

**Reasons for Nonparticipation in  
the Minimum Teacher Salary Program**

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## REASONS FOR NONPARTICIPATION IN THE MINIMUM TEACHER SALARY PROGRAM

### Executive Summary

This study of participation in the Minimum Teacher Salary provision of S.B. 813 was undertaken by PACE in response to concerns that districts were not taking advantage of the act. The Legislative Analyst in the Analysis of the Budget Bill has consistently reported underusage of funds appropriated for this measure. For example, under S.B. 813 approximately \$12.3 million was appropriated for 1983-84 costs. Only \$2.9 million was claimed. In 1984-85 \$24.8 million was appropriated, yet a survey conducted by the Legislative Analyst's Office indicated that claims would total only \$6.5 million. A number of reasons for this failure to implement the program had been suggested, but no one knew the facts. This study reports results received from 48 districts in the state, containing more than a fourth of the state's students.

The concern about underparticipation may be unfounded, according to our data. A large percentage of districts will be participating by 1985-86, and those districts which do not intend to participate have good reasons: their beginning salary schedule is already above \$18,000 or they have few or no teachers at the levels affected.

Associated findings include: a greater percentage of large districts participate in the program than small and medium sized districts; suburban districts tend to be involved at lower rates than other types of districts; and participation appears to be increasing rapidly in rural areas. The mean salary prior to 1983-84 implementation was \$14,905 indicating a potential mean beginning salary for those districts taking advantage of the program in all three years of well over \$19,000 by 1985-86.

## ***Introduction: Responding to a Teacher Shortage***

Among California's school reform efforts is a growing emphasis on teacher supply and quality. Recognition early in the 1980s of declining achievement scores, coupled with projected mid-decade increases in elementary school enrollments statewide, has resulted in substantial attention by the legislature, state superintendent, and private groups, such as the California Commission on the Teaching Profession, to recruiting able men and women into teaching.

In 1983 when Senate Bill 813 was developed, the estimated need for additional elementary and secondary teachers by 1990 ranged from 90,000 to 190,000. A more recent study (Cagampang and others, 1985) estimates the demand for teachers through 1990 at 85,000. Even at this lower figure, however, the requirement for qualified teachers is extreme. Along with the expected demand, Cagampang and others projected the supply of new teachers at 56,000, leaving a teacher shortage in California of 29,000. If, in addition, the pupil-teacher ratio in California is reduced to 20-1, no emergency credentials are issued, and teachers are assigned only within their areas of expertise--proposals consistent with ideas of excellence--then the demand for teachers in California increases to 144,600, the projected supply remains 56,000, and the shortage grows to 88,600 in five years (Cagampang and others, 1985).

Responding to California's estimated need for additional teachers and to the desire for recruiting and retaining high quality professionals, the California legislature included incentives in Senate Bill 813 for school districts to raise entry level teacher salaries. Agreement developed among policy makers that an efficient way to encourage qualified people to enter the teaching profession was to raise entry level salaries. Beginning salaries were thought to be out of line with both private industry and national starting salaries. As a result, an attempt was made to ensure that entry level salaries were considered separately from the rest of the salary scale.

### ***The Minimum Salary Provision in SB 813***

The resulting minimum teacher salary provision in SB 813 (Chapter 498, Section 69) allows school districts to increase entry level teacher salaries by 10 percent per year, up to a maximum of \$18,000 in 1983-84, \$19,084 in 1984-85, and \$20,265 in 1985-86. This is accomplished by increasing the lowest step of the salary scale and then increasing any other cells that fall below this adjusted amount. Funds required for these increases are permanently built into a district's base revenue limit in succeeding years. In addition, SB 813 provides for reimbursement of the costs of increased contributions to the State Teacher's Retirement System that are attributable to minimum salary adjustments. Revenue limit adjustments do not, however, compensate districts for added unemployment insurance or workers' compensation costs associated with salary increases; nor will the state reimburse increments to the salaries of new employees hired at the adjusted levels after the

implementation period. SB 813 also requires districts to certify that adopting an increase in minimum salaries does not require any increase in the salaries of other teachers.

### ***Early Implementation and Speculation Regarding Nonparticipation***

Implementation of the minimum teacher salary provision of SB 813 proceeded less rapidly than expected. While \$12.3 million was appropriated by the legislature in 1983-84, only \$2.9 million was claimed. Concern arose among policy makers that districts were choosing not to take advantage of the measure. The State Department of Education presented the following early participation figures: 318 districts and counties (29% of all districts and counties) representing approximately 68% of the state's total average daily attendance (ADA) in 1983-84, and 376 districts and counties (37% of districts and counties) initially involved in 1984-85.

In the 1985 Analysis of the Budget Bill, the Legislative Analyst (1985) recommended that \$25.4 million proposed for minimum teacher salaries be eliminated because the amount appropriated in 1984 was sufficient to fund not only the 1984-85 year but the upcoming budget year as well. In 1984-85, \$24.8 million was appropriated for minimum teacher salaries. The Legislative Analyst, however, estimated that actual reimbursements claimed would total only \$6.5 million. The resultant savings of approximately \$18.3 million would be more than sufficient to cover the estimated \$8.1 million needed for 1985-86. Table 1 indicates that participation has remained under 50 percent throughout the program's three-year tenure.

Speculation by State Department of Education officials as to possible causes for minimal participation included: (1) lack of understanding of the program and its benefits, (2) problems related to teacher acceptance or to compaction of the salary scale caused by raising low level salaries, (3) suspicion that state funding might be withdrawn, and (4) a complicated claims process. The Legislative Analyst proposed, in addition, that failure to take advantage of the program arose from a belief that (1) compaction of the salary scale would result in pressure to increase all teachers salaries, (2) some districts might not have any entry-level teachers earning below the statutory target, and (3) some districts might not wish to participate because the additional salary costs for future teachers hired on the adjusted scale would not be reimbursed.

Paul Goldfinger (1984) noted other concerns that districts might have with regard to implementation. For example, the cost-of-living adjustment applied to revenue limit funding is based on the statewide average base revenue limit rather than a district's own revenue limit. Thus, districts investing heavily in this program may face a growing local cost unless minimum salary adjustments are subject to their COLA.

Goldfinger also noted that some districts need not participate in all three years in order to reach the \$18,000 limit as adjusted for inflation. These districts can maximize revenues

**Table 1**  
**Statewide Experience with Minimum**  
**Teacher Salary Program,**  
**1983-84 Through 1985-86**

	<u>Dollars Appropriated (millions)</u>	<u>Dollars Claimed (millions)</u>
1983-84	\$12.3	\$2.9
1984-85	\$24.8	\$8.3
1985-86	\$12.4	\$8.4 (initial response)

	<u>Number of Districts and Counties Participating</u>	<u>Percent of Districts and Counties Participating</u>
1983-84	318	29%
1984-85	465	43%
1985-86	378 (initial response)	35%

Source: State Department of Education and California Legislative Analyst

by taking advantage of the program in years in which the largest number of teachers will be affected. By the same token, if districts elect to use the minimum teacher salary program when few teachers are affected and subsequently hire a large number of teachers at these elevated salary levels, costs to the district will exceed the amount added to the base revenue limit.

Finally, as steps and columns of a salary schedule are leveled up to the same salary, districts are likely to experience two problems. First, teachers entering the profession may be dissatisfied when they subsequently receive no recognition in the form of salary increases. Second, it may be difficult to retain competent teachers when they reach the unadjusted portion of the salary scale, at which point salaries are not comparable to private industry.

### *Study Design*

In attempting to establish reasons for nonparticipation in this program, several possibilities were drawn from Goldfinger's list. In addition, other possible causes were included. These were: (1) concern about pressure from teachers' unions for across-the-board salary increases, (2) already elevated salary schedules (in the neighborhood of \$18,000), (3) few or no teachers low enough on the salary scale to qualify, and (4) district assessment that competent teachers are available at present salary levels. (For a complete list of reasons, see Table 2.)

Questionnaires were sent to 58 randomly selected California school districts and to the state's twelve largest school districts. In addition, three districts were surveyed to pilot the questionnaire. Of these 73 districts, 48 replied, a response rate of 66 percent. Because most of the larger districts participated, approximately 33% of state student enrollment is represented.

Respondents were asked to provide information regarding salary level at the lowest step prior to applying the minimum teacher salary adjustment, number of employees affected, and additional revenues generated by 1983-84 involvement. Information was also requested concerning district size (under 1000 students, 1000 to 10,000 students, or over 10,000 students), location (rural, suburban, urban), and type (elementary, high school, unified).

## *Participation by District Size, Location, and Type*

Of those districts responding, 60 percent stated they had taken part in the program for the school year 1983-84.<sup>1</sup> However, 71 percent said they would participate in 1984-85 and/or 1985-86.<sup>2</sup> When responses are categorized according to size, type, and location<sup>3</sup> of district, several interesting patterns emerge.

*Large districts participated in 1983-84 at a much higher rate than medium and small districts.* As Figure 1 shows, the rate of participation for large districts was high in 1983-84 and increased subsequently. Small and medium sized districts combined participated at a 44% rate which is estimated to rise to 59%. The lower rate of representation for small districts seems to be largely due (60% of negative responses of smaller districts) to already elevated lowest steps on the salary scale or to a lack of teachers falling low enough on the scale to generate additional funding. *Large urban* districts in our sample indicated 100% participation in 1983-84.

*Suburban districts tended to participate at lower than expected rates.* Only 48% of suburban districts (Figure 2) in the sample reported that they utilized the program in the first year, and only 58% stated that they intended to do so in the future. Again, responses indicate that few or no teachers on the lowest salary step is a major reason (36% of negative responses). Concern that a rise in minimum salaries will generate pressure from teachers' unions for across-the-board increases is another motivation cited by a number of suburban districts.

*High school districts participated at substantially lower rates than either elementary or unified districts.* By 1985-86, however, high school involvement is indicated to rise to approximately the same level as elementary districts (Figure 3). Only eight high school districts were sampled, however. This factor, coupled with no clear pattern of reasons for lack of involvement, may merely indicate insufficient data.

*Rural districts are rapidly increasing their participation.* Participation also appears to be increasing disproportionately in rural areas, jumping from 69% in 1983-84 to an estimated

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<sup>1</sup> Apparently this sometimes indicated only a commitment to do so. Two districts had no teachers affected and one district had such a high starting salary that only \$35 in additional revenues were generated.

<sup>2</sup> This rate of participation is substantially higher than that reported by the State Department of Education, possibly due to the presence in our sample of a greater percentage of large districts, which participated at a much higher rate than medium and small districts

<sup>3</sup> Determinations of whether districts were rural, suburban, or urban were made by the districts themselves.

**Figure 1**

**Percent of Sample School Districts Participating  
in Minimum Teacher Salary Program,  
by Size and Year**

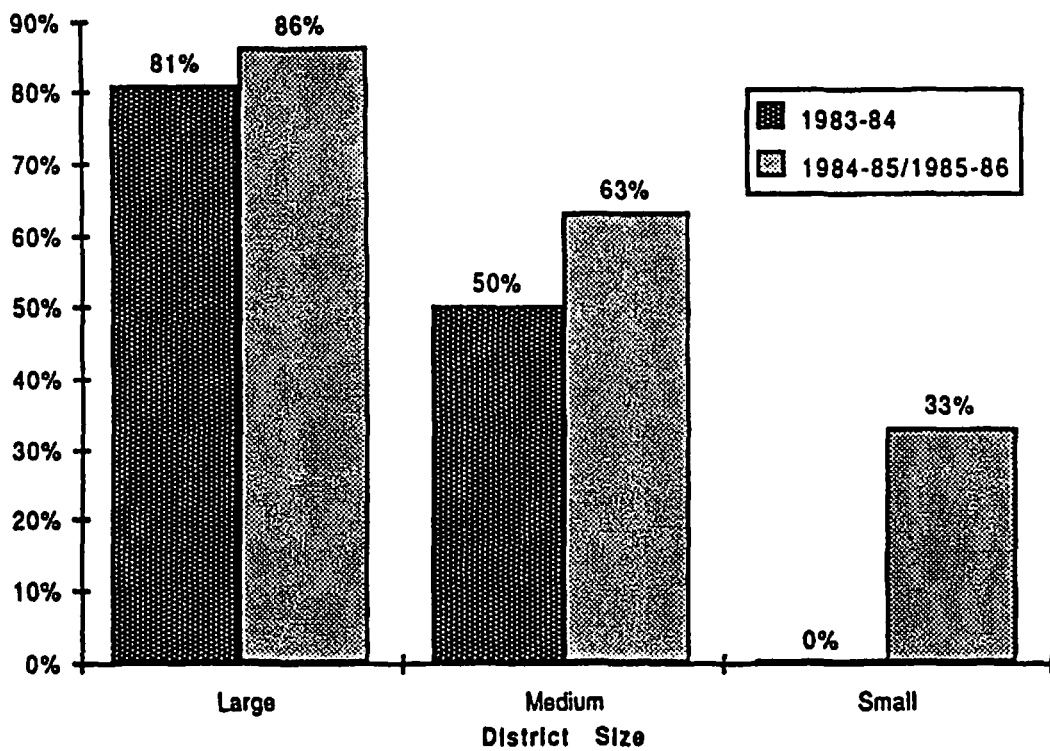
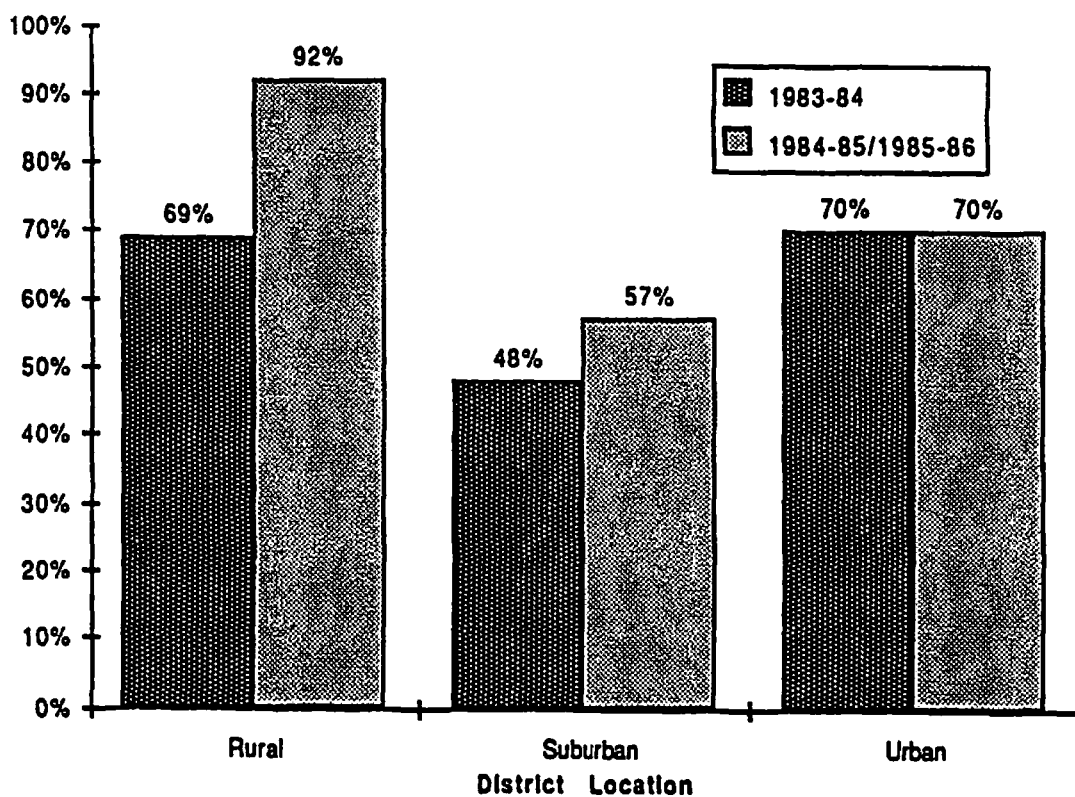




Figure 2

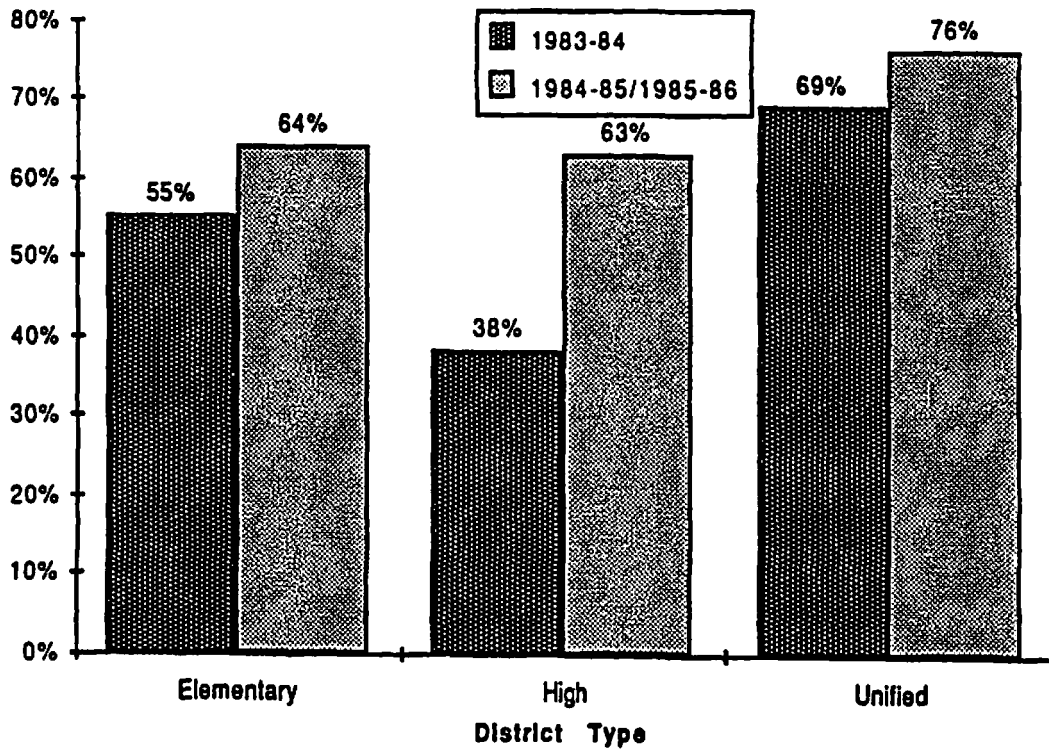
Percent of Sample School Districts Participating  
in Minimum Teacher Salary Program,  
by Location† and Year



† Determinations of whether districts were rural, suburban, or urban were made by the districts themselves.

Figure 3

Percent of Sample School Districts Participating  
in Minimum Teacher Salary Program,  
by Type and Year



**Table 2**

**Major Stated Reasons for Nonparticipation**

<u>Reason</u>	<u>1983-84</u>	<u>1984-85</u>
1. The legislature has failed to provide for cost-of-living adjustments for monies added to the revenue limit by this measure.	-0-	-0-
2. The existing lowest step on the salary scale is either above \$18,000 or is so high that we would gain little by participating.	10.5%	25.0%
3. Full funding will be achieved by involvement for either one or two years. As we will be increasing the number of teachers on the lowest step, we are attempting to maximize our revenue limit increase by participating in a later year.	5.3%	-0-
4. We anticipate hiring many more new teachers in subsequent years whose elevated salary levels will not be covered by present additions to the revenue limit.	7.9%	4.2%
5. We are concerned that compaction of lower level salaries will result in teacher dissatisfaction due to lack of recognition by salary change after the first year.	7.9%	6.9%
6. We feel that increases in minimum salaries will generate pressure from teachers' unions for across-the-board salary increases.	10.5%	2.8%
7. Under this program, salaries will only be attractive for the first few years and it will be difficult to retain competent teachers when they reach the unadjusted portion of the scale.	-0-	-0-
8. We have few or no teachers who would fall low enough on the salary scale to generate added revenues.	36.8%	61.1%
9. We are able to hire very good teachers at present salary levels and would prefer not to participate in this program.	-0-	-0-
10. Other (Three-fourths of these responses related to either a lack of contract openers, or a refusal of either teacher or district negotiators to negotiate on that issue at that time.)	21.1%	-0-

92% in 1984-85. Those electing not to take part are predominantly districts with few or no teachers on the affected levels of the salary scale.

### *Reasons for Nonparticipation*

While reported reasons for overall nonparticipation in 1983-84 are varied, certain factors are clearly *not* important (Table 2). These include: (1) concern about cost-of-living adjustments, (2) attempts to maximize revenues by waiting until a later year, (3) a belief that it will be difficult to retain teachers once they reach the unadjusted portion of the salary scale, and (4) a desire not to participate due to adequacy of hiring at existing rates.

However, for 1984-85 and/or 1985-86, reasons for nonparticipation become *very* clear. Eighty-three percent of those choosing not to take part cited two reasons, sometimes combined: (1) an already elevated lowest step on the salary scale, and, even more commonly, (2) few or no teachers low enough on the salary scale. These two reasons account for 86% of nonparticipation among the districts surveyed. *In other words, the data indicate a high level of involvement in the minimum teacher salary program in the second two years except when it is apparently not applicable to the district's situation.*

The finding that smaller and suburban districts participated minimally, and frequently cited a lack of teachers at low levels of the salary scale, provides some indication that these districts have not yet begun to experience the impact of teacher shortages. Small districts or those with declining enrollment may not have needed to hire teachers over the last few years. Highly desirable districts may attract experienced teachers who would initially be placed above the lowest levels of the salary scale.

### *Gains in Entry Level Salaries, Number of Employees Affected, and Additional Revenues Generated*

The average entry level teacher salary among participating sample districts prior to implementation of the minimum teacher salary program was \$14,905, and beginning salaries ranged from \$12,315 to \$17,960. As a result, the salary level reached after three 10 percent increments to the mean entry level salary would be well over \$19,000 by 1985-86 for districts participating in all three years. In other words, the average entry level teacher salary among participating sample districts increased at least 27% due to participation in this program.

In addition, minimum teacher salary program affected an average of 9.5 teachers among participating sample districts and generated an average of \$12,670 in additional revenues. The number of teachers affected in these districts ranged from 1 to 867, and the additional revenues generated ranged from \$35 to 756,000.

In summary, participation in the minimum teacher salary provision of SB 813 has been substantial for large and urban districts. The percentage of rural districts using the program is growing rapidly. Those districts not taking part, largely small or middle-sized or suburban districts, cite already elevated salaries or, more frequently, few or no teachers on the lowest rungs of the salary schedule.

Apparently, districts which have had an opportunity to make use of the minimum salary provision have done so. Districts which have not yet experienced problems related to teacher shortages have not been able to take advantage of the program. Continuation of this provision over a period of years will enable some of these districts to participate as they begin to experience an increased need for teachers.

## ***References***

Cagampang, Helen, Walter I. Garms, Todd Greenspan, and James W. Guthrie. (September 1985) Teacher Supply and Demand in California: Is the Reserve Pool A Realistic Source of Supply? Paper prepared for the California Commission on the Teaching Profession.

Goldfinger, Paul. (1984) Reforms, Revenues, and Revenue Limits. Sacramento, CA: School Services of California, Inc.