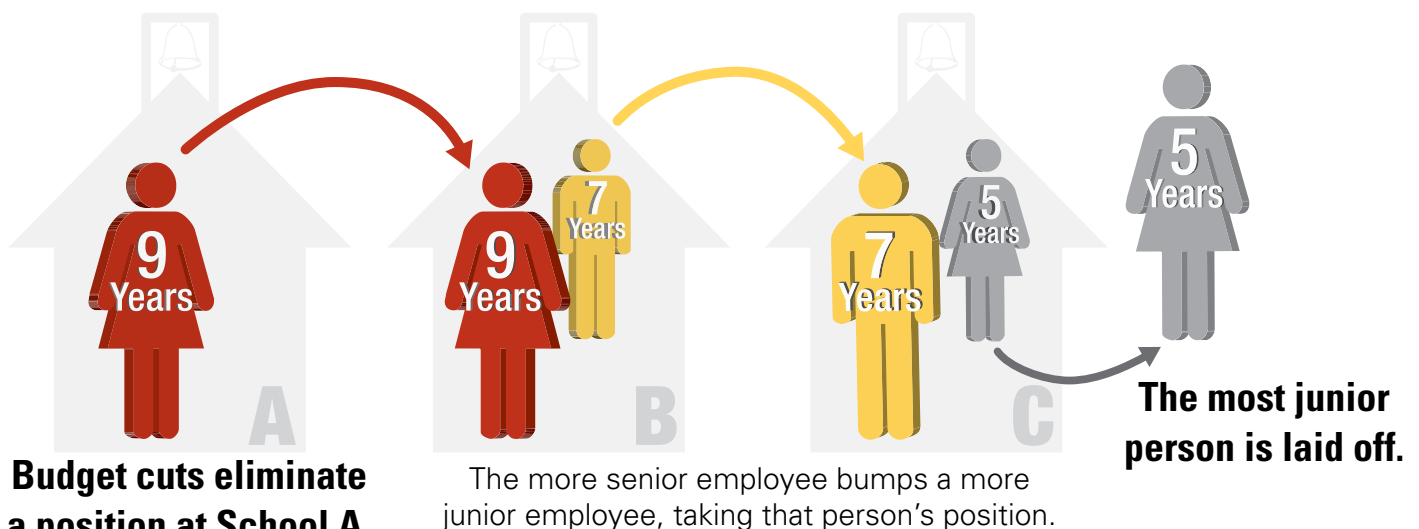
When budget cuts prompt layoffs, the state’s “last hired, first fired” laws kick into gear, threatening to negatively impact students, and students in high-poverty schools in particular. In fact, one report predicted that seniority-based layoffs could cause the highest poverty schools in 15 California school districts to lose 30 percent more teachers than wealthier schools.<sup>ix</sup>

Shortly after pink slips were issued in 2010, evidence of such disproportionate impact bubbled to the surface. A team of civil rights attorneys brought a class-action lawsuit against Los Angeles Unified School District (LAUSD), arguing that students in three high-need schools suffered from significant staff instability as a result of the layoff process. The ensuing settlement allowed the district to protect its most vulnerable schools from layoffs, effectively capping the number of teachers these schools could lose.

In examining employee-level reduction in force data obtained from Human Resources departments in three school districts,<sup>x</sup> we sought to determine whether disproportionate impact was widespread. Our data only allowed us to study the actual layoffs and the schools in which they occurred, not the churn caused by seniority-based bumping. Our analysis reveals that teachers who were laid off were, indeed, more likely to be teaching in high-poverty schools.

For each of the three districts in our sample, we compare

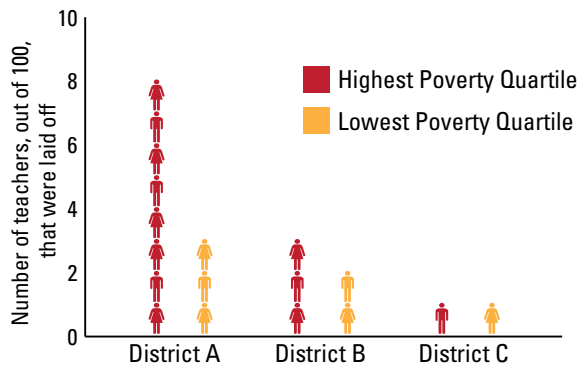
**FIGURE 1: Example of how one reduction in force can lead to churn in multiple schools**



layoff rates in the highest poverty and lowest poverty schools. Poverty quartiles were established within each district, with the highest poverty schools representing the top quartile of free or reduced price meals eligibility, and the lowest poverty schools representing the bottom quartile of eligibility. In addition, we created poverty quartiles across the full universe of schools found in the three districts so that we could examine the overall impact of layoffs on the highest poverty schools. (Note: Student poverty rather than school performance was used in this study, given that traditionally underserved students are found in both lower and higher performing schools.) As illustrated in Figure 2 below, we find that the highest poverty schools were more likely to sustain the burden of staff layoffs than the lowest poverty schools.

Because high-poverty schools are more likely to feel the

**FIGURE 2: Layoffs in highest poverty and lowest poverty schools**



burden of layoffs, students in those schools have a clear disadvantage. In fact, a school in the top poverty quartile in the districts we studied is 65 percent more likely to have a teacher laid off than a school in the bottom poverty quartile, with significant variation from district to district. In District C, a highest poverty school was only marginally more likely to lose a teacher to a reduction in force; in District B, a highest poverty school was almost 60 percent more likely to lose a teacher to layoffs; and in District A, a highest poverty school was more than two-and-a-half times as likely to be affected.

This evidence of disproportionate impact generally sup-

**TABLE 3: Relative risk of a highest poverty school being affected by a layoff**

District A	District B	District C	All Three Districts
2.69	1.56	1.05	1.65

**READ:** In District A, a school in the highest poverty quartile is 2.7 times as likely as a school in the lowest poverty quartile to have a teacher cut through the reduction-in-force process.

ports the concerns set forth by the LAUSD lawsuit. While the overall layoff rate was modest in the three districts studied, with 3.6 percent of teachers in the highest poverty schools losing their jobs versus 2.2 percent in the lowest poverty schools,

what is noteworthy is the extent to which specific schools were impacted. For instance, in District B, 13 schools lost 15 percent or more of their staffs. In eight of these schools, more than 90 percent of students are low-income. (See Table 4.)

In addition, we find that middle schools are more likely to be impacted than elementary or high schools, with the highest poverty middle schools bearing a great deal of the layoff burden. In the highest poverty middle schools, 6.2 percent of teachers were laid off, as compared with 1.8 percent of teachers in the lowest poverty middle schools. In District A, high-poverty middle schools lost a staggering 10 percent of their teachers. Across the three districts studied, the differences were less pronounced yet still apparent at the high school level, with 4 percent of teachers in the highest poverty high schools losing their jobs, as compared with 2.3 percent in the lowest poverty high schools. At the elementary level, the difference amounted to less than half a percent (2.6 percent in the highest poverty elementary schools, versus 2.2 percent in the lowest poverty elementary schools).

Moreover, it is important to remember that our analysis looks only at actual layoffs, not the larger churn triggered by the seniority-based reduction in force process. So, it is quite possible that the overall impact on schools, particularly high-poverty schools, is greater than we present here.

## MAINTAINING A FOCUS ON TEACHER QUALITY

Research proves that teacher quality matters.<sup>xi</sup> And while years of teaching experience matter, ample evidence suggests that a veteran teacher is not necessarily a better teacher.<sup>xii</sup> Therefore, district leaders should be charged with identifying and retaining the best teachers, not just the most senior. Measures of teacher effectiveness—the extent to which teachers positively impact student achievement—should drive decisions regarding teacher assignment, transfer, and layoff. Unfortunately, district leaders seeking to make such high-stakes decisions based on measures of teacher quality, in an effort to effectively serve students and avoid disproportionate impact, are prevented from doing so. Their hands are tied by state law.

This is especially true in rocky economic times, when local school districts across the state are faced with tight budgets and tough personnel decisions. In the private sector, an organization’s survival is often dependent on its ability to identify and retain top talent while releasing low performers. While schools are not businesses, the education of our state’s children is a critical investment—one that will shape the economic, intellectual, and cultural future of California. Now, more than ever, we must allow districts to protect their best teachers and have the flexibility to determine how and where to spend scarce dollars.

**TABLE 4: Schools where 15 percent or more of certificated staff were laid off**

			Student Population			
	School Type	2010 RIF Rate	African-American	Latino	Free/Reduced Price Meals	
District A	School 1	Elementary	23%	19%	73%	100%
	School 2	Elementary	19%	22%	67%	85%
	School 3	Elementary	19%	22%	40%	79%
	School 4	Alternative High	17%	14%	72%	76%
	School 5	Elementary	16%	12%	84%	94%
	School 6	Middle	16%	22%	63%	87%
District B	School 7	Middle	39%	2%	96%	99%
	School 8	Continuation High	33%	3%	94%	82%
	School 9	Middle	27%	27%	72%	98%
	School 10	Continuation High	25%	30%	69%	78%
	School 11	Elementary	22%	29%	70%	90%
	School 12	Elementary	21%	5%	7%	4%
	School 13	High	20%	3%	97%	100%
	School 14	High	20%	2%	92%	78%
	School 15	Elementary	20%	4%	81%	96%
	School 16	Middle	19%	32%	68%	99%
	School 17	High	19%	2%	91%	95%
	School 18	Charter Elementary	17%	3%	10%	10%
	School 19	Elementary	15%	2%	91%	95%
District C	School 20	Small High	25%	1%	53%	57%

## RECOMMENDATIONS

As the budget crisis in California continues, more rounds of teacher layoffs are likely. Knowing this, our policymakers cannot turn a blind eye to the impact of seniority-based layoff policies on high-need schools and the future of California’s teaching corps.

In crafting a solution to this problem, policymakers must seek to reform the existing process while also protecting the right of all students to be taught by highly effective teachers. To that end, we recommend the following:

- 1. Repeal state law requiring districts to use seniority as the primary criteria for layoffs.** California is just one of twelve states that require school districts to use seniority as a criterion when making teacher layoff decisions.<sup>xiii</sup> It is time for California to repeal this dated, bureaucratic, and harmful state mandate, and replace it with a broader law that ensures that other factors, including employee performance, are used when making tough staffing decisions.
- 2. Protect high-poverty schools from the disproportionate impact of layoffs and the churn caused by bumping.** Until layoff decisions can be made on the basis of teacher quality, school districts must be given the explicit flex-

ibility to prevent high-poverty schools and high-need students from suffering from a disproportionate impact during teacher and staff layoffs. And, principals and school communities must be provided with additional authority to protect their students and instructional programs from involuntary transfers.

- 3. Require districts to develop robust evaluation systems that determine teacher and principal effectiveness.** Current evaluation systems do a poor job of measuring teacher and principal quality, making it difficult to either spot top performers or identify those who are struggling and in need of support. School districts must be required to develop and implement teacher and principal evaluation systems to assess performance. These systems must use multiple measures to evaluate effectiveness, with at least 50 percent based on student academic performance.
- 4. Provide school districts with the flexibility to use the results of evaluations to make staffing decisions with instructional effectiveness as the focus.** School districts must have the flexibility to assign, reassign, layoff, and transfer teachers and administrators based on effectiveness, school need, and subject-matter needs—without regard to years of

service. In the interim, as districts are developing these robust evaluation systems, they must be allowed to use existing evaluation data when making layoff decisions.

**5. Extend the preliminary layoff notification date.** District leaders currently make reduction in force decisions early in the year, before good financial data is available. As a result, many more notices are issued than is necessary. California should extend the March 15 notice date so that district leaders can make more accurate layoff estimates and avoid the damage caused by over-noticing.

**6. Collect and report teacher layoff data.** The state should collect and share data on teacher dismissals, by school and district, so that policymakers and local communities have accurate data to monitor and address reduction in force patterns.

Without effective teachers working in stable schools, we will never make progress in closing our state's achievement and opportunity gaps. Our schools must be able to retain their most effective teachers and their students must be shielded from unnecessary and damaging staff churn. With another round of looming budget cuts, it is imperative that policymakers bring an end to damaging practices such as over-noticing and seniority-based layoffs, and create the local flexibility necessary to identify and retain our state's best teachers. Rather than bending to the will of powerful special interests, including the teachers unions who have long defended these laws, policymakers and leaders in Sacramento should be driven by the best interests of students and the communities they represent. Now is the time for change.

## ENDNOTES

<sup>i</sup> California Education Code, Section 44955.

<sup>ii</sup> See California Education Code, Section 44955(d). A district may deviate from the order of seniority if it demonstrates "a specific need for personnel to teach a specific course or course of study" and that the more junior employee "has special training and experience necessary to teach that course or course of study." This deviation is typically only applied to hard-to-staff specialized positions such as special education.

<sup>iii</sup> Roza, M. and C. Sepe. "The Disproportionate Impact of Seniority-Based Layoffs on Poor, Minority Students." Seattle: Center on Reinventing Public Education, University of Washington, 2010.

<sup>iv</sup> Legislative Analyst's Office. "California's Fiscal Outlook: Proposition 98 Briefing." November 2010.

<sup>v</sup> Retrieved from California Retired Teachers Association website. <http://www.calrta.org>.

<sup>vi</sup> California Teachers Association. "A Layoff Survival Guide." 2010.

<sup>vii</sup> Edwards, Brian. "Challenging Times: California Schools Cope with Adversity and the Imperative to Do More." Mountain View, CA: EdSource, 2010.

<sup>viii</sup> Guin, Kacey. "Chronic Teacher Turnover in Urban Elementary Schools." *Education Policy Analysis Archives*, Volume 12(42), 2004.

<sup>ix</sup> Roza, M. and C. Sepe. "The Disproportionate Impact of Seniority-Based Layoffs on Poor, Minority Students." Seattle: Center on Reinventing Public Education, University of Washington, 2010.

<sup>x</sup> This policy brief uses 2010 human resources data provided to Education Trust—West by three of California's largest school districts. The school-level analysis looks only at those district staff assigned to school sites. Those excluded from that analysis include staff assigned to district programs, administrators in the central office, and other staff who do not regularly work with the same groups of students.

<sup>xi</sup> Hassel, B., and E.A. Hassel. "Opportunity at the Top: How America's Best Teachers Could Close Gaps, Raise the Bar, and Keep our Nation Great." Chapel Hill, N.C.: Public Impact, 2010.

<sup>xii</sup> Gordon, R., Kane, T. J., and D. O. Staiger. "Identifying Effective Teachers Using Performance on the Job." Washington, D.C.: The Brookings Institution, 2006.

<sup>xiii</sup> Cavanagh, Sean. "Personnel Costs Prove Tough to Contain." *Education Week*. January 5, 2011.

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The Education Trust—West works for the high academic achievement of all students at all levels pre-k through college. We expose achievement and opportunity gaps that separate students of color and low-income students from other youth, and we identify and advocate for the strategies that will forever close those gaps.



The Education Trust—West

1814 Franklin St., Suite 220, Oakland, Calif. 94612

T 510/465-6444 • F 510/465-0589

[www.edtrustwest.org](http://www.edtrustwest.org)