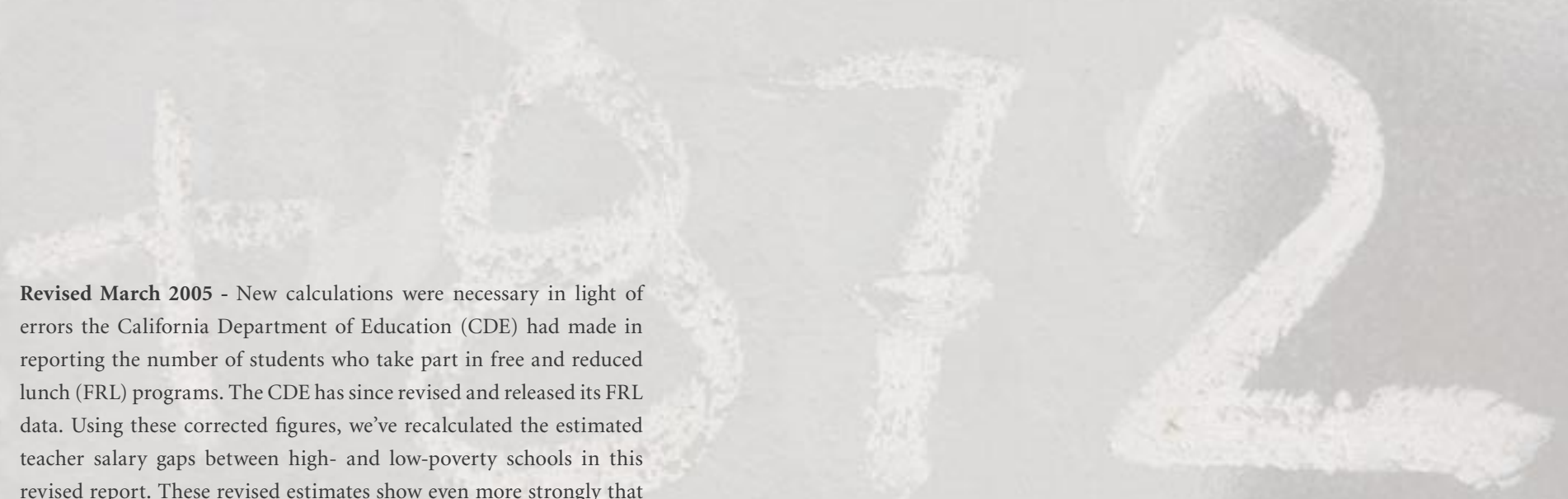


A SPECIAL REPORT BY



## California's Hidden Teacher Spending Gap: How State and District Budgeting Practices Shortchange Poor and Minority Students and Their Schools



**Revised March 2005** - New calculations were necessary in light of errors the California Department of Education (CDE) had made in reporting the number of students who take part in free and reduced lunch (FRL) programs. The CDE has since revised and released its FRL data. Using these corrected figures, we've recalculated the estimated teacher salary gaps between high- and low-poverty schools in this revised report. These revised estimates show even more strongly that there is a pervasive teacher salary gap between the high-poverty and lowest-poverty schools within districts in California.

**Acknowledgments**

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A Special Report by the Education Trust-West

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## Overview

Federal and state policies increasingly stress the need to educate all students to high academic standards. These policies assume, and indeed require, that additional resources and supports be directed to those schools that face the biggest challenges in meeting that goal. As a fair-minded people, most Americans support these policies and believe that kids who arrive behind should be given extra help to catch up.

But the majority of states do exactly the opposite. Instead of providing *more* resources to the schools and districts that serve concentrations of low-income and minority students, they provide *less*.

Certainly, a few states—including Massachusetts, Minnesota and New Jersey—stand out for acting on what both common sense and simple morality dictate: They provide more dollars to students in the most need. Unfortunately, California cannot be counted among their ranks. In our state, districts serving the most low-income students and students of color have fewer state and local dollars to spend than districts serving the least.

These funding gaps *between* school districts—*inter*-district funding discrepancies—have been the subject of much debate and numerous lawsuits. Less attention, however, has been paid to the funding gaps separating schools *within* the same school

district. These hidden gaps compound the injustices facing low-income and minority students. First, we spend less in the districts in which poor and minority students are concentrated. Then, we make matters worse by spending significantly less on the schools within those districts that serve the most such students.

In this report we expose the pervasiveness of these hidden gaps: large funding gaps within districts in money spent on teacher salaries. We find that the concentration of more experienced and more highly credentialed teachers (along with their corresponding high salaries) in whiter and more affluent schools drives huge funding gaps between schools—even between schools within the very same school district.

If California is serious about enabling all students to meet our high academic standards, we must also be serious about changing the policies and practices that permit such an unequal distribution of the thing that matters most to a child's education: good teaching. How do we start? By making sure that we are spending at least as much on teaching low-income and minority kids as we spend on teaching more affluent and White kids.

## Lifting the Veil on How Per-Pupil Funding Gets Calculated: What Do We Know and What is a Mystery? (Until Now)

Most Californians agree that the state should spend more on its public schools. Currently, we rank 44th in the nation in per-pupil spending. We look even worse on rankings of state and local education funding per student as a percentage of state personal income per capita. In other words, when we weigh how much we spend on K-12 education against our comparative wealth, California stands out for its stinginess – ranking 47th out of 50 states. Given its place as the 6th largest economy in the world, California could do much better.

California ranks a bit better nationally—near the middle of the pack—when it comes to equitably allocating the dollars it does spend *among* school districts. Education Week’s “Quality Counts” 2005 awards California a rank of 23rd in the nation in equitable funding *between* high- and low-poverty districts.

Still, California’s funding gaps between districts are significant and have a large cumulative impact. In combined state and local funding, California spends \$301 cost-adjusted<sup>1</sup> dollars less per student in its high-poverty districts than in its districts with the fewest number of low-income students. Compared to states like New York and Illinois, where inter-district funding gaps are \$2,615 and \$2,465 per student respectively, California’s gap is quite low. But even relatively small per-student differences really add up.



Consider, for example, that on average, California high schools serve 824 students. This means that with a \$301 funding gap, a low-income high school loses \$248,024 in unrealized funds to its higher-income counterpart every year.

California’s funding gap between its high- and low-minority districts is even greater: \$573 cost adjusted dollars per student, or \$472,152 less money every year for the average high-minority high school.

To reach our goals for student achievement, Californians will need to both spend more on our schools, and distribute what we do spend more fairly among all school districts. But it turns out that even policies designed to allocate more money to school districts and distribute that funding more equitably may fall short of getting it fairly to individual schools.

## The Blind Spot: Exposing the Dangers of Averaging in K-12 Funding

In any individual school budget, the highest percentage of expenditures goes to pay for the teacher salaries in that school. Traditionally, teacher salaries are determined by what is called a “single salary schedule,” which ensures that teachers with equal experience and qualifications are paid the same.

In a typical salary schedule, teachers’ salaries are determined according to several criteria: years of experience overall, years teaching in that particular district, certification status and educational level (e.g., bachelor’s degree, master’s degree). Teachers can get paid more as they advance in years spent teaching in the district and as they accrue more education—both at the university level and through professional development. In some cases, teachers also may be paid for bilingual skills as well as for performing additional duties outside the scope of responsibilities defined by the teacher’s contract, such as coaching or serving as a mentor teacher.

Thus, teachers who have more qualifications—credentials, experience, education level, professional development—are paid more. And these teachers are concentrated throughout California in schools serving the fewest low-income, Latino and African-American students.

As the Center for the Future of Teaching and Learning recently

reported, students in California’s highest minority schools are a full five times more likely to have an under-prepared teacher—teachers who are interns, pre-interns, or possess an emergency credential or waiver—than their peers. Low-income students are twice as likely to have an under-prepared teacher than are their more affluent peers.<sup>2</sup>

This pattern holds true regardless of the measure used to determine teacher quality. For example, an analysis conducted for the Education Trust-West by Education and Sociology Professor Richard Ingersoll of the University of Pennsylvania shows that 44 percent of math classes in California’s high-poverty high schools are taught by teachers not certified in their field. A full 91 percent of California’s highest-poverty middle school math classes do not have teachers with a major or even a minor in mathematics.



While characteristics like experience, certification and education are not perfectly correlated with actual effectiveness in the classroom, they are certainly related. Experienced teachers, for example, are more effective in helping students learn than inexperienced teachers. Those with strong content knowledge—measured in both formal education and in content-heavy professional development—are more effective than those without it. Thus, a school that spends a lot on teacher salaries not only has teachers who are more highly qualified, according to traditional measures, but is also likely to have teachers who are more effective.

But when districts and the state report on how much is spent in any particular school, as in the School Accountability Report Cards (SARCs), for example, they do not report honestly. Instead of reporting the actual salaries of the teachers assigned to any particular school, they almost always use average teacher salaries for the whole district.

These calculations mask important differences between schools *within* the same district. Expenditures across schools look equal to the public, even when they are not even close to equal. It's as if we had two pots of water, one ice cold and the other boiling hot, and concluded that the average water temperature is warm: True, but not very informative about the conditions in each pot.

Up until now, published reports haven't investigated the question of funding inequity in teachers' salaries within California's

districts, even though teachers represent the lion's share of money that districts allocate to schools and are the most important factor in student achievement. This is the blind spot in most funding analyses that simply compare per-pupil expenditures across districts.

Indeed, most analysts never even ask the question about within district differences in the first place. So we did.

### **Poor and Minority Students Shortchanged, Literally**

We performed our analysis by combining 2003-2004 teacher-level data published by the California Department of Education (CDE)—which includes experience, education level and credentials—with district-level teacher salary schedules. In this



way, we created a “best estimate” of the average teacher salary for each school within each district in California.

To check the accuracy of our methodology, we compared our estimates to actual teacher salary expenditures in two of California’s urban districts. The comparisons in these two districts supported the validity of our estimates.

Then, using our estimates, we compared the teacher salary dollars spent by districts on their schools with the highest and lowest poverty rates and with the highest and lowest minority enrollment percentages (top and bottom quartiles for poverty and Latino and African-American enrollment), to arrive at a comparison on what each district spends per teacher between schools within its borders. For a detailed explanation of the methodology, see Appendix A.

### **Pervasive Gaps Between High- and Low-Poverty and Minority Schools**

We found that high-poverty and high-minority schools spend tens of thousands of dollars less on teacher salaries than low-poverty and low-minority schools of similar size and in the same school districts every year. In many cases, the difference is hundreds of thousands of dollars. A complete district-by-district comparison of funding gaps within districts resulting from teacher salary expenditures throughout California can be found in Appendix B.

A look at the 50 largest California school districts illustrates the magnitude of these disparities. As Table 1 shows, of the 50 largest California school districts, 42 spend less on teachers in schools serving mostly low-income students than in schools serving the fewest numbers of poor students: on average, an estimated \$2,576 less per teacher. For the average high-poverty elementary school with 34 teachers, that amounts to \$87,584 less in teacher salaries every year.

**Table 1: Gap Between Average Teacher Salaries in Top and Bottom Poverty Quartiles, By School District\***

District	Salary Gap
Long Beach Unified	6,641
West Contra Costa Unified	6,405
Placentia-Yorba Linda Unified	5,291
San Bernardino City Unified	4,886
Sacramento City Unified	4,846
Fontana Unified	4,740
Bakersfield City Elementary	4,565
Orange Unified	4,338
Rialto Unified	4,336
San Diego Unified	4,187
San Jose Unified	4,008
Kern Union High	3,834
Moreno Valley Unified	3,828
Hacienda la Puente Unified	3,481
Norwalk-La Mirada Unified	3,026

District	Salary Gap
Santa Ana Unified	2,898
Pomona Unified	2,764
Visalia Unified	2,688
Mt. Diablo Unified	2,683
Sweetwater Union High	2,486
Fresno Unified	2,364
Fremont Unified	2,276
Stockton City Unified	2,239
Lodi Unified	2,065
Oakland Unified	1,670
Anaheim Union High	1,586
Chino Valley Unified	1,526
Los Angeles Unified	1,413
Ontario-Montclair Elementary	1,300
San Francisco Unified	1,286
Elk Grove Unified	1,218
Compton Unified	1,134
Desert Sands Unified	1,052
Colton Joint Unified	951
Poway Unified	870
Montebello Unified	837
Clovis Unified	806
Glendale Unified	578
Garden Grove Unified	505
Corona-Norco Unified	264
Grossmont Union High	213
Riverside Unified	123
Irvine Unified	-326
Chula Vista Elementary	-857

District	Salary Gap
Saddleback Valley Unified	-1,138
Torrance Unified	-1,340
Capistrano Unified	-1,627
Vista Unified	-1,962
San Juan Unified	-2,261
East Side Union High	-6,711

\*This table for the 50 largest school districts in California calculates the estimated gap in average teacher salaries between the top and bottom quartiles for poverty (based on participation in school lunch programs). In this table and the others below and in Appendix B, a negative gap (e.g., East Side Union High at -\$6711) means that a district is spending more, on average, on its schools serving the most low-income students. A positive gap means that a district is spending less, on average, on its schools serving the most low-income students.

As seen in Table 2, 42 of the 50 largest school districts also spend significantly less on teacher salaries in the schools serving the most Latino and African-American students in the district. In most cases (31 out of 50), there is a larger disparity for high-minority schools than for high-poverty schools. Indeed, on average, the gap between schools with high- and low-minority student populations is \$3,014 per teacher—or \$102,476 less annually for the typical elementary school serving mostly Latino and African-American students.

How does this happen? It’s actually quite simple. When teachers with more experience and high-level degrees migrate to lower poverty and minority schools where there are often fewer

challenges and better conditions, they take their ever-bigger salaries with them. District and school leaders committed to tackling this problem are frequently paralyzed in combating this trend because the common sense strategies they might employ—more pay, smaller workloads, and the like—are often prohibited by the single salary schedule and other provisions of the contract.

**Table 2: Gap Between Average Teacher Salaries in Top and Bottom Minority Enrollment Quartiles, By School District\***

District	Salary Gap
West Contra Costa Unified	7,066
San Bernardino City Unified	6,291
Long Beach Unified	6,264
San Francisco Unified	5,958
Sacramento City Unified	5,660
Bakersfield City Elementary	5,338
Placentia-Yorba Linda Unified	5,109
San Diego Unified	4,810
San Jose Unified	4,471
Moreno Valley Unified	4,344
Orange Unified	4,055
Hacienda la Puente Unified	4,001
Fontana Unified	3,475
Stockton City Unified	3,395
Lodi Unified	3,392
Kern Union High	3,387

District	Salary Gap
Rialto Unified	3,362
Fresno Unified	3,124
Oakland Unified	2,988
Mt. Diablo Unified	2,963
Pomona Unified	2,959
Poway Unified	2,745
Colton Joint Unified	2,533
Santa Ana Unified	2,473
Norwalk-La Mirada Unified	2,467
Sweetwater Union High	2,233
San Juan Unified	2,217
Grossmont Union High	2,027
Los Angeles Unified	2,003
Montebello Unified	1,967
Vista Unified	1,921
Visalia Unified	1,887
Fremont Unified	1,700
Elk Grove Unified	1,614
Chino Valley Unified	1,552
Desert Sands Unified	1,329
Clovis Unified	996
East Side Union High	781
Glendale Unified	644
Chula Vista Elementary	562
Corona-Norco Unified	332
Riverside Unified	205
Anaheim Union High	-5
Ontario-Montclair Elementary	-33
Garden Grove Unified	-148

District	Salary Gap
Torrance Unified	-425
Saddleback Valley Unified	-955
Compton Unified	-1,150
Irvine Unified	-2,010
Capistrano Unified	-3,179

\* This table for the 50 largest school districts in California calculates the estimated gap in average teacher salaries between the top and bottom quartiles for percentage of African-American and Latino enrollment

As this report shows, the result of this unchecked system is a massive transfer of funds from our less-advantaged to our most-advantaged schools. We may say that we are spending \$6,659 per student in a typical California school district, but the per-student dollars that flow to that district for poor, Latino and African-American students are often spent not on them, but on their more affluent counterparts across town.

According to research conducted by Paul Hill and Marguerite Roza of the University of Washington’s Center on Reinventing Public Education, the funding gap is enabled by school district personnel and budgeting policies.<sup>3</sup> In virtually every school district, schools are given teacher allocations, not budget allocations. That is, a school is told it can hire 40 teachers, not that it has \$2 million dollars for teacher salaries (a notable exception is Oakland Unified School District, see sidebar on page 9).

Affluent schools can then hire and retain a disproportionate

share of the highest paid teachers in the district. And they don’t even need to prioritize this expense over other expenses because teacher salaries are charged against a district-wide account rather than against school-specific budgets. Conversely, high-poverty schools might have the lowest-paid teachers in the district, but they don’t get any extra allocation to make up for the money they’re *not* spending on teacher salaries.

Some might suggest that these patterns are inevitable—that experienced and well-educated teachers will always gravitate toward easier assignments as they gain seniority. But the data in this report tell a different story. As it turns out, some California districts defy these trends by spending *more* on average for teacher salaries in schools serving the most low-income, Latino and African-American students.

### Funding Gaps Within Districts: The Impact

To better understand the impact of these funding gaps within districts on California’s students, we focus on the 10 largest school districts. Together, these districts educate more than 1.4 million California young people—approximately 22 percent of California’s public school population.

These districts post large teacher spending gaps, especially between high and low-poverty and low-minority schools. While there are some exceptions (Los Angeles Unified spends more on

## Using Actual Salaries in the Budgeting Process

### Message from Dr. Randolph Ward, State Administrator, Oakland Unified School District

Since salaries typically make up approximately 80 percent of our schools' budgets, we have long believed that the equitable allocation of this lion's share of site funding provides a greater boost to the equitable distribution of resources than almost anything else that we as a District can do. And so, we're doing something about it.

Last year, OUSD transformed its budgeting formula from a traditional, centralized process to "Results Based Budgeting" (RBB). Here's how RBB works:

1. First we allocate funding to our schools based on the number and type of students at each school;
2. Then we give the school administrator the flexibility to allocate this revenue in whatever way best fits the instructional goals of their program and the specific needs of their community.

We allocate funds in the same way in which we receive them: Unrestricted ADA (Average Daily Attendance) funding is allocated to schools based on their actual ADA enrollment for the current school year (not the previous school year). Categorical funding is allocated to the schools based on the

current year's per-pupil amounts and the actual number of special-needs students at each school. Expenses are similarly budgeted to the schools in the same way in which we incur them, which means that *we allocate the real cost of staff members to each school* (rather than using average salaries). This allows schools that have historically had very junior teachers (who earn salaries less than the district's average) to gain additional funds and use those towards improving their instructional program.

Yes, there are logistical issues associated with making this model a reality. For example, we must revise our budgets in November (once our declining enrollment stabilizes for the year and any associated consolidations and "bumping" are done) in order to adjust to the reality of the school year. But we think this is a small price to pay for the equity we are striving so hard to provide for all of our students. It is a small price to pay for breaking the systemic inequity that has been embedded in our old funding model, and a small price to pay for creating a supportive balance of veteran and junior teachers at our schools (a balance that allows for a rich, collaborative learning environment for both students and teachers).

In a recent article, Education Week singled out OUSD as "the only large district in country" that is using actual salaries in their budgeting process. This distinction is not a point of pride for OUSD. Quite the opposite—this distinction is troubling. After all, so long as districts use anything but actual salaries, inequities in resource distribution will continue to persist.

its low-income students in high school, for example), the pattern is clear and troubling.

The gaps range in size. For example, San Bernardino's high-poverty elementary schools spend \$5,760 *less* per teacher. On the other end of the spectrum, Santa Ana Unified's high-poverty high schools actually spend \$3,540 *more* per teacher (see Table 3). It's worse in high-minority schools. For example, every district listed spends significantly less on teachers in high schools serving the most Latino and African-American students. Sacramento City spends a full \$11,447 less on its teachers in the highest-minority high schools.

### The Impact of These Gaps on Individual Students: Huge

In order to get a sense of the impact of these hidden disparities on individual students, we focus next on schools in the largest districts that spend less on teachers in schools serving the most low-income, Latino and African-American students.

For example, in these districts, the average

**Table 3: Gap Between Average Teacher Salaries in Lowest- and Highest-Quartile Poverty and Minority Schools, by School Type,\* in 10 Largest California School Districts**

DISTRICT	Poverty			Minority		
	Elementary	Middle	High School	Elementary	Middle	High School
Elk Grove Unified	697	-2,514	3,042	1,970	-5,080	2,363
Fresno Unified	3,160	3,052	1,165	2,977	3,581	2,178
Long Beach Unified	6,942	5,578	4,032	7,069	4,498	3,907
Los Angeles Unified	1,589	1,826	-159	2,093	2,246	1,521
Sacramento City Unified	5,231	-895	4,958	6,168	2,866	11,447
San Bernardino City Unified	5,760	3,451	4,356	6,012	4,540	5,115
San Diego Unified	3,909	4,087	3,196	5,331	5,114	3,022
San Francisco Unified	2,341	1,872	4,464	5,116	7,264	8,355
San Juan Unified	3,259	5,654	1,893	2,291	4,199	2,580
Santa Ana Unified	3,021	4,517	-3,540	2,006	2,557	705

\* Includes schools classified as elementary, middle or high schools.

teacher salary gap between high- and low-poverty high schools is \$3,388 per teacher.

What does this mean for students? Simply this: If a low-income high school student has six teachers a day, she is taught by teachers paid a combined \$20,328 less per year than her counterparts in a wealthier high school in these districts. From the time this low-income student enters high school until she graduates, California spends \$81,312 less on her teachers than on the teachers serving wealthier students in these districts over the same period of

time. If this student attended the highest-poverty schools from the time of kindergarten through high school, California will have spent a total of \$141,714 less on all of her teachers (K-12) than on the K-12 teachers serving the most affluent students.

For a student in high schools serving mostly Latino and African-American students, the estimated average teacher salary is \$4,119 less per teacher than in a high school serving the fewest minority students. Assuming this student has six teachers a day, he is taught by teachers paid \$24,714 less per year than his counterparts. Over

the course of a four-year high school career, \$98,856 less is spent on his teachers as compared to the teachers teaching in schools serving the fewest concentrations of Latino and African-American students. If this student attended the schools serving the highest numbers of Latino and African-American students from the time of kindergarten through high school, California will have spent a total of \$172,626 less on all of his teachers (K-12) than on the K-12 teachers in schools with the fewest Latino and African-American students.

Some may argue that districts compensate for these large teacher

## What One Large Urban District is Doing to Address Equitable Teacher Distribution: Los Angeles Unified School District

### Message from Roy Romer, Superintendent, LAUSD

It is not a fluke that Los Angeles Unified School District (LAUSD) is attracting higher paid teachers into socio-economically disadvantaged communities and schools, particularly in its high schools. It is the result of identifying a need, determining the actions needed to remedy the situation, and then thoughtfully implementing an action plan.

Urban districts throughout the nation are faced with the challenge of attracting quality teachers to schools with added socio-economic complexities. LAUSD identified this difficulty and went about seeking solutions in a number of ways.

A couple of years ago when the state economy forced many teacher layoffs, our need for new teachers did not diminish. We were able to hire experienced teachers who met NCLB requirements. These more experienced incoming teachers agreed to teach in some of

the higher poverty schools.

For those teachers in high-poverty schools new to the profession, LAUSD established intensive professional development in the first two years of their teaching. Teachers in the lowest performing schools with the highest percentage of Title 1 students, receive additional professional development designed to meet their unique needs, beyond the initial two years.

Additionally, these schools are provided coaches to support the new teachers and ensure that there is a strong support structure in place at each school site. Teacher collaboration is an essential component of the district's plan to improve retention rates among new teachers and improve school cultures for staff.

So, in some instances the additional salary point or university credit professional development for new teachers enabled them to move up the salary scale into higher-paying steps. In other cases, we were able to hire more experienced teachers who were already being paid higher salaries.

And, very importantly, recent API results released by the California State Department of Education results clearly indicated that LAUSD is improving the scores of the subgroup of socio-economically disadvantaged students. The ranking for this group increased by 14 points. This demonstrates the success of our work with teachers to improve academic achievement in high poverty schools.

spending gaps by reducing class sizes to ensure that inexperienced teachers teach fewer students. However, we examined the teacher-to-student ratios in these high schools and found no significant differences (see Appendix C).

### The Impact on Schools' Budget: Even Bigger

As seen in Table 4, the effect of these gaps on the average high-poverty or high-minority school's budget is huge—to the tune of over a half a million dollars for the typical high-minority high school in Sacramento City—every year.

A closer look at two actual schools illustrates just how significant the teacher salary expenditure gap can be. Consider two elementary schools, Marvin Elementary and Jackson Elementary, located in San Diego City Unified.

There are some obvious differences between the two schools: Jackson educates mostly Latino and African-American students (79 percent) and low-income students (75 percent of students receive free or reduced price meals). In contrast, the majority of students at Marvin are White (55 percent) and generally of higher income (only 32 percent of students receive free or

reduced price meals). Also, Jackson isn't performing as well as Marvin (Academic Performance Index of 648 and 808 respectively).

Many people would probably attribute the lower student performance at Jackson to the make-up of its student population. That attribution, however, completely ignores the district's contribution: fewer experienced, well-educated and well-paid teachers to the school educating more low-income and minority students. Indeed, the average teacher at Jackson gets paid an estimated \$6,806 less every year than his or her counterparts at Marvin.

What is the significance of that \$6,806? Put it this way: If Jackson spent as much as Marvin on teacher salaries for its 66 teachers, this would increase its school budget by \$450,000 every year (66 x \$6,806 = \$449,196). With \$450,000 in its pocket, Jackson could dramatically improve the quality of teaching in any number of ways. It could attract and retain more highly educated and experienced teachers for the children who need their help the most. It could hire nine additional teachers with five years of experience each. Alternatively, Jackson could pay for incentives and rich, discipline-specific professional development and coaching for every one of its existing teachers, with money left to spare.

**Table 4: Average School Gap\* Between Schools in High- and Low-Poverty and Minority Quartiles, by School Type, in 10 Largest Districts**

DISTRICT	Poverty			Minority		
	Elementary	Middle	High School	Elementary	Middle	High School
Elk Grove Unified	36,561	-157,937	325,113	102,762	-319,075	252,503
Fresno Unified	125,881	104,980	85,534	108,113	126,829	125,639
Long Beach Unified	362,683	251,012	574,387	381,587	218,585	289,968
Los Angeles Unified	83,363	175,960	-23,763	112,743	200,178	161,686
Sacramento City Unified	140,144	-39,078	227,073	142,012	89,692	522,459
San Bernardino City Unified	228,668	239,357	463,426	231,464	345,367	382,690
San Diego Unified	139,972	216,460	267,900	223,072	268,907	254,832
San Francisco Unified	43,817	44,905	195,426	86,399	146,006	263,816
San Juan Unified	81,899	202,423	103,330	53,964	150,314	139,570
Santa Ana Unified	120,456	309,381	-215,960	84,678	175,133	64,291

\* Average salary gaps reflect the actual estimated average school salaries in each district and number of FTE's in each school. See Technical Appendix for more detail.

## Where Do We Go From Here?

### **Recommendation I: Lift the Veil on Teacher Salary Expenditures**

The way school expenditures are reported today—averaging teacher salaries across the district in per-pupil calculations rather than reporting actual salaries per school—masks huge inequities in dollars spent on teaching in California’s poorest and highest-minority schools.

California should make school-level teacher salary data publicly available. While maintaining privacy for individual teachers, districts should reveal what they are actually paying the teaching staff in each of their schools. This level of transparency is critical if we are to analyze and develop sound education policy and budgetary decisions that will help level the playing field for all students.

In this report, we produced the best estimates of intra-district funding gaps given the publicly available data on 2003-2004 salary schedules and teacher qualifications. We had the opportunity to “test” our estimates with actual teacher salary expenditures in two urban school districts. Our results were strikingly similar. However, actual figures would give Californians the most accurate portrait of spending in each district with the least amount of guess work and estimates. The methodology required to produce this report only underscores the need for districts to

produce the real school-level teacher salary data to help policy-makers, district leaders, parents and advocates accurately assess the budget realities, and discrepancies, in school districts.

### **Recommendation II: Analyze the Factors that Contribute to the Teacher Spending Gap**

Once we have access to the actual teaching budgets at individual schools within districts, the next step is to understand what factors contribute to—and perpetuate—inequities between high- and low-poverty and high- and low-minority schools. What role does the single salary schedule play? How do teacher contract provisions affect low-income students and students of color? What other personnel and budgeting practices contribute to the gaps that separate low-income students and students of color from their peers? What do we need to change? When we have a clear analysis of these factors, we will have the foundation on which to develop the policies and practices necessary to close the spending gap.

### **Recommendation III: Close the Teacher Spending and Quality Gap**

Once we know and can monitor the size of the teacher salary expenditure gap within California’s school districts based on a thorough analysis of the problem, we must act to close it. The No Child Left Behind Act pushes states to do this. The law requires states to ensure that poor and minority children are no longer

## We Need to Know More

While data about teacher credentials, education, experience—and, now, salaries—are important to paint a picture of teacher quality in California, they are only proxies for what is really important. Ultimately, we need more sophisticated ways to evaluate how effective teachers are at helping students improve during any given school year. We also need to better evaluate and understand the characteristics of the teachers who produce the greatest gains with students year after year.

If we are serious about raising achievement and closing gaps, we need a data system that allows us to better understand the problem and, most importantly, to identify and inform the solutions. For starters, we need to identify our most effective teachers and where they are teaching. Such a system, often referred to as a “value-added” system, examines the growth of students over each year while adjusting for students’ prior performance (thereby isolating the “value added” by the teacher and school). Value-added methodology

can provide a more accurate measure of teacher impact on student achievement than the traditional proxies of certification status, years of experience or college major.\* With a proper data system in California, the most effective teachers could be identified and paired with the students in most need—and teachers who need professional development and other collegial help can get it.

Building a data system that could generate value-added evaluations of teacher effectiveness is a crucial component of long-term efforts to improve education in California.

In the meantime, we need to act on the information we have to ensure a more fair distribution of teacher talent. It’s no coincidence that students from low-income families and students of color have more of our under-prepared, lowest-paid, least experienced teachers.

\* For more information, see *The Real Value of Teachers*, The Education Trust, Thinking K-16, Winter 2004.

short changed in the distribution of teacher talent and to report publicly their progress toward meeting that goal.<sup>4</sup>

California is a long way from a fair distribution of teacher talent. It’s not even clear whether the state has developed a comprehensive plan to do something about it. We need to get a planning process going—now.

There are, of course, a range of strategies that might be useful in achieving a fair distribution of teacher talent. Some can help increase the buying power of low-income schools and break up the monopoly of schools that have historically had access to the best teachers. Among these are providing all schools with teacher salary budgets proportionate to their size and using ‘weighted student formulas’, whereby schools are budgeted teacher salary dollars based on the individual needs of students at a given school.

Other strategies might call for a systematic departure from the single salary schedule. This would involve paying teachers more for taking on more challenges, or reducing the level of challenge in high-poverty schools by reducing student-teacher ratios and providing additional supports for teachers and students. By introducing value-added systems to measure actual teacher impact, California could start down the path to actually paying good teachers what they are truly worth, especially if these teachers willingly take on the state’s most critical challenges. Developing stronger leaders for high-poverty schools is also

important because even the most selfless teachers are reluctant to work for ineffective leaders.

There is no single recipe. What's important is that we try a range of strategies until something works. California's children—all of them—deserve no less.

## Conclusion

Despite consensus that California needs to do more to close student achievement gaps, the reality does not match the rhetoric when it comes to teacher quality, the single largest contributor to student success. Even within the very same school district, we spend significantly less on teachers in the highest-poverty and highest-minority schools than we do in the wealthiest and whitest schools.

When we know that quality teaching is the most critical means by which to close achievement gaps, it flies in the face of reason to spend more money teaching affluent students than poor and minority students. If we are truly committed to providing equitable access to quality education for all students, then these funding gaps are not only illogical, but morally wrong. Yet our investigation shows that this is exactly what California's school districts are doing.

It is time to lift the veil on disparities in spending on

teaching within districts, and affirm that all California school children have an equal claim on quality teaching. Acknowledging funding gaps within districts driven by teacher salary dollars is a good start. The next step is to understand why those gaps exist and then act to close them.

What we don't know *can* hurt us. Let's lift the veil, and reveal the stark realities facing California's neediest students. Then maybe we will actually do something about it.

*For more information, visit [www.HiddenGap.org](http://www.HiddenGap.org)*

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## Endnotes

<sup>1</sup> The calculations of inter-district gaps referred to in this section are based on 2001-02 data, the most recent year for which the data is available. These figures account for local cost differences and include a 40% adjustment for the cost of educating low-income students. The net effect of these adjustments is to increase the size of the calculated funding gap, but the measure itself is widely considered more appropriate. See *The Funding Gap 2004*, <http://www2.edtrust.org/EdTrust/Press+Room/funding+gap+2004.htm>.

<sup>2</sup> Esch, C.E., Change-Ross, C.M., Tiffany-Morales, J., & Shields, P.M. *California's teaching force 2004: Key issues and trends*. Santa Cruz, CA: The Center for the Future of Teaching and Learning, 2004.

<sup>3</sup> Marguerite Roza and Paul Hill, *How Within-District Spending Inequities Help Some Schools to Fail*, Center on Reinventing Public Education, University of Washington, May 2003.

<sup>4</sup> 20 USC § 6311(b)(8)(C).



## About the Education Trust-West

The Education Trust—West is the West Coast presence of the national policy organization the Education Trust. We work for the high academic achievement of all students at all levels, kindergarten through college. While we know that all schools and colleges could better serve their students, we concentrate on the institutions most often left behind—those serving low-income, Latino, African American or Native American students. The Education Trust—West works alongside policymakers, parents, education professionals and business and community leaders, in cities and towns throughout California, who are trying to transform their schools and colleges into institutions that genuinely serve all students.



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