

TRUTH ON TEACHER SHORTAGE

Recruitment and retention a challenge, not a crisis

Summary: A recent report published by the NC Center for Public Policy Research concludes that North Carolina is facing a crisis in teacher recruitment and retention. But neither the data on projected student enrollment growth nor teacher retention rates justify such a harsh assessment. Clearly teacher recruitment and retention is a challenge that will always have to be met. The best approach is to reward those teachers who best foster achievement and to differentiate salaries among teachers according to supply and demand conditions in different disciplines.

Is North Carolina facing a crisis in its classrooms? According to an August 2004 report released by the North Carolina Center For Public Policy Research, state officials must take action immediately if they hope to avert a critical teacher shortage and stem the flow of teachers out of North Carolina classrooms. As causes of the shortage, the report cites poor teacher retention, insufficient numbers of teachers in training programs, Gov. Mike Easley's class size reduction initiative, and the "highly qualified teacher" mandate of the federal No Child Left Behind law.¹

Enrollment and population trends

What the center's new study does not take into account are projections of a decrease in the school-age population in North Carolina by 2013. The National Center for Education Statistics predicts a modest 0.9 percent drop in K-12 enrollment from 2001 to 2013 (see fig. 1).² Easley's suggestion that North Carolina schools will experience "exponential growth" is so far unsupported by the official national data.³ In addition, North Carolina's own demographic projections show a marked shift toward older residents and retirees throughout the 2010-to-2030 period.⁴

Of interest here is the fact that county-level estimates show that some districts will experience growing school enrollments while others are likely to shrink. This will complicate the problem of resource allocation among school districts.⁵

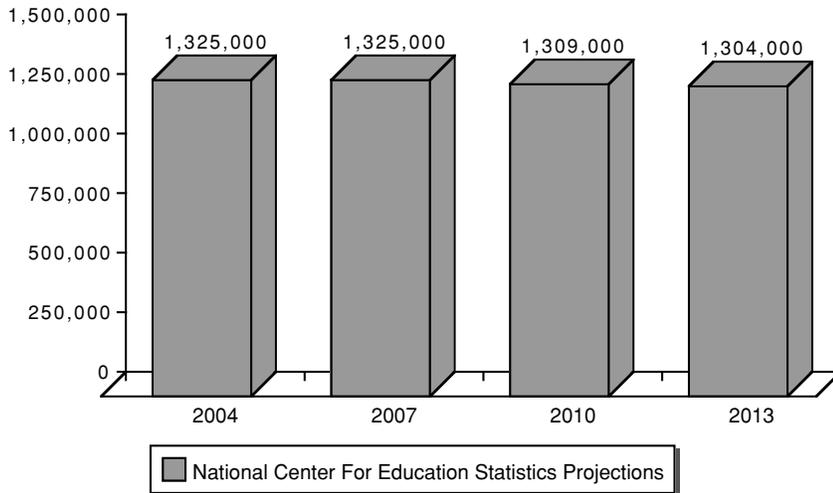
A leveling, or a gradual decline, in enrollment may be good news for some districts like Wake or Mecklenburg, where strained taxpayers and school budgets could get a

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Figure 1: Projected NC Public School Enrollment: 2004-2013



welcome break from continuous building and recruitment demands. But even if districts that contain urban centers continue to grow, lowered demands elsewhere in the state may relieve some of the competition for budget dollars and staff. On a related note, districts that have considered space-saving strategies, such as converting traditional-calendar schools to mandatory year-round operation, may need fewer such conversions. They might also consider making year-round conversions only temporary.⁶

The fact that North Carolina is *not* facing a crisis doesn't mean that more teachers won't need to be hired. Education policy changes in the state will create a need for more teachers. Easley's plan to lower the student/teacher ratio in the lower grades adds to existing demand. The number of

teachers needed to staff classrooms will rise further if class-size reductions include additional grade levels, or if the recently announced proposal to lower the student-teacher ratio below the original 18-to-1 benchmark is adopted.⁷

Finally, the requirement that all teachers must be "highly qualified" by 2006-07, as defined by the federal No Child Left Behind law, makes it more difficult to obtain qualified teachers, both now and into the future. The "highly qualified" provision imposes strict state certification requirements on existing and new teachers, and includes certification requirements for teachers entering laterally from non-teaching careers.⁸

Teacher turnover, no new insights

The NC Center report highlights counties with relatively high five-year averages for teacher turnover, but these averages do not give an accurate view of the problem. Year-to-year data reveal that district turnover rates are highly variable. According to a 2003 report by NC Department of Public Instruction, of the seven counties that experienced more than 20 percent teacher turnover in the 2001-02 school year, only Hoke repeated that high rate in 2002-03⁹ (see figures 2 and 3). Likewise, counties with the lowest five-year average turnover rates often have relatively high rates in specific years. Before using teacher turnover rates as a guideline for allocation of funds or other changes, the state would be wise to study the annual record for each county, not just the multi-year averages, to determine if the problem is persistent.

In September 2002, the North Carolina Department of Public Instruction released a news bulletin celebrating the 2001-02 teacher turnover rate — the lowest since the 1997-98 school year. In 2001-02, the turnover rate had dropped to 12.5 percent, down from 14 percent the previous year. The Department of Public Instruction and the Easley administration went on record calling this a "positive sign" in the effort to "retain high quality teachers in the classroom."¹⁰

This rate has continued to decline. In 2002-2003 it fell to 12.4 percent, down about 1.5 percentage points from the 2000-01 high. This consistent trend seems to undermine the center's assessment that new alarm bells should be sounded over a teacher retention crisis (see figure 4).

Figure 2: Systems With Turnover Above 20 Percent: 2001-02

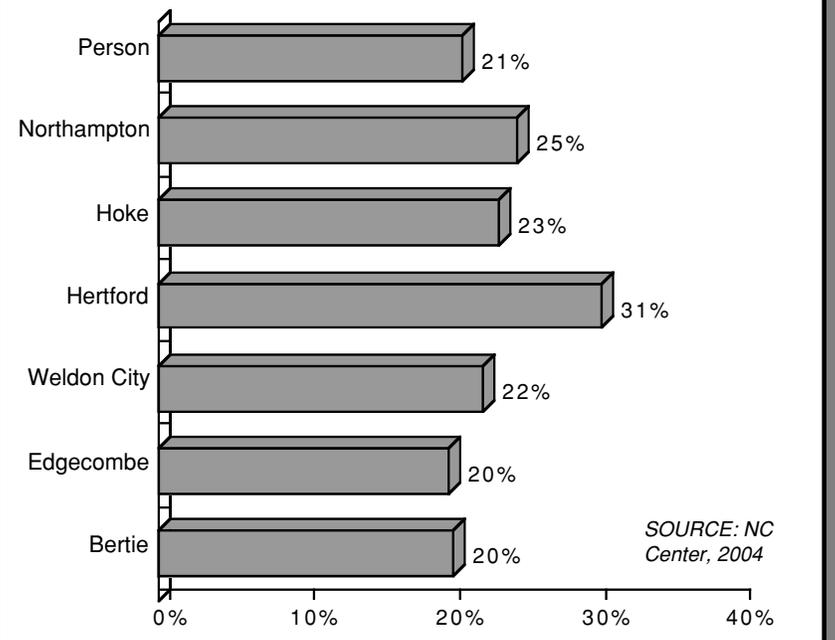
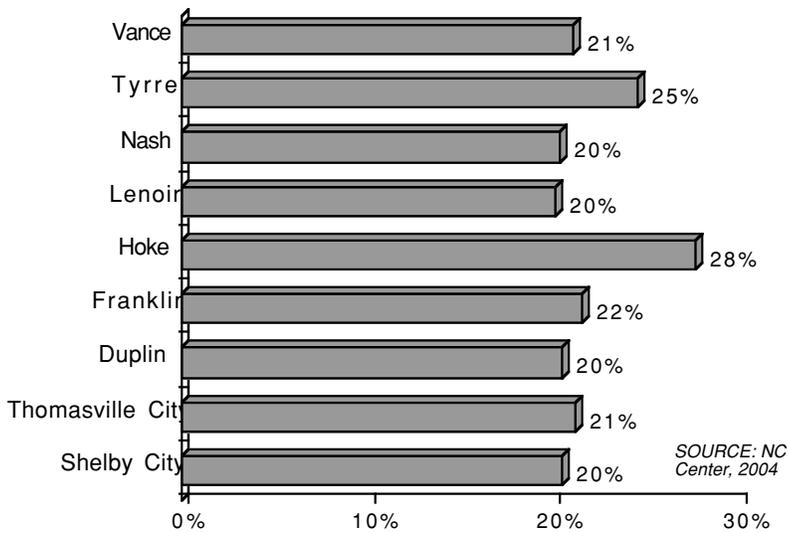


Figure 3: Systems With Turnover Above 20 Percent: 2002-03



Teacher shortages: let the market work

Strictly speaking, shortages in any market, including the market for teacher services, can only occur when the offer price — in this case teacher salaries — is too low to attract takers. As studies show, North Carolina's teacher pay, properly calculated, is already above the national average.¹¹ But focusing on averages distracts attention from what could be the real problem: the inability to structure salaries according to labor-market conditions.

North Carolina does not differentiate pay by subject or individual performance. Because of this, it is possible that teachers in fields such as mathematics, the sciences, and special education could still be underpaid due to relatively more lucrative opportunities they face outside of teaching. Higher education has long recognized that subject areas with a glut of profes-

sors pay less well than those in which qualified candidates are few. One strategy that has not worked is raising pay for all teachers, in a lock-step "credentials-and-seniority-based" system where all employees with the same credentials and number of years on the job can expect the same pay. This approach is bound to fail as it ignores true market conditions.

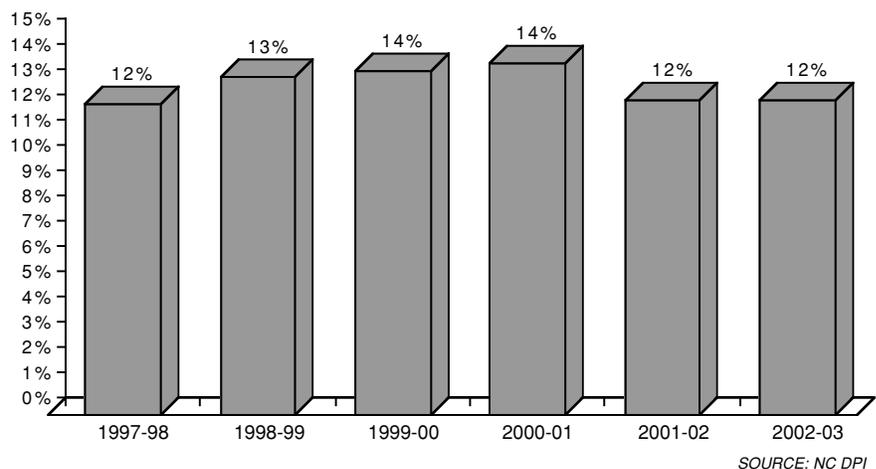
Across-the-board pay raises also have a perverse effect on the teacher employment market. Faced with rising pay, the lowest-quality teachers find that their opportunities elsewhere, at comparable pay, are worse than before. They have a strong incentive to remain in their present positions. As long as schools do not measure teacher performance in terms of student achievement gains, there is little incentive to improve actual teaching performance. Even No Child Left Behind (NCLB), which adds an "adequate yearly progress" requirement to the mix, may not create an incentive for poorer teachers to strive for quality improvements. No Child Left Behind is an all-or-nothing measure. If a child fails to meet the standard, an entire category and school may fail the federal benchmark. But assigning credit or blame to particular teachers is tricky, especially if the child receives instruction from more than one source, or fits into more than one subgroup under the federal standard. Without a productivity measure for each individual teacher, NCLB offers little opportunity to gather useful information.

The No Child Left Behind accountability system, which measures student achievement but not teacher performance, has had some predictable effects on the focus of teacher effort, however. Under No Child Left Behind, students who are "on the cusp" of expected yearly progress — whether just below or just above — command the lion's share of teachers' attention. This is so because students with skill levels very close to the achievement benchmark can literally make or break a school's standing within the federal accountability system. Students who are very far below or well above the achievement standard are unlikely to change overall school performance, thus they receive less instructional effort. If the objective is to maximize achievement for all students, No Child Left Behind misses that goal. Early evidence from North Carolina schools seems to confirm these predictions. Significant achievement gains have not been seen among high-achieving students.¹²

Conclusion

The data do not suggest that there is a teacher crisis in North Carolina. It also appears that the Easley administration has come to the same conclusion. By the fall of 2002 Gov. Mike Easley and members of the Education Cabinet had already reviewed most of the data, including teacher retention data, used by the NC Center report. No alarm bells were sounded.

Figure 4: Annual Turnover Rates for NC Teachers, 1997-2003



Clamor about an emergency situation regarding schools and teaching staff in North Carolina makes good media and political fodder, not necessarily a good guide to policy. If the crux of the teacher crisis is “exponential growth” in the school-age population, there is little evidence to support this claim. The short-term “bubble” in current school enrollment is predicted to end in two years, according to the National Center For Education Statistics, with an overall decline by 2013.¹³

Ultimately, policymakers will have to decide which of the competing needs in education will command our scarce dollars. Finding and keeping quality teachers in North Carolina are legitimate issues that need to be addressed. But the problems in this area do not rise to a level that can legitimately be called a crisis. The policy response to this challenge should be carefully measured and should take into account economic realities. Policymakers should remove the existing barriers to teacher evaluation, performance-based and subject-based pay, teacher assignment, lateral entry, and other significant disincentives that dissuade the best teacher candidates from entering or remaining in public schools.

— Dr. Karen Palasek, Economist and Policy Analyst, John Locke Foundation

Notes

1. Dana Damico, “The Shortage of Teachers in North Carolina: Can We Attract and Retain Enough?” in *North Carolina Insight* 21, no. 3 (August 2004): 2-28.
2. Debra E. Gerald and William J. Hussar, “Projections of Education Statistics to 2013,” National Center For Education Statistics, Thirty-second Edition, October 2003, NCES 2004-013, www.edpubs.org.
3. U.S. Census Bureau, NPG “State Facts for North Carolina,” www.npg.org/states/nc.htm.
4. North Carolina State Demographics, www.demog.state.nc.us/demog/grow1020.html, www.demog.state.nc.us/demog/grow2030.html, and www.demog.state.nc.us/demog/grow0010.html.
5. *Ibid.*
6. T. Keung Hui, “Wake OKs temporary schools,” *Raleigh News & Observer*, October 5, 2004.
7. Anna Griffith, “Education: Goals same, paths differ,” *The Charlotte Observer*, October 3, 2004.
8. U.S. Department of Education, “Highly Qualified Teachers Fact Sheet,” www.ed.gov/nclb/methods/teachers/hqtflexibility.html.
9. Public Schools of North Carolina, Department of Public Instruction, Division of Human Resource Management, “System Level Teacher Turnover Report 2002-2003,” October 2003, <http://64.233.161.104/search?q=cache:oQ5KMr-Pufsf:www.ncpublicschools.org/recruit/Teacher%2520Turnover%25202002-03%2520.doc+%22teacher+turnover+report%22+2002-2003&hl=en&ie=UTF-8>.
10. North Carolina Department of Public Instruction, press release, “North Carolina’s Teacher Turnover Rate Declines,” September 12, 2002, www.ncpublicschools.org/news/02-03/091202.html.
11. American Legislative Exchange Council, *2004 Report Card on American Education*, “Public Education Initiatives to Improve Student Achievement Earn ‘Incomplete,’” www.alec.org/viewpage.cfm?pgname=3.1197.
12. T. Keung Hui, “Good students need a push, too,” *Raleigh News & Observer*, August 8, 2004. See also Karen Palasek, “Letting the Education Data Speak,” *Carolina Journal*, May 13, 2003, www.carolinajournal.com/articles/display_story.html?id=405.
13. We note that enrollment estimates made by the state for years 2010-2030 are far higher — perhaps extrapolating from the extremely short-term trend — than school-age estimates that either the NCES or the Census Bureau/Centers for Disease Control data would support. The state’s estimates are clearly out of step with the general consensus. See Op. cit., note 4.