



March 23, 2017

The Honorable Senator McGuire
Chair, Senate Governance and Finance
State Capitol, Room 408
Sacramento, California 95814

RE: SB 807 (Stern and Galgiani) – SPONSORSHIP and SUPPORT

Dear Chair McGuire,

On behalf of EdVoice, I write to express support for Senate Bill 807, the Teacher Recruitment and Retention Act of 2017. We are the proud sponsor to this bill, which recognizes the significance of teachers' contribution to the children and the people of the State of California. Specifically, SB 807 structurally addresses the current and growing shortage of teachers across the state by providing tax credits in the first five years to help new teachers complete required training to remain in the classroom, and incentivizing effective teachers to stay or return to the classroom by exempting teaching income from state income tax for fully credentialed teachers who teach beyond five years.

Shockingly, according to the California Commission on Teacher Credentialing, 6,138 teachers are currently in California classrooms in the 2016-17 school year with no sure qualification other than a fingerprint background check. This means 155,000 students are in classrooms without evidence of the adult being trained as a teacher. And research finds the impact disproportionately affects students in schools in high poverty and high minority communities. **Filling these vacancies alone would boost lifetime student economic gains by \$270 million for every student cohort taught instead by effective teachers.**

SB 807 is an economic development approach designed to attract and retain well-prepared teachers in California public schools. The foundation of California's growth and economic survival is dependent upon a stable, broad-based, talented teaching workforce. Teachers are the jobs and economic engine of the state. Without great teachers, California would not have great nurses, doctors, engineers, computer programmers, artists or musicians.

Benefits include increases in teacher take home pay to make a bold and immediate investment in California's 300,000 teachers as a loud and clear message that teachers are valued. This can be done without creating a new program or state bureaucracy. **Benefits in years 1-5 help offset costs of required on-the-job training for the clear credential. Every veteran teacher would receive the equivalent of a 4% to 6% salary increase as annual incentive to stay in the classroom.**

Providing relief from student loan debt and fees for required job training, and encouraging existing teachers to stay or return to the classroom with income tax relief will go a long way to alleviate the teacher shortage crisis. SB 807 decreases administrative burden to districts across the state addressing the challenges and costly burden of teacher turnover. Districts incur significant administrative costs associated with teacher recruiting, hiring and training. Whether a small one classroom district or others with enrollment in the hundreds of thousands—there are over 1,000 urban, suburban and rural districts—California schools spend millions of dollars on turnover annually. Even a 50% decrease in annual turnover would save public school districts in California \$123.5 million annually.

Fully qualified teachers in more classrooms will not only improve educational outcomes leading to long-term economic benefits to students, and societal savings from increased educational attainment. Great teachers in every classroom lead to significant cost avoidance. Reductions in California incarceration rates would save millions of dollars (prison bed = \$71,000); and lower dependency, health, and lost tax revenue from lower teenage pregnancy rates would save millions more.

With respect to any potential effect on Proposition 98, it is important to note this proposal would have no effect on the long-term trend line of Proposition 98 under Test 2. Any dip, if it were ever to occur would be minor, temporary in nature, and dwarfed in magnitude compared to the actual financial benefit derived by the classroom teachers themselves. Under SB 807, take home pay benefits to teachers would be at least \$600 million on top of Proposition 98 in every year of implementation, and exceed any dip in Proposition 98 in the first year phase-in by five fold, or \$5 for every \$1 temporary dip in the unlikelihood it were to occur. **Accordingly, based on 29 years of history of Proposition 98, funds provided by Proposition 98 plus this benefit to teachers combined would be greater than funds to education and teachers under the minimum Proposition 98 guarantee without this benefit.**

Preliminary estimates project a General Fund effect of \$617.5 million annually. Of this amount, \$9 million is for more affordable teacher training, and \$608.5 million is to provide a tax exemption for classroom teaching income. SB 807 would invest less than ½ of 1.0 percent of the \$122.8 billion state General Fund expenditures in 2017-18.

SB 807 sends a loud and clear message to elevate the teaching profession by investing in well-trained teachers and fills an ongoing critical statewide infrastructure need. Well-trained teachers improve academic outcomes, sustain higher-paying jobs and boost economic growth. SB 807 will help school districts across the state – three-quarters of which report recruiting difficulties – with the challenge of recruiting, hiring and training new teachers. SB 807 will also incentivize veteran teachers to stay in classrooms while encouraging former and out-of-state teachers to return to the teaching profession in California.

We strongly urge your aye vote. If you have any questions, please don't hesitate to contact me.

Sincerely,



Bill Lucia
President, EdVoice

cc: Members of the Senate Governance and Finance Committee
Senator Stern
Senator Galgiani
Assemblymember Limon
Assemblymember Santiago